

Group Consolidated Financial Statements 2025 (IFRS)

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Consolidated statement of income

in EUR million	Notes	1-12 24	1-12 25
Net interest income	2	7,528	7,788
Interest income	2	15,353	13,693
Other similar income	2	3,756	2,914
Interest expenses	2	-7,549	-5,990
Other similar expenses	2	-4,032	-2,829
Net fee and commission income	3	2,938	3,191
Fee and commission income	3	3,454	3,810
Fee and commission expenses	3	-517	-620
Dividend income	4	39	36
Net trading result	5	519	313
Gains/losses from financial instruments measured at fair value through profit or loss	6	-82	107
Net result from equity method investments		27	46
Rental income from investment properties & other operating leases	7	210	179
Personnel expenses	8	-3,202	-3,335
Other administrative expenses	8	-1,529	-1,688
Depreciation and amortisation	8	-547	-560
Gains/losses from derecognition of financial assets measured at amortised cost	9	-90	-49
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	10	-1	9
Impairment result from financial instruments	11	-397	-478
Other operating result	12	-414	-158
Levies on banking activities	12	-245	-372
Pre-tax result from continuing operations		4,997	5,400
Taxes on income	13	-1,053	-1,103
Net result for the period		3,945	4,297
Net result attributable to non-controlling interests		819	788
Net result attributable to owners of the parent		3,125	3,510

Earnings per share

Earnings per share constitute net profit/loss for the year attributable to owners of the parent divided by the average number of ordinary shares outstanding. The average number of outstanding shares is net of the average number of treasury shares, considering the shares buyback in the previous year. Diluted earnings per share represent the maximum potential dilution (through an increase in the average number of shares) that would occur if all subscription and conversion rights granted were exercised. The difference between the weighted average number of outstanding shares and the weighted average diluted number of outstanding shares results from share-based payment transactions with employees. For information on share-based payments please refer to *Note 62 Share-based payments*.

		1-12 24	1-12 25
Net result attributable to owners of the parent	in EUR thousand	3,125,299	3,509,552
Dividend on AT1 capital (after tax effect)	in EUR thousand	-132,593	-138,564
Net result for the period attributable to owners of the parent after deduction of AT1 capital dividend	in EUR thousand	2,992,706	3,370,988
Weighted average undiluted number of outstanding shares		415,854,514	408,949,788
Earnings per share	in EUR	7.20	8.24
Weighted average diluted number of outstanding shares		416,176,925	409,244,552
Diluted earnings per share	in EUR	7.19	8.24

For details regarding the number of outstanding shares please refer to *Note 55 Total equity*.

Consolidated statement of comprehensive income

in EUR million	Notes	1-12 24	1-12 25
Net result for the period		3,945	4,297
Other comprehensive income			
Items that may not be reclassified to profit or loss		-19	25
Remeasurement of defined benefit plans	53	19	41
Fair value reserve of equity instruments	20	7	4
Own credit risk reserve	25	-59	-12
Deferred taxes relating to items that may not be reclassified	13	14	-8
Items that may be reclassified to profit or loss		-139	212
Fair value reserve of debt instruments	19	45	33
Gains/losses during the period		38	53
Reclassification adjustments		10	-19
Credit loss allowances		-2	0
Cash flow hedge reserve	27	29	-7
Gains/losses during the period		76	-64
Reclassification adjustments		-47	57
Currency reserve		-195	194
Gains/losses during the period		-197	260
Net investment hedge gains/losses during the period	27	3	-67
Reclassification adjustments		0	1
Deferred taxes relating to items that may be reclassified	13	-19	-8
Gains/losses during the period		-30	0
Reclassification adjustments		11	-8
Total other comprehensive income		-158	237
Total comprehensive income		3,787	4,535
Total comprehensive income attributable to non-controlling interests		829	813
Total comprehensive income attributable to owners of the parent		2,958	3,721

For a detailed split of income tax items within other comprehensive income please refer to [Note 13 Taxes on income](#).

Consolidated balance sheet

in EUR million	Notes	Dec 24	Dec 25
Assets			
Cash and cash balances	15	25,129	27,573
Financial assets held for trading	21, 22	11,463	9,377
Derivatives	21	1,226	829
Other financial assets held for trading	22	10,236	8,548
Pledged as collateral	29	483	248
Non-trading financial assets at fair value through profit or loss	23	3,040	3,833
Pledged as collateral	29	0	0
Equity instruments	23	464	523
Debt securities	23	1,468	1,786
Loans and advances to customers	23	1,108	1,524
Financial assets at fair value through other comprehensive income	19, 20	9,498	9,181
Pledged as collateral	29	107	275
Equity instruments	20	109	113
Debt securities	19	9,388	9,068
Financial assets at amortised cost	16	288,894	301,707
Pledged as collateral	29	4,066	2,708
Debt securities	16	52,889	58,655
Loans and advances to banks	16	26,972	20,827
Loans and advances to customers	16	209,034	222,225
Finance lease receivables	50	5,248	5,290
Hedge accounting derivatives	27	181	231
Fair value changes of hedged items in portfolio hedge of interest rate risk	27	-19	-64
Property and equipment	47	2,754	2,941
Investment properties	47	1,678	1,913
Intangible assets	48	1,382	1,413
Investments in associates and joint ventures	59	280	465
Current tax assets	13	45	84
Deferred tax assets	13	266	171
Assets held for sale	64	154	211
Trade and other receivables	17	2,677	2,946
Other assets	49	1,066	1,301
Total assets		353,736	368,574

in EUR million	Notes	Dec 24	Dec 25
Liabilities and equity			
Financial liabilities held for trading	21, 24	1,821	2,412
Derivatives	21	1,149	1,092
Other financial liabilities held for trading	24	672	1,321
Financial liabilities at fair value through profit or loss	25	10,281	9,857
Deposits from customers	25	115	174
Debt securities issued	25	10,030	9,268
Other financial liabilities	25	136	415
Financial liabilities at amortised cost	18	305,332	316,168
Deposits from banks	18	21,261	16,919
Deposits from customers	18	241,535	252,817
Debt securities issued	18	41,859	45,604
Other financial liabilities		676	829
Lease liabilities	51	691	721
Hedge accounting derivatives	27	194	170
Provisions	53	1,626	1,416
Current tax liabilities	13	241	323
Deferred tax liabilities	13	31	52
Liabilities associated with assets held for sale	64	93	84
Other liabilities	52	2,658	2,706
Total equity	55	30,767	34,665
Equity attributable to non-controlling interests	55	7,633	8,367
Additional equity instruments	55	2,688	3,479
Equity attributable to owners of the parent	55	20,447	22,819
Subscribed capital	55	821	821
Additional paid-in capital	55	1,516	1,516
Retained earnings and other reserves	55	18,110	20,481
Total liabilities and equity		353,736	368,574

Consolidated statement of changes in equity

in EUR million	Subscribed capital	Additional paid-in capital	Retained earnings	Cash flow hedge reserve	Fair value reserve	Own credit risk reserve	Currency reserve	Remeasurement of defined benefit plans	Equity attributable to owners of the parent	Additional equity instruments	Equity attributable to non-controlling interests	Total equity
As of 01 January 2025	821	1,516	19,517	-6	69	-102	-889	-480	20,447	2,688	7,633	30,767
Changes in treasury shares	0	0	-5	0	0	0	0	0	-5	0	0	-5
Dividends paid	0	0	-1,344	0	0	0	0	0	-1,344	0	-95	-1,439
Capital increase/decrease	0	0	0	0	0	0	0	0	0	792	2	793
Changes in scope of consolidation and ownership interest	0	0	1	0	0	0	0	0	1	0	0	1
Reclassification from other comprehensive income to retained earnings	0	0	-1	0	0	1	0	0	0	0	0	0
Share-based payments	0	0	-2	0	0	0	0	0	-2	0	0	-2
Other changes	0	0	1	0	0	0	0	0	1	0	14	14
Total comprehensive income	0	0	3,510	-5	17	-7	194	13	3,721	0	813	4,535
Net result for the period	0	0	3,510	0	0	0	0	0	3,510	0	788	4,297
Other comprehensive income	0	0	0	-5	17	-7	194	13	212	0	26	237
Change from remeasurement of defined benefit plans	0	0	0	0	0	0	0	13	13	0	18	31
Change in fair value reserve	0	0	0	0	17	0	0	0	17	0	9	27
Change in cash flow hedge reserve	0	0	0	-5	0	0	0	0	-5	0	0	-5
Change in currency reserve	0	0	0	0	0	0	194	0	194	0	0	194
Change in own credit risk reserve	0	0	0	0	0	-7	0	0	-7	0	-2	-9
As of 31 December 2025	821	1,516	21,675	-12	87	-108	-695	-466	22,819	3,479	8,367	34,665

in EUR million	Subscribed capital	Additional paid-in capital	Retained earnings	Cash flow hedge reserve	Fair value reserve	Own credit risk reserve	Currency reserve	Remeasurement of defined benefit plans	Equity attributable to owners of the parent	Additional equity instruments	Equity attributable to non-controlling interests	Total equity
As of 01 January 2024	843	1,494	18,143	-31	51	-69	-694	-495	19,243	2,405	6,853	28,502
Changes in treasury shares	0	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	-1,217	0	0	0	0	0	-1,217	0	-132	-1,348
Capital increase/decrease	-22	22	-507	0	0	0	0	0	-507	283	7	-217
Changes in scope of consolidation and ownership interest	0	0	-31	0	0	0	0	0	-31	0	81	50
Reclassification from other comprehensive income to retained earnings	0	0	2	0	-3	0	0	0	0	0	0	0
Share based payments	0	0	3	0	0	0	0	0	3	0	0	3
Other changes	0	0	-2	0	0	0	0	0	-2	0	-6	-8
Total comprehensive income	0	0	3,125	24	21	-33	-195	15	2,958	0	829	3,787
Net result for the period	0	0	3,125	0	0	0	0	0	3,125	0	819	3,945
Other comprehensive income	0	0	0	24	21	-33	-195	15	-167	0	9	-158
Change from remeasurement of defined benefit plans	0	0	0	0	0	0	0	15	15	0	0	16
Change in fair value reserve	0	0	0	0	21	0	0	0	21	0	16	37
Change in cash flow hedge reserve	0	0	0	24	0	0	0	0	24	0	0	24
Change in currency reserve	0	0	0	0	0	0	-195	0	-195	0	0	-195
Change in own credit risk reserve	0	0	0	0	0	-33	0	0	-33	0	-7	-40
As of 31 December 2024	821	1,516	19,517	-6	69	-102	-889	-480	20,447	2,688	7,633	30,767

Consolidated statement of cash flow

in EUR million	Notes	1-12 24	1-12 25
Net result for the period		3,945	4,297
Non-cash adjustments for items in net profit/loss for the year			
Depreciation, amortisation and net impairment of non-financial assets	47, 48	554	550
Net allocation of credit loss allowances and other provisions	11,12	427	490
Gains/losses from measurement and derecognition of financial assets and financial liabilities	9, 10	-876	1,419
Other adjustments		-43	187
Changes in assets and liabilities from operating activities after adjustment for non-cash components			
Financial assets held for trading	21, 22	-2,641	2,164
Non-trading financial assets at fair value through profit or loss	23		0
Equity instruments	23	-50	-58
Debt securities	23	139	-284
Loans and advances to customers	23	-54	-410
Financial assets at fair value through other comprehensive income: debt securities	19	-581	355
Financial assets at amortised cost	16		
Debt securities	16	-8,925	-5,817
Loans and advances to banks	16	-5,556	6,136
Loans and advances to customers	16	-10,190	-13,741
Finance lease receivables	50	-277	-46
Hedge accounting derivatives - assets	27	26	-56
Other assets from operating activities	17, 49	61	-536
Financial liabilities held for trading	21, 24	542	-920
Financial liabilities at fair value through profit or loss	25	-1,075	-427
Financial liabilities measured at amortised cost	18		
Deposits from banks	18	-1,649	-4,343
Deposits from customers	18	9,313	11,306
Debt securities issued	18	8,529	3,744
Other financial liabilities		-672	153
Hedge accounting derivatives - liabilities	27	-91	-24
Other liabilities from operating activities	52	115	-102
Cash flow from operating activities		-9,029	4,039
Proceeds of disposal			
Financial assets at fair value through other comprehensive income: equity instruments	20	0	3
Investments in associates and joint ventures	59	-21	-28
Property and equipment and intangible assets	47, 48	51	62
Investment properties	47	12	12
Acquisition of			
Property and equipment and intangible assets	47, 48	-746	-753
Investment properties	47	-84	-341
Acquisition of subsidiaries (net of cash and cash equivalents acquired)		-88	-21
Disposal of subsidiaries		28	67
Cash flow from investing activities		-850	-1,000
Capital increase	55	290	1,013
Capital decrease	55	-545	-205
Changes in ownership interests that do not result in a loss of control	55	50	1
Dividends paid to equity holders of the parent	55	-1,217	-1,344
Dividends paid to non-controlling interests	55	-132	-95
Cash flow from financing activities		-1,553	-630
Cash and cash equivalents at the beginning of the period			
	15	36,685	25,129
Cash flow from operating activities		-9,029	4,039
Cash flow from investing activities		-850	-1,000
Cash flow from financing activities		-1,553	-630
Effect of currency translation		-123	34
Cash and cash equivalents at the end of period	15	25,129	27,573
Cash flows related to taxes, interest and dividends (included in cash flow from operating activities)			
		6,423	6,680
Payments for taxes on income	13	-807	-856
Interest received	2	23,003	20,764
Dividends received	4	39	36
Interest paid	2	-15,812	-13,265

Cash and cash equivalents are equal to the amount in the balance sheet line item 'Cash and cash balances'. Within the cash flow from investing activities, the cash inflows and outflows related to equity transactions have been presented separately to enhance transparency.

Notes to the group financial statements of Erste Group

General information

Erste Group Bank AG is Austria's oldest savings bank and listed on the Vienna Stock Exchange. It is also quoted on the Prague Stock Exchange and on the Bucharest Stock Exchange. The registered office of Erste Group Bank AG is located at Am Belvedere 1, 1100 Vienna, Austria.

The group of Erste Group Bank AG (hereinafter referred to as 'Erste Group' or 'Group') offers a complete range of banking and other financial services, such as savings accounts, asset management (including investment funds), consumer credit and mortgage lending, investment banking, securities and derivatives trading, portfolio management, project finance, foreign trade financing, corporate finance, capital market and money market services, foreign exchange trading, leasing and factoring.

In 2025, Erste Group significantly expanded its geographical presence by entering the Polish market through an agreement to acquire a controlling stake in Santander Bank Polska. The acquisition was completed in January 2026. Further information is provided in *Note 57 Scope of consolidation - additions and disposals*.

These consolidated financial statements have been prepared and authorised for issue by the Management Board as at the signing date of this report. Both, the Supervisory Board (12 March 2026) and the annual general meeting (17 April 2026) may amend the individual financial statements of Erste Group Bank AG, which in turn may have an impact on these consolidated financial statements. The consolidated financial statements have not been accepted by the Supervisory Board and the financial statements of Erste Group Bank AG have not been approved by the Supervisory Board at the date of this report. This is also applicable to the majority of the individual financial statements, which are relevant for the calculation of own funds.

Erste Group is subject to the regulatory requirements of Austrian and European supervisory bodies (National Bank, Financial Market Authority, Single Supervisory Mechanism). These regulations include those pertaining to minimum capital adequacy requirements, categorisation of exposures and off-balance sheet commitments, credit risk connected with clients of the Group, market risk (including interest rate and foreign exchange risk) and operational risk.

In addition to the banking entities, some Group companies are subject to regulatory requirements, specifically in relation to asset management.

Material accounting policies

a) Basis of preparation

The consolidated financial statements of Erste Group for the financial year ending on 31 December 2025 and the related comparative information were prepared in compliance with applicable IFRS Accounting Standards as adopted by the European Union on the basis of IAS Regulation (EC) No. 1606/2002. The requirements of Section 59a of the Austrian Banking Act and Section 245a of the Austrian Commercial Code are fulfilled.

The consolidated financial statements have been prepared on a going concern basis.

Erste Group is subject to regulatory restrictions on capital distributions stemming from the EU-wide capital requirements regulations applicable to all credit institutions based in the EU. Erste Group does not have any other significant restrictions on its ability to access or use the assets and settle the liabilities of the Group. Also, the owners of non-controlling interests in Group subsidiaries do not have rights that can restrict the Group's ability to access or use the assets and settle the liabilities of the Group.

Except as otherwise indicated, all amounts are stated in millions of euro. The tables in this report may contain rounding differences. The abbreviations used in the consolidated financial statements of Erste Group are explained in the appendix 'Glossary' at the end of this report.

b) Foreign currency translation

The consolidated financial statements are presented in euro, which is the functional currency of Erste Group Bank AG, the parent company of Erste Group. The functional currency is the currency of the primary business environment in which an entity operates. Each entity in Erste Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

For foreign currency translation, exchange rates quoted by the central banks in each country are used. For Erste Group entities with the euro as functional currency, these are the European Central Bank reference rates.

i. Transactions and balances in foreign currency

Transactions in foreign currencies are initially recorded at the functional currency exchange rate effective as of the date of the transaction. Subsequently, monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate as of the balance sheet date. All resulting exchange differences that arise are recognised in the statement of income under the line item 'Net trading result'. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions, i.e. they do not give rise to exchange differences. Non-monetary items that are measured at fair value (such as equity investments) in a foreign currency are translated using the exchange rates at the date when the fair value is measured, thus the exchange differences are part of the fair value gains or losses.

ii. Translation of the statements of Group companies

Assets and liabilities of foreign operations (foreign subsidiaries and branches) are translated into Erste Group's presentation currency, the euro, at the rate of exchange as of the balance sheet date (closing rate). Their consolidated statement of income and consolidated statement of comprehensive income are translated at the average exchange rate of the respective reporting period calculated on the basis of daily rates. Goodwill, intangible assets and fair value adjustments to the carrying amounts of assets and liabilities recognised on acquisition of foreign subsidiaries are treated as assets and liabilities of the foreign subsidiaries and are translated at the closing rate. However, goodwill of Česká spořitelna a.s. is translated at the historical FX rate as allowed by the transitional provisions in IAS 21.59.

Exchange differences arising on translation are recognised in OCI in the line 'Currency reserve' of the statement of comprehensive income. The accumulated OCI is presented in equity, specifically under 'Currency reserve' in the statement of changes in equity. On disposal of a foreign subsidiary, the cumulative amount of translation differences recognised in other comprehensive income is recognised in the statement of income under the line item 'Other operating result'.

c) Material accounting judgements, assumptions and estimates

The consolidated financial statements contain amounts that have been determined on the basis of judgements and by the use of estimates and assumptions. The estimates and assumptions used are based on historical experience and other factors, such as planning as well as expectations and forecasts of future events that are currently deemed to be reasonable. As a consequence of the uncertainty associated with these assumptions and estimates, actual results could in future periods lead to adjustments in the carrying amounts of the related assets or liabilities. The most significant uses of judgements, assumptions and estimates are described in the notes of the respective assets and liabilities and relate in particular to:

- _ Taxes on income and deferred tax assets (*Note 13 Taxes on income*)
- _ SPPI assessment of financial instruments (*Chapter Financial instruments – Material accounting policies*)
- _ Business model assessment of financial instruments (*Chapter Financial instruments – Material accounting policies*)
- _ Fair value of financial instruments (*Note 26 Fair value of financial instruments*)
- _ Impairment of financial instruments (*Chapter Financial instruments – Material accounting policies, Note 37 Measurement of expected credit losses and Note 40 Scenarios used in forward looking information and crises effects*)
- _ Impairment of non-financial assets (*Chapter Non-current assets and other investments*)
- _ Provisions (*Note 53 Provisions*)
- _ Defined employees benefit plans (*Note 53 Provisions*)
- _ Control of subsidiaries (*Note 58 Subsidiaries*)
- _ Significant influence in associates and joint control in joint ventures (*Note 59 Investments in associates and joint ventures*)
- _ Interest in structured entities (*Note 60 Unconsolidated structured entities*)

d) Application of amended and new IFRS/IAS

The accounting policies adopted are consistent with those used in the previous financial year except for standards and interpretations that became effective for financial years beginning after 1 January 2025. As regards new standards and interpretations and their amendments, only those that are relevant for the business of Erste Group are listed below.

EFFECTIVE STANDARDS AND INTERPRETATIONS

The following amendments of standards have become mandatory for the financial year 2025 and have been endorsed by the EU:

_ Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Application of the amendments in 2025 did not have a significant impact on Erste Group's financial statements.

STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The standards and amendments shown below were issued by the IASB but are not yet effective. All of them have been endorsed by the EU.

IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 was issued in April 2024 and become effective for annual periods beginning on or after 1 January 2027. The standard replaces IAS 1. It sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

Application of IFRS 18 will result in adjustments in the structure of the consolidated statement of income of Erste Group driven by a new mandatory subtotal 'Operating profit or loss'. New disclosures in the area of management-defined performance measures will be provided.

Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments. The amendments to IFRS 7 and IFRS 9 were issued in May 2024 and become effective for annual periods beginning on or after 1 January 2026. Erste Group revised its original intention to early apply these amendments in 2025 and will apply them from 2026.

The amendments to IFRS 9 permit an entity to deem a financial liability that will be settled using an electronic payment system to be discharged before the settlement date. Further, they bring clarifications for classification of financial assets in the areas of contractual terms which are consistent with a basic lending agreement, assets with non-recourse features and contractually linked instruments. The amendments to IFRS 7 bring new disclosure requirements for investment in equity instruments measured at fair value through other comprehensive income and for contractual terms that could change the timing or amount of contractual cash flows.

The amendments to IFRS 9 will result in a different way of SPPI assessment for financial assets whose interest is adjusted based on meeting certain ESG-linked targets by the borrowers. Erste Group will no longer assess them based on whether the effect of the adjustments is de-minimis but whether the adjusted cash flows could be significantly different from the contractual cash flows of a financial asset with identical contractual terms but without such an ESG-linked feature. The new assessment is not expected to change the measurement of the affected financial assets. Other amendments to IFRS 9 are not expected to have a significant impact on Erste Group's financial statements. Erste Group will not make use of the option to deem a financial liability that will be settled using an electronic payment system to be discharged before the settlement date. Amendments to IFRS 7 will result in new disclosures.

Annual Improvements Volume 11. In July 2024 the IASB issued a set of amendments to various standards. The amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 are effective for annual periods beginning on or after 1 January 2026. Application of these amendments is not expected to have a significant impact on Erste Group's financial statements.

Performance / Return

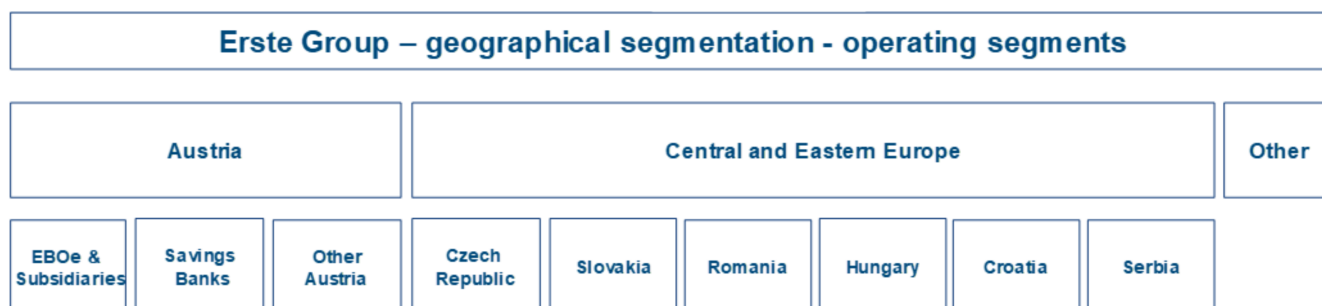
1. Segment reporting

Erste Group's segment reporting is based on IFRS 8 Operating Segments, which adopts the management approach. Accordingly, segment information is prepared on the basis of internal management reporting that is regularly reviewed by the chief operating decision maker to assess the performance of the segments and make decisions regarding the allocation of resources. Within Erste Group the function of the chief operating decision maker is exercised by the Management Board. Erste Group uses a matrix organisational structure with geographical segmentation and business segments. Since the chief operating decision maker performs the steering primarily based on geographical segments, those are defined as operating segments according to IFRS 8. In order to provide more comprehensive information, the performance of the business segments is reported additionally.

Geographical segmentation (operating segments)

For the purpose of segment reporting geographical segments are defined as operating segments, for which the information is presented on the basis of the booking entity's location (not the country of risk). In case of information regarding a partial group, the allocation is based on the location of the respective parent entity according to the local management responsibility.

Geographical areas are defined according to the core markets in which Erste Group operates. Based on the locations of the banking and other financial institution participations, the geographical areas consist of two core markets, Austria and Central and Eastern Europe and a residual segment Other that comprises the remaining business activities of Erste Group outside its core markets as well as the reconciliation to the consolidated accounting result.



The geographical area Austria consists of the following three operating segments:

- The **Erste Bank Oesterreich & Subsidiaries** (EBOe & Subsidiaries) segment comprises Erste Bank der oesterreichischen Sparkassen AG (Erste Bank Oesterreich) and its main subsidiaries (e.g. sBausparkasse, Tiroler Sparkasse, Sparkasse Hainburg). Salzburger Sparkasse was merged with Erste Bank Oesterreich as of 1 August 2025.
- The **Savings banks** segment includes those savings banks which are members of the Haftungsverbund (cross-guarantee system) of the Austrian savings banks sector and in which Erste Group does not hold a majority stake but which are fully controlled according to IFRS 10. The fully or majority owned Erste Bank Oesterreich, Tiroler Sparkasse, and Sparkasse Hainburg are not part of the Savings Banks segment.
- The **Other Austria** segment comprises Erste Group Bank AG (Holding) with its Corporates and Group Markets business, Erste Group Immorent GmbH, Erste Asset Management GmbH and Intermarket Bank AG.

The geographical area Central and Eastern Europe (CEE) consists of six operating segments covering Erste Group's banking subsidiaries located in the respective CEE countries:

- **Czech Republic** (comprising Česká spořitelna Group)
- **Slovakia** (comprising Slovenská sporiteľňa Group)
- **Romania** (comprising Banca Comercială Română Group)
- **Hungary** (comprising Erste Bank Hungary Group)
- **Croatia** (comprising Erste Bank Croatia Group)
- **Serbia** (comprising Erste Bank Serbia Group).

The residual segment **Other** covers mainly centrally managed activities and items that are not directly allocated to other segments. It comprises the corporate center of Erste Group Bank AG (and thus dividends and the refinancing costs from participations, general administrative expenses), internal service providers (facility management, IT, procurement), the banking tax of Erste Group Bank AG as well as free capital of Erste Group (defined as the difference of the total average IFRS equity and the average

economical equity allocated to the segments). Asset/Liability Management of Erste Group Bank AG as well as the reconciliation to the consolidated accounting result (e.g. intragroup eliminations, dividend eliminations) are also part of the segment Other. Intragroup eliminations are equal to the Intragroup eliminations shown in the business segmentation view (see the table 'Business segments (2)').

Business segmentation

Apart from geographical segments, which are Erste Group's operating segments, business segments are reported as well.



Retail. The Retail segment comprises the business with private individuals, micros and free professionals within the responsibility of account managers in the retail network. This business is operated by the local banks in cooperation with their subsidiaries such as leasing and asset management companies with a focus on simple products ranging from mortgage and consumer loans, investment products, current accounts, savings products to credit cards and cross selling products such as leasing, insurance and building society products.

Corporates. The Corporates segment comprises business done with corporate customers of different turnover size (small and medium-sized enterprises and Large Corporate customers) as well as commercial real estate and public sector business.

Group Markets. The Group Markets (GM) segment comprises trading and markets services as well as customer business with financial institutions. It includes all activities related to the trading books of Erste Group, including the execution of trade, market making and short-term liquidity management. In addition, it comprises business connected with servicing financial institutions as clients.

Asset/Liability Management & Local Corporate Center. The Asset/Liability Management & Local Corporate Center (ALM & LCC) segment includes all asset/liability management functions – local and of Erste Group Bank AG (Holding) – as well as the local corporate centers which comprise all non-core banking business activities such as internal service providers and reconciliation items to local entity results. The corporate center of Erste Group Bank AG is included in the Group Corporate Center segment.

Savings Banks. The Savings Banks segment is identical to the operating segment Savings banks.

Group Corporate Center. The Group Corporate Center (GCC) segment covers mainly centrally managed activities and items that are not directly allocated to other segments. It comprises the corporate center of Erste Group Bank AG (and thus dividends and the refinancing costs from participations, general administrative expenses), internal service providers (facility management, IT, procurement), the banking tax of Erste Group Bank AG as well as free capital of Erste Group (defined as the difference of the total average IFRS equity and the average economical equity allocated to the segments).

Intragroup Elimination. Intragroup Elimination (IC) is not defined as a segment but is the reconciliation to the consolidated accounting result. It includes intragroup eliminations between participations of Erste Group (e.g. intragroup funding, internal cost charges). Intragroup eliminations within partial groups are disclosed in the respective segments.

Dividend elimination between Erste Group Bank AG and its fully consolidated subsidiaries is performed in Group Corporate Center. Consolidation differences arising between the segments, which are eliminated over the lifespan of the underlying transaction, are part of Group Corporate Center.

Measurement

The profit and loss statement of the segment report is based on the measures reported to the Erste Group Management Board for the purpose of allocating resources to the segments and assessing their performance. Management reporting as well as the segment

report of Erste Group are based on IFRS. Accounting standards and methods as well as measurements used in segment reporting are the same as for the consolidated financial statements of accounting.

Interest revenues are not reported separately from interest expenses for each reportable segment. Those measures are reported on the net basis within the position 'Net interest income' as interest revenues and interest expenses are neither included into the measure of segment profit or loss reviewed by the chief operating decision maker nor otherwise regularly provided to the chief operating decision maker. Chief operating decision maker relies solely on net interest income to assess the performance of the segments and make decisions about resources to be allocated to the segments. Net fee and commission income and Other operating result are reported on a net basis according to the regular reporting to the chief operating decision maker.

Capital consumption per segment is regularly reviewed by the management of Erste Group to assess the performance of the segments. The average allocated capital is determined by the credit risk, market risk, operational risk and business strategic risk. According to the regular internal reporting to Erste Group Management Board, total assets and total liabilities as well as risk weighted assets and allocated capital are disclosed per segment. Total average allocated capital for the Group equals average total equity of the Group.

For measuring and assessing the profitability of segments within Erste Group, such key measures as return on allocated capital and cost/income ratio are used. Return on allocated capital is defined as net result for the period before minorities in relation to the average allocated capital of the respective segment. Cost/income ratio is defined as operating expenses (general administrative expenses) in relation to operating income (total of net interest income, net fee and commission income, dividend income, net trading result, gains/losses from financial instruments measured at fair value through profit or loss, net result from equity method investments, rental income from investment properties and other operating lease).

Operating segments: Geographical segmentation – overview

in EUR million	Austria		Central and Eastern Europe		Other		Group total	
	1-12 24	1-12 25	1-12 24	1-12 25	1-12 24	1-12 25	1-12 24	1-12 25
Net interest income	3,520	3,386	3,749	3,893	259	509	7,528	7,788
Net fee and commission income	1,625	1,788	1,434	1,550	-121	-147	2,938	3,191
Dividend income	27	24	4	4	8	8	39	36
Net trading result	94	29	359	355	66	-71	519	313
Gains/losses from financial instruments at FVPL	-4	70	29	18	-107	19	-82	107
Net result from equity method investments	11	7	17	18	-2	20	27	46
Rental income from investment properties & other operating leases	153	158	39	36	17	-15	210	179
General administrative expenses	-2,535	-2,662	-2,455	-2,597	-289	-325	-5,279	-5,583
thereof depreciation and amortization	-175	-184	-278	-292	-95	-84	-547	-560
Gains/losses from derecognition of financial assets at AC	-6	-10	-57	-58	-27	19	-90	-49
Other gains/losses from derecognition of financial instruments not at FVPL	0	-2	-48	-4	47	14	-1	9
Impairment result from financial instruments	-398	-343	5	-134	-4	0	-397	-478
Other operating result	-82	-56	-254	-117	-78	16	-414	-158
Levies on banking activities	-14	-41	-204	-238	-27	-92	-245	-372
Pre-tax result from continuing operations	2,405	2,389	2,823	2,964	-231	48	4,997	5,400
Taxes on income	-560	-541	-568	-564	75	1	-1,053	-1,103
Net result for the period	1,845	1,848	2,255	2,400	-156	49	3,945	4,297
Net result attributable to non-controlling interests	727	679	85	84	7	25	819	788
Net result attributable to owners of the parent	1,118	1,169	2,170	2,316	-163	24	3,125	3,510
Operating income	5,427	5,462	5,631	5,874	121	324	11,178	11,659
Operating expenses	-2,535	-2,662	-2,455	-2,597	-289	-325	-5,279	-5,583
Operating result	2,892	2,800	3,176	3,277	-169	-1	5,900	6,076
Risk-weighted assets (credit risk, eop)	70,355	64,163	61,651	58,758	1,694	-2,699	133,700	120,222
Average allocated capital	10,570	11,140	10,872	10,923	8,105	10,677	29,547	32,740
Cost/income ratio	46.7%	48.7%	43.6%	44.2%	>100%	>100%	47.2%	47.9%
Return on allocated capital	17.5%	16.6%	20.7%	22.0%	-1.9%	0.5%	13.4%	13.1%
Total assets (eop)	209,416	211,492	163,716	173,289	-19,396	-16,207	353,736	368,574
Total liabilities excluding equity (eop)	160,985	158,799	148,325	156,941	13,659	18,170	322,969	333,909
Impairments	-401	-328	5	-133	-4	19	-399	-442
Net impairment loss on financial assets AC/FVTOCI and finance lease receivables	-352	-355	7	-132	2	1	-343	-486
Net impairment loss on commitments and guarantees given	-46	12	-2	-3	-6	-1	-54	8
Impairment of goodwill	0	0	0	0	0	0	0	0
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	0	8	-1	20	-1	27
Net impairment on other non-financial assets	-3	15	1	-6	1	0	-1	9

Operating segments: Geographical area Austria

in EUR million	EBOe & Subsidiaries		Savings Banks		Other Austria		Austria total	
	1-12 24	1-12 25	1-12 24	1-12 25	1-12 24	1-12 25	1-12 24	1-12 25
Net interest income	1,102	1,035	1,838	1,756	580	595	3,520	3,386
Net fee and commission income	549	591	721	770	356	427	1,625	1,788
Dividend income	8	9	11	7	8	7	27	24
Net trading result	29	2	40	11	25	15	94	29
Gains/losses from financial instruments at FVPL	1	20	-2	34	-3	16	-4	70
Net result from equity method investments	11	8	0	0	0	-1	11	7
Rental income from investment properties & other operating leases	61	62	39	37	53	58	153	158
General administrative expenses	-786	-810	-1,332	-1,403	-417	-448	-2,535	-2,662
thereof depreciation and amortization	-49	-53	-85	-87	-41	-44	-175	-184
Gains/losses from derecognition of financial assets at AC	-6	-13	1	0	-1	2	-6	-10
Other gains/losses from derecognition of financial instruments not at FVPL	0	0	-2	-1	2	0	0	-2
Impairment result from financial instruments	-146	-128	-248	-213	-3	-3	-398	-343
Other operating result	-38	-52	-40	-38	-4	33	-82	-56
Levies on banking activities	-7	-20	-7	-20	0	-1	-14	-41
Pre-tax result from continuing operations	785	725	1,026	960	594	703	2,405	2,389
Taxes on income	-192	-162	-232	-220	-136	-159	-560	-541
Net result for the period	593	564	794	740	458	544	1,845	1,848
Net result attributable to non-controlling interests	24	26	692	641	11	11	727	679
Net result attributable to owners of the parent	569	537	102	99	447	533	1,118	1,169
Operating income	1,762	1,728	2,648	2,616	1,017	1,118	5,427	5,462
Operating expenses	-786	-810	-1,332	-1,403	-417	-448	-2,535	-2,662
Operating result	975	917	1,316	1,212	601	670	2,892	2,800
Risk-weighted assets (credit risk, eop)	17,100	16,158	30,355	29,158	22,900	18,848	70,355	64,163
Average allocated capital	2,360	2,684	5,271	5,638	2,940	2,818	10,570	11,140
Cost/income ratio	44.6%	46.9%	50.3%	53.7%	41.0%	40.1%	46.7%	48.7%
Return on allocated capital	25.1%	21.0%	15.1%	13.1%	15.6%	19.3%	17.5%	16.6%
Total assets (eop)	57,456	59,704	84,989	89,557	66,970	62,231	209,416	211,492
Total liabilities excluding equity (eop)	54,070	56,270	77,201	80,847	29,714	21,682	160,985	158,799
Impairments	-146	-128	-251	-214	-3	14	-401	-328
Net impairment loss on financial assets AC/FVTOCI and finance lease receivables	-146	-124	-215	-205	9	-26	-352	-355
Net impairment loss on commitments and guarantees given	-1	-4	-33	-8	-12	24	-46	12
Impairment of goodwill	0	0	0	0	0	0	0	0
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	0	0	0	0	0	0
Net impairment on other non-financial assets	0	0	-3	-1	0	16	-3	15

Operating segments: Geographical area Central and Eastern Europe

in EUR million	Czech Republic		Slovakia		Romania		Hungary		Croatia		Serbia		Central and Eastern Europe total	
	1-12 24	1-12 25	1-12 24	1-12 25	1-12 24	1-12 25	1-12 24	1-12 25	1-12 24	1-12 25	1-12 24	1-12 25	1-12 24	1-12 25
Net interest income	1,464	1,551	552	615	775	778	425	417	421	418	112	114	3,749	3,893
Net fee and commission income	509	533	232	242	227	241	305	358	133	144	27	32	1,434	1,550
Dividend income	2	2	0	1	1	1	0	0	0	0	0	0	4	4
Net trading result	136	131	19	22	99	106	77	67	16	16	12	13	359	355
Gains/losses from financial instruments at FVPL	-2	2	7	-1	5	4	18	10	1	2	0	0	29	18
Net result from equity method investments	10	11	4	7	2	-1	0	0	1	2	0	0	17	18
Rental income from investment properties & other operating leases	9	11	0	0	7	3	11	8	7	7	4	7	39	36
General administrative expenses	-967	-1,024	-354	-376	-456	-475	-301	-325	-280	-293	-96	-104	-2,455	-2,597
thereof depreciation and amortization	-110	-114	-34	-35	-52	-54	-36	-41	-30	-29	-15	-19	-278	-292
Gains/losses from derecognition of financial assets at AC	-34	-54	-10	0	-5	0	-7	-3	0	0	0	0	-57	-58
Other gains/losses from derecognition of financial instruments not at FVPL	0	-4	0	0	-1	0	-41	0	-5	0	0	0	-48	-4
Impairment result from financial instruments	10	-18	-13	-51	-21	-50	20	3	18	-8	-9	-10	5	-134
Other operating result	10	69	1	-13	-80	12	-171	-181	-15	-5	2	1	-254	-117
Levies on banking activities	0	0	0	-1	-37	-63	-168	-175	0	0	0	0	-204	-238
Pre-tax result from continuing operations	1,147	1,210	437	444	551	619	337	355	298	282	53	52	2,823	2,964
Taxes on income	-198	-204	-163	-152	-87	-98	-56	-54	-59	-50	-6	-6	-568	-564
Net result for the period	949	1,006	275	292	464	521	281	301	239	233	47	47	2,255	2,400
Net result attributable to non-controlling interests	0	0	0	0	1	1	0	0	75	73	9	10	85	84
Net result attributable to owners of the parent	949	1,006	275	292	463	521	281	301	164	159	38	37	2,170	2,316
Operating income	2,128	2,242	814	885	1,115	1,132	837	860	580	588	156	165	5,631	5,874
Operating expenses	-967	-1,024	-354	-376	-456	-475	-301	-325	-280	-293	-96	-104	-2,455	-2,597
Operating result	1,160	1,218	460	509	659	657	536	536	300	295	60	61	3,176	3,277
Risk-weighted assets (credit risk, eop)	27,012	23,905	10,428	9,527	10,122	11,141	4,930	4,717	7,140	7,145	2,019	2,322	61,651	58,758
Average allocated capital	4,506	4,439	1,530	1,430	2,122	2,276	1,314	1,231	1,037	1,184	363	363	10,872	10,923
Cost/income ratio	45.5%	45.7%	43.4%	42.5%	40.9%	42.0%	35.9%	37.7%	48.3%	49.8%	61.6%	62.9%	43.6%	44.2%
Return on allocated capital	21.1%	22.7%	18.0%	20.4%	21.9%	22.9%	21.4%	24.5%	23.1%	19.6%	13.0%	12.8%	20.7%	22.0%
Total assets (eop)	80,607	84,108	26,392	28,013	24,286	25,880	12,181	13,642	16,507	17,626	3,744	4,020	163,716	173,289
Total liabilities excluding equity (eop)	74,461	77,900	23,875	25,588	21,473	22,382	10,579	11,847	14,681	15,760	3,255	3,465	148,325	156,941
Impairments	18	-30	-13	-42	-33	-53	24	10	18	-8	-9	-10	5	-133
Net impairment loss on financial assets AC/FVTOCI and finance lease receivables	16	-6	-10	-52	-42	-70	19	0	33	5	-8	-9	7	-132
Net impairment loss on commitments and guarantees given	-6	-12	-3	1	20	20	1	3	-14	-13	-1	-1	-2	-3
Impairment of goodwill	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	0	8	0	0	0	0	0	0	0	0	0	8
Net impairment on other non-financial assets	8	-12	1	2	-11	-3	4	6	0	0	0	0	1	-6

Business segments (1)

in EUR million	Retail		Corporates		Group Markets		ALM&LCC	
	1-12 24	1-12 25	1-12 24	1-12 25	1-12 24	1-12 25	1-12 24	1-12 25
Net interest income	3,151	3,217	1,865	1,795	341	382	-62	110
Net fee and commission income	1,580	1,709	440	485	333	395	-106	-118
Dividend income	1	1	2	2	6	5	12	12
Net trading result	173	196	115	123	102	68	96	-82
Gains/losses from financial instruments at FVPL	16	8	-13	13	7	4	-121	16
Net result from equity method investments	9	12	3	3	0	0	15	10
Rental income from investment properties & other operating leases	11	13	138	106	1	1	36	37
General administrative expenses	-2,573	-2,710	-682	-732	-287	-311	-131	-121
thereof depreciation and amortization	-274	-296	-69	-74	-15	-17	-11	-2
Gains/losses from derecognition of financial assets at AC	0	0	-2	-1	0	3	-44	-50
Other gains/losses from derecognition of financial instruments not at FVPL	0	0	2	0	0	0	-40	9
Impairment result from financial instruments	-38	-145	-129	-129	4	-2	19	11
Other operating result	-109	-38	-97	-80	-17	-13	-73	-5
Levies on banking activities	-110	-132	-67	-86	-12	-10	-23	-31
Pre-tax result from continuing operations	2,221	2,264	1,642	1,586	491	532	-398	-172
Taxes on income	-441	-438	-310	-314	-99	-109	17	19
Net result for the period	1,780	1,826	1,332	1,272	393	423	-381	-153
Net result attributable to non-controlling interests	34	33	67	62	5	6	15	21
Net result attributable to owners of the parent	1,746	1,793	1,266	1,210	388	417	-396	-174
Operating income	4,941	5,157	2,550	2,528	790	855	-129	-15
Operating expenses	-2,573	-2,710	-682	-732	-287	-311	-131	-121
Operating result	2,368	2,447	1,868	1,795	504	544	-260	-136
Risk-weighted assets (credit risk, eop)	27,799	29,858	63,620	57,898	4,285	3,477	6,738	3,068
Average allocated capital	3,988	4,070	6,787	6,676	1,077	996	6,323	6,957
Cost/income ratio	52.1%	52.6%	26.8%	29.0%	36.3%	36.4%	>100%	>100%
Return on allocated capital	44.6%	44.9%	19.6%	19.1%	36.4%	42.5%	-6.0%	-2.2%
Total assets (eop)	81,035	88,180	84,201	88,855	47,398	42,479	96,936	98,284
Total liabilities excluding equity (eop)	119,385	125,991	46,346	49,309	44,444	36,295	77,440	81,235
Impairments	-38	-146	-132	-113	5	-2	23	13
Net impairment loss on financial assets AC/FVTOCI and finance lease receivables	-48	-133	-109	-162	8	5	20	9
Net impairment loss on commitments and guarantees given	10	-12	-20	32	-4	-6	-1	2
Impairment of goodwill	0	0	0	0	0	0	0	0
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	0	0	0	0	0	8
Net impairment on other non-financial assets	0	-1	-3	16	0	0	4	-6

Business segments (2)

in EUR million	Savings Banks		Group Corporate Center		Intragroup Elimination		Group total	
	1-12 24	1-12 25	1-12 24	1-12 25	1-12 24	1-12 25	1-12 24	1-12 25
Net interest income	1,838	1,756	363	501	32	27	7,528	7,788
Net fee and commission income	721	770	10	-14	-40	-36	2,938	3,191
Dividend income	11	7	8	8	0	0	39	36
Net trading result	40	11	2	2	-9	-5	519	313
Gains/losses from financial instruments at FVPL	-2	34	30	32	0	0	-82	107
Net result from equity method investments	0	0	-2	20	0	0	27	46
Rental income from investment properties & other operating leases	39	37	7	8	-23	-24	210	179
General administrative expenses	-1,332	-1,403	-1,240	-1,353	966	1,048	-5,279	-5,583
thereof depreciation and amortization	-85	-87	-97	-87	3	4	-547	-560
Gains/losses from derecognition of financial assets at AC	1	0	0	0	-45	-2	-90	-49
Other gains/losses from derecognition of financial instruments not at FVPL	-2	-1	-7	0	46	2	-1	9
Impairment result from financial instruments	-248	-213	-5	0	0	0	-397	-478
Other operating result	-40	-38	848	1,025	-927	-1,010	-414	-158
Levies on banking activities	-7	-20	-27	-92	0	0	-245	-372
Pre-tax result from continuing operations	1,026	960	15	229	0	0	4,997	5,400
Taxes on income	-232	-220	13	-40	0	0	-1,053	-1,103
Net result for the period	794	740	27	189	0	0	3,945	4,297
Net result attributable to non-controlling interests	692	641	7	25	0	0	819	788
Net result attributable to owners of the parent	102	99	20	164	0	0	3,125	3,510
Operating income	2,648	2,616	418	557	-40	-38	11,178	11,659
Operating expenses	-1,332	-1,403	-1,240	-1,353	966	1,048	-5,279	-5,583
Operating result	1,316	1,212	-822	-796	926	1,010	5,900	6,076
Risk-weighted assets (credit risk, eop)	30,355	29,158	901	-3,237	0	0	133,700	120,222
Average allocated capital	5,271	5,638	6,101	8,403	0	0	29,547	32,740
Cost/income ratio	50.3%	53.7%	>100%	>100%	>100%	>100%	47.2%	47.9%
Return on allocated capital	15.1%	13.1%	0.4%	2.2%			13.4%	13.1%
Total assets (eop)	84,989	89,557	4,021	3,534	-44,844	-42,315	353,736	368,574
Total liabilities excluding equity (eop)	77,201	80,847	3,021	2,549	-44,869	-42,317	322,969	333,909
Impairments	-251	-214	-5	19	0	0	-399	-442
Net impairment loss on financial assets AC/FVTOCI and finance lease receivables	-215	-205	1	1	0	0	-343	-486
Net impairment loss on commitments and guarantees given	-33	-8	-6	-1	0	0	-54	8
Impairment of goodwill	0	0	0	0	0	0	0	0
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	-1	20	0	0	-1	27
Net impairment on other non-financial assets	-3	-1	1	0	0	0	-1	9

2. Net interest income

Net interest income is broken down into line items of interest income, other similar income, interest expenses and other similar expenses. The distinguishing factor is whether the EIR method is mandatorily applied for recognition of interest income or expense in accordance with IFRS 9.

‘Interest income’ relates to interest revenue from financial assets measured at amortised cost and at fair value through other comprehensive income. It is calculated using the EIR method as discussed in chapter ‘Financial instruments – Material accounting policies’.

‘Other similar income’ captures interest-like sources of income resulting from non-derivative financial assets measured at fair value through profit or loss, held for trading derivatives, hedge accounting derivatives, finance lease receivables and negative interest on financial liabilities.

‘Interest expenses’ relate to interest expense from financial liabilities measured at amortised cost calculated using effective interest rate.

‘Other similar expenses’ capture interest-like sources of expense resulting from non-derivative financial liabilities measured at fair value through profit or loss, held for trading derivatives, hedge accounting derivatives, lease liabilities, provisions recognised under IFRS 9 and IAS 37 (unwinding of the time value of the money effect due to passage of time) and net defined liabilities (net interest cost on severance payments, pensions and jubilee obligations) under IAS 19.

As regards types of financial instruments, interest income and other similar income include interest income on loans and advances to banks and customers, on cash balances, on debt securities in all measurement categories of financial assets, on trade and other receivables and on finance lease receivables. Interest expenses and other similar expenses include interest paid on deposits from customers, deposits from banks, debt securities issued and other financial liabilities in all measurement categories of financial liabilities and interest paid on lease liabilities. Net interest income also includes interest on derivative financial instruments.

Interest income also includes modification gains and losses recognised on financial assets in Stage 1. Further, the unamortised balance of the origination fees/transaction costs upon derecognition of assets in Stage 1 and 2 considered in the effective interest rate is presented as interest income at the derecognition date.

in EUR million	1-12 24	1-12 25
Interest income	15,353	13,693
Financial assets at AC	14,968	13,282
Financial assets at FVOCI	385	411
Other similar income	3,756	2,914
Non-trading financial assets at FVPL	96	128
Financial assets HfT	3,317	2,489
Hedge accounting derivatives, interest rate risk	34	14
Other assets	295	272
Negative interest from financial liabilities	15	10
Interest and other similar income	19,109	16,607
Interest expenses	-7,549	-5,990
Financial liabilities at AC	-7,549	-5,990
Other similar expenses	-4,032	-2,829
Financial liabilities at FVPL	-353	-305
Financial liabilities HfT	-3,067	-2,272
Hedge accounting derivatives, interest rate risk	-558	-196
Other liabilities	-54	-54
Negative interest from financial assets	-1	-1
Interest and other similar expenses	-11,581	-8,819
Net interest income	7,528	7,788

An amount of EUR 145 million (2024: EUR 169 million) relating to impaired financial assets is included in interest income.

3. Net fee and commission income

Erste Group earns fee and commission income from a diverse range of services that it provides to its customers. Fee and commission income is measured based on the consideration specified in the contract with a customer. Erste Group recognises revenue when it transfers a promised service to a customer.

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commitment fees, premiums received for financial guarantees and other fees from lending business, commission income from asset management, custody and other management and advisory fees. Services provided over a period of time also include certain payment services like periodic card fees.

Fee income earned from providing transaction services, such as arranging the acquisition and sale of shares or other securities on behalf of customers or foreign exchange transactions, as well as commission income earned from services such as the sale of collective investments and insurance products, are recognised upon completion of the underlying transaction. Transaction based services also include certain payment services like withdrawal fees.

A contract with a customer that results in the recognition of a financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then Erste Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual. For example, loan servicing fees agreed in a loan contract that are not integral to the effective interest rate of a financial instrument are included in the net fee and commission income.

in EUR million	1-12 24		1-12 25	
	Income	Expenses	Income	Expenses
Securities	314	-57	378	-66
Issues	53	-2	76	-2
Transfer orders	249	-43	287	-51
Other	12	-12	15	-13
Clearing and settlement	2	-1	3	-1
Asset management	667	-43	753	-52
Custody	153	-21	165	-24
Fiduciary transactions	1	0	1	0
Payment services	1,614	-291	1,688	-338
Card business	496	-188	632	-223
Current accounts from customers	686	0	847	0
Other	432	-103	209	-114
Customer resources distributed but not managed	318	-13	348	-15
Collective investment	28	-2	37	-3
Insurance products	261	-2	281	-1
Foreign exchange transactions	26	-2	27	-2
Other	3	-7	3	-9
Structured finance	6	0	7	0
Servicing fees from securitization activities	0	-2	0	-15
Lending business	252	-46	329	-65
Guarantees given, guarantees received	100	-5	97	-14
Loan commitments given, loan commitments received	60	-1	77	-1
Other lending business	92	-40	155	-50
Other	127	-41	137	-44
Total fee and commission income and expenses	3,454	-517	3,810	-620
Net fee and commission income	2,938		3,191	

Asset management, custody and fiduciary transactions fees relate to fees earned by Erste Group on trust and other fiduciary activities in which Erste Group holds or invests assets on behalf of its customers and amount to EUR 844 million on a net basis (2024: EUR 756 million). Net fee and commission income above include income of EUR 1,233 million (2024: EUR 1,126 million) relating to financial assets and financial liabilities not measured at FVPL.

The total amount of revenue from administrative and agency services to third parties amounts to EUR 1,177 million (2024: EUR 1,061 million).

4. Dividend income

Dividend income is recognised when the right to receive the payment is established. This line item includes dividends from all shares and other equity investments, i.e. from those that are held for trading, non-trading equity instruments at FVPL and at FVOCI.

in EUR million	1-12 24	1-12 25
Financial assets HfT	7	6
Non-trading financial assets at FVPL	22	18
Financial assets at FVOCI	10	13
Dividend income	39	36

5. Net trading result

Results arising from trading activities include all gains and losses from changes in the fair value (clean price) of financial assets and financial liabilities classified as held for trading, including all derivatives not designated as hedging instruments and gains and losses from their derecognition. Further, the net trading result includes any ineffective portions recorded in fair value and cash flow hedge transactions. Also, foreign exchange gains and losses on all monetary assets and liabilities and from spot currency conversions are included here.

The Accounting Policy for recognition of foreign exchange gains and losses is described in the *chapter 'Material accounting policies', b) 'Foreign currency translations', i. 'Transactions and balances in foreign currency'*. Detailed information relating to hedge accounting can be found in *Note 27 Hedge accounting*.

in EUR million	1-12 24	1-12 25
Securities and derivatives trading	116	-38
Foreign exchange transactions	419	354
Result from hedge accounting	-16	-3
Net trading result	519	313

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

Changes in fair value (clean price) of non-trading financial assets at fair value through profit or loss, including gains and losses on their derecognition, are presented under this line item. This concerns both non-trading financial assets designated and those mandatorily measured at FVPL. Gains and losses (clean price) of financial liabilities designated at FVPL, including gains and losses on their derecognition, are also presented under this line item. However, the fair value changes resulting from own credit risk of the liability are recognised in OCI.

in EUR million	1-12 24	1-12 25
Result from measurement/sale of financial assets designated at FVPL	3	0
Result from measurement/repurchase of financial liabilities designated at FVPL	-170	5
Result from financial assets and liabilities designated at FVPL	-168	5
Result from measurement/sale of financial assets mandatorily at FVPL	86	102
Gains/losses from financial instruments measured at fair value through profit or loss	-82	107

7. Rental income from investment properties & other operating leases

Rental income from investment properties and other operating leases is recognised on a straight-line basis over the lease term. Operating expenses for investment properties are reported in line item 'Other operating result'. For further details Erste Group refers to *Note 12 Other operating result*.

in EUR million	1-12 24	1-12 25
Investment properties	132	140
Other operating leases	77	39
Rental income from investment properties & other operating leases	210	179

8. General administrative expenses

PERSONNEL EXPENSES

Personnel expenses include wages and salaries, expenses for variable remuneration, statutory and voluntary social security contributions, staff-related taxes and levies. They also include service costs for severance payments, pension and jubilee obligations and remeasurements of jubilee obligations. Furthermore, restructuring provision expenses may be part of personnel expenses.

Information about remuneration of management including performance-linked remuneration can be found in *Note 61 Related-party transactions*. Information about share-based payments to the Management Board and to employees can be found in *Note 62 Share-based payments*.

OTHER ADMINISTRATIVE EXPENSES

Other administrative expenses include primarily information technology expenses, expenses for office space, office operating expenses, advertising and marketing and expenditures for legal and other consultants. Furthermore, the line item contains deposit insurance contributions. Restructuring provision expenses may also be presented in other administrative expenses.

DEPRECIATION AND AMORTISATION

This line item comprises depreciation of property and equipment, depreciation of investment property and amortisation of intangible assets. In the line item 'Depreciation and amortisation', also the depreciation of right-of-use assets according to IFRS 16 is disclosed.

General administrative expenses

in EUR million	1-12 24	1-12 25
Personnel expenses	-3,202	-3,335
Wages and salaries	-2,474	-2,558
Compulsory social security	-575	-608
Long-term employee provisions	-14	-6
Other personnel expenses	-139	-163
Other administrative expenses	-1,529	-1,688
Deposit insurance contribution	-72	-53
IT expenses	-622	-717
Expenses for office space	-199	-206
Office operating expenses	-163	-167
Advertising/marketing/events	-237	-254
Legal and consulting costs	-158	-205
Sundry administrative expenses	-78	-86
Depreciation and amortisation	-547	-560
Software and other intangible assets	-179	-175
Owner occupied real estate	-162	-164
Investment properties	-33	-36
Customer relationships	-4	-7
Office furniture and equipment and sundry property and equipment	-169	-178
General administrative expenses	-5,279	-5,583

Personnel expenses include expenses of EUR 59 million (2024: EUR 56 million) for defined contribution plans.

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

	1-12 24	1-12 25
Austria	16,614	16,902
Erste Group Bank AG, Erste Bank Oesterreich and subsidiaries	9,256	9,364
Cross-guarantee system companies	7,358	7,539
Outside Austria	29,031	29,005
Česká spořitelna Group	9,653	9,597
Banca Comercială Română Group	5,227	5,115
Slovenská sporiteľňa Group	3,501	3,540
Erste Bank Hungary Group	3,360	3,416
Erste Bank Croatia Group	3,283	3,188
Erste Bank Serbia Group	1,282	1,277
Savings banks subsidiaries	1,546	1,567
Other subsidiaries and foreign branch offices	1,179	1,307
Total	45,645	45,908

For better comparability, prior-year figures have been adjusted to align with the current presentation format. The line item ‘Savings banks’ has been replaced by ‘Cross-guarantee system companies’, resulting in a reallocation from the line ‘Erste Group, EB Oesterreich and subsidiaries’ to ‘Cross-guarantee system companies’ of 100,84 FTE as of 31.12.2025 (2024: 22,03 FTE).

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

This line item includes selling and other derecognition gains or losses on financial assets measured at amortised cost. However, if such gains/losses relate to derecognition of financial assets in Stage 3, they are included in the line item ‘Impairment result from financial instruments’.

in EUR million	1-12 24	1-12 25
Gains from derecognition of financial assets at AC	0	26
Losses from derecognition of financial assets at AC	-90	-76
Gains/losses from derecognition of financial assets measured at amortised cost	-90	-49

In order to optimise the portfolio of debt securities measured at amortised cost, certain bonds were sold during 2024 and 2025 within existing internal retrospective thresholds for the ‘held to collect’ business model assessment. The objective was to sell low yielding bonds thereby improving the interest income in the consecutive years. Additionally, the gains reported in 2025 relate to sales of bonds carried out to manage Erste Group’s capital position in relation to the acquisition of Santander Bank Polska.

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

This line item includes selling and other derecognition gains or losses on financial assets at FVOCI, financial liabilities measured at amortised cost and other financial instruments not measured at FVPL, such as finance lease receivables or financial guarantees. However, if such gains/losses relate to financial assets in Stage 3 they are included in the line item ‘Impairment result from financial instruments’.

in EUR million	1-12 24	1-12 25
Sale of financial assets at FVOCI	-8	10
Sale of financial lease receivables	2	0
Derecognition of financial liabilities at AC	6	-1
Derecognition of the separate line item in portfolio fair value hedges of interest rate risk	0	0
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	-1	9

11. Impairment result from financial instruments

Net impairment losses on financial instruments comprise impairment losses and reversals of impairment on all kinds of financial instruments, to which the IFRS 9 expected credit loss impairment model applies. The impairment result also includes recoveries on written-off financial assets. Modification gains and losses recognised on financial assets in Stage 2 and Stage 3 and POCI assets are also included in this line item. Moreover, gains/losses from derecognition of financial assets in Stage 3 and POCI assets are presented as part of the impairment result.

in EUR million	1-12 24	1-12 25
Financial assets at FVOCI	1	7
Financial assets at AC	-347	-491
allocation/reversal to credit loss allowances (net)	-395	-556
Direct write-offs	-6	-4
Recoveries recorded directly to the income statement	69	77
Modification gains or losses	-16	-8
Finance lease receivables	2	-2
allocation/reversal to credit loss allowances (net)	1	-1
Direct write-offs	-1	-2
Recoveries recorded directly to the income statement	2	1
Credit loss allowances for loan commitments and financial guarantees given	-54	8
Impairment result from financial instruments	-397	-478

In the following table, the change of the credit loss allowance recognised in balance sheet is compared to the impairment result from financial instruments.

Changes of credit loss allowances

in EUR million	Impairment result of financial instruments	Other changes through profit or loss	Changes not affecting profit or loss	Total
Credit loss allowances Jan 25				-4,628
Net allocation to credit loss allowances	-529			-529
Increase due to passage of time (unwinding correction)		-120		-120
Derecognition due to sales			143	143
Write-offs			683	683
Changes in scope of consolidation			0	0
Foreign exchange differences		-27		-27
Other		20		20
Credit loss allowances Dec 25				-4,458
Impairment gains or losses on POCIs without CLA	-13			-13
Direct write-offs	-5			-5
Recoveries recorded directly to the income statement	78			78
Modification gains or losses	-8			-8
Impairment result from financial instruments	-478			

in EUR million	Impairment result of financial instruments	Other changes through profit or loss	Changes not affecting profit or loss	Total
Credit loss allowances Jan 24				-4,530
Net allocation to credit loss allowances	-456			-456
Increase due to passage of time (unwinding correction)		-124		-124
Derecognition due to sales			52	52
Write-offs			399	399
Changes in scope of consolidation			0	0
Foreign exchange differences		29		29
Other		2		2
Credit loss allowances Dec 24				-4,628
Impairment gains or losses on POCIs without CLA	9			9
Direct write-offs	-7			-7
Recoveries recorded directly to the income statement	72			72
Modification gains or losses	-16			-16
Impairment result from financial instruments	-397			

12. Other operating result

The other operating result reflects all other income and expenses not directly attributable to Erste Group's ordinary activities.

It includes expenses for allocations to and income from release of provisions in scope of IAS 37. Further, impairment losses or any reversal of impairment losses as well as results on the sale of property and equipment, investment property and intangible assets are presented as other operating result. Any impairment losses on goodwill are also included in this line item.

In addition, the other operating result encompasses the following: resolution fund contributions, expenses for other taxes as well as selling gains and losses on equity investments accounted for using the equity method and gains or losses from derecognition of subsidiaries.

Furthermore, levies on banking activities are considered as part of the other operating result. For further details on levies on banking activities we refer to the Management report, chapter *Other operating result*. Erste Group recognises a liability or a provision for the levy when the activity that triggers payment, as identified by the relevant legislation, occurs.

in EUR million	1-12 24	1-12 25
Other operating expenses	-337	-517
Allocation to other provisions	-51	-108
Levies on banking activities	-245	-372
Banking tax	-153	-244
Financial transaction tax	-91	-128
Other taxes	-14	-22
Resolution fund contributions	-28	-15
Impairment of goodwill	0	0
Other operating income	74	155
Release of other provisions	74	155
Result from properties and equipment, investment properties and other intangible assets	16	22
Result from other operating expenses/income	-167	182
Other operating result	-414	-158

Operating expenses (including repair and maintenance) for investment properties held for rental income totalled to EUR 33 million (2024: EUR 29 million).

In 2024, the result from other operating expenses/income includes an allocation in the amount of EUR 102 million to a provision relating to the interbank exemption pursuant to Art 6 sec 1 subsec 28 (2nd sentence) Austrian VAT Act. More details can be found in *Note 53 Provisions*.

Impairment loss on assets held for sale has been recognized in the amount of EUR 4 million (2024: EUR 0 million).

13. Taxes on income

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period. However, they are recognised in other comprehensive income or directly in equity if they arise from a transaction or event which itself is recognised in OCI or equity.

Coupon payments made to the holders of Additional Tier 1 equity instruments issued by Erste Group Bank AG are tax-deductible interest payments under the Austrian Tax Regulations. Since the AT1 coupons are considered as distributions of profit the income tax effects are recognised in profit or loss.

PILLAR 2

Erste Group is subject to the requirements of the EU-wide minimum taxation system Pillar 2 and must reflect this in its group-wide processes. At 31 December 2025 Erste Group applied the temporary exception according to IAS 12.88A under which a company discloses limited information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar 2 model rules.

Under the legislation, the group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion Rules (GloBE) effective tax rate for each jurisdiction and the 15% minimum rate. The group has effective tax rates that exceed 15% in all relevant jurisdictions in which it operates (Austria, Czech Republic, Germany, Hongkong, Croatia, Luxemburg, Montenegro, Malta, Poland,

Romania, Slovenia, Slovakia and US) except for the jurisdictions Hungary, Serbia, North Macedonia and Bosnia-Herzegovina where some of its subsidiaries operate. However, although the average effective tax rate is below 15%, the group's exposure to paying Pillar 2 income taxes might not be for the full difference in tax rates in relation to these jurisdictions. This is due to the impact of specific adjustments envisaged in the Pillar 2 legislation which give rise to different effective tax rates compared to those calculated in accordance with IAS 12. Top-up tax for Hungary and North Macedonia was provisioned locally, as these jurisdictions have also introduced Pillar 2 legislation. As their legislation did not include any Pillar 2 rules 2024, Serbia and Bosnia-Herzegovina were provisioned in Austria.

MATERIAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND ESTIMATES

Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. For this purpose a planning period of 5 years is used.

CURRENT AND DEFERRED TAXES

Taxes on income are made up of current taxes on income calculated in each of the Group companies based on the results reported for tax purposes, corrections to taxes on income for previous years and the change in deferred taxes.

in EUR million	1-12 24	1-12 25
Current tax expense/income	-848	-1,004
current period	-875	-993
prior period	27	-11
Deferred tax expense/income	-205	-99
current period	-212	-103
prior period	8	4
Total	-1,053	-1,103

The following table reconciles the income taxes reported in the income statement to the pre-tax result from continuing operations multiplied by the nominal Austrian tax rate.

in EUR million	1-12 24	1-12 25
Pre-tax result from continuing operations	4,997	5,400
Income tax expense for the financial year at the Austrian statutory tax rate (23%)	-1,149	-1,242
Impact of different foreign tax rates	178	188
Impact of tax-exempt earnings of investments and other tax-exempt income	240	285
Tax increases due to non-deductible expenses, additional business tax and similar elements	-199	-213
Impact on deferred taxes from topics on Group level	-67	-71
Current period's recognition through P&L of DTA from tax losses, assessed non-recoverable at the end of the prior period	3	39
Current period's recognition through P&L of DTA from temporary differences, assessed non-recoverable at the end of the prior period	29	0
Impact of current non-recoverable fiscal losses and temporary differences for the year	-1	-1
Tax expense attributable to Windfall Tax	-103	-67
Tax expense attributable to Pillar 2 Model Top-Up Tax	-12	-11
Tax expense/income not attributable to the reporting period	35	-7
Tax expense/income from changes of the tax rate or the imposition of new taxes	11	0
Tax expense/income attributable to other effects	-18	-4
Total	-1,053	-1,103

The windfall tax relates to the special levy for banks reintroduced in Slovakia from December 31, 2023, which amounts to 25% of the pre-tax profits in 2025. This percentage will be reduced by 5 percentage points each year and will amount to 15% from 2027.

The current tax expense related to total Pillar 2 income taxes amounts to EUR 11 million.

The following table shows the income tax effects relating to each component of other comprehensive income:

in EUR million	1-12 24			1-12 25		
	Pre-tax amount	Income tax	Net-of-tax amount	Pre-tax amount	Income tax	Net-of-tax amount
Fair value reserve of equity instruments	7	-2	6	4	-1	3
Fair value reserve of debt instruments	45	-15	31	33	-10	24
Own credit risk reserve	-59	19	-40	-12	3	-9
Cash flow hedge reserve	29	-5	24	-7	1	-5
Remeasurement of defined benefit plans	19	-4	16	41	-9	31
Currency reserve	-197	0	-197	261	0	261
Other comprehensive income	-155	-5	-161	321	-16	305

Taxes on income within other comprehensive income are influenced by the consideration of the result of recoverability assessments allocated against OCI-related deferred tax assets. The allocation of the result of recoverability assessments is based on Erste Group's methodology of allocating non-recoverable deferred tax assets per P&L and OCI. This approach proportionately reflects how the underlying temporary differences arose from IFRS-based adjustments of the accounting values of the related items.

Besides, the income tax related to the fair value reserve and the cash flow hedge reserve is influenced by differences of tax rates applicable on contrary changes within the fair value reserve.

Major components of deferred tax assets and deferred tax liabilities

in EUR million	Tax assets		Tax liabilities		Net variance 2025		
	Dec 25	Jan 25	Dec 25	Jan 25	Total	Profit or loss	Other comprehensive income
Temporary differences related to the following items:							
Financial assets and liabilities HfT and non-trading financial assets and liabilities at FVPL	136	129	-224	-239	23	20	3
Financial assets at FVOCI	5	8	-37	-7	-32	-21	-11
Financial assets at AC and finance lease receivables	310	356	-13	-7	-53	-54	0
Hedge accounting derivatives	57	48	-33	-32	8	7	1
Property, plant and equipment	26	27	-93	-74	-20	-20	0
Equity Investments in subsidiaries, associates and joint-ventures	31	32	0	-4	2	2	0
Financial liabilities at AC	15	11	-175	-154	-17	-17	0
Long-term employee provisions (tax valuation different)	65	93	-2	-4	-26	-16	-9
Other provisions (tax valuation different)	28	40	-11	-6	-17	-17	0
Customer relationships, brands and other intangibles	2	2	-64	-69	4	6	0
Other	136	134	-44	-53	11	10	0
Non-recoverable tax position from temporary differences	0	0	0	0	0	0	0
Deferred tax position from accumulated tax loss carried forward after recoverability considerations	3	2	0	0	1	1	0
Effect of netting according IAS 12.71	-645	-617	645	617	0	0	0
Total deferred taxes	171	266	-52	-31	-115	-98	-16
Current taxes	84	45	-323	-241		-1,004	0
Total taxes	255	311	-374	-272		-1,102	-16

in EUR million	Tax assets		Tax liabilities		Net variance 2024		
	Dec 24	Jan 24	Dec 24	Jan 24	Total	Profit or loss	Other comprehensive income
Temporary differences related to the following items:							
Financial assets and liabilities HfT and non-trading financial assets and liabilities at FVPL	129	214	-239	-292	-31	-50	19
Financial assets at FVOCI	8	20	-7	-16	-4	13	-16
Financial assets at AC and finance lease receivables	356	504	-7	-41	-113	-112	0
Hedge accounting derivatives	48	56	-32	-31	-9	-5	-4
Property, plant and equipment	27	26	-74	-118	45	45	0
Equity Investments in subsidiaries, associates and joint-ventures	32	49	-4	-1	-19	-19	0
Financial liabilities at AC	11	92	-154	-298	64	64	0
Long-term employee provisions (tax valuation different)	93	105	-4	-5	-11	-7	-4
Other provisions (tax valuation different)	40	44	-6	-5	-5	-5	0
Customer relationships, brands and other intangibles	2	3	-69	-72	3	9	0
Other	134	155	-53	-48	-26	-25	0
Non-recoverable tax position from temporary differences	0	-52	0	0	52	52	0
Deferred tax position from accumulated tax loss carried forward after recoverability considerations	2	167	0	0	-166	-165	0
Effect of netting according IAS 12.71	-617	-914	617	915	0	0	0
Total deferred taxes	266	468	-31	-14	-219	-205	-6
Current taxes	45	72	-241	-265		-848	0
Total taxes	311	540	-272	-279		-1,053	-6

The deferred tax assets and liabilities are presented prior to subsidiary-level balance-sheet netting of attributable gross deferred tax assets and gross deferred tax liabilities. The amounts shown in the table are gross amounts before recoverability assessments except for the position deferred tax assets resulting from tax loss carry-forward. Any remaining non-recoverable amounts are considered in line 'Non-recoverable tax position from temporary differences' in the table. The position 'Other' comprises all deferred tax positions not being shown as separate positions in the table above.

Out of the decrease of the total net deferred tax asset of EUR 115 million (2024: decrease EUR 219 million) an amount of EUR 98 million (2024: expense EUR 205 million) is reflected as deferred tax expense in the Group's income statement for the year 2025, whilst an expense amount of EUR 16 million (2024: expense EUR 6 million) represents the impact in the Group's other comprehensive expense for the year. Furthermore, deferred tax expense in the amount of EUR 0 million (2024: expense EUR 1 million) representing accumulated OCI in respect of deferred tax recognised for cumulative changes in own credit risk attributable to own issues repurchased during the year has been transferred into retained earnings, consequent to the related temporary differences reversing upon repurchase.

The Group's consolidated deferred tax asset position in amount of EUR 171 million as of 31 December 2025 (2024: EUR 266 million) is expected to be recoverable in the foreseeable future. This is also expected to be the case for deferred tax assets exceeding their deferred tax liabilities by an amount of EUR 13 million as of 31 December 2025 (2024: EUR 4 million) incurred by subsidiaries reporting losses in the current or prior period. These expectations result from year-end recoverability assessments undertaken by the Group's entities, either at individual level, or at relevant tax group level. Such assessments are comparing net temporary deductible differences and available fiscal losses at year-end - after offsetting with deferred tax liabilities at individual level or at relevant tax group level - with fiscal profit forecasts for a group-wide unified and unchanged time horizon of a maximum 5 years depending on the fiscal jurisdiction and applicable facts and circumstances. If the result of these assessments is negative, the deferred tax asset positions are correspondingly not recorded and the already existing deferred tax asset positions are correspondingly depreciated.

In accordance with IAS 12.39, no deferred tax liabilities were recognised for temporary differences relating to investments in subsidiaries with an amount of EUR 3,615 million (2024: EUR 3,665 million), as they are not expected to reverse in the foreseeable future. As of 31 December 2025, no deferred tax assets were recognised for tax loss carry-forward and deductible temporary differences with a total amount of EUR 2,414 million (2024: EUR 2,881 million), of which EUR 71 million (2024: EUR 333 million) relates to tax loss carry-forward, as they are not expected to be realized in the foreseeable future. The figure comprises an amount of EUR 2,343 million (2024: EUR 2,548 million) representing temporary differences in connection with investments in subsidiaries no deferred tax assets have been recognised for in accordance with IAS 12.44.

From the total of the not recorded deferred tax assets related to tax loss carry-forward in the following period EUR 0 million will expire (2024: EUR 0 million) and in later periods EUR 1 million (2024: EUR 1 million), EUR 16 million (2024: EUR 76 million) will not expire.

14. Appropriation of profit

In the reporting period, Erste Group Bank AG posted a post-tax profit of EUR 2,708 million (2024: EUR 2,406 million) under the Austrian accounting regulations, which increased its distributable capital accordingly.

The Management Board of Erste Group Bank AG will propose a 2025 dividend of EUR 0.75 (2024: EUR 3.00 per share) per share to the 2025 Annual General Meeting.

Financial instruments – Material accounting policies

Accounting and measurement methods for financial instruments

A financial instrument is any contract giving rise to a financial asset of one party and a financial liability or equity instrument of another party. In accordance with IFRS 9, all financial assets and liabilities – which also include derivative financial instruments – have to be recognised on the balance sheet and measured in accordance with their assigned categories.

Regular way (spot) purchases and sales of financial assets are recognised at the settlement date, which is the date that an asset is delivered.

Measurement of financial assets and financial liabilities is subject to two primary measurement methods: at amortised cost and fair value.

i. Amortised cost and effective interest rate

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount. For financial assets the amount is adjusted for any loss allowance.

The effective interest rate ('EIR') is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset (i.e. its amortised cost before adjusting for any loss allowance) or to the amortised cost of the financial liability. The estimated cash flows consider all the contractual terms of the financial instrument but disregard the expected credit losses. The calculation includes transaction costs, origination fees that are an integral part of the EIR and all other premiums and discounts to the par amount.

ii. Fair Value

Details on valuation techniques applied for fair value measurement and on the fair value hierarchy are disclosed in *Note 26 Fair value of financial instruments*.

Classification and subsequent measurement of financial assets

In accordance with IFRS 9, the classification and subsequent measurement of financial assets depend on the following two criteria:

- _ The business model for managing the financial assets; and
- _ The cash flow characteristics of the financial assets.

For further details refer to part '*Material accounting judgements, assumptions and estimates*' in this chapter.

Application of these criteria leads to classification of financial assets into three measurement categories described in the respective note.

- _ Financial assets at amortised cost (AC)
- _ Financial assets at fair value through other comprehensive income (FVOCI)
- _ Financial assets at fair value through profit or loss (FVPL)

Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at amortised cost unless they are measured at fair value through profit or loss.

Interest expense is calculated by applying the EIR to the amortised cost of a financial liability. Further details on financial liabilities at amortised cost and financial liabilities at FVPL are in the respective notes: *Note 18 Financial liabilities at amortised costs* and *Note 25 Financial liabilities at fair value through profit or loss*.

Impairment of financial instruments

Erste Group recognises loss allowances for impairment on its debt instrument financial assets, other than those measured at FVPL, its lease receivables and its off-balance credit risk exposures arising from financial guarantees and certain loan commitments.

The amount of the impairment loss is recognised as a loss allowance. For the purpose of the measurement of the amount of expected credit loss and recognition of interest income, Erste Group distinguishes between three stages of impairment.

Stage 1 relates to financial instruments for which no significant increase in credit risk has been recorded since their initial recognition or which are subject to the 'low credit risk exemption' allowed by IFRS 9. The impairment is measured in the amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Interest income is recognised by EIR applied to the gross carrying amount of the financial asset.

Financial instruments in Stage 2 are subject to significant increase in credit risk since their initial recognition (and the 'low credit risk exemption' does not apply). Stage 2 also includes trade receivables without significant financing component to which the 'simplified approach' is applied mandatorily based on IFRS 9 requirements. The impairment is measured in the amount of the lifetime expected credit loss. Interest income is recognised by EIR applied to the gross carrying amount of the financial asset (as for Stage 1). In the case of drawings by non-defaulted customers on previously committed credit lines, the whole exposure (on-balance and off-balance) is categorised as either Stage 1 or Stage 2, depending on the development of credit risk between the commitment date and the drawing date.

Financial instruments in Stage 3 are credit-impaired. In respect of applying the 'credit-impaired' concept of IFRS 9, Erste Group adopted the approach of aligning it with the regulatory concept of 'default' in accordance with guidelines of the European Banking Authority EBA/GL/2016/07 and Commission Delegated Regulation (EU) 2018/171. Erste Group generally applies a customer view for the default definition, which leads to Stage 3 classification of all transactions with the customer even if the customer defaults only on one of several transactions ('pulling effect'). On the other hand, an upgrade to a non-defaulted rating grade implies that all the transactions with the customer cease to be impaired. The impairment of financial instruments in Stage 3 is measured in the amount of the lifetime expected credit loss. Interest income is calculated by EIR applied to the amortised cost (i.e. the net carrying amount) of the financial asset. From a balance sheet perspective, interest is accrued based on the financial assets' gross carrying amount. The difference between the interest accrued on the assets and the interest income recognised is reflected through the allowance account (without impacting the impairment loss).

For financial assets that are credit-impaired at initial recognition (purchased or originated credit-impaired financial assets 'POCI') lifetime expected credit losses are initially reflected in the credit-adjusted EIR. As a result, no loss allowance is recognised at inception. Subsequently, only adverse changes in lifetime expected credit losses after the initial recognition are recognised as loss allowance, whilst favourable changes are recognised as impairment gains increasing the gross carrying amount of the POCI financial assets. No impairment stages are distinguished for the POCI financial assets.

Measurement of expected credit losses includes cash flows expected from collateral and those financial guarantees held by Erste Group which are considered as integral to the contractual terms of financial assets whose risk is guaranteed. Erste Group considers as integral those guarantees which are entered into at or close to the inception of the guaranteed financial assets. If the bank has in a loan contract an option to require provision of a guarantee, it is also considered as integral. Premiums paid for integral financial guarantees and other credit enhancements are considered in the EIR of the related financial assets.

Reimbursement assets from financial guarantees which are not considered integral are recognised under 'Other assets' in the balance sheet. In the statement of income they reduce the impairment loss incurred on guaranteed financial assets under 'Impairment result from financial instruments'. A precondition for this treatment is that it must be virtually certain that the guarantee would reimburse the bank for the loss. Premiums paid for non-integral financial guarantees are presented in the statement of income under the line item 'Fee and commission expense' under 'Net fee and commission income'. Typical example of non-integral guarantees in the business of Erste Group are synthetic securitisations of loan portfolios. Synthetic securitisations are undertaken with the aim of reducing risk-weighted assets for regulatory own funds requirement purposes. More details on synthetic securitisations are provided in [Note 36 Use of collateral](#) and other credit enhancements.

More detailed information about identification of significant increases in credit risk including collective assessment and estimation techniques used to measure 12-month and lifetime expected credit losses is provided in [Note 34 Credit risk](#). For further information on the definition of default refer to [Note 37 Measurement of expected credit loss](#).

For financial assets measured at amortised cost, the net carrying amount of the financial asset presented on the balance sheet is the difference between the gross carrying amount and the cumulative loss allowance. However, for financial assets measured at FVOCI, the loss allowance is recognised in the accumulated OCI, specifically under 'Fair value reserve' in the statement of changes in equity. Loss allowances for loan commitments and financial guarantees are presented under the balance sheet line item 'Provisions'.

Information about the development of the expected credit loss of the respective financial instruments is provided in [Note 37 Measurement of expected credit loss](#).

In the statement of income, impairment losses and their reversals (gains) on all kinds of financial instruments are presented in the line item 'Impairment result from financial instruments'.

Derecognition of financial instruments including treatment of contractual modifications

i. Derecognition of financial assets

The difference between the carrying amount of the derecognised asset and the consideration received is presented in the statement of income in the line 'Gains/losses from derecognition of financial assets measured at amortised cost' or, for financial assets at FVOCI, in the line 'Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss'. For financial assets measured at FVPL the derecognition gains or losses are recognised together with the measurement result in the lines 'Net trading result' or 'Gains/losses from financial instruments measured at fair value through profit or loss'.

ii. Derecognition criteria with respect to contractual modifications of financial assets

In the normal course of running its lending business and in agreement with the respective debtors, Erste Group may renegotiate or otherwise modify some terms or conditions of the underlying contracts. This can involve either market-driven commercial renegotiations or contractual changes aimed at alleviating or preventing borrower's financial difficulty. For the purpose of capturing the economic substance and financial effect of such contractual modifications, Erste Group has developed a set of criteria to assess whether or not the modified terms are substantially different from the original terms and thus the financial asset has to be derecognised.

Commercial interest rate adjustments fulfilling specific conditions do not trigger the modification significance assessment. Instead, they result in a recalculation of the EIR of related loans. Such interest rate adjustments relate to performing non-forborne financial assets for which a prepayment/early termination option and a sufficiently competitive refinancing market exist. Furthermore, the costs that the debtor would incur in case of prepayment/early termination would have to be assessed as low. Such conditions introduce an implicit floating rate element to the contract. This kind of interest rate adjustments rarely applies to loan assets in Stage 2.

Substantial modifications lead to derecognition of the original financial asset and initial recognition of the modified financial asset as a new financial instrument. They include following events:

- _ change of the contractual counterparty (unless this is a formal change such as changes in legal name);
- _ change in the currency of the contract (unless the change results from exercising an embedded option in the original contract with pre-agreed conditions of the change, or if the new currency is pegged to the original currency);
- _ introduction of a non-SPPI contractual feature (unless it is intended to improve recoveries from debtors by granting concessions supporting them to recover from financial difficulties); or
- _ removal of a non-SPPI contractual feature.

Some derecognition criteria distinguish whether contractual modifications are applied to debtors facing financial difficulties. Application of certain modifications to debtors in financial difficulties is not considered as substantial since they are aimed at improving the prospects of the bank to recover the claims by tailoring the repayment schedules to specific financial conditions of those debtors. On the other hand, such contractual modifications applied to performing debtors may be considered as substantial enough to warrant the derecognition, as further detailed below.

From this perspective, the following criteria lead to derecognition unless they are considered as forbearance measures or they are applied to customers in default or they trigger default (i.e. the derecognition occurs if the modification does not relate to financial difficulties):

- _ repayment schedule changed in a way that the weighted remaining maturity of the assets is modified by more than 100% and at least two years compared to the original asset;
- _ change in timing/amount of contractual cash flows resulting in the present value of the modified cash flows (discounted at pre-modification effective interest rate) being different by more than 10% of the gross carrying amount of the asset immediately before the modification (cumulative assessment considering all modifications occurring over the last twelve months); or
- _ altering a floating interest rate into a fixed interest rate or vice versa for the entire remaining life of the financial asset.

If contractual modifications that qualify as forbearance measures or they are applied to customers in default or they trigger default (i.e. they relate to customers in financial difficulties) are so significant that they are qualitatively assessed as an extinguishment of original contractual rights, they result in derecognition. Examples of such modifications are:

- _ a new agreement with materially different terms signed up as part of distressed restructuring following a standstill agreement suspending the rights of the original assets;
- _ consolidation of multiple original loans into one with substantially different terms; or
- _ transformation of a revolving loan into non-revolving.

Contractual modifications leading to derecognition of the related original assets result in the initial recognition of new financial assets. If the debtor is in default or the significant modification leads to the default, then the new asset will be treated as POCI. The

difference between the carrying amount of the derecognised asset and initial fair value of the new POCI asset is presented in the statement of income in the line 'Impairment result from financial instruments'.

If the debtor is not in default or the significant modification does not lead to default, the new asset recognised after derecognition of the original asset will be in Stage 1. For loans measured at amortised cost, the unamortised balance of the origination fees/ transaction costs considered in the effective interest rate is presented in the line item 'Interest income' under 'Net interest income' at the derecognition date. The release of the credit loss allowance attached to the original asset at the date of that significant modification as well as the credit loss allowance recognised for the new asset are presented in the line 'Impairment result from financial instruments'. The remaining difference is presented in the line 'Gains/losses from derecognition of financial assets measured at amortised cost'.

For debt instrument assets not measured at FVPL that are subject to contractual modifications that do not result in derecognition, the gross carrying amount of the asset is adjusted against recognising a modification gain or loss in profit or loss. The modification gain or loss equals the difference between the gross carrying amount before the modification and the present value of the cash flows based on the modified terms discounted with the original EIR. In the statement of income, the modification gain or loss is presented in the line 'Interest income' under 'Net interest income' if the modification relates to financial assets in Stage 1. For financial assets in Stage 2 and 3 and POCI financial assets, the modification gain or loss is presented in the line 'Impairment result from financial instruments'. However, to the extent that the contractual modification involves the bank giving up its rights of collecting cash flows in respect of an outstanding amount of the asset, such as waiving (part of) principal or accrued interest amount, it is treated as a write-off.

iii. Write-offs

Erste Group writes off a financial asset or a part of it when it has no reasonable expectations of recovering the respective cash flows. When performing the write-off, the gross carrying amount of the asset is reduced simultaneously with the related loss allowance balance.

Erste Group has specified criteria for writing off the unrecoverable balances in its loan business. Write-off can result from forbearance measures whereby the bank contractually waives part of the existing balance in order to help the customers overcome financial difficulties and thus improve the prospects of recovering the remaining loan balance (normally this relates to going concern scenarios for corporate customers). For more information on Forbearance please refer to [Note 41 Restructuring, renegotiation and forbearance](#).

In gone concern scenarios with corporate customers, write-offs of the unrecoverable exposure parts are triggered by enforcement activities such as filing or termination of legal proceedings (bankruptcy, liquidation, court case). Other write-off triggers may result from decisions about no enforcement due to worthlessness of the claim/collateral or generally from assessment that the receivable is economically lost. For retail customers, the non-recoverability and the timing and amounts of write-off crystallise during the collection process when it becomes evident that the amount due cannot be collected, e.g. due to ongoing bankruptcy proceedings. Residual uncollectable balances are written off after the collection process.

iv. Derecognition of financial liabilities

In the statement of income, the difference between the carrying amount of the derecognised financial liability and the consideration paid is presented in the line 'Other gains/losses from financial instruments not measured at fair value through profit or loss', 'Gains/losses from financial instruments measured at fair value through profit or loss' and 'Net trading result' depending on the measurement category of the derecognised financial liability.

MATERIAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND ESTIMATES

i. SPPI assessment

The assessment of whether the contractual cash flows of financial assets give rise to cash flows that are solely payments of principal and interest (SPPI) is subject to the application of significant judgements which rely on the guidance in IFRS 9. These judgements are crucial in the IFRS 9 classification and measurement process, as they determine whether the asset must be measured at FVPL or, depending on the business model assessment, at amortised cost or at FVOCI. When taking into consideration specific features of financial assets in the business of Erste Group, significant areas of judgement are prepayment fees, project financing loans and interest rate adjustments based on the fulfilment of certain ESG-related targets.

The assessment whether the prepayment fees applied to loans can be considered as a reasonable compensation for early terminations or prepayments is based on comparing the level of the fees with the economic costs incurred by the bank upon the early termination. For these purposes, Erste Group uses a quantitative test where the costs relate to the lost interest margin and the lost interest differential due to a potential decrease in the interest rates upon early termination or prepayment. The adequacy of the

fees can also be defended on a qualitative basis, such as common market practice regarding the level of prepayment fees and their acceptance by authorities.

For project financing loans Erste Group assesses whether they represent basic loan agreements rather than investments in the financed projects. In this respect, credit rating, level of collateralisation, existing sponsor guarantees and the extent of equity funding of the financed projects are considered.

In the last years financial assets whose interest is adjusted based on meeting certain ESG-linked targets by the borrowers (e.g. meeting specified CO₂ emission targets) became part of Erste Group's business. Erste Group has concluded that ESG-related interest adjustments have a de minimis effect on the contractual cash flows. As a result, they do not affect the SPPI assessment.

ii. Business model assessment

For each SPPI-compliant financial asset at initial recognition, Erste Group must assess whether it is part of a business model where the assets are held in order to collect contractual cash flows, to both collect the contractual cash flows and sell the assets, or they are held in other business models. As a consequence, the critical aspect in distinguishing the business models is frequency and significance of sales of assets in the respective business model. Since asset allocation to business models is based on the initial assessment, it may happen that in subsequent periods cash flows are realised differently than originally expected and a different measurement method may seem to be appropriate. In accordance with IFRS 9, such subsequent changes do not generally lead to reclassifications or prior period error corrections in respect of existing financial assets. The new information on how cash flows are realised may, however, indicate that the business model and thus the measurement method changes for newly acquired or newly originated financial assets.

At Erste Group, certain sales or other derecognition events are considered as not contradicting the held to collect contractual cash flows business model. Examples are sales due to increases in credit risk, sales close to assets' maturity, infrequent sales triggered by a non-recurring event (such as changes in regulatory or tax environment, major internal reorganisation or a business combination, severe liquidity crisis, etc.) or derecognitions resulting from replacements of bonds based on an issuer's offer. Other kinds of sales carried out in the 'held to collect' business model are assessed retrospectively and if they exceed certain quantitative thresholds, or whenever it is considered necessary with regard to new expectations, Erste Group performs a prospective test. If the outcome was that the carrying amount of assets expected to be sold over the expected life of the current business model portfolio, for reasons other than the cases above, exceeds 10% of the carrying amount of the portfolio, any new acquisitions or originations of assets would be classified in a different business model.

iii. Impairment of financial instruments

The expected credit loss impairment model is inherently based on judgement since it requires assessment of significant increases in credit risk and measurement of expected credit losses without providing detailed guidance. In respect of significant increases in credit risk, Erste Group has determined specific assessment rules consisting of qualitative information and quantitative thresholds. Another area of complexity relates to establishing groups of similar assets when credit risk deterioration has to be assessed on a collective basis before specific information is available at individual instrument level. Measurement of expected credit losses involves complex models relying on historical statistics of probabilities of default and loss rates in case of defaults, their extrapolations in case of insufficient observations, individual estimates of credit-adjusted cash flows and probabilities of various scenarios including forward-looking information. In addition, the life of the instruments has to be modelled in respect of behavioural life of revolving credit facilities.

Detailed disclosures about identification of significant increases in credit risk including collective assessment and estimation techniques used to measure 12-month and lifetime expected credit losses are provided in [Note 34 Credit risk](#). For further information on the definition of default refer to [Note 37 Measurement of expected credit loss](#). The development of loan loss provisions is described in [Note 39 Development of credit loss allowances](#).

Financial instruments held at amortised cost

Financial assets are classified as measured at amortised cost if they are held in a business model whose objective is to collect contractual cash flows and their contractual cash flows are SPPI.

On the balance sheet, these assets are carried at amortised cost, i.e. the gross carrying amount net of the credit loss allowance. They are presented under the line 'Financial assets at amortised cost', 'Trade and other receivables' and 'Cash and cash balances'.

Interest income on these assets is calculated by effective interest method and is included under the line 'Interest income' under 'Net interest income' in the statement of income. Impairment gains or losses are included in the line 'Impairment result from financial instruments'. Gains and losses from derecognition (such as sales) of the assets are reported under the line item 'Gains/losses from derecognition of financial assets measured at amortised cost'.

At Erste Group, financial assets at amortised cost constitute the largest measurement category, which includes the vast majority of loan business to customers (except for certain loans measured at fair value through profit or loss), interbank lending business (including reverse repo transactions), deposits with central banks, investments in debt securities, amounts in the course of settlement, trade and other receivables.

For description of financial liabilities at measured amortised cost refer to *Note 18 Financial liabilities at amortised costs*.

15. Cash and cash balances

Cash balances include only claims (deposits) against central banks and credit institutions that are repayable on demand. Repayable on demand means that they may be withdrawn at any time or with a term of notice of only one business day or 24 hours. A part of 'Cash balances at central banks' represents the mandatory minimum reserve requirement deposits which amounted to EUR 6,566 million (2024: EUR 4,673 million) at the reporting date. The mandatory minimum reserve requirement is calculated from defined balance sheet items and has to be fulfilled in average through an extended period of time. Therefore, the mandatory minimum reserve requirement deposits are not subject to restraints.

in EUR million	Dec 24	Dec 25
Cash on hand	3,122	3,376
Cash balances at central banks	20,813	22,636
Other demand deposits at credit institutions	1,194	1,561
Cash and cash balances	25,129	27,573

16. Financial assets at amortised cost

DEBT SECURITIES

Investments in debt securities measured at amortised cost may be acquired with different business objectives (such as fulfilling internal/external liquidity risk requirements and efficient placement of the structural liquidity surplus, strategic positions decided by the board of directors, initiation and fostering of client relationships, substitution of loan business or other yield generating activities). Their common attribute is that significant and frequent sales of such securities are not expected. For a description of what sales are considered as compliant with the held to collect contractual cash flows business model, see paragraph '*Business model assessment*' in chapter '*Financial instruments - Material accounting policies*'.

Gross carrying amounts and credit loss allowances per impairment buckets

in EUR million	Gross carrying amount				Credit loss allowances				Carrying amount
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
Dec 25									
Central banks	26	0	0	26	0	0	0	0	26
General governments	49,024	8	0	49,032	-5	0	0	-5	49,027
Credit institutions	7,875	5	0	7,881	-3	0	0	-3	7,878
Other financial corporations	634	21	0	655	0	0	0	-1	654
Non-financial corporations	1,005	61	9	1,075	-1	-1	-4	-6	1,069
Total	58,565	95	9	58,669	-8	-2	-4	-14	58,655
Dec 24									
Central banks	22	0	0	22	0	0	0	0	22
General governments	42,278	73	0	42,350	-5	0	0	-5	42,346
Credit institutions	8,870	1	0	8,871	-3	0	0	-3	8,867
Other financial corporations	652	25	0	678	0	-1	0	-1	677
Non-financial corporations	926	47	9	982	-1	-1	-4	-6	977
Total	52,748	146	9	52,904	-9	-2	-4	-15	52,889

For information about the development of credit loss allowances refer to *Note 39 Development of credit loss allowances*.

LOANS AND ADVANCES TO BANKS

Gross carrying amounts and credit loss allowances per impairment buckets

in EUR million	Gross carrying amount				Credit loss allowances				Carrying amount
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
Dec 24									
Central banks	13,667	0	0	13,667	0	0	0	0	13,667
Credit institutions	7,163	0	0	7,163	-3	0	0	-3	7,159
Total	20,830	0	0	20,830	-3	0	0	-3	20,827
Dec 23									
Central banks	17,620	0	0	17,620	0	0	0	0	17,620
Credit institutions	9,352	6	0	9,358	-6	0	0	-6	9,352
Total	26,972	6	0	26,978	-6	0	0	-6	26,972

For information about the development of credit loss allowances refer to *Note 39 Development of credit loss allowances*.

LOANS AND ADVANCES TO CUSTOMERS

Gross carrying amounts and credit loss allowances per impairment buckets

in EUR million	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Dec 25											
General governments	9,636	359	32	2	10,030	-4	-12	-1	-1	-19	10,011
Other financial corporations	6,167	417	56	0	6,640	-11	-15	-30	0	-56	6,583
Non-financial corporations	80,030	16,503	3,308	228	100,069	-231	-645	-1,296	-39	-2,211	97,858
Households	97,530	9,700	2,022	106	109,359	-155	-441	-977	-14	-1,586	107,773
Total	193,363	26,979	5,418	337	226,097	-401	-1,113	-2,304	-54	-3,872	222,225
Dec 24											
General governments	8,689	600	62	16	9,367	-5	-16	-4	0	-25	9,342
Other financial corporations	5,745	744	64	0	6,553	-12	-17	-28	0	-57	6,496
Non-financial corporations	71,722	20,079	3,190	239	95,229	-204	-770	-1,247	-54	-2,276	92,953
Households	88,288	11,443	2,030	115	101,876	-145	-460	-1,009	-19	-1,633	100,243
Total	174,443	32,866	5,346	369	213,024	-366	-1,263	-2,289	-73	-3,991	209,034

For information about the development of credit loss allowances refer to [Note 39 Development of credit loss allowances](#).

17. Trade and other receivables

Trade receivables arise largely from the factoring business of Erste Group.

Gross carrying amounts and credit loss allowances per impairment buckets

in EUR million	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Dec 25											
General governments	80	22	0	0	102	0	0	0	0	0	101
Credit institutions	34	3	0	0	37	0	0	0	0	0	37
Other financial corporations	143	18	0	0	161	0	0	0	0	-1	160
Non-financial corporations	1,681	857	36	1	2,576	-10	-2	-15	-1	-28	2,547
Households	60	43	15	0	118	0	-5	-13	0	-18	100
Total	1,999	942	51	2	2,993	-11	-7	-28	-1	-47	2,946
Dec 24											
General governments	61	19	0	0	80	0	0	0	0	0	80
Credit institutions	60	2	0	0	62	0	0	0	0	0	62
Other financial corporations	105	18	0	0	123	0	0	0	0	-1	122
Non-financial corporations	1,504	803	19	1	2,327	-9	-3	-12	-1	-25	2,302
Households	81	34	15	0	129	0	-5	-13	0	-18	111
Total	1,811	876	34	1	2,722	-10	-8	-26	-1	-44	2,677

For information about development of credit loss allowances refer to [Note 39 Development of credit loss allowances](#).

18. Financial liabilities at amortised costs

The line item 'Financial liabilities at amortised cost' is further broken down into 'Deposits from banks', 'Deposits from customers', 'Debt securities issued' and 'Other financial liabilities'.

Interest expenses incurred are calculated using effective interest method are reported in the line item 'Interest expenses' under 'Net interest income' in the statement of income. Gains and losses from derecognition (mainly repurchase) are reported under the line item 'Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss'.

Deposits from banks

in EUR million	Dec 24	Dec 25
Deposits repayable on demand	2,853	2,565
Term deposits	10,720	10,923
Repurchase agreements	7,688	3,431
Deposits from banks	21,261	16,919

Deposits from customers

in EUR million	Dec 24	Dec 25
Deposits repayable on demand	170,533	184,773
Savings deposits	56,356	62,108
Other financial corporations	196	172
Non-financial corporations	3,689	3,885
Households	52,472	58,051
Non-savings deposits	114,177	122,665
General governments	9,234	9,405
Other financial corporations	5,307	5,689
Non-financial corporations	32,386	35,970
Households	67,250	71,602
Term deposits	67,341	62,365
Deposits with agreed maturity	66,073	60,534
Savings deposits	27,018	25,719
Other financial corporations	120	33
Non-financial corporations	1,277	757
Households	25,622	24,929
Non-savings deposits	39,055	34,815
General governments	3,955	2,726
Other financial corporations	8,507	6,089
Non-financial corporations	11,407	11,975
Households	15,186	14,025
Deposits redeemable at notice	1,268	1,831
General governments	0	10
Other financial corporations	0	6
Non-financial corporations	1	324
Households	1,267	1,489
Repurchase agreements	3,661	5,679
General governments	1,418	2,124
Other financial corporations	2,244	3,503
Non-financial corporations	0	52
Deposits from customers	241,535	252,817
General governments	14,607	14,265
Other financial corporations	16,373	15,492
Non-financial corporations	48,759	52,963
Households	161,797	170,096

Debt securities issued

in EUR million	Dec 24	Dec 25
Subordinated debt securities issued	3,410	3,746
Senior non-preferred bonds	5,066	6,263
Other debt securities issued	33,383	35,594
Bonds	12,300	13,702
Certificates of deposit	5,713	4,191
Other certificates of deposits/name certificates	94	94
Mortgage covered bonds	15,277	17,608
Debt securities issued	41,859	45,604

SUBORDINATED LIABILITIES

Subordinated liabilities are reported either in the item 'Financial liabilities at amortised costs' or 'Financial liabilities at fair value through profit or loss'. Securitised and non-securitised liabilities are subordinated if the claims can only be satisfied after the claims of other, non-subordinated creditors in the event of liquidation or bankruptcy.

Material subordinated liabilities

Issuer	ISIN	Currency	Nominal value	Initial fixed rate	Reset rate after the first call date	Due	Call Redemption Date
Erste Group Bank AG	AT0000A2J645	EUR	500 million	1.625%	5Y swap +2.100%	08.09.2031	01.04.2026
Erste Group Bank AG	AT0000A2YA29	EUR	500 million	4.000%	5Y swap +2.550%	07.06.2033	25.01.2028
Erste Group Bank AG	AT0000A3FY07	EUR	750 million	4.000%	5Y swap +1.200%	15.01.2035	04.12.2029
Erste Group Bank AG	AT0000A3NRE3	EUR	750 million	3.625%	5Y swap +1.300%	26.11.2035	21.11.2030

In the reporting period, expenses for subordinated liabilities of all measurement categories amounted to EUR 185 million (2024: EUR 170 million).

Financial assets at fair value through other comprehensive income

19. Financial assets at fair value through other comprehensive income – debt instruments

Debt instrument financial assets are measured at fair value through other comprehensive income (FVOCI) if their contractual cash flows are SPPI-compliant and they are held within a business model whose objective is achieved by both to collect contractual cash flows and sell the assets. On the balance sheet, they are included as 'Debt securities' under the line 'Financial asset at fair value through other comprehensive income'.

Interest income on these assets is calculated using the effective interest method and is included in the line 'Interest income' under 'Net interest income' in the statement of income. Impairment gains and losses are recognised in profit or loss in the line 'Impairment result from financial instruments' with opposite loss allowance entry in OCI rather than against the asset value. As a result, the measurement impact recognised in profit or loss is the same as for financial assets measured at amortised cost.

The difference between the fair value at which the assets are carried in the balance sheet and the amortised cost component is recognised as accumulated OCI in equity specifically under 'Fair value reserve' in the statement of changes in equity. The change for the period is reported as OCI in the statement of comprehensive income in the line 'Fair value reserve of debt instruments' which also includes the loss allowance OCI entry. When the financial asset is derecognised, the amount previously accumulated in OCI is reclassified to profit or loss and reported under the line 'Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss'.

Erste Group classifies investments in debt securities as measured at FVOCI, i.e. no loan business is included in this measurement category. Similarly to investments in debt securities measured at amortised cost, they relate to various business objectives such as fulfilling internal/external liquidity risk requirements and efficient placement of the structural liquidity surplus, strategic positions decided by the board of directors, initiation and fostering of client relationships, substitution of loan business or other yield-enhancement activities. The common attribute for investments in debt instruments at FVOCI is that an active yield optimisation via sales is integral to achieving the objectives. The sales are carried out in order to optimise the liquidity position or to realise fair value gains or losses. As a result, the business objectives are achieved through both collecting contractual cash flows and sales of the securities.

Gross carrying amounts and credit loss allowances per impairment buckets

in EUR million	Gross carrying amount				Credit loss allowances				Amortised cost	Accumulated OCI changes	Fair value
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total			
Dec 25											
General governments	7,461	0	0	7,461	-2	0	0	-2	7,460	31	7,490
Credit institutions	792	0	0	792	0	0	0	0	792	12	803
Other financial corporations	130	1	0	131	0	0	0	0	131	-1	130
Non-financial corporations	588	60	5	652	-1	0	-2	-3	649	-5	644
Total	8,971	60	5	9,036	-3	0	-2	-5	9,031	37	9,068
Dec 24											
General governments	6,951	0	0	6,951	-2	0	0	-2	6,949	-6	6,943
Credit institutions	1,449	0	0	1,449	-1	0	0	-1	1,448	17	1,465
Other financial corporations	133	40	0	174	0	-1	0	-1	173	-1	172
Non-financial corporations	658	162	4	824	0	-8	0	-9	815	-7	809
Total	9,191	202	5	9,398	-3	-9	0	-13	9,385	3	9,388

For information about the development of credit loss allowances refer to [Note 39 Development of credit loss allowances](#).

20. Financial assets at fair value through other comprehensive income – equity instruments

For certain investments in equity instruments that are not held for trading, Erste Group makes use of the option to measure them at FVOCI. This election is applied to strategic, significant banking business relationship investments (except for insurance business). The fair value gains or losses for the period are reported as OCI in the line 'Fair value reserve of equity instruments' of the statement of comprehensive income. The cumulative gains or losses are included under 'Fair value reserve' in the statement of changes in equity. The amount recognised in OCI is never reclassified to profit or loss. However, upon derecognition of the investments in equity instruments at FVOCI the amount accumulated in OCI is transferred to retained earnings. Dividends received on these investments are reported under the line 'Dividend income' of the statement of income. On the balance sheet, financial assets measured at fair value through OCI are included as 'Equity instruments' under the line 'Financial asset at fair value through other comprehensive income'.

The carrying amount of Erste Group's equity instruments at FVOCI as at 31 December 2025 amounts to EUR 113 million (2024: EUR 109 million), the cumulative fair value change for equity instruments FVOCI before taxes recognised in other comprehensive income amounted to EUR 73 million (2024: EUR 69 million). During the year 2024 and 2025, no equity instruments FVOCI were sold due to strategic business decisions. The cumulative loss (net of tax) that was transferred from accumulated other comprehensive income into retained earnings amounted to EUR 0 million (2024: EUR 3 million).

Financial instruments at fair value through profit or loss

There are various reasons for assigning the fair value through profit or loss (FVPL) measurement category to debt instrument financial assets.

FVPL measurement relates to that are part of residual business models, i.e. they are neither held to collect contractual cash flows nor held to either collect contractual cash flows or sell the assets. These financial assets are generally expected to be sold before their maturity or they are managed and their performance is evaluated on a fair value basis. In the business of Erste Group, such business models are typical of assets that are held for trading (i.e. financial assets held by the trading function of the bank), of assets whose value is expected to be primarily realised through sales, such as loan syndications when the loan is offered for sale on the market. Further subject to FVPL measurement are financial assets held by funds consolidated by Erste Group since they are managed and their performance is evaluated on a fair value basis.

Another reason for the FVPL measurement are financial assets whose contractual cash flows are not considered as SPPI. At Erste Group, this concerns certain debt securities and loans to customers.

Erste Group also makes use of the option to designate some financial assets as measured at FVPL at initial recognition. Such a classification is used if it eliminates or significantly reduces an accounting mismatch between fixed interest rate financial assets, which in the absence of such a classification would be measured at amortised cost or at FVOCI and related derivatives measured at FVPL.

On the balance sheet, debt instrument financial assets measured at FVPL are presented as 'Financial assets held for trading', sub-item 'Other financial assets held for trading' and 'Non-trading financial assets at fair value through profit or loss', sub-items 'Debt securities' and 'Loans and advances to customers'. Non-trading financial assets at FVPL consist of two sub-categories disclosed in Note 23 Non-trading financial assets at fair value through profit or loss which are 'mandatorily at fair value through profit or loss' and 'designated at fair value through profit or loss'. Financial assets are mandatorily measured at fair value through profit or loss either because they are held as part of residual business models that are other than held for trading or their contractual cash flows are not SPPI.

Investments in equity instruments that are held for trading (i.e. financial assets held by the trading function of the bank) are measured at FVPL. They are included in the balance sheet under the line 'Financial assets held for trading', sub-item 'Other financial assets held for trading'. Investments in equity instruments that are not held for trading are also measured at FVPL (unless they are designated at FVOCI). They are presented in the balance sheet under 'Non-trading financial assets at fair value through profit or loss', sub-item 'Equity instruments', sub-category 'mandatorily at fair value through profit or loss' in Note 23 Non-trading financial assets at fair value through profit or loss.

From IFRS 9 perspective all derivatives which are not designated as hedging instruments are considered as held for trading. As a result, they are measured at FVPL. They are described in more detail in Note 21 Derivative financial instruments.

In the statement of income, the profit or loss effects of non-derivative financial assets measured at FVPL are split into interest income or dividend income and fair value gains and losses. The interest income on debt instruments is presented in the line 'Other similar income' under 'Net interest income' and is calculated by applying the EIR to the amortised cost component of the financial assets. The dividend income on equity instruments is presented in the line 'Dividend income'. The fair value gains or losses are calculated net of the interest or dividend income and they also include transaction costs and origination fees. They are reported in the line 'Net trading result' for financial assets held for trading and in the line 'Gains/losses from financial instruments measured at fair value through profit or loss' in case of non-trading financial assets at FVPL. For investments in funds, which are not consolidated by Erste Group, the interest or dividend component is not separated from the fair value gains or losses.

Financial liabilities at FVPL consist of financial liabilities held for trading and financial liabilities designated at FVPL.

On the balance sheet, financial liabilities at FVPL are presented as 'Financial liabilities held for trading', sub-items 'Derivatives' and 'Other financial liabilities held for trading' and as 'Financial liabilities at fair value through profit or loss' which are further broken down into 'Deposits from customers', 'Debt securities issued' and 'Other financial liabilities'. Accounting Policy related to financial liabilities at FVPL can be found in Note 21 Derivative financial instrument, Note 24 Other financial liabilities held for trading and Note 25 Financial liabilities at fair value through profit or loss.

21. Derivative financial instruments

Derivative financial instruments are used by Erste Group to manage exposures to interest rates, foreign currencies and other market price risks. Derivatives used by Erste Group include mainly interest rate swaps, futures, forward rate agreements, interest rate options, currency swaps and currency options as well as credit default swaps.

For presentation purposes, derivatives are split into:

- _ Derivatives – held for trading; and
- _ Derivatives – hedge accounting.

Hedge accounting derivatives are discussed in *Note 27 Hedge accounting*.

Derivative financial instruments are carried at fair value (dirty price) on the balance sheet. Derivatives are carried as assets if their fair value is positive and as liabilities if their fair value is negative.

Derivatives – held for trading are those that are not designated as hedging instruments for hedge accounting. They are presented in the line item ‘Derivatives’ under the heading ‘Financial assets/Financial liabilities held for trading’. All kinds of non-hedging derivatives without regard to their internal classification, i.e. both derivatives held in the trading book and banking book, are presented in this line item.

Changes in the fair value (clean price) of derivatives – held for trading are reported in the statement of income in the line item ‘Net trading result’. Interest income/expense related to held for trading derivatives is presented in the statement of income in the line item ‘Other similar income’ or ‘Other similar expenses’ under ‘Net interest income’. Interest income/expense recognition is based on EIR-like accruals in respect of the derivative notional amount and includes amortisation of the inception value of the derivative (e.g. upfront fees, if any).

Embedded derivatives

Erste Group issues certain financial liabilities which contain structured features. Structured features mean that a derivative is embedded in non-derivative host instruments.

Embedded derivatives that are separated are accounted for as stand-alone derivatives and presented on the balance sheet under the line item ‘Derivatives’ in financial assets held for trading and financial liabilities held for trading. At Erste Group, these relate to bonds and deposits whose payments are linked to equity prices or FX rates.

In the business of Erste Group, the majority of non-closely related embedded derivatives relates to bonds issued for which fair value option has been applied. As a result, these embedded derivatives are part of the measurement of the entire hybrid instrument at FVPL and thus are not separated.

Derivatives held for trading

in EUR million	Dec 24			Dec 25		
	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Derivatives held in the trading book	235,383	3,892	3,704	260,413	3,390	3,481
Interest rate	180,233	3,303	3,249	204,278	3,010	2,955
Equity	380	5	5	346	7	15
Foreign exchange	54,245	579	441	55,310	368	507
Credit	189	1	6	93	0	2
Commodity	7	0	0	11	0	0
Other	328	5	2	376	5	2
Derivatives held in the banking book	30,760	471	535	42,150	367	406
Interest rate	23,102	353	299	33,456	255	281
Equity	965	72	52	750	73	23
Foreign exchange	6,476	47	180	6,392	39	98
Credit	46	0	0	1,366	0	0
Other	170	0	4	186	0	4
Total gross amounts	266,143	4,363	4,239	302,564	3,758	3,887
Offset		-3,137	-3,090		-2,928	-2,795
Total		1,226	1,149		829	1,092

Erste Group undertakes a part of interest rate derivative and credit derivative transactions via Clearing Houses. These derivatives and related cash margin balances fulfil the requirements for balance sheet offsetting. For more details on balance sheet offsetting please refer to [Note 28 Offsetting of financial instruments](#).

22. Other financial assets held for trading

in EUR million	Dec 24	Dec 25
Equity instruments	141	222
Debt securities	10,095	8,326
Central banks	3,539	1,595
General governments	3,941	4,036
Credit institutions	2,135	2,300
Other financial corporations	324	259
Non-financial corporations	155	135
Other financial assets held for trading	10,236	8,548

23. Non-trading financial assets at fair value through profit or loss

in EUR million	Dec 24		Dec 25	
	Designated	Mandatorily	Designated	Mandatorily
Equity instruments	0	464	0	523
Debt securities	44	1,424	0	1,786
General governments	0	364	0	484
Credit institutions	44	144	0	356
Other financial corporations	0	847	0	813
Non-financial corporations	0	69	0	133
Loans and advances to customers	0	1,108	0	1,524
General governments	0	0	0	0
Non-financial corporations	0	26	0	8
Households	0	1,081	0	1,515
Financial assets designated and mandatorily at FVPL	44	2,996	0	3,833
Non-trading financial assets at fair value through profit or loss	3,040	3,833	3,833	3,833

Erste Group has designated debt securities at FVPL. The maximum exposure to credit risk on these securities is its fair value. In 2024 and 2025 there were no material changes in fair value due to changes in credit risk.

24. Other financial liabilities held for trading

Non-derivative held for trading liabilities largely comprise short sales. These arise from obligations to return securities, which are purchased under agreements to resell or are borrowed through securities lending transactions and subsequently sold to third parties. On the balance sheet such liabilities are presented under the line 'Financial liabilities held for trading', sub-item 'Other financial liabilities'. The gains or losses on financial liabilities held for trading are reported in the line 'Net trading result' in the statement of income.

in EUR million	Dec 24	Dec 25
Short positions	603	1,226
Equity instruments	61	40
Debt securities	543	1,187
Debt securities issued	69	94
Other financial liabilities held for trading	672	1,321

25. Financial liabilities at fair value through profit or loss

Erste Group makes use of the option to designate some financial liabilities as measured at FVPL at initial recognition (referred to as fair value option) if:

- _ such classification eliminates or significantly reduces an accounting mismatch between fixed interest rate financial liabilities otherwise measured at amortised cost and related derivatives measured at FVPL. Erste Group assesses quantitatively that the designation actually eliminates or significantly reduces the accounting mismatch in respect of fair value changes attributable to interest rate risk; or
- _ the entire hybrid contract contains a non-closely related embedded derivative.

Financial liabilities designated at FVPL are reported on the balance sheet under the line item 'Financial liabilities at fair value through profit or loss' and are further broken down into 'Deposits from customers', 'Debt securities issued' and 'Other financial liabilities'. Other financial liabilities relate to fund units issued by funds consolidated by Erste Group. Interest incurred is calculated by applying the EIR to the amortised cost of the financial liability and is reported in the statement of income under in line item 'Other similar expenses' under 'Net interest income'. Gains and losses resulting from changes in fair value are recognised net of the interest expense under the line item 'Gains/losses from financial instruments measured at fair value through profit or loss'.

The amount of the fair value change resulting from the credit risk of the financial liability for the period is presented as OCI in the statement of comprehensive income in the line 'Own credit risk reserve'. The cumulative amount is recognised as accumulated OCI, specifically under 'Own credit risk reserve' in the statement of changes in equity. The amount recognised in OCI is never reclassified to profit or loss. However, upon derecognition (mainly repurchases) of the financial liabilities designated at FVPL the amount accumulated in OCI is transferred to retained earnings.

The cumulative amount of the credit risk recognised as accumulated OCI is calculated as the difference between the present value of the liability determined by using the original credit spread and the fair value of the liability. The amount of fair value change attributable to changes in credit risk of the liability for the period which is recognised in OCI is the difference between the cumulative amount of the credit risk at the end of the period and at the beginning of the period. When calculating the present value of the liability by using the original credit spread, the rate used for discounting is the sum of the observed interest rate (swap yield curve) and the original credit spread. The original credit spread is determined at initial recognition of the liability and it equals the difference between the total yield of the liability and the observed interest rate (swap yield curve) at that time.

Delta between carrying amount and amount repayable for financial liabilities at FVPL

in EUR million	Carrying amount		Amount repayable		Delta between carrying amount and amount repayable	
	Dec 24	Dec 25	Dec 24	Dec 25	Dec 24	Dec 25
Deposits	115	174	116	176	0	-2
Debt securities issued	10,030	9,268	10,248	9,687	-218	-419
Other financial liabilities	136	415	136	415	0	0
Financial liabilities at FVPL	10,281	9,857	10,500	10,278	-219	-421

Fair value changes that are attributable to changes in own credit risk

in EUR million	For reporting period		Cumulative amount	
	1-12 24	1-12 25	Dec 24	Dec 25
Deposits	3	1	3	4
Debt securities issued	57	11	136	145
Financial liabilities at FVPL	60	12	139	149

The line 'Other financial liabilities' contains fund units issued by investment funds fully consolidated by Erste Group. Their fair value changes are subject to asset-specific performance risk only and are not dependent on changes in the individual own credit risk of the respective investment funds.

Debt securities issued

in EUR million	Dec 24	Dec 25
Subordinated debt securities issued	1,985	1,768
Other debt securities issued	8,045	7,500
Bonds	5,557	5,083
Other certificates of deposits/name certificates	1,143	1,091
Mortgage covered bonds	1,269	1,249
Public sector covered bonds	74	77
Debt securities issued	10,030	9,268

In the reporting period, a loss of EUR 2 million (2024 EUR 0 million) was transferred from own credit risk reserve to retained earnings due to the repurchase of debt securities (own issues) issued.

Financial instruments – other disclosure matters

26. Fair value of financial instruments

The measurement of fair value at Erste Group is based primarily on external sources of data (stock market prices or broker quotes in highly liquid market segments). Financial instruments for which the fair value is determined on the basis of quoted market prices are mainly listed securities and listed derivatives as well as liquid OTC bonds.

Where the fair values of financial assets and financial liabilities recorded on the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data is not available judgement is required to establish fair values. Using of unobservable inputs is particularly relevant for models used for valuations of loans and unquoted equity investments. Disclosures on valuation models, the fair value hierarchy and fair values of financial instruments can be found subsequently.

For all financial instruments the fair value is measured on recurring basis.

Financial instruments carried at fair value

DESCRIPTION OF VALUATION MODELS AND PARAMETERS

Erste Group uses valuation models that have been tested internally and for which the valuation parameters (such as interest rates, exchange rates, volatilities and credit spreads) have been determined independently.

Loans. Not SPPI compliant loans are to be valued at fair value. The methodology to compute fair value of these loans corresponds to the basic present value technique. The credit risk is recognized by adjusting contractual cash flows to come to expected cash flows accounting for customer's probability of default ('PD') and loss given default ('LGD'). These adjusted cash flows are then discounted by a yield curve which consists of a risk-free rate and a funding spread for senior unsecured issues.

Debt securities. For plain vanilla (fixed and floating rate) debt securities the fair value is calculated by discounting the future cash flows using a discounting curve depending on the interest rate for the respective issuance currency and a spread adjustment. The spread adjustment is usually derived from the credit spread curve of the issuer. If no issuer curve is available the spread is derived from a proxy instrument and adjusted for differences in the risk profile of the instruments. If no close proxy is available, the spread adjustment is estimated using other information, including estimation of the credit spread based on internal ratings and PDs or management judgment. For more complex debt securities (e.g. including option-like features such as callable, cap/floor, index-linked) the fair value is determined using combinations of discounted cash flow models and more sophisticated modeling techniques including methods described for OTC-derivatives.

Equity instruments. For non-trading equity instruments which do not have quoted market prices in an active market the fair value is determined by standard valuation models using also unobservable input parameters. These models include the adjusted net asset value method, the simplified income approach, the dividend discount model and the comparable company multiple method.

The adjusted net asset method requires an investor to measure the fair value of the individual assets and liabilities recognized in an investee's statement of financial position as well as the fair value of any unrecognized assets and liabilities at the measurement date. The resulting fair values of the recognized and unrecognized assets and liabilities should therefore represent the fair value of the investee's equity.

The dividend discount model assumes that the price of equity instruments issued by an entity equals the present value of all its expected future dividends in perpetuity. Similar to the dividend discount model, the simplified income approach estimates the fair value based on the future income. However, it can be used also when only one year planned income is available. The simplified income approach and the dividend discount model discount future income and dividends using the cost of equity. The cost of equity is dependent on the risk-free rate, the market risk premium, the levered beta and the country risk premium. The levered beta is derived from the industry classification which is published and maintained by Damodaran.

In rare cases, techniques for non-trading equity instruments may also include comparable company multiple methods. These are valuation techniques that use prices and other relevant information generated by market transactions involving comparable company peers of an investee to derive a valuation multiple from which the indicated fair value of the investee's equity or enterprise value can be inferred.

Liabilities. For issued debt securities where the fair value cannot be retrieved from quoted market prices, the fair value is calculated by discounting the future cash flows. Significant input factors for the spread adjustment of Erste Group's own credit risk for the respective seniority class are credit spreads derived from liquid benchmark bonds and additional indications from external investments banks, which are provided on a regular basis. The applied spreads are validated on a regular basis from an independent Risk Management unit. In case of issued securities with structured features, optionality is taken into account as well when calculating the fair value.

OTC-derivative financial instruments. Derivative instruments traded in liquid markets (e.g. interest rate swaps and options, foreign exchange forward and options, options on listed securities and indices, credit default swaps and commodity swaps) are valued by using standard valuation models. These models include discounting cash flow models, option models of the Black-Scholes and Hull-White type as well as hazard rate models. Models are calibrated on quoted market data (including implied volatilities). Valuation models for more complex instruments also use Monte-Carlo simulation. For instruments in less liquid markets, data obtained from less frequent transactions or extrapolation techniques are used. For determining the fair value of collateralised derivatives a discounting interest rate reflecting the interest rate of the corresponding cash collateral is used.

Erste Group values derivatives at mid-market levels. To reflect the potential bid-ask-spread of the relevant positions an adjustment based on market liquidity is performed. The adjustment parameters depend on product type, currency, maturity, liquidity and notional size. Parameters are reviewed on a regular basis or in case of significant market moves.

Credit value adjustments (CVA) for counterparty risk and debit value adjustments (DVA) for own default credit risk are applied to OTC derivatives. For the CVA the adjustment is driven by the expected positive exposure of the derivative and the probability of default of the counterparty. The DVA is driven by the expected negative exposure of the derivative and Erste Group's probability of default. The modeling of the expected exposure is based on option replication strategies or Monte-Carlo simulation techniques.

The accumulated CVA-adjustments amounted to EUR 9 million (2024: EUR 15 million) and the total DVA-adjustment amounted to EUR 10 million (2024: EUR 9 million).

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

VALIDATION AND CONTROL

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

Fair value hierarchy

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

LEVEL 1 OF THE FAIR VALUE HIERARCHY

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

LEVEL 2 OF THE FAIR VALUE HIERARCHY

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

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

LEVEL 3 OF THE FAIR VALUE HIERARCHY

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

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

- _ Derivatives where the credit value adjustment (CVA) has a material impact and is calculated based on unobservable parameters (i.e. internal estimates of PDs and LGDs).
- _ Illiquid bonds, shares, participations and funds not quoted in an active market where either valuation models with non-observable parameters have been used (e.g. credit spreads) or broker quotes have been used that cannot be allocated to Level 1 or Level 2.
- _ Loans which do not comply with the contractual cash flow criteria.

The allocation of the appropriate level of positions is determined at the end of the reporting period.

A reclassification from Level 1 into Level 2 or Level 3 as well as vice versa will be performed if the financial instrument does no longer meet the criteria described above for the respective level.

Classification of financial instruments carried at fair value by levels of the fair value hierarchy

in EUR million	Dec 24				Dec 25			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Financial assets HfT	4,414	6,985	63	11,463	4,717	4,603	57	9,377
Derivatives	1	1,184	41	1,226	1	795	34	829
Other financial assets HfT	4,413	5,802	22	10,236	4,717	3,808	23	8,548
Non-trading financial assets at FVPL	1,348	129	1,563	3,040	1,706	91	2,036	3,833
Equity instruments	63	6	396	464	67	14	441	523
Debt securities	1,285	123	60	1,468	1,639	77	71	1,786
Loans and advances	0	0	1,108	1,108	0	0	1,524	1,524
Financial assets at FVOCI	7,543	1,626	329	9,498	6,977	1,906	298	9,181
Equity instruments	0	0	109	109	1	0	113	113
Debt securities	7,543	1,626	220	9,388	6,976	1,906	185	9,068
Hedge accounting derivatives	0	181	0	181	0	231	0	231
Total assets	13,305	8,921	1,956	24,181	13,400	6,832	2,390	22,622
Liabilities								
Financial liabilities HfT	605	1,202	14	1,821	1,220	1,191	1	2,412
Derivatives	2	1,133	14	1,149	4	1,087	1	1,092
Other financial liabilities HfT	603	69	0	672	1,216	104	0	1,321
Financial liabilities at FVPL	136	10,145	0	10,281	415	9,442	0	9,857
Deposits from customers	0	115	0	115	0	174	0	174
Debt securities issued	0	10,030	0	10,030	0	9,268	0	9,268
Other financial liabilities	136	0	0	136	415	0	0	415
Hedge accounting derivatives	0	194	0	194	0	170	0	170
Total liabilities	741	11,541	14	12,296	1,635	10,804	1	12,439

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

VALUATION PROCESS FOR FINANCIAL INSTRUMENTS CATEGORISED AS LEVEL 3

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

CHANGES IN VOLUMES OF LEVEL 1 AND LEVEL 2

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

in EUR million	Dec 24		Dec 25	
	L1 to L2	L2 to L1	L1 to L2	L2 to L1
Financial assets HfT	144	11	217	4
Bonds	144	10	217	3
Shares	0	0	0	1
Non-trading financial assets at FVPL	2	4	3	5
Bonds	2	3	2	5
Shares	0	1	0	0
Financial assets at FVOCI	258	25	159	4
Bonds	258	25	159	4
Total	404	40	379	13

Transfers into and out of Level 1 and Level 2 are caused by changes in market activities and consequently due to the quality and observability of valuation parameters.

MOVEMENTS IN LEVEL 3

Development of fair value of financial instruments in Level 3

in EUR million		Gains/losses profit or loss	Gains/ losses OCI	Purchases	Sales	Settle- ments	Addition to group	Disposal out of group	Transfer into Level 3	Transfer out of Level 3	Currency translation	
	Jan 25											Dec 25
Assets												
Financial assets HfT	63	14	0	4	-15	0	0	0	14	-22	0	57
Derivatives	41	14	0	0	0	0	0	0	0	-22	0	34
Other financial assets HfT	22	0	0	3	-15	0	0	0	14	0	0	23
Non-trading financial assets at FVPL	1,563	56	0	487	-17	-92	3	0	1	-53	87	2,036
Equity instruments	396	45	0	61	-11	0	0	0	0	-52	2	441
Debt securities	60	6	0	13	-7	-5	3	0	1	-1	0	71
Loans and advances	1,108	5	0	413	0	-88	0	0	0	0	85	1,524
Financial assets at FVOCI	329	5	2	26	0	-75	0	0	139	-131	3	298
Equity instruments	109	0	3	0	0	0	0	0	0	0	0	113
Debt securities	220	5	-1	26	0	-75	0	0	139	-131	3	185
Hedge accounting derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Total assets	1,956	75	2	516	-33	-168	3	0	154	-206	90	2,390
Liabilities												
Financial liabilities HfT	14	-14	0	0	0	0	0	0	1	0	0	1
Derivatives	14	-14	0	0	0	0	0	0	1	0	0	1
Other trading financial liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Financial liabilities at FVPL	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0
Other financial liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Hedge accounting derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Total liabilities	14	-14	0	0	0	0	0	0	1	0	0	1
	Jan 24											Dec 24
Assets												
Financial assets HfT	139	13	0	40	-34	0	0	0	19	-114	0	63
Derivatives	75	11	0	0	0	0	0	0	1	-46	0	41
Other financial assets HfT	64	2	0	40	-34	0	0	0	18	-68	0	22
Non-trading financial assets at FVPL	1,444	60	0	254	-15	-69	0	0	2	-33	-80	1,563
Equity instruments	333	34	0	57	-2	0	0	0	0	-25	-2	395
Debt securities	73	10	0	3	-13	-3	0	0	2	-8	-2	61
Loans and advances	1,038	16	0	195	0	-65	0	0	0	0	-76	1,108
Financial assets at FVOCI	392	-1	1	7	0	-15	0	-1	191	-242	-2	329
Equity instruments	109	0	7	0	0	-13	0	4	1	0	0	109
Debt securities	283	-1	-7	7	0	-3	0	-5	190	-242	-2	220
Hedge accounting derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Total assets	1,975	71	1	301	-49	-84	0	-1	212	-389	-81	1,956
Liabilities												
Financial liabilities HfT	10	14	0	0	0	0	0	0	0	-10	0	14
Derivatives	10	14	0	0	0	0	0	0	0	-10	0	14
Other trading financial liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Financial liabilities at FVPL	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0
Other financial liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Hedge accounting derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Total liabilities	10	14	0	0	0	0	0	0	0	-10	0	14

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

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

in EUR million	1-12 24	1-12 25
Assets		
Financial assets HfT	8	27
Derivatives	11	27
Other financial assets HfT	-2	0
Non-trading financial assets at FVPL	62	56
Equity instruments	37	46
Debt securities	10	3
Loans and advances	15	7
Total	70	86
Liabilities		
Financial liabilities HfT	-14	-1
Derivatives	-14	-1
Total	-14	-1

UNOBSERVABLE INPUTS AND SENSITIVITY ANALYSIS FOR LEVEL 3 MEASUREMENTS

In case the fair value measurement of a financial asset is retrieved from input parameters which are not observable in the market, those parameters can be retrieved from a range of alternative parameters. For the preparation of the balance sheet the parameters were chosen to reflect the market situation at the reporting date.

Range of unobservable valuation parameters used in Level 3 measurement

Financial assets / liabilities	Type of instrument	Valuation technique	Fair value in EUR million		Significant unobservable inputs	Range of unobservable inputs (weighted average)	
			Dec 24	Dec 25		Dec 24	Dec 25
Positive / negative fair value of derivatives	Forwards, swaps, options	DCF and option models with CVA adjustment based on potential future exposure	29	32	PD	0.98%-11.21% (1.81%)	0.97%-4.95% (2.22%)
					LGD	60%	60%
Financial assets at FVPL	Fixed and variable coupon bonds	DCF	24	22	Credit Spread	-0.79%-9.54% (1.13%)	-1.11%-2.58% (1.97%)
					PD	0.04%-6.29% (0.19%)	0.02%-29.18% (0.48%)
Financial assets at FVOCI	Loans	DCF	1,108	1,524	LGD	0.06%-40.97% (23.23%)	0.01%-61.63% (28.31%)
					Credit Spread	0.42%-6.05% (1.69%)	-1.18%-3.11% (1.16%)
Financial assets at FVOCI / at FVPL	Non-trading equity instruments (participations)	Adjusted Net Asset Value	240	281	Beta levered	Industries: 0.57-1.15 (0.97)	0.58-1.22 (0.90)
					Country risk premium	0.38%-2.68% (0.56%)	0.27%-2.18% (0.48%)
Financial assets at FVOCI / at FVPL	Non-trading equity instruments (participations)	Adjusted Net Asset Value	132	145	Adjusted Equity	Depending on accounting equity of investment	Depending on accounting equity of investment

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

For financial assets at FVOCI/at FVPL, where Beta levered and Country risk premium inputs are being used, the resulting cost of equity based on these inputs is in the range 6.02%-13.24% (2024: 5.91%-13.40%). The majority of financial assets at FVOCI/at FVPL, where Beta levered inputs are being used, is related to Financial Services (Non-bank & Insurance) with 1.03 (2024: Financial Services (Non-bank & Insurance) with 1.00). The majority of financial assets at FVOCI/at FVPL, where Country risk premium inputs are being used, is related to Austria with 0.32% (2024: Austria with 0.40%).

In addition to the information above, equity instruments with a fair value in amount of EUR 68 million (2024: EUR 51 million) are assessed on the basis of expert opinions.

Furthermore, for equity instruments other than participations classified as Level 3, the amount of EUR 10 million (2024: EUR 23 million) is presented in the statement of financial position using the criteria of availability and quality of broker quotes.

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

in EUR million	Dec 24		Dec 25	
	Positive	Negative	Positive	Negative
Derivatives	2	-3	1	-2
Income statement	2	-3	1	-2
Debt securities	8	-10	6	-9
Income statement	2	-3	1	-1
Other comprehensive income	6	-7	5	-7
Equity instruments	77	-55	106	-69
Income statement	56	-41	82	-54
Other comprehensive income	21	-14	24	-15
Loans and advances	19	-70	30	-98
Income statement	19	-70	30	-98
Total	106	-138	142	-177
Income statement	79	-117	113	-155
Other comprehensive income	27	-21	29	-22

In estimating these impacts, mainly changes in credit spreads (for bonds), PDs, LGDs (for CVA of derivatives) and market values of comparable equities were considered. An increase (decrease) of spreads, PDs and LGDs result in a decrease (increase) of the corresponding fair values. Positive correlation effects between PDs and LGDs were not taken into account in the sensitivity analysis. For non-trading equity instruments increases (decreases) in any of the inputs used for the cost of equity calculation in isolation would result in a lower (higher) fair value.

The following ranges of reasonably possible alternatives of the unobservable inputs were considered in the sensitivity analysis table:

- _ for debt securities range of credit spreads between +100 basis points and -75 basis points
- _ for equity related instruments the price range between -10% and +5%
- _ for unquoted equity instruments measured by the adjusted net asset value the price range between -10% and +10%
- _ for unquoted equity instruments measured by dividend discount model/simplified income approach the cost of equity range between -2% and +2%
- _ for CVA on derivatives PDs rating upgrade/downgrade by one notch, as well as the change of LGD by -5% and +10%
- _ for loans, the PDs rating upgrade/downgrade by 1%, the change of LGD by -5% and +10% and a range of credit spreads between +100 basis points and 75 basis points.

Financial instruments not carried at fair value with fair value disclosed in the notes

in EUR million	Carrying amount	Fair value	Level 1	Level 2	Level 3
Dec 25					
Assets					
Financial assets at AC	301,707	296,511	52,936	3,965	239,609
Loans and advances to banks	20,827	20,752	0	0	20,752
Loans and advances to customers	222,225	218,669	0	0	218,669
Debt securities	58,655	57,090	52,936	3,965	188
Finance lease receivables	5,290	5,263	0	0	5,263
Trade and other receivables	2,946	2,944	0	0	2,944
Liabilities					
Financial liabilities at AC	316,168	315,755	25,944	18,632	271,179
Deposits from banks	16,919	16,657	0	0	16,657
Deposits from customers	252,817	252,547	0	0	252,547
Debt securities issued	45,604	45,723	25,944	18,632	1,147
Other financial liabilities	829	829	0	0	829
Financial guarantees and commitments					
Financial guarantees	n/a	36	0	0	36
Loan commitments	n/a	50	0	0	50
Dec 24					
Assets					
Financial assets at AC	288,894	283,770	47,098	3,635	233,038
Loans and advances to banks	26,972	26,990	0	0	26,990
Loans and advances to customers	209,034	205,972	0	0	205,972
Debt securities	52,889	50,808	47,098	3,635	76
Finance lease receivables	5,248	5,223	0	0	5,223
Trade and other receivables	2,677	2,676	0	0	2,676
Liabilities					
Financial liabilities at AC	305,332	304,790	21,910	16,561	266,319
Deposits from banks	21,261	21,001	0	0	21,001
Deposits from customers	241,535	241,308	0	0	241,308
Debt securities issued	41,859	41,804	21,910	16,561	3,333
Other financial liabilities	676	676	0	0	676
Financial guarantees and commitments					
Financial guarantees	n/a	32	0	0	32
Loan commitments	n/a	1,230	0	0	1,230

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

The fair value of loans and advances to customers and credit institutions has been calculated by discounting future cash flows while taking into consideration interest and credit spread effects. The interest rate impact is based on the movements of market rates, while credit spread changes are derived from PDs and LGDs used for internal risk calculations. Loans and advances were grouped into homogeneous portfolios based on rating method, rating grade, maturity and the country where they were granted. The measurement of fair values of loans to customers is not affected by whether they are subject to synthetic securitisations. As a result, they are categorised as Level 3 measurements. Details on synthetic securitisations can be found in *Note 36 Use of collateral and other credit enhancements*. The fair values of debt securities at amortised cost are either taken directly from the market or they are determined by directly observable input parameters (i.e. yield curves).

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

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

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

Trading book disclosure according to §64 section 15 BWG

Erste Group maintained a trading book in accordance with CRR Art. 94 (3) b and c including a market value of EUR 24,341 million as of 31 December 2025 (2024: EUR 16,937 million).

The publication of the new final RTS by the EBA on the determination of the long/short classification led to a corresponding adjustment of the methodology for determining the trading book volume.

27. Hedge Accounting

Erste Group makes use of derivative instruments to hedge exposures to interest rate risk and foreign currency risk. As permitted by the transitional provisions of IFRS 9, Erste Group has elected to continue to apply the hedge accounting requirements of IAS 39.

On the balance sheet, derivatives designated as hedging instruments are carried at fair value (dirty price). They are presented in the line item 'Hedge accounting derivatives' on the asset or liability side depending on whether their fair value is positive or negative.

i. Fair value Hedge

For qualifying and designated fair value hedges, the change in the fair value (clean price) of a hedging instrument is recognised in the statement of income under the line item 'Net trading result'. Interest income and expenses on hedging derivatives are reported in the line item 'Other similar income' or 'Other similar expenses' under 'Net interest income'. The change in the fair value of the hedged item attributable to the hedged risk is also recognised in the statement of income under the line item 'Net trading result' and adjusts the carrying amount of the hedged item.

Erste Group also applies portfolio fair value hedges of interest rate risk as regulated by IAS 39.AG114-AG132. For this purpose, Erste Group makes use of the relaxation provided by the EU-carve out for so called 'bottom layer' hedges. More details are discussed in part 'Hedges of interest rate risk' below. The change in the fair value of the hedged items attributable to the hedged interest risk in portfolio fair value hedges is presented on the balance sheet under the line item 'Fair value changes of hedged items in portfolio hedge of interest rate risk'.

For terminated hedges the fair value adjustment of the hedged item is amortised until maturity of the financial instrument. In the statement of income the amortisation is presented under 'Net interest income' in the line item 'Interest income' if the hedged item was a financial asset or in the line item 'Interest expenses' if the hedged item was a financial liability. For portfolio fair value hedges of interest rate risk the fair value adjustment related to the terminated hedge is amortised to the statement of income on a straight-line basis in the line item 'Other similar income' under 'Net interest income'.

ii. Cashflow Hedge

For designated and qualifying cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised as OCI in the line 'Cash flow hedge reserve' of the statement of comprehensive income. The accumulated other comprehensive income is presented under 'Cash flow hedge reserve' in the statement of changes in equity. The ineffective portion of the gain or loss on the hedging instrument is recognised in the statement of income under the line item 'Net trading result'. For determination of the effective and ineffective portions, the derivative is considered at its clean price, i.e. excluding the interest component. When the hedged cash flow affects the statement of income, the gain or loss on the hedging instrument is reclassified from other comprehensive income on the corresponding income or expense line item in the statement of income (mainly 'Other similar income' or 'Other similar expenses' under 'Net interest income'). As far as accounting for hedged items in cash flow hedges is concerned, there is no change compared to the situation when no hedging is applied.

For terminated hedges the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income remains in 'Cash flow hedge reserve' until the transaction occurs.

iii. Net investment hedge

For designated and qualifying net investment hedges, the effective portion of the gain or loss on the hedging instrument is recognised as OCI in the line 'Currency reserve' of the statement of comprehensive income. The accumulated other comprehensive income is presented under 'Currency reserve' in the statement of changes in equity.

For terminated hedges the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income remains in 'Currency reserve' until the hedged net investment is disposed of.

If the spot FX rate is designated as the hedged risk, the undesignated part of the hedging instrument is treated as a derivative – held for trading and recognised in the statement of income under the line item 'Net trading result'. However, accruals of forward points on FX swaps are presented in the line item 'Other similar income' or 'Other similar expenses' under 'Net interest income'.

HEDGES OF INTEREST RATE RISK

As an inherent part of its business Erste Group is exposed to interest rate risk arising from the interest characteristics and behaviour of assets, liabilities and off-balance sheet items. This relates to the existing balance sheet items as well as to expected development of the balance sheet and banking activities. Interest rate risk can generally be defined as a potential deterioration of a bank's financial condition in reaction to adverse movements in market interest rates.

Hedge accounting activities relate to interest risk bearing exposures in the banking book. The interest rate risk of the banking book is managed by Group Asset Liability Management (ALM). Interest rate risk management actions of ALM are approved as part of the ALM strategy by Group Asset Liability Committee (ALCO). For hedging relationships qualifying for hedge accounting hedge effectiveness is measured by risk management unit which is independent from ALM as the risk taker.

The objective of the interest rate risk management in the banking book is to optimise the risk and return of interest rate risk exposures. For this purpose and for compliance with external and internal regulations and limitations Erste Group manages the interest rate risk from the earnings and economic value perspectives. The focal point of the interest rate risk analysis from the earnings perspective is the variation in earnings, i.e. the net interest income. The changes in interest rates have an impact on the bank's earnings via its distinct impact on interest income and interest expenses accrued on assets and liabilities, respectively. The economic value perspective views the interest rate risk as changes in the economic value of equity. It can be identified as the present value of cash-flows arising from asset, liability and off-balance-sheet items. Change in interest rates alters both the size of future cash-flows and the value of discount rates applied in the calculation.

Existing balance sheet items and contributions of planned or forecast transactions are analysed through the earnings and economic value-based metrics. Erste Group keeps the risk within predefined limits. When actively managing interest rate risk ALM gives preference to investing in bonds and entering into derivatives. In general, the policy of Erste Group is to swap all substantial fixed or structured issued bonds to floating items. Occasionally, ALM may decide not to swap certain benchmark issued bonds as part of the interest risk management.

Interest rate swaps are the most common derivatives used to manage interest rate. If fixed rate repricing profiles of assets or liabilities do not fit to the interest rate risk management strategy they are swapped into variable rate items (usually 3-month money market rate such as EURIBOR). In other cases, variable rate repricing profiles of assets or liabilities may need to be swapped into fixed rate items.

Erste Group employs hedge accounting to address accounting mismatches resulting from different measurement requirements for derivatives which are measured at fair value through profit or loss and financial assets and liabilities in the banking book measured at amortised cost or at fair value through other comprehensive income. Some of the accounting mismatches are addressed by designating financial assets or financial liabilities as measured at FVPL (fair value option) without the need to use hedge accounting.

Fair value hedges address the risk management activities of swapping fixed rate assets or liabilities into variable rate. On the other hand, cash flow hedges are used when floating rates assets or liabilities are swapped into fixed ones (please refer also to the discussion of proxy hedges below).

For hedges of interest rate risk of portfolios of prepayable fixed rate loans Erste Group applies requirements for portfolio fair value hedges of interest rate risk as regulated by IAS 39.AG114-AG132. For this purpose, Erste Group makes use of the relaxation provided by the EU-carve out and hedges the interest rate risk in respect of so called 'bottom layer' amount. The bottom layer amount is expected not to be affected by prepayments of loans (including a margin of conservatism). Thus, it represents a stable fixed interest rate exposure which is hedged by using interest rate swaps. With this approach, any prepayments, other

derecognitions and impairments are attributed to the un-hedged buffer amount above the designated bottom layer. Thus, they do not affect the hedge effectiveness unless their amount hits the designated hedged bottom layer level.

Fair value hedges are designated in respect of the interest rate risk component of the fair value changes of the hedged fixed rate items. The hedged interest rate risk portion in fair value hedges relates to the observed interest rate (swap yield curve) component. I.e. the fair value volatility resulting from changes in the spread of the hedged fixed rate instrument over the swap yield curve is excluded from hedge accounting and is not accounted for.

Similarly, in cash flow hedges the hedged risk is designated in respect of the variable cash flows portion equal to the interest index of the swap (such as EURIBOR). The credit spreads over the swap index are excluded from hedge accounting.

The hedging interest derivatives are economically related to the hedged interest rate risk component of the hedged item. The non-interest components (such as credit spreads) of the hedged items are outside the hedging relationship. As a result, comparable valuation inputs are applied on both sides of the hedging relationship. Thus offsetting effects are recognised to the extent the economic relationship exists without giving rise to artificial volatility in profit or loss. The hedged interest risk component is the most significant factor affecting fair value changes of the hedged item.

For cash flow hedges of deposits with central banks (disclosed under the line 'Interbank loans/repos' below) no forward-looking curve over the hedging period exists for the hedged interest rates (such as DFR of the ECB or two-week repo rate of the CNB). In such cases the hedged risk is replicated by another rate for which the forward-looking curve exists (such as €STR swap curve or 1M PRIBOR swap curve). A proof of a strong correlation between the rates is necessary.

The designated hedging relationships normally correspond to the economic hedges set up by ALM when managing the interest rate risk. However, in some cases, the hedging derivatives may not be directly related to specific assets or liabilities but they manage the overall interest risk position. Also, the derivatives may relate to instruments which do not qualify as hedged items under the IFRS hedge accounting requirements. In order to account for risk mitigating effects of such derivatives Erste Group searches for suitable hedged items providing the best fit to the terms of the derivative and designates an effective hedging relationship (so called proxy hedges). Typically cash flow hedges of variable rate assets are designated on such a basis whereby the actual economically hedged risk may result from modelled fixed rate profile of demand deposit liabilities.

The hedge ratio is chosen in compliance with the rules defined in IAS 39. The volume of the hedging instrument which is designated for the hedge relation can never be greater than the volume of the hedged item. If the notional of a hedging derivative is greater than the notional of the hedged item the respective proportion of the derivative is designated as hedging instrument. Further, the tenor of the hedging instrument is never longer than the tenor of the hedged item.

Sources of hedge ineffectiveness can result from:

- _ designation of hedging instruments and hedged items during their life rather than from their inception
- _ different discounting curves applied for hedged item and hedging instrument
- _ different interest tenors of hedging swaps and hedged variable rate items in cash flow hedges
- _ volatility of present value of floating leg of hedging swaps in fair value hedges
- _ different trade dates for the hedging instrument and the hedged item
- _ real prepayments of a loan portfolio deviating from expected prepayments
- _ credit risk adjustments (CVA, DVA) on the hedging derivatives.

Notional amounts of hedged items – hedges of interest rate risk

in EUR million	Type of hedged items	Notional amount	
		Dec 24	Dec 25
Fair value hedges			
Assets	Portfolios of client loans	1,198	2,441
Assets	Single loans	268	23
Assets	Bonds at FVOCI	838	620
Assets	Bonds at AC	5,872	6,273
Liabilities	Issued bonds	22,804	27,347
Liabilities	Other liabilities/repos	50	50
Cash flow hedges			
Assets	Interbank loans/repos	564	2,386
Assets	Client loans	1,608	2,676

Portfolio hedges of defined bottom layer amounts (bottom layer hedges) are disclosed in the table with the nominal hedged bottom layer amounts. Client loans hedged in portfolio hedges are disclosed in the balance sheet line item 'Financial assets measured at amortised cost', with a carrying amount of EUR 17.524 million (2024: EUR 6,860 million).

HEDGES OF FOREIGN EXCHANGE RISK

The objective of foreign exchange risk management in the banking book is to avoid profit or loss impacts of unfavourable market movements of foreign exchange rates. Only a minor part of foreign exchange risk management activities requires using of hedge accounting.

Currently bonds and loans with notional amount of EUR 1,587 million (2024: EUR 1,637 million) are hedged in cash flow hedges by using cross currency swaps as hedging instruments. FX swaps with notional amount of EUR 120 million (2024: EUR 180 million) are used as hedging instrument in hedges of interest accruals on financial assets in foreign currency. Sources of hedge ineffectiveness can result from the hedged cash flows falling under the hedged volume and from credit risk adjustments (CVA, DVA) on the hedging derivatives.

Furthermore, Erste Group mitigates structural FX risk of its subsidiaries with non-EUR functional currency (currently CZK and HUF). The basis for managing this risk are the EBA Guidelines on the treatment of structural FX which require that the risk is either directly mitigated using an FX hedge or a capital requirement is imposed. Erste Group uses a mix of these two approaches. For the hedging part it designates net investment hedges. Hedging instruments are short-term FX swaps which are rolled over as part of the hedging strategy.

QUANTITATIVE DISCLOSURES

In the tables below, detailed information related to hedging instruments and hedged items in fair value and cash flow hedges are reported. The indicated values for fair value hedges include single hedges as well as portfolio hedges, which due to immateriality are not shown separately.

Hedging instruments

in EUR million	Carrying amount		Change in FV for the period used for calculating hedge ineffectiveness	Notional	Timing of the nominal amounts of the instruments			
	Assets	Liabilities			≤ 3 m	> 3 m and ≤ 1 y	> 1 y and ≤ 5 y	> 5 y
Dec 25								
Fair value hedges	684	891	190	36,761	525	2,385	20,769	13,083
Interest rate risk	684	891	190	36,761	525	2,385	20,769	13,083
Cash flow hedges	115	17	-63	6,723	0	560	6,163	0
Interest rate risk	33	11	-23	5,062	0	500	4,562	0
Foreign exchange risk	82	6	-40	1,661	0	60	1,601	0
Hedge of net investments in a foreign operation	0	54	-67	1,881	852	1,029	0	0
Total gross amounts	799	962	60	45,365	1,377	3,974	26,932	13,083
Offset	-568	-792						
Total	231	170	60	45,365	1,377	3,974	26,932	13,083
Dec 24								
Fair value hedges	621	1,101	441	30,858	593	1,762	14,511	13,992
Interest rate risk	621	1,101	441	30,858	593	1,762	14,511	13,992
Cash flow hedges	95	42	78	5,450	315	382	3,313	1,440
Interest rate risk	50	12	82	3,751	278	199	2,401	874
Foreign exchange risk	45	30	-4	1,698	37	184	912	566
Hedge of net investments in a foreign operation	2	1	3	767	122	645	0	0
Total gross amounts	718	1,143	522	37,074	1,029	2,790	17,824	15,431
Offset	-537	-949						
Total	181	194	522	37,074	1,029	2,790	17,824	15,431

The hedging instruments are presented in the line 'Hedge accounting derivatives' in the balance sheet.

Hedged items in fair value hedges

in EUR million	Carrying amount	Hedge adjustments		
		included in the carrying amount	Thereof: for the period used for recognition of hedge ineffectiveness	Remaining adjustments for terminated hedges
Dec 25				
Financial assets at FVOCI				
Interest rate risk	584	-17	16	1
Financial assets at AC				
Interest rate risk	23,716	-371	-253	10
Financial liabilities at AC				
Interest rate risk	26,626	-616	-26	13
Dec 24				
Financial assets at FVOCI				
Interest rate risk	788	-38	11	2
Financial assets at AC				
Interest rate risk	24,440	-123	41	12
Financial liabilities at AC				
Interest rate risk	23,783	-558	-510	32

The hedged items are disclosed in the following line items in the balance sheet:

- _ Financial assets at fair value through other comprehensive income: debt securities
- _ Financial assets at amortised cost: loans and advances to customers
- _ Financial assets at amortised cost: debt securities
- _ Financial liabilities at amortised cost: debt securities issued

Hedged items in cash flow hedges and net investment hedges

in EUR million	Change in FV for the period used for calculating hedge ineffectiveness	Cash flow hedge reserve and foreign currency translation reserve for continuing hedges	Cash flow hedge reserve and foreign currency translation reserve for terminated hedges
Interest rate risk	68	-21	0
Foreign exchange risk	-15	6	0
Hedge of net investments in a foreign operation	67	-64	0
Total	121	-79	0
Dec 24			
Interest rate risk	-54	-7	-21
Foreign exchange risk	20	20	0
Hedge of net investments in a foreign operation	-3	3	0
Total	-36	16	-21

Effects of hedge accounting in profit or loss and other comprehensive income

in EUR million	Hedge ineffectiveness recognised in P&L	Hedging gains/losses recognised in OCI	Hedging reserve reclassified to profit or loss because	
			the hedged item has affected profit or loss	the hedged future cash flows are no longer expected to occur
Dec 25				
Fair value hedges				
Interest rate risk	-3	0	0	0
Cash flow hedges				
Interest rate risk	0	-23	-6	0
Foreign exchange risk	0	-40	62	0
Hedge of net investments in a foreign operation	0	-67	0	0
Total	-3	-130	56	0
Dec 24				
Fair value hedges				
Interest rate risk	-18	0	0	0
Cash flow hedges				
Interest rate risk	1	81	-24	0
Foreign exchange risk	1	-5	-31	0
Hedge of net investments in a foreign operation	0	3	0	0
Total	-16	79	-55	0

Ineffectiveness from both fair value and cash flow hedges is presented under 'Net trading result' in the statement of income. The amounts reclassified from the cash flow hedge reserve are presented in the line 'Other similar income' under 'Net interest income' for hedges of interest rate risk and 'Net trading result' for hedges of foreign exchange risk.

28. Offsetting of financial assets and liabilities

The following table shows netting effects on the balance sheet of Erste Group as well as the impacts of offsetting financial instruments which are subject to offsetting agreements.

Financial assets and liabilities subject to offsetting and potential offsetting agreements

in EUR million	Financial assets/liabilities (gross)	Amounts offset (gross)	Financial assets/liabilities in balance sheet (net)	Potential effects of netting agreements not qualifying for balance sheet offsetting			Net amount after potential offsetting
				Financial instruments	Cash collateral received/pledged	Other financial collateral received/pledged	
Dec 25							
Assets							
Derivatives	4,557	3,496	1,061	450	256	0	355
Variation margin assets	375	375	0	0	0	0	0
Reverse repurchase agreements	19,101	0	19,101	0	110	18,976	15
Total	24,033	3,871	20,162	450	366	18,976	369
Liabilities							
Derivatives	4,849	3,587	1,262	450	204	0	608
Variation margin liabilities	285	284	0	0	0	0	0
Repurchase agreements	9,110	0	9,110	0	9	9,095	5
Total	14,243	3,871	10,372	450	213	9,095	613

in EUR million	Financial assets/liabilities (gross)	Amounts offset (gross)	Financial assets/liabilities in balance sheet (net)	Potential effects of netting agreements not qualifying for balance sheet offsetting			Net amount after potential offsetting
				Financial instruments	Cash collateral received/pledged	Other financial collateral received/pledged	
Dec 24							
Assets							
Derivatives	5,081	3,674	1,407	609	354	0	444
Variation margin assets	589	585	3	0	0	0	3
Reverse repurchase agreements	24,609	0	24,609	0	109	24,329	171
Total	30,279	4,259	26,020	609	464	24,329	618
Liabilities							
Derivatives	5,383	4,040	1,343	609	295	2	437
Variation margin liabilities	221	220	1	0	0	0	1
Repurchase agreements	11,350	0	11,350	0	32	11,309	8
Total	16,953	4,259	12,694	609	327	11,311	446

The impact of offsetting is shown in the column 'Amounts offset (gross)'.

Erste Group undertakes interest rate derivative transactions via London Clearing House and EUREX by fulfilling all offsetting requirements according to IAS 32. Offsetting is carried out between gross asset and liability derivative positions. The net derivative position is further offset with variation margin amounts. As a result, the offsetting of derivatives has to be viewed in relation to the variation margin assets and liabilities balances. The sum of the amounts offset in the lines 'Derivatives' and 'Variation margin assets' in the table for financial assets equals the sum of the amounts offset in the lines 'Derivatives' and 'Variation margin liabilities' in the table for financial liabilities. The variation margin assets are presented under the balance sheet items 'Cash and cash balances'. The variation margin liabilities are presented under the balance sheet item 'Financial liabilities measured at amortised cost', subitem 'Deposits from banks'.

Erste Group employs master netting agreements and repurchase agreements as a means of reducing credit risk of derivative and financing transactions. They qualify as potential offsetting agreements.

Master netting agreements are relevant for counterparties with multiple derivative contracts. They provide for the net settlement of all the contracts in the event of default of any counterparty. For derivatives transactions the values of assets and liabilities that would be set off as a result of master netting agreements are presented in the column 'Financial instruments'. If the net position is further secured by cash collateral or other financial collaterals the effects are disclosed in columns 'Cash collateral received / pledged' and 'Other financial collateral received / pledged' respectively.

Repurchase agreements are primarily financing transactions. They are structured as a sale and subsequent repurchase of securities at a pre-agreed price and time. This ensures that the securities remain in the hands of the lender as collateral in case the borrower defaults on fulfilling any of its obligations. Offsetting effects from repurchase agreements are disclosed in the column 'Other financial collateral received / pledged' respectively. Collateral is presented at the fair value of the transferred securities. However, if the fair value of collateral exceeds the carrying amount of the receivable/liability from the repo transaction the value is capped at the level of the carrying amount. Remaining position may be secured by cash collateral. Cash and other financial collateral involved in these transactions is restricted from being used by the transferor during the time of the pledge. For further details regarding repurchase and reverse repurchase transactions Erste Group refers to [Note 29 Transfers of financial assets – repurchase transactions and securities lending](#).

29. Transfers of financial assets – repurchase transactions and securities lending

Repurchase and reverse repurchase agreements

Transactions involving sales of securities under an agreement to repurchase them at a specified future date are also known as 'repos' or 'sale and repurchase agreements'. Securities sold in such transactions are not derecognised from the balance sheet, as Erste Group retains substantially all risks and rewards of ownership, because the securities are repurchased at a fixed price when the transaction ends. Furthermore, Erste Group is the beneficiary of all coupons and other income payments received on the transferred assets over the period of the transactions. These payments are remitted to Erste Group or are reflected in the repurchase price.

The cash received upon sale of securities is recognised on the balance sheet with a corresponding obligation to return under the line item 'Financial liabilities at amortised cost', sub-items 'Deposits from banks' or 'Deposits from customers' reflecting the

transaction's economic substance as a loan to Erste Group. The difference between the sale and repurchase prices is treated as interest expense which is accrued over the life of the agreement and recorded in the statement of income in the line item 'Interest expenses' under 'Net interest income'. Financial assets transferred out by Erste Group under repurchase agreements remain on the Group's balance sheet and are presented separately under the original balance sheet items in the 'thereof pledged as collateral' lines. The measurement category of the transferred financial assets does not change.

Conversely, securities purchased under agreements to resell at a specified future date are not recognised on the balance sheet. Such transactions are also known as 'reverse repos'. The consideration paid is recorded on the balance sheet under the line item 'Financial assets at amortised cost', sub-items 'Loans and advances to banks' and 'Loans and advances to customers' reflecting the transaction's economic substance as a loan by Erste Group. The difference between the purchase and resale prices is treated as interest income and is accrued over the life of the agreement and recorded in the statement of income in the line item 'Interest income' under 'Net interest income'.

Securities lending and borrowing

In securities lending transactions, the lender transfers ownership of securities to the borrower on the condition that the borrower will retransfer, at the end of the agreed loan term, ownership of instruments of the same type, quality and quantity and will pay a fee determined by the duration of the lending. The transfer of the securities to counterparties via securities lending does not result in derecognition. Substantially all the risks and rewards of ownership are retained by Erste Group as a lender because the securities are received at the end of the securities lending transaction. Furthermore, Erste Group is the beneficiary of all the coupons and other income payments received on the transferred assets over the period of the securities lending. Securities lent are presented separately under the original balance sheet items in the 'thereof pledged as collateral' lines. Fee income from securities lending transactions is presented in the statement of income in the line 'Fee and commission income' under 'Net fee and commission income'.

Securities borrowed are not recognised on the balance sheet unless they are then sold to third parties. If such sales occur, the obligation to return the securities is recorded on the balance sheet as a short sale within 'Financial liabilities held for trading', sub-item 'Other financial liabilities'. Fee expense incurred on securities borrowing transactions is presented in the statement of income in the line 'Fee and commission expenses' under 'Net fee and commission income'.

in EUR million	Dec 24		Dec 25	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Repurchase agreements	3,870	3,593	1,840	1,699
Financial assets at AC	3,417	3,145	1,478	1,363
Trading assets	409	406	123	123
Financial assets at FVOCI	44	42	239	213
Securities lendings	786	0	1,391	0
Financial assets at AC	650	0	1,230	0
Trading assets	73	0	125	0
Financial assets at FVOCI	63	0	37	0
Total	4,656	3,593	3,231	1,699

The transferred financial instruments consist of bonds and other interest-bearing securities. The total amount of transferred financial assets represent the carrying amount of financial assets in the respective balance sheet positions for which the transferee has a right to sell or repledge. The associated liabilities from repo transaction, which are measured at amortised cost, represent an obligation to repay the borrowed funds.

The following table shows fair values of the transferred assets and associated liabilities for repo transactions with an existing recourse right only on the transferred assets:

in EUR million	Dec 24			Dec 25		
	Fair value of transferred assets	Fair value of associated liabilities	Net position	Fair value of transferred assets	Fair value of associated liabilities	Net position
Financial assets at AC	3,299	3,137	162	1,414	1,363	51
Trading assets	409	406	3	123	123	0
Financial assets at FVOCI	44	42	2	239	212	26
Total	3,752	3,585	167	1,776	1,698	78

30. Financial assets pledged as collaterals

Financial assets pledged as collaterals for financial liabilities

in EUR million	Balance sheet line of liabilities	Financial assets HFT	Non-trading financial assets at FVPL	Financial assets at FVOCI	Financial assets at AC	Total
Dec 25						
Repurchase agreements	Financial liabilities at AC, at FVPL and HFT	123	0	239	1,478	1,840
Securities lending	Financial liabilities at AC, at FVPL and HFT	125	0	37	1,230	1,391
Assets pledged for derivatives	Financial liabilities HFT and Hedge accounting derivatives	119	0	0	349	468
Assets pledged for covered bonds	Financial liabilities at AC and FVPL	0	0	0	23,698	23,698
Refinancing transactions & other collateral arrangements	Financial liabilities at AC	0	85	0	15,045	15,131
Ward money	Financial liabilities at AC	0	9	0	1,458	1,467
Total		367	94	275	43,259	43,995
Dec 24						
Repurchase agreements	Financial liabilities at AC, at FVPL and HFT	409	0	44	3,417	3,870
Securities lending	Financial liabilities at AC, at FVPL and HFT	73	0	63	650	786
Assets pledged for derivatives	Financial liabilities HFT and Hedge accounting derivatives	115	0	1	285	400
Assets pledged for covered bonds	Financial liabilities at AC and FVPL	0	0	0	22,917	22,917
Refinancing transactions & other collateral arrangements	Financial liabilities at AC	0	47	-42	7,835	7,840
Ward money	Financial liabilities at AC	0	1	42	1,074	1,117
Total		598	48	108	36,176	36,929

To enhance transparency, the carrying amounts of financial assets pledged as collaterals are being presented in tabular form starting with 2025.

The fair value of collateral received which may be repledged or resold even without the collateral provider's default was EUR 20,331 million (2024: EUR 25,258 million). Collateral with fair value of EUR 6,153 million (2024: EUR 6,897 million) was resold or repledged. The bank is obliged to return the resold and repledged collateral.

31. Securities

in EUR million	Dec 24					Dec 25				
	Financial assets					Financial assets				
	At AC	Trading assets	Mandatorily at FVPL	Designated at FVPL	At FVOCI	At AC	Trading assets	Mandatorily at FVPL	Designated at FVPL	At FVOCI
Bonds and other interest-bearing securities	52,889	10,095	1,424	44	9,388	58,655	8,326	1,786	0	9,068
Listed	47,666	3,240	860	0	7,988	54,957	4,518	1,247	0	7,830
Unlisted	5,223	6,855	564	44	1,401	3,698	3,808	539	0	1,238
Equity-related securities	0	141	464	0	109	0	222	523	0	113
Listed	0	136	117	0	0	0	209	147	0	1
Unlisted	0	5	348	0	109	0	13	376	0	113
Total	52,889	10,236	1,889	44	9,498	58,655	8,548	2,309	0	9,181

Investment funds units are reported within bonds and other interest-bearing securities. Bonds and other interest-bearing securities in the amount of EUR 14,201 million (2024: EUR 13,414 million) are due in the following year.

Risk and capital management

32. Financial risk management

Risk Policy and strategy

Erste Group has developed a risk management framework that is forward-looking and tailored to its business and risk profile. This framework is based on a clear risk strategy that sets out general principles according to which risk taking must be performed across the Group. The risk strategy is consistent with the business strategy and incorporates the expected impact of external environment on the planned business and risk development.

The risk strategy describes the current and targeted risk profile, defines risk management principles, strategic goals and initiatives for the main risk types as well as sets strategic limits for the significant financial and non-financial risk types as defined in the Risk Materiality Assessment. The risk strategy is executed within a clearly defined governance structure. This structure also applies to monitoring of risk appetite, additional metrics, as well as to the escalation of limit breaches.

Erste Group is publishing online its disclosures under Article 434 of the Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation - CRR) and Regulation (EU) No. 876/2019 amending Regulation (EU) No. 575/2013. Details are available on the website of Erste Group at www.erstegroup.com/ir.

Risk management organisation

Risk monitoring and control is achieved through a clear organisational structure with defined roles and responsibilities, delegated authorities and risk limits.

The Management Board and in particular Erste Group's Chief Risk Officer (Group CRO) perform the oversight function within Erste Group's risk management structure. Risk control and risk steering within Erste Group are performed based on the business strategy and risk appetite approved by the Management Board. The Group CRO, working together with the chief risk officers of the subsidiaries, is responsible for the implementation and adherence to the risk control and risk management strategies across all risk types and business lines.

The Management Board and, in particular the Group CRO, ensure the availability of appropriate infrastructure and staff as well as methods, standards and processes to that effect; the actual identification, measurement, assessment, approval, monitoring, steering and limit setting for the relevant risks are performed on the operating entity level within Erste Group.

At group level, the Management Board is supported by several divisions established to perform operating risk control functions and exercise strategic risk management responsibilities.

In 2025, the risk management organisation at Erste Bank Oesterreich was reorganized to strengthen the Austrian risk business and ensure adequate resourcing. In the course of this initiative, a reallocation of responsibilities between Erste Group and Erste Bank Oesterreich was undertaken.

At Erste Group, Group Retail Risk Management was transferred to the Group Credit Risk Management division (formerly 'Group Corporate Risk Management'). The organizational restructuring was formally enacted with effect from 1 June 2025. Moreover, the established structure was continued and strengthened.

The following risk management functions report directly to the Group CRO:

- _ Group Liquidity and Market Risk Management;
- _ Enterprise wide & Operational Risk Management;
- _ Credit Risk Methods;
- _ Group Compliance;
- _ Credit Risk Portfolio;
- _ Group Credit Risk Management;
- _ Cyber Risk Management;
- _ Local Chief Risk Officers.

The Management Board regularly deals with risk issues of all risk types in its regular board meetings. Actions are discussed and taken when needed.

Furthermore, certain cross-divisional committees were established with the purpose of carrying out risk management activities in the Erste Group.

- _ Risk Committee of the Supervisory Board;
- _ CRO Board;
- _ Holding Credit Committee;
- _ Market Risk Committee;
- _ Operative Market Risk Committee;
- _ Strategic Risk Executive Committee;
- _ Strategic Risk Management Committee;
- _ Stress Testing and Novel Risk Committee;
- _ Group Resolution Committee;
- _ United States Risk Committee;
- _ Regional Operational Conduct Committee;
- _ Group IT Risk & Security Committee;
- _ Group Asset/Liability Committee;
- _ Operational Liquidity Committee;
- _ Banking Book Committee;
- _ Capital Committee.

In addition, committees are established at local level, such as the ‘Team Risikomanagement’ in Austria. It is responsible for a common risk approach with the Austrian savings banks.

Group-wide risk and capital management

Enterprise-wide Risk Management includes as its fundamental component the Internal Capital Adequacy Assessment Process (ICAAP) as required under Pillar 2 of the Basel framework and regulatory guides (e.g., ECB Guide to ICAAP).

The ICAAP framework is designed to support the management of the bank in managing the risk portfolios as well as the coverage potential and to ensure that the bank always holds adequate capital for the nature and magnitude of its risk profile. The framework is tailored to the Erste Group’s business and risk profile and reflects the strategic goal of protecting shareholders and senior debt holders while ensuring the sustainability of the organisation.

The ICCAP framework is a modular and comprehensive management and steering system within Erste Group as well as an essential part of the overall steering and management instruments. Its components necessary to ensure all aspects, in particular to fulfil regulatory requirements and to provide an effective internal steering tool, can be clustered as follows:

- _ Risk Appetite Statement (RAS), limits and risk strategy;
- _ portfolio and risk analytics including Risk Materiality Assessment (RMA), concentration risk management and stress testing;
- _ Risk-bearing Capacity Calculation (RCC);
- _ capital allocation and performance management;
- _ planning of key risk indicators;
- _ recovery and resolution planning.

In addition to the ICAAP’s ultimate goal of assuring capital adequacy and sustainability at all times, the ERM components serve to support the bank’s management in pursuing its strategy.

RISK APPETITE

Risk appetite defines the maximum level of risk Erste Group is willing to accept in pursuing its business goals. The overall approach includes a risk appetite statement, risk limits and the roles and responsibilities of those overseeing the implementation and monitoring of the risk appetite framework. Limit framework (i.e., risk appetite framework) of Erste Group includes risk limits set in Risk Appetite Statement and Risk Strategy, industry limits, maximum lending limits, climate related metrics and operational limits.

The Group Risk Appetite Statement (Group RAS) represents a strategic statement that expresses the maximum level of risk it is willing to accept in order to deliver its business objectives. The Group RAS acts as a binding constraint to Erste Group’s business activities within its overall risk appetite via triggers and limits approved by the Management Board and the Risk Committee of the Supervisory Board and brought to the Supervisory Board for information. It is integrated and embedded into Erste Group’s

structural processes, including business and risk strategy, budgeting process, capital and liquidity planning, recovery plan, stress testing and remuneration framework. The Group RAS consists of a set of core risk metrics (capital, liquidity, risk/earnings) providing quantitative direction for overall risk-return steering and qualitative statements in the form of key risk principles that are part of the guidelines for managing risks.

The core risk metrics are set as ultimate boundaries for the Group risk-return target setting. They are also a key part of the annual strategic planning / budgeting process and give an overall picture of capital, liquidity and risk-return trade-offs. The key objective of the RAS is to:

- _ ensure that Erste Group has sufficient resources to support its business at any given point in time and absorb stress events;
- _ set boundaries for the Group's risk target setting;
- _ support the group's financial strength and the robustness of its systems and controls.

To foster risk-return steering and to ensure proactive management of the risk profile, Erste Group creates its RAS on a forward-looking basis. External constraints such as regulatory requirements create the floor and ceiling for the RAS and therefore the amount of risk Erste Group is willing to accept. To ensure that the group remains within the targeted risk profile, a traffic light system was established and assigned to the core metrics. This approach allows a timely delivery of information to the respective governance and the implementation of effective remediation measures. The RAS traffic light system is defined as follows:

- _ RAS is green: The target risk profile is within the specified boundaries.
- _ RAS is amber: The undershooting or overshooting of a pre-defined threshold leads to an escalation to the designated governance and the discussion of potential remediation actions.
- _ RAS is red: The undershooting or overshooting of a pre-defined limit initiates an immediate escalation to the designated governance and a prompt implementation of remediation actions.

Moreover, stress indicators are defined for selected core metrics and integrated into the assessment of the stress test results. They are reported as early warning signals to the Management Board to support proactive management of the risk and capital profile.

In addition, supporting metrics and principles are defined by material risk type in the Group Risk Strategy based on Group RAS. These support implementation of the mid- to long-term strategy. Risk management governance ensures full oversight of risk decisions and sound execution of the Group risk strategy. Mitigating actions are undertaken as part of the regular risk management process to ensure that the Group remains within its RAS.

Group RAS is also cascaded to local entities. Local RAS is approved by the Management Board to ensure compliance with the Group RAS and approved also by the local management board to ensure alignment with local regulatory requirements. The Group may also decide to include further compulsory constraints and limits in local RAS to ensure alignment with Group RAS and Group Risk Strategy.

The Group further developed an aggregated and consolidated risk appetite dashboard, which is part of Group Risk Report (Group Risk Report/Risk Dashboard) illustrating the group and local entities' risk profile developments by comparing the risk exposure and risk limits. The Group Risk Report/Risk Dashboard is regularly presented to the Management Board and to the Supervisory Board (including Risk Committee of Supervisory Board) to support its review, oversight and monitoring of the group risk profile and the risk profile of its local entities.

Group RAS 2025-2029 was approved by the Management Board and the Risk Committee of the Supervisory Board and brought to the Supervisory Board for information in the last quarter of 2024.

ESG risks are embedded in the Risk Appetite Statement as well as in the Risk Strategy and are also part of Erste Group's Risk Materiality Assessments. They are integrated into Erste Group's risk taxonomy as transversal risks drivers, impacting primary risk types, such as credit, market, liquidity, non-financial and other risks. Erste Group's definition of ESG risks is part of the Group ICAAP Procedure and covers environmental, social and governance factors.

PORTFOLIO AND RISK ANALYTICS

Erste Group uses dedicated infrastructure, systems and processes to actively identify, measure, control, report and manage risks within its portfolio. Portfolio and risk analytics processes are designed to quantify, qualify and discuss risks in order to raise awareness to management in a timely manner.

Risk materiality assessment

The Risk Materiality Assessment (RMA) is a regular process for risk identification and assessment of potential impact of those risks on the risk profile of the Group. It serves as a steering tool for the management in deciding on the necessity to allocate economic capital (EC) in Pillar 2/ICAAP or liquidity in ILAAP (Internal Liquidity Adequacy Assessment Process), as well as for defining

other risk steering measures. Risk steering and mitigation techniques are customized to the specific characteristics of each individual risk, with general requirements based on the materiality grade.

Moreover, RMA is a crucial input for various risk management activities, such as defining priorities and strategic initiatives for the Group's risk strategy, setting limits within the risk appetite framework and scenario design for comprehensive- and reverse stress tests.

Risk concentration analysis

Erste Group has implemented a process to identify measure, control and manage risk concentrations. This process is important to ensure the long-term viability of Erste Group, especially in times of an adverse business environment and stressed economic conditions.

The risk concentration analysis at Erste Group is performed on an annual basis covering credit risk, market risk, operational risk, liquidity risk and inter-risk concentrations. Identified risk concentrations are considered in the scenario design of the comprehensive stress test and measured under stressed conditions. The output of the risk concentration analysis additionally contributes to the identification of material risks within the RMA and to the setting/calibration of Erste Group's limit system.

Stress testing

Modelling sensitivities of the group's assets, liabilities and profit or loss provides management with steering information and helps to optimise Erste Group's risk-return profile. Stress tests help factor in severe but plausible scenarios, providing further robustness to measurement, steering and management. Risk modelling and stress testing are vital forward-looking elements of the ICAAP. Finally, sensitivities and stress scenarios are considered within the group's planning process.

Erste Group's most complex stress testing activities are scenario stress tests that take comprehensive account of the impact of various economic scenarios. This includes second-round effects on all major risk types (credit, market, liquidity and operational) and effects on the associated volumes of assets and liabilities as well as on profit and loss. In addition to the standard scenario-driven stress testing exercises, reverse stress tests are performed to identify a scenario or a combination of scenarios in which the viability of the current business model can be questioned.

Erste Group has developed specific tools to translate macroeconomic variables (e.g., GDP or unemployment rate) into risk parameters to support the stress testing process, combining bottom-up and top-down approaches. For adapting the stress parameters, Erste Group additionally leverages the experience of its local professionals and uses, where appropriate, their statistical models to simulate the impacts of macroeconomic variables on the risk parameters in the respective portfolios. Special attention is taken to account for the granularity and special characteristics (i.e., countries and industries) when determining the segmentation in which the stressed parameters are defined.

Erste Group has integrated climate stress test analysis into its internal stress-testing framework. Both physical and transition risks arising from projected climate change are included in the internal Climate Risk Stress Test. The scenario design is based on NGFS (Network for Greening the Financial System) data and pathways. The climate stress test results are incorporated into the Bank's Risk Materiality Assessment. Climate stress test analysis supports the Group's strategic approach to climate risk.

Results from Erste Group's internal stress tests are analysed to decide on appropriate measures and inform bank steering. The internal comprehensive stress tests performed in 2025 indicated that Erste Group remains within the stressed RAS in all years of the adverse scenario after application of scenario contingent measures.

RISK-BEARING CAPACITY CALCULATION

The Risk-bearing Capacity Calculation (RCC) describes the methodology of Pillar 2 capital adequacy calculation. In contrast to the normative (regulatory) view of Pillar 1, referring to the Group's ability to fulfil all its capital-related regulatory and supervisory requirements and demands, the RCC is based on an economic view of Pillar 1+ approach, assuming continuation of Erste Group as expected by the ECB Guide to ICAAP. The RCC determines whether the Group has sufficient internal capital for covering all (regulatory and economic) risks it is exposed to. Economic and normative perspectives at Erste Group are set in a way to mutually inform each other and are integrated into all material business steering activities and decisions. In addition, with applied Pillar 1+ approach the Group increases efficiency and ensures comparability with the Pillar 1 calculation. Based on the results of the RMA, the economic capital is considered for relevant risk types as approved by the Management Board. The economic capital requirement is then compared to internally available capital (coverage potential) to cover the Group's risks in Pillar 2. Both economic capital and coverage potential are computed on the CRR scope of consolidation of Erste Group as ultimate parent entity based on IFRS accounting standards.

Besides the Pillar 1 risk types (credit, market in trading book, FX in banking book and operational risks), concentration risk, interest rate risk in the banking book, credit spread risk in the banking book as well as business risk are explicitly considered within the economic capital calculated over a horizon of one year and at a confidence level of 99.9%. For the calculation of the economic capital, Erste Group uses, where possible, more risk sensitive/advanced methodologies tailored to its individual risk profile and specificities of the Group's individual risk exposures. Diversification effects between risks (inter-risk diversification) are not considered, reflecting the Group's prudent approach to maintain sufficient internal capital in times when correlations between risks may change dramatically (like in times of stress). The largest portion of economic capital requirements is coming from credit risk, which accounts for 72.5% of total economic capital requirements at the end of 2025.

The calculation of internal capital or coverage potential required to cover Pillar 2 risks/unexpected losses is based on Pillar 1+ approach. Namely, the regulatory own funds are adjusted by internal capital components, i.e. Pillar 2 adjustments, necessary to come to the internally available capital deemed as risk-bearing and loss absorbing from the economic view (e.g. exclusion of Additional Tier 1 and Tier 2 capital instruments, Pillar 2 IRB expected loss excess/shortfall add-on, year-to-date profit, if it is not already considered in Pillar 1 capital, etc.).

The coverage potential must be sufficient to absorb Pillar 2 risks/unexpected losses resulting from the Group's operations at any point in time (normal and stressed), as reflected in the Group's Risk Appetite through the limits set for Group economic capital adequacy and stressed capital adequacy utilisation. At the end of 2025, the economic capital adequacy was at 49.7%, fully in line with group RAS.

The Management Board and Supervisory Board (including Risk Committee of Supervisory Board) are briefed quarterly on the results of the ICAAP capital adequacy through the Group Risk Report. The includes risk profile developments, available capital (coverage potential), consideration of potential losses in stress situations, the degree of the risk limit utilisation and the overall status of capital adequacy.

RISK PLANNING

Group Risk Planning framework is essential for the capital allocation and overall financial planning processes and supports the adequate reflection of risks within the strategy, steering and management processes of the group.

Methods and instruments applied

Key risk indicators covered by the Risk Planning framework include indicators that provide an overview of incurred or potential risks, with respect to both portfolio and economic environment developments. Indicators include RWA (and related indicators), port-folio quality indicators (impairments, NPL/NPE and relevant performance indicators, etc.), as well as indicators required by the regulatory authorities under the responsibility of the Risk division.

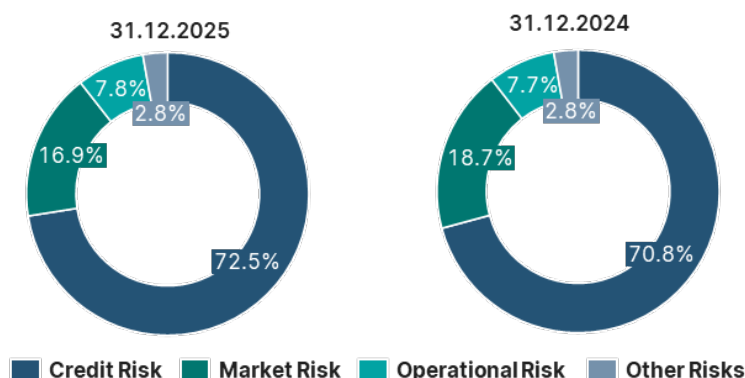
Planning activities are performed in close cooperation with all stakeholders in the group's overall process and follow a clear governance structure to ensure sound risk planning process.

Capital allocation

An important task integral to the risk planning process is the allocation of capital to entities, business lines and segments. This is done with close cooperation between Risk Management and Controlling. Methodology for allocation reflects risk and controlling processes to allocate capital with risk-return considerations.

ERSTE GROUP'S AGGREGATE CAPITAL REQUIREMENTS BY RISK TYPE

The following diagrams present the composition of the economic capital requirements according to type of risk:



Other risks include business risk.

RECOVERY AND RESOLUTION PLANS

The Directive (EU) 2014/59 as amended (Bank Recovery and Resolution Directive – BRRD) has been implemented in Austria into national law by the Austrian Recovery and Resolution Act ('Sanierungs- und Abwicklungsgesetz – BaSAG').

On 18 April 2023, the European Commission published a legislative package for a framework on a Crisis Management and Depositor Insurance (CMDI). The package consists of amendments to the BRRD, the Single Resolution Mechanism Regulation (SRMR), the Deposit Guarantee Scheme Directive (DGSD) and the Daisy Chain deduction regime. The CMDI legislative package was endorsed by the European Parliament and the Council and is currently subject to interinstitutional negotiations between these bodies. The amendments to the Daisy Chain deduction regime were implemented through a Directive that was published in the Official Journal of the European Union in April 2024, applicable since November 2024 and implemented also in the Austrian BaSAG in 2025. The other parts of the CMDI package could enter into force in 2026 and be applicable in 2028.

Recovery Planning. In compliance with the current Austrian BaSAG, Erste Group annually submits a Group Recovery Plan to Joint Supervisory Team (JST). ECB regularly assesses the Group Recovery Plan. The Group Recovery Plan identifies potential options for the replenishment of capital and liquidity resources of the bank in order to cope with a range of severe scenarios including both idiosyncratic and market-wide stress. The Recovery Framework is mainly reconciled with the Risk Appetite Framework across indicators and indicator thresholds, ensuring comprehensive enterprise-wide risk management. It is relevant to demonstrate that in a severe stress, which is close to a failing or likely to fail situation, there is sufficient recovery capacity available to be able to recover back into the recovery green zone. The recovery governance described in the plan ensures timely identification and proper management of a recovery situation of Erste Group. Furthermore, the assessment of the Group Recovery Plan and the assessment of the overall recovery capacity are part of the Supervisory Review and Evaluation Process (SREP) assessment.

Resolution Planning. Erste Group collaborates with the resolution authorities in the drawing up of resolution plans as required by BaSAG and EU Regulation No 806/2014 establishing the Single Resolution Mechanism (SRM Regulation). The legislative framework allows for a multiple-point-of-entry (MPE) or a single-point-of-entry (SPE) resolution strategy. The Resolution Authorities formed a joint decision in the resolution college for Erste Group which defines the MPE approach forming seven separate resolution groups with Erste Group's core CEE subsidiaries and Austria, but with SPE approaches on country level. This results in having resolution groups in AT, CZ, HR, HU, RO, SI and SK. Under the MPE strategy, a group has more than one Resolution Entity which is the entry point for resolution. The resolution plans (including resolution strategy and MREL decisions) are regularly updated by the Resolution Authorities and subject to Joint Decision formed in a resolution college by Resolution College Members.

MREL. The Bank Recovery and Resolution Directive (BRRD) introduced the Minimum Requirement for Own Funds and Eligible Liabilities (MREL). MREL notifications are provided by the national resolution authorities on the level of resolution groups and relevant individual subsidiaries of resolution entities, reflecting the resolution strategy, based on the MREL joint decision taken by the resolution college. MREL requirements are expressed as a percentage of the total risk exposure amount (TREA) as well as leverage ratio exposure (LRE). In May 2025, Erste Group received Joint Decision determining the MREL for its resolution groups and some non-resolution entities. The binding requirements are applicable from the date of the receipt of the notification of the act of the relevant national resolution authority. Information on MREL targets have been published on the local entities' website based on legal notifications. MREL metric is integrated into the RAS and Recovery Framework of Erste Group.

33. Own funds and capital requirements

Regulatory requirements

Since 1 January 2014, Erste Group has been calculating the regulatory own funds and the regulatory capital requirements according to the Capital Requirements Regulation (CRR, Regulation (EU) No. 575/2013)¹ and the Capital Requirement Directive (CRD IV, Directive (EU) 2013/36/EU). Both the CRD IV and CRD V² were transposed into national law in the Austrian Banking Act (ABA).

All requirements as defined in the CRR, the ABA and in technical standards issued by the European Banking Authority (EBA) are applied by Erste Group for regulatory purposes.

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

¹ Both CRD IV and CRR have been amended since the entry into force in 2014 inter alia with directive (EU) 2019/878 (CRD V), directive (EU) 2024/1619 (CRD VI; implementation is still in political coordination), as well as regulations (EU) 2019/876 (CRR 2), (EU) 2020/873 (CRR Quick Fix) and regulation (EU) 2024/1623 (CRR3) which came into force on January 1 2025 and includes phased implementation deadlines, e.g., concerning the output floor."

² CRDV has been transposed by an amendment of the ABA (BGBl I 2021/98; BWG-Novelle) which entered into force on 31 May 2021.

Accounting principles

The financial and regulatory figures published by Erste Group are based on IFRS. Eligible capital components are derived from the balance sheet and income statement which were prepared in accordance with IFRS.

Regulatory scope of consolidation and institutional protection scheme

The consolidated regulatory own funds and the consolidated regulatory capital requirements are calculated based on the scope of consolidation stipulated in the CRR. The definition pursuant to CRR differs from the scope of consolidation according to IFRS, which also includes insurance companies and other entities, that are subject to full consolidation.

Erste Group Bank AG is a member of the Haftungsverbund (cross-guarantee system) of the Austrian savings bank sector. As of the balance sheet date Erste Group Bank AG and Erste Bank der oesterreichischen Sparkassen AG as well as Bausparkasse der österreichischen Sparkassen AG and all Austrian savings banks form this cross-guarantee system. Based on the cross-guarantee contract these entities are included as subsidiaries in Erste Group's regulatory scope of consolidation.

Furthermore, Erste Group Bank AG together with the Haftungsverbund entities form an institutional protection scheme (IPS) according to Art. 113 para 7 CRR. Disclosure requirements for the institutional protection scheme according to Art. 113 para 7 e CRR are met by the publication of the consolidated financial statements, which cover all entities included in the institutional protection scheme.

Consolidated own funds

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

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

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

In addition to minimum capital ratios and capital buffer requirements, institutions also have to fulfil capital requirements determined in the Supervisory Review and Evaluation Process (SREP). As a result of the 2024 SREP process performed by the European Central Bank (ECB) Erste Group applies a Pillar 2 requirement (P2R) of 2.00% as of 31 December 2025.

Following the SREP 2024, Erste Group is expected to meet a Pillar 2 Guidance (P2G) of 1.0% with CET1, valid as of 1 January 2025 onwards.

Overview of capital requirements and capital buffers

	Dec 24	Dec 25
Pillar 1		
Minimum CET1 requirement	4.50%	4.50%
Minimum Tier 1 requirement	6.00%	6.00%
Minimum own funds requirement	8.00%	8.00%
Combined buffer requirement (CBR)	5.63%	6.03%
Capital conservation buffer	2.50%	2.50%
Countercyclical capital buffer	0.63%	0.70%
Systemic risk buffer	1.00%	1.08%
O-SII capital buffer	1.50%	1.75%
Minimum CET1 requirement (incl. CBR)	10.13%	10.53%
Minimum Tier 1 requirement (incl. CBR)	11.63%	12.03%
Minimum own funds requirement (incl. CBR)	13.63%	14.03%
Pillar 2	1.90%	2.00%
Minimum CET1 requirement	1.07%	1.13%
Minimum T1 requirement	1.43%	1.50%
Minimum own funds requirement	1.90%	2.00%
Total CET1 requirement for Pillar 1 and Pillar 2	11.19%	11.65%
Total Tier 1 requirement for Pillar 1 and Pillar 2	13.05%	13.53%
Total capital requirement for Pillar 1 and Pillar 2	15.53%	16.03%

Capital structure (phased in)

in EUR million	Dec 24	Dec 25
Common equity tier 1 capital (CET1)		
Capital instruments eligible as CET1	2,337	2,337
Retained earnings	16,459	20,118
Accumulated other comprehensive income (and other reserves)	-691	-404
Minority interest recognised in CET1	7,408	8,092
Common equity tier 1 capital (CET1) before regulatory adjustments	25,513	30,143
Own CET1 instruments	-72	-125
Prudential filter: cash flow hedge reserve	6	12
Prudential filter: Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	107	114
Prudential filter: Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	-9	-10
Value adjustments due to the requirements for prudent valuation	-95	-97
Securitisation which qualify for a RW of 1250%, where the institution opts for the deduction alternative (deduction from CET1)	0	-147
Goodwill	-609	-621
Other intangible assets	-357	-434
DTA that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	0	-1
IRB shortfall of credit risk adjustments to expected losses	-147	0
CET1 capital elements or deductions – other	-280	-282
Common equity tier 1 capital (CET1)	23,996	28,524
Additional tier 1 capital (AT1)		
Capital instruments eligible as AT1	2,688	3,479
Instruments issued by subsidiaries that are given recognition in AT1	12	11
Additional tier 1 capital (AT1) before regulatory adjustments	2,700	3,490
Own AT1 instruments	-1	-1
Tier 1 capital = CET1 + AT1	26,694	32,013
Tier 2 capital (T2)		
Capital instruments eligible as T2	3,898	4,100
Instruments issued by subsidiaries recognised in T2	411	360
IRB excess of provisions over expected losses eligible	0	127
Tier 2 capital (T2) before regulatory adjustments	4,309	4,587
Own T2 instruments	-60	-61
Tier 2 capital (T2)	4,249	4,526
Total own funds	30,943	36,539
Capital requirement	12,579	11,799
CET1 capital ratio	15.3%	19.3%
Tier 1 capital ratio	17.0%	21.7%
Total capital ratio	19.7%	24.8%

The position ‘CET1 capital elements or deduction – other’ includes the development of unaudited risk provisions during the year (EU No 183/2014) and insufficient coverage for non-performing exposures (NPE Backstop) covering the requirements from both Art. 36 para 1 (m) CRR in connection with Art. 47(c) CRR and the Addendum to the ECB Guidance to banks on non-performing loans: supervisory expectations for prudential provisioning of non-performing exposures. Furthermore this position contains exposures to CIU (Collective Investment Undertakings) with a risk weight of 1,250%.

Risk structure (phased in)

in EUR million	Dez 24		Dez 25	
	Total risk	Capital requirement	Total risk	Capital requirement
Total risk exposure amount	157,241	12,579	147,487	11,799
Risk weighted assets (credit risk)	131,492	10,519	119,889	9,591
Standardised approach	25,518	2,041	25,418	2,033
IRB approach	105,296	8,424	91,091	7,287
Contribution to the default fund of a CCP	8	1	10	1
Securitized assets	670	54	3,370	270
Settlement risk	0	0	1	0
Trading book, foreign FX risk and commodity risk	6,612	529	4,585	367
Operational risk	16,651	1,332	22,277	1,782
Exposure for CVA	383	31	333	27
Other exposure amounts (incl. Basel 1 floor)	2,103	168	402	32

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

In the fourth quarter of 2025 an additional RWA add-on in the amount of approximate EUR 400 million due to a temporary non-compliance with the CRR3 provisions related to the CCF estimates was implemented.

CRR3 implementation effect (incl. credit value adjustment risk - CVA) resulted in RWA decrease of EUR -11.7 billion, predominantly driven by lower regulatory parameters (Loss given default in Corporates and Credit conversion factors for undrawn commitments) and multipliers used in the Risk weighted assets calculation (EUR -10.6 billion).

In addition the switch to the standardized measurement approach (SMA approach) resulted in an increase of the operational risk RWA of EUR 4.5 billion.

34. Credit risk: credit risk review and monitoring

ESG RISK MANAGEMENT

Erste Group integrates ESG factors in its risk management and industry strategy framework. ESG risk related conclusions from the annual business environment scan are considered together with the Erste Group ESG Factor Heatmap. The ESG Factor Heatmap is used as a screening instrument to identify certain industry segments (out of the existing sub-industries) that may be exposed to ESG risk factors and determine those industries which are more vulnerable to ESG risks. Erste Group establishes industry strategies and lending standards to support the steering of the portfolio under considerations of ESG risks; both are the basis for decisions, which determine which clients and transactions fit into the group’s portfolio.

Secondly, the Group has established an ESG risk framework for the assessment of material ESG factors, related risks and appropriateness of the mitigating strategies in the credit and rating processes. In this manner, the Group takes ESG risk criteria into account when making credit decisions.

For large corporate, commercial real estate and commercial residential real estate transactions, the group conducts a systemic ESG analysis via an internal digital ESG assessment questionnaire. The questionnaire is a mandatory prerequisite in the loan origination and monitoring process. By providing a comprehensive ESG risk assessment, Erste Group can determine how certain ESG factors may have a positive or negative impact on the financial performance of clients. The questionnaire enables the group to identify clients’ ESG risks or opportunities.

Particular questions in the questionnaire may also require an in-depth assessment to understand the nature and severity of the ESG risks to which the client is exposed. The questionnaire forms an integral part of the credit application and is updated at least annually, allowing Erste Group to understand the client's business model in the context of carbon transition. To support achieving the group's decarbonization targets, additional lending guidance has been introduced for large corporate, depending on their communicated strategy to align with climate science recommendations.

Furthermore, ESG relevant data is collected for certain types of collateral, as defined in the Group Collateral Management Policy for real estate collateral valuations, documentation and reporting purposes. Environmental aspects which affect the value of the collateral have to be included in the real estate valuations, which can lead to a higher or lower valuation result. Moreover, any risks arising from social (e.g., location and transportation, mass urbanisation – being indicators for easy accessibility for people) and governance factors (such as improper business practices such as tax fraud or bribery of the financed company being the owner of the building serving as collateral) have to be considered as well. For commercial real estate assets, the questionnaire additionally includes an assessment of the building's environmental footprint, including information on land consumption, space efficiency and the existence of a sustainable building certificate. Similarly to large corporate lending, the bank has introduced additional lending guidance for commercial real estate financing, tied to the carbon footprint of the financed asset.

With regards to credit risk measurement and internal models a respective project to define and collect relevant climate risk drivers for all rating systems has started in 2022 to ensure the explicit consideration of climate risks in future model development initiatives. ESG factors are considered in the soft facts assessment in the corporate rating models. In case of sovereigns and banks, the rating is overridden based on the ESG score derived from available sources World Bank / OECD and Bloomberg, respectively. Moreover, if it is concluded that calculated model rating does not reflect the ESG risk properly, then rating can be overridden manually based on ESG assessment questionnaire. For the LGD models, climate risk is indirectly reflected via the collateral value. Additionally, within each new model development, testing of the ESG drivers is obligatory and where it is deemed relevant, the respective information needs to be integrated via model into ECL measurement.

For the assessment and management of physical risks, Erste Group uses Munich Re's Location Risk Intelligence. In 2023 the group has conducted a physical risks materiality assessment together with the University of Graz to identify key hazards and climate change scenarios relevant for its collateral portfolio. The results of the assessment, highlighting the importance of river flood, fire weather stress, drought stress, sea level rise and heat stress, is integrated into the collateral management, incorporating an intermediate climate change scenario of 2-3C by 2100 (Representative Concentration Pathway 4.5 / Shared Socioeconomic Pathway 2, developed by the Intergovernmental Panel on Climate Change) as a reasonable assumption. In case of the existence of very high physical risks of a location, the collateral value would be negatively affected.

To assess the potential impact of physical risk, the internal stress test incorporated an internally developed physical risk model. The risk 'river flood' was determined to be the most relevant risk for Erste Group applying the climate hazard scores provided by Munich Re on EGBs collaterals.

Among the industries presented in the table 'Credit risk exposure by industry and risk category' below in this chapter, Erste Group identified, as part of the strategic climate initiative for the Net Zero Banking Alliance, certain carbon-intensive sectors as important levers for setting interim emission targets for 2030, thereby supporting the migration of 'Transition Risk' in Erste Group financed portfolio. Targets are set for the following sectors: housing mortgages, commercial real estate, electricity production, heat and steam production, cement production, auto manufacturing, oil and gas upstream, iron and steel.

An internal Climate Risk Stress Test was conducted based on NGFS (Network for Greening the Financial System) scenarios. The analysis was informed by internal sectoral targets and the results are integrated into the bank's Risk Materiality Assessment.

METHODS OF CREDIT RISK MANAGEMENT

Credit risk arises from Erste Group's traditional lending and investment businesses.

Operative credit decisions based on lending parameters defined by credit risk management units in each subsidiary and are executed by dedicated units with appropriate decision authority locally and by Group Credit Risk Management at the group level.

Credit risk related to retail and corporate loan portfolios is managed at the group and at local entity level with a common interest to ensure regulatory compliant risk management practices and to provide customers with manageable loan facilities that are within their financial capacities and supported by underlying profitability.

INTERNAL RATING SYSTEM

Erste Group has business and risk strategies in place that govern policies for lending and credit approval processes. These policies are reviewed at a minimum on an annual basis and adjusted if necessary. They cover the entire lending business, considering the nature, scope and risk level of the transactions and the counterparties involved. Credit approval considers individual information on the creditworthiness of the customer, the type of credit, collateral, covenant package and other risk mitigation factors involved.

The assessment of credit default risk within Erste Group is based on the customer's probability of default (PD). For each credit exposure and lending decision, Erste Group assigns an internal rating, which is a unique measure of the credit default risk. The internal rating of each customer is updated event-specific, however, at least once a year (annual rating review). Ratings of workout customers are reviewed with a higher frequency.

The main purpose of the internal ratings is to support the decision-making for lending and for the terms of credit facilities. Internal ratings also determine the level of credit approval authority within Erste Group and the monitoring procedures for existing exposures. At a quantitative level, internal ratings influence the level of required risk pricing, loss allowances and, where applicable, risk-weighted assets under Pillar 1 and 2.

For entities of Erste Group that use the internal ratings-based (IRB) approach, internal ratings are key input for the risk-weighted assets calculation. They are also used in the group's assessment of the economic capital requirements according to Pillar 2 and in other relevant model use areas. For these purposes, a distinct PD value is assigned to each rating grade for its IRB portfolios within a calibration process that is performed individually for each rating method. PD values reflect a 12-month probability of default based on long-term average default rates per rating grade. The bank assigns margins of conservatism to the calculated PDs.

Internal ratings consider all available significant information for the assessment of credit default risk. For non-retail borrowers, internal ratings take into account the financial strength of the counterparty, the possibility of external support, flexibility in corporate financing, general company information and external credit history information, where available. For retail clients, internal ratings are based mainly on payment behaviour versus the bank and, where applicable, credit bureau information, supplemented with information provided by the respective client and general demographic information. Rating ceiling rules on credit quality are applied based on membership in a group of economically related entities and the country of main economic activity (applicable to cross-border financing facilities).

Internal specialist teams develop and continuously improve internal rating models and risk parameters in cooperation with risk managers. All Pillar 1 and 2, as well as IFRS9 models are subject of an annual review of their estimates, considering the inclusion of most recent data in the estimation of risk parameters, as well as a regular cycle of full model review. Model development follows an internal group-wide methodological standard and utilises relevant data covering the respective market. In this way, Erste Group ensures the availability of rating models with the best possible prediction and discriminatory ability across its core regions.

The central Model Validation department is responsible for defining the validation methodologies and standards to be applied to all credit risk models within Erste Group as well as for conducting the validation activities across the whole Erste Group. All Pillar 1, material Pillar 2 and IFRS9 models are subject to an annual validation, while for non-material Pillar 2 and IFRS9 models a regular validation cycle is implemented. Model Validation employs qualitative as well as quantitative validation methods to challenge conceptual soundness, performance and model use aspects. The validation outcomes are approved by the respective model committees and, in case of IRB models, shared with the regulatory bodies. In addition to the validation process, the group applies a regular monitoring process on the performance of IRB models, reflecting developments in new defaults and early delinquencies.

Approvals of all new models, model changes, changes to risk parameters, changes in group-wide methodological standards and other model-related aspects are following a dual approval process within the Group – corresponding Holding and local model committee structures reflect joint responsibilities for decisions on Pillar 1 IRB and Pillar 2 credit risk models as well as on methodologies related to IFRS9 parameters. Responsibilities are assigned depending on model perimeter (group-wide or locally developed model). In this context, the following committees are established: Strategic Risk Executive Committee and Strategic Risk Management Committee. Ultimate responsibility for all models used within the Group (at consolidated level) lies with the Group CRO.

CREDIT RISK CLASSIFICATION

For the disclosure of asset quality Erste Group assigns each customer to one of the following four risk categories:

Low risk. Typically, regional customers with well-established and rather long-standing relationships with Erste Group or large internationally recognised customers. Very good to satisfactory financial position and low likelihood of financial difficulties relative to the respective market in which the customers operate. Retail clients having long relationships with the bank, or clients with a

wide product pool use. No relevant late payments currently or in the most recent 12 months. New business is generally done with clients in this risk category.

Management attention. Vulnerable non-retail clients, who may have overdue payments or defaults in their credit history or may encounter debt repayment difficulties in the medium term. Retail clients with possible payment problems in the past triggering early collection reminders. These clients typically have a good recent payment history.

Substandard. The borrower is vulnerable to short-term negative financial and economic developments and shows an elevated probability of failure. In some cases, restructuring measures are possible or already in place. Generally, such loans are managed in specialised risk management departments.

Non-performing. One or more of the default criteria under Article 178 of the CRR are met, which include full repayment unlikely, interest or principal payments on a material exposure more than 90 days past due, restructuring resulting in a loss to the lender, realisation of a loan loss, or initiation of bankruptcy proceedings. Erste Group applies the customer view for all customer segments, including retail clients; if an obligor defaults on one deal, then the customer's performing transactions are classified as non-performing as well. All non-performing exposures are also defaulted.

The materiality of 90 days past due credit obligation is applied for on-balance exposure at client level and assessed daily against the group-wide defined materiality threshold (except the local regulator has defined different thresholds) for the:

- _ retail exposure: as an absolute limit on client level of 100 EUR and relative 1% on client level;
- _ non-retail exposure: as an absolute limit on client level of 500 EUR and relative 1% on client level.

Based on the calibration of internal PDs (probabilities of default) for regulatory purposes to the default rates published by rating agencies, the equivalent external customer rating is used for the assignment to risk categories. For the agency ratings, average one-year default rates resulting from long-term time series are applied.

CREDIT RISK REVIEW AND MONITORING

Retail Risk Management as well as Credit Risk Portfolio in cooperation with Corporate Risk Management conduct periodical reviews of the loan portfolio for each local entity to ensure an adequate portfolio quality and to monitor the compliance of local portfolios with the principles and parameters as stipulated by Erste Group's credit risk policies.

All credit limits and the transactions booked within the limits are reviewed at least once a year. Counterparty credit risk limits are monitored daily in an internal limit management system with remedial actions taken in case limits are exceeded.

A group-wide standardised early warning monitoring process is implemented to proactively identify negative developments. The early warning monitoring process for corporate clients is managed at group level by Credit Risk Portfolio and, at subsidiary level, by the local units responsible for corporate risk management. When early warning signals are identified and validated, the overall client exposure and creditworthiness is reviewed and adequate risk mitigating actions are taken where deemed necessary. Watch list review meetings are held on a regular basis to monitor customers with a poor credit standing and to discuss pre-emptive measures.

For smaller enterprises (micro) and retail customers, the monitoring is done on Group and local level. In Retail, early warning indicators on client level are identified automatically and clients are segmented in different early warning risk segments. On portfolio level adverse developments include, for instance, quality deterioration in new business or a decreasing collections effectiveness and require appropriate countermeasures.

Adverse portfolio developments regarding the non-performing and substandard loans portfolio of Erste Group are monitored, discussed and reported regularly. In case of further negative developments clients are managed in specialized workout units aiming to maximise recoveries.

35. Credit risk exposure

Credit risk exposure relates to the sum of the following balance sheet items:

- _ cash and cash balances - demand deposits to credit institutions;
- _ instruments (derivatives and debt securities) held for trading (HfT);
- _ non-trading debt instruments at fair value through profit or loss (FVPL);
- _ debt instruments at fair value through other comprehensive income (FVOCI);
- _ debt instruments at amortised cost (AC), other than trade and other receivables;

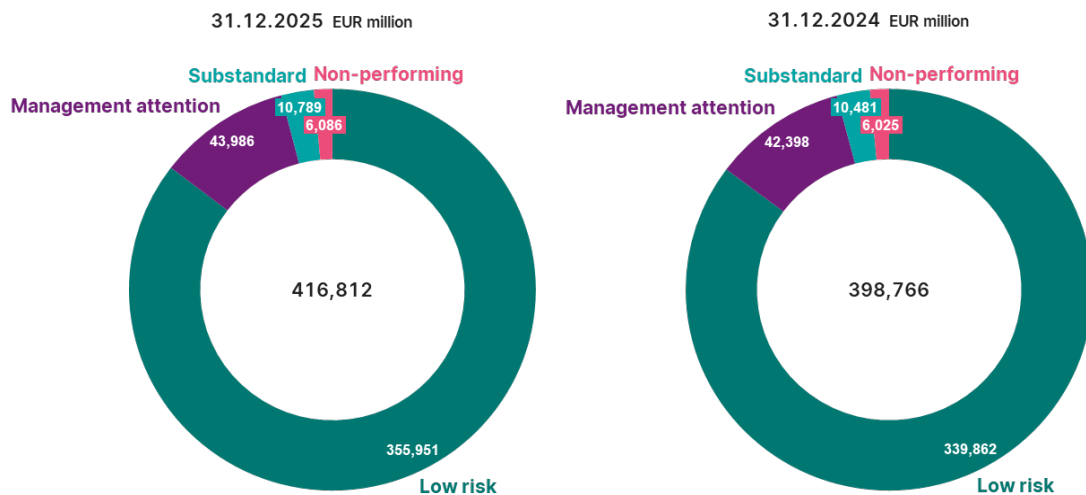
- _ trade and other receivables (for disclosure purposes in the tabular summaries below, any contract assets are also included in this category);
- _ finance lease receivables;
- _ debt instruments held for sale in disposal groups;
- _ positive fair value of hedge accounting derivatives;
- _ off-balance sheet exposures (primarily financial guarantees and undrawn loan commitments).

The credit risk exposure equates the gross carrying amount (or nominal value in the case of off-balance sheet positions) excluding:

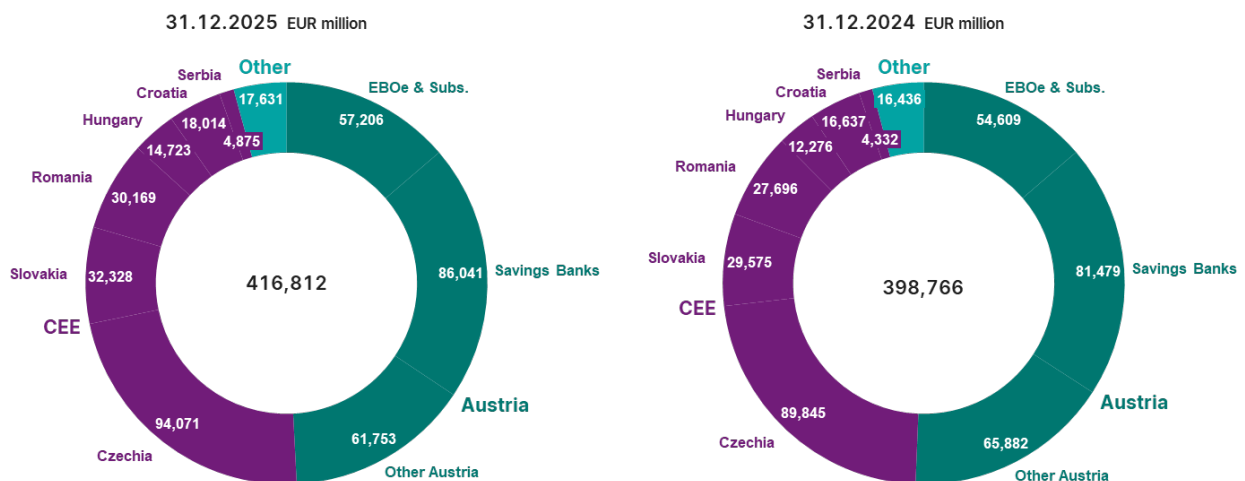
- _ credit loss allowances for financial assets;
- _ credit loss allowances for loan commitments and financial guarantees;
- _ provisions for other commitments;
- _ any collateral held (including risk transfer to guarantors);
- _ netting effects;
- _ other credit enhancements;
- _ credit risk mitigating transactions.

PORTFOLIO OVERVIEW ON TOTAL CREDIT RISK

Credit risk exposure by risk category



Credit risk exposure by geographical segment



Between the 31 December 2024 and 31 December 2025, the credit risk exposure increased from EUR 398,766 million to EUR 416,812 million. This is an increase of 4.5% or 18,046 EUR million.

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

in EUR million	Credit risk exposure	Credit loss allowances	Adjustments	Net carrying amount
Dec 25				
Cash and cash balances - demand deposits to credit institutions	1,563	-2	0	1,561
Instruments HfT	9,155	0	0	9,155
Non-trading debt instruments at FVPL	3,310	0	0	3,310
Debt securities	1,786	0	0	1,786
Loans and advances to banks	0	0	0	0
Loans and advances to customers	1,524	0	0	1,524
Debt instruments at FVOCI	9,036	-5	37	9,068
Debt securities	9,036	-5	37	9,068
Loans and advances to banks	0	0	0	0
Loans and advances to customers	0	0	0	0
Debt instruments at AC	305,596	-3,889	0	301,707
Debt securities	58,669	-14	0	58,655
Loans and advances to banks	20,830	-3	0	20,827
Loans and advances to customers	226,097	-3,872	0	222,225
Trade and other receivables	2,993	-47	0	2,946
Finance lease receivables	5,369	-79	0	5,290
Debt instruments held for sale in disposal groups	0	0	0	0
Positive fair value of hedge accounting derivatives	231	0	0	231
Off-balance sheet exposures	79,557	-441	0	-
Financial guarantees	7,766	-145	0	-
Loan commitments	54,875	-290	0	-
Other commitments	16,916	-6	0	-
Total	416,812	-4,463	37	333,269
Dec 24				
Cash and cash balances - demand deposits to credit institutions	1,196	-2	0	1,194
Instruments HfT	11,322	0	0	11,322
Non-trading debt instruments at FVPL	2,576	0	0	2,576
Debt securities	1,468	0	0	1,468
Loans and advances to banks	0	0	0	0
Loans and advances to customers	1,108	0	0	1,108
Debt instruments at FVOCI	9,398	-13	3	9,388
Debt securities	9,398	-13	3	9,388
Loans and advances to banks	0	0	0	0
Loans and advances to customers	0	0	0	0
Debt instruments at AC	292,905	-4,011	0	288,894
Debt securities	52,904	-15	0	52,889
Loans and advances to banks	26,978	-6	0	26,972
Loans and advances to customers	213,024	-3,991	0	209,034
Trade and other receivables	2,722	-44	0	2,677
Finance lease receivables	5,331	-83	0	5,248
Debt instruments held for sale in disposal groups	0	0	0	0
Positive fair value of hedge accounting derivatives	181	0	0	181
Off-balance sheet exposures	73,137	-486	0	-
Financial guarantees	7,431	-162	0	-
Loan commitments	50,981	-312	0	-
Other commitments	14,725	-12	0	-
Total	398,766	-4,639	3	321,479

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

BREAKDOWN OF CREDIT RISK EXPOSURE

On the following pages the credit risk exposure is presented according to different segmentation criteria.

Credit risk exposure by industry and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Dec 25					
Natural Resources & Commodities	9,755	2,870	808	499	13,932
Energy	18,435	1,339	292	102	20,169
Construction and building materials	14,527	4,259	929	462	20,177
Automotive	6,643	1,407	529	195	8,774
Cyclical Consumer Products	6,088	1,886	471	362	8,807
Non-Cyclical Consumer Products	9,475	2,039	275	120	11,909
Machinery	6,763	1,310	238	164	8,475
Transportation	8,519	1,572	303	103	10,497
Telecommunications, Media, Technology	6,838	1,114	122	157	8,231
Healthcare & Services	11,422	2,626	367	139	14,554
Hotels & Leisure	8,214	1,872	484	274	10,843
Real Estate	39,179	6,925	1,567	1,762	49,433
Public Sector	83,700	544	116	34	84,393
Financial Institutions	28,444	1,139	331	50	29,965
Private Households	92,796	13,085	3,921	1,659	111,461
Other	5,153	0	35	3	5,191
Total	355,951	43,986	10,789	6,086	416,812
Dec 24					
Natural Resources & Commodities	9,975	2,898	701	377	13,951
Energy	16,612	1,469	375	44	18,499
Construction and building materials	13,735	3,843	865	417	18,860
Automotive	6,259	1,598	300	420	8,576
Cyclical Consumer Products	5,820	1,779	523	343	8,465
Non-Cyclical Consumer Products	9,121	2,049	278	182	11,630
Machinery	5,764	1,291	275	208	7,538
Transportation	8,362	1,615	279	119	10,375
Telecommunications, Media, Technology	6,622	1,113	125	89	7,949
Healthcare & Services	9,383	2,299	333	175	12,190
Hotels & Leisure	7,477	1,913	497	359	10,246
Real Estate	37,915	6,579	1,698	1,537	47,729
Public Sector	86,294	384	76	76	86,830
Financial Institutions	31,599	1,247	322	24	33,192
Private Households	84,726	12,310	3,729	1,650	102,416
Other	198	13	105	3	318
Total	339,862	42,398	10,481	6,025	398,766

With 85%, the low risk exposure has the highest share in total credit risk exposure, while management attention represents 11%. The substandard exposure contributes 3% and the non-performing category 2%.

From industry and financial instrument point of view, the highest exposure is represented by households in loans and advances to customers with EUR 98,122 million, representing 24% from total exposure, followed by public sector in debt securities with an exposure of EUR 43,962 million representing 11% from total and real estate and housing in loans and advances to customers with an exposure of EUR 43,357 million representing 10% from total.

Credit risk exposure by region and risk category

The geographic analysis of credit risk exposure is based on the country of risk of borrowers and counterparties. It also includes obligors domiciled in other countries if the economic risk exists in the respective country of risk. Accordingly, the distribution by regions differs from the composition of the credit risk exposure by geographical segments of Erste Group.

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Dec 25					
Core markets	293,591	41,129	9,887	5,566	350,173
Austria	127,993	14,677	4,648	3,313	150,631
Czechia	80,145	10,755	1,516	818	93,233
Slovakia	26,347	4,856	1,968	533	33,705
Romania	26,082	3,921	731	413	31,147
Hungary	14,608	3,380	620	140	18,749
Croatia	13,959	2,707	278	291	17,235
Serbia	4,457	832	125	58	5,473
Other EU	39,655	1,564	519	378	42,116
Other industrialised countries	16,431	217	70	9	16,727
Emerging markets	6,274	1,076	313	132	7,796
Southeastern Europe/CIS	4,222	694	236	94	5,246
Asia	1,134	52	7	10	1,204
Latin America	202	3	0	0	205
Middle East/Africa	717	326	70	28	1,140
Total	355,951	43,986	10,789	6,086	416,812
Dec 24					
Core markets	279,809	39,033	9,676	5,524	334,043
Austria	121,943	14,194	4,465	3,413	144,016
Czechia	77,158	9,676	1,515	802	89,151
Slovakia	24,621	4,901	1,701	422	31,645
Romania	24,322	3,997	876	389	29,584
Hungary	15,369	2,766	562	138	18,835
Croatia	12,475	2,611	469	298	15,853
Serbia	3,921	889	88	62	4,960
Other EU	41,585	1,686	466	307	44,044
Other industrialised countries	12,458	245	49	9	12,761
Emerging markets	6,010	1,434	290	185	7,918
Southeastern Europe/CIS	3,410	833	255	104	4,602
Asia	1,913	61	6	10	1,990
Latin America	271	1	1	0	273
Middle East/Africa	416	538	28	70	1,053
Total	339,862	42,398	10,481	6,025	398,766

The credit risk exposure increased by EUR 6,616 million, or 5% in Austria and by EUR 9,514 million, or 5% in the CEE core markets. In the other EU member states (EU 27 excluding core markets), the credit risk exposure decreased by EUR -1,928 million, or -4%, while in other industrialised countries the increase in exposure amounted to EUR 3,966 million (31%). The emerging markets registered a decrease of EUR -123 million or -2%. In total, Erste Group's core markets and the EU accounted for 94% (2024: 95%) of credit risk exposure. At 2% (2024: 2%), the share of emerging markets remained of minor importance.

Credit risk exposure by reporting segment and risk category

The reporting of segments of Erste Group conforms to the internal management and control structure and is based on geographical segments in order to provide more comprehensive information the segmental reporting also comprises business segments.

Credit risk exposure by geographical segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Dec 25					
Austria	178,600	17,352	5,237	3,811	205,001
EBOe & Subs.	49,944	4,721	1,484	1,058	57,206
Savings Banks	69,019	11,305	3,303	2,415	86,041
Other Austria	59,638	1,327	450	338	61,753
CEE	159,741	26,622	5,542	2,275	194,181
Czechia	80,616	10,961	1,666	827	94,071
Slovakia	24,877	4,886	2,030	535	32,328
Romania	25,060	3,965	734	411	30,169
Hungary	10,696	3,288	604	135	14,723
Croatia	14,591	2,720	391	312	18,014
Serbia	3,902	801	118	54	4,875
Other	17,610	12	9	0	17,631
Total	355,951	43,986	10,789	6,086	416,812
Dec 24					
Austria	175,979	16,889	5,231	3,872	201,970
EBOe & Subs.	47,675	4,425	1,496	1,013	54,609
Savings Banks	65,012	10,806	3,382	2,279	81,479
Other Austria	63,292	1,657	352	580	65,882
CEE	147,463	25,495	5,250	2,152	180,360
Czechia	77,312	10,155	1,540	838	89,845
Slovakia	22,493	4,918	1,745	418	29,575
Romania	22,410	4,036	861	389	27,696
Hungary	8,874	2,726	543	132	12,276
Croatia	13,037	2,806	479	315	16,637
Serbia	3,337	853	82	61	4,332
Other	16,420	15	1	0	16,436
Total	339,862	42,398	10,481	6,025	398,766

Credit risk exposure by business segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Dec 25					
Retail	75,020	14,538	4,070	1,678	95,307
Corporates	115,291	17,658	3,040	1,968	137,957
Group Markets	23,638	393	174	0	24,206
ALM & LCC	72,811	81	192	24	73,108
Savings Banks	69,019	11,305	3,303	2,415	86,041
GCC	172	12	9	0	193
Total	355,951	43,986	10,789	6,086	416,812
Dec 24					
Retail	67,961	13,488	3,864	1,650	86,964
Corporates	107,666	17,253	2,911	2,088	129,919
Group Markets	28,733	746	206	1	29,686
ALM & LCC	70,368	92	117	6	70,583
Savings Banks	65,012	10,806	3,382	2,279	81,479
GCC	122	13	1	0	136
Total	339,862	42,398	10,481	6,025	398,766

36. Use of collateral and other credit enhancements

Recognition of credit collateral

Collateral Management is integrated in Collateral Management department of Credit Risk Portfolio division. The Group Collateral Management Policy Part 1 Credit Collateral defines, among other topics, uniform valuation standards for credit collateral across the entire group. It ensures that the credit risk decision processes are standardised with respect to accepted collateral values.

All collateral types acceptable within the group are contained in the Group Collateral Catalogue. Locally permitted collateral is defined by the respective bank in accordance with applicable national legal provisions. The valuation and revaluation of collateral is done according to the principles defined in the Group Collateral Catalogue broken down by collateral type and based on the internal work instructions in accordance with the individual supervisory requirements. Whether a type of collateral or a specific collateral asset is accepted for credit risk mitigation is decided by Enterprise-wide Risk Management after determining if the applicable regulatory requirements are met. Credit underwriting monitors adherence to the standard processes stipulated for assigning the acceptable collateral assets to the categories available.

Main types of credit collateral

Mostly, the following types of credit collateral are accepted:

- _ real estate: residential and commercial real estate;
- _ financial collateral: securities, cash deposits and endowment life insurance policies;
- _ guarantees: given by sovereigns, public sector entities, financial institutes, companies and private individuals. All guarantors must have a minimum credit rating, which is reviewed annually;
- _ movables: equipment, investment goods, machinery and motor vehicles;
- _ claims and rights: trade account receivables, leasehold rights and shares in a company's capital.

Collateral valuation and management

Collateral valuation is based on current market prices while considering an amount that can be recovered within a reasonable period. The valuation processes are defined and their IT-supported technical application is performed by Collateral Management at group level and by authorised staff in each country with the assistance of software applications. The allocated collateral values are capped by the amount of the secured transaction.

Real estate valuation may only be performed by qualified valuers who are independent of the credit decision process. The valuation is to be made according to international, European, or national standards and has to follow valuation methods defined by the bank. Internal guidelines define criteria of qualification and requirements of independence for the selection of valuers. A valuator may only perform two sequential valuations of the same asset, any further valuation has to result in the rotation of the valuator. For quality assurance purposes, real estate valuers and real estate valuations are supervised on an ongoing basis.

Real estate valuation includes consideration of energy efficiency of the object, possible negative impact of the real estate asset to the environment and physical risks that may threaten the object (like e.g. flood or heat stress). Information on energy efficiency and CO₂ emission of the collateral objects is collected and stored systematically in order to be considered for real estate collateral valuations and reporting purposes.

The methods and discounts used for valuations are based on empirical data representing past experience of the workout departments and on the collected data on recoveries from realising collateral. The valuation discounts are adjusted regularly – at least once a year – to reflect the recoveries under consideration of foreseeable developments (like expected real estate price changes).

The revaluation of collateral is done periodically and is automated as far as possible. In the case of external data sources, the appropriate interfaces are used. The maximum periods for the revaluation of individual collateral assets are predefined and compliance is monitored by risk management using software applications. Apart from periodic revaluations, collateral is assessed when information becomes available that indicates a decrease in the value of the collateral for exceptional reasons, or when defined triggers are exceeded. Particularly real estate collateral assets in development, showing problems like significant cost or time overrun, as well as assets, collateralizing loans with lower credit quality, are monitored or revalued with higher frequencies.

Concentration risks resulting from credit risk mitigation techniques may affect a single customer, but also a portfolio defined by region, industry, or type of collateral. Erste Group is a retail bank and, due to its customer structure and the markets in which it operates, it does not have any concentrations with respect to collateral from customers. All guarantee liabilities and loans of a corporate guarantee provider are taken into consideration in the credit application process in order to prevent possible concentrations. Guarantees provided by sovereigns, a public sector entity or financial institutions have to lie within the approved limit of the guarantor. Concerning other areas of a potentially detrimental correlation of risks, the collateral portfolios are analysed using statistical evaluations for, among other things, regional or industry-specific concentrations within the scope of portfolio

monitoring. The response to those risks identified includes, above all, the adjustment of volume targets, setting of corresponding limits and modification of the staff's discretionary limits for lending.

Collateral obtained in foreclosure proceedings is made available for sale in an orderly fashion, with the proceeds used to reduce or repay the outstanding claim. Generally, Erste Group does not occupy repossessed properties for its own business use. The main part of assets taken onto its own books is commercial land and buildings. In addition, residential real estate properties and transport vehicles are taken into Erste Group's possession. As of 31 December 2025, the carrying value of these assets obtained during the reporting period amounted to EUR 3 million (2024: EUR 7 million).

Treasury collateral

The department Trading Book Risk Management is responsible for treasury collateral. The Group Collateral Management Policy Part 2 defines, among other things, uniform valuation standards for treasury collateral across the entire group.

Under the framework of treasury collateral, netting agreements (international framework agreements for derivatives of the International Swap and Derivatives Association (ISDA), Austrian or German framework agreements, framework agreements for securities lending transactions and repurchase deals) as well as collateral agreements (e.g., ISDA Credit Support Annex) are used for reducing the credit risk from derivatives.

Netting agreements make it possible to net all amounts due or payable for each individual transaction under a framework agreement in the case of a credit default, with the result that only the net receivables vis-à-vis the business partner are of relevance for credit risk. Within the scope of these collateral agreements, the portfolio with the respective counterparty is revalued periodically, usually daily and in case of insufficient coverage additional collateral is requested. The policy restrictions on collateral types ensure that collateral received predominantly consists of cash or securities of investment grade quality. In the case of securities used as collateral, an additional valuation discount (haircut) depending on credit quality and residual maturity is applied.

The following table compares the credit risk exposure broken down by financial instrument to the allocated collateral which corresponds to the accepted value after internal haircuts capped by the exposure amount.

Synthetic securitisations

Erste Group uses synthetic securitisations for portfolios of loans to SME, corporate customers, commercial real estate loans and residential mortgages. No transfer of loans and set up of SPVs are involved. Each synthetic securitisation transaction is structured so that credit losses on the underlying loans are allocated on a waterfall basis first to the excess spread, then to the junior tranche, mezzanine tranche and finally to the senior tranche. The losses related to the excess spread and the junior tranche, but also to the senior tranche, are borne by Erste Group. Erste Group receives a guarantee in relation to the volume of the mezzanine tranche. The guarantee providers are external parties to Erste Group including Supranational and institutional investors (mainly insurance companies). For accounting purposes, Erste Group treats synthetic securitisations as non-integral guarantees (see chapter Financial instruments – Material accounting policies, part Impairment of financial instruments). For regulatory capital purposes, the synthetic securitisations reduce risk weights of the underlying loans which is the primary objective of Erste Group for undertaking the transactions.

Credit risk exposure by financial instrument and collateral

in EUR million	Total credit risk exposure	Collateral total	Collateralised by			Credit risk exposure net of collateral	IFRS 9 impairment relevant		
			Guarantees	Real estate	Other		Neither past due nor credit impaired	Past due but not credit impaired	Credit impaired
Dec 25									
Cash and cash balances - demand deposits to credit institutions	1,563	781	0	0	781	782	1,559	3	0
Instruments HFT	9,155	337	337	0	0	8,818	0	0	0
Non-trading debt instruments at FVPL	3,310	1,385	925	460	0	1,925	0	0	0
Debt instruments at FVOCI	9,036	345	345	0	0	8,692	9,030	0	5
Debt instruments at AC	305,596	157,566	11,237	121,178	25,151	148,030	292,079	7,937	5,581
Debt securities	58,669	2,171	2,171	0	0	56,498	58,660	0	9
Loans and advances to banks	20,830	19,644	2,327	0	17,317	1,186	20,830	0	0
Loans and advances to customers	226,097	135,751	6,740	121,178	7,834	90,345	212,589	7,937	5,572
Trade and other receivables	2,993	236	234	1	1	2,757	1,723	1,218	53
Finance lease receivables	5,369	3,045	69	119	2,857	2,325	2,993	2,265	112
Debt instruments held for sale in disposal groups	0	0	0	0	0	0	0	0	0
Positive fair value of hedge accounting derivatives	231	0	0	0	0	231	0	0	0
Off-balance sheet exposures	79,557	8,853	307	3,954	4,592	70,704	62,611	0	182
thereof other commitments	16,916	1,383	0	294	1,089	15,533	152	0	0
Total	416,812	172,549	13,454	125,713	33,382	244,263	369,994	11,423	5,933
Dec 24									
Cash and cash balances - demand deposits to credit institutions	1,196	475	0	0	475	721	1,195	1	0
Instruments HFT	11,322	0	0	0	0	11,322	0	0	0
Non-trading debt instruments at FVPL	2,576	1,038	785	253	0	1,538	0	0	0
Debt instruments at FVOCI	9,398	556	556	0	0	8,842	9,392	0	5
Debt instruments at AC	292,905	156,397	11,756	113,541	31,100	136,508	284,315	3,060	5,531
Debt securities	52,904	2,304	2,304	0	0	50,599	52,896	0	9
Loans and advances to banks	26,978	25,238	2,054	0	23,185	1,739	26,977	0	0
Loans and advances to customers	213,024	128,854	7,398	113,541	7,915	84,170	204,442	3,060	5,522
Trade and other receivables	2,722	215	211	1	2	2,507	1,545	1,142	35
Finance lease receivables	5,331	3,076	84	158	2,834	2,255	4,957	255	119
Debt instruments held for sale in disposal groups	0	0	0	0	0	0	0	0	0
Positive fair value of hedge accounting derivatives	181	0	0	0	0	181	0	0	0
Off-balance sheet exposures	73,137	8,705	282	3,376	5,047	64,432	58,373	0	228
thereof other commitments	14,725	1,620	0	244	1,376	13,105	189	0	0
Total	398,766	170,460	13,673	117,329	39,458	228,306	359,776	4,458	5,917

The collateral attributable to exposures that are credit impaired as of 31 December 2025 amounts to EUR 2,950 million (2024: EUR 2,906 million).

The exposure increase of debt instruments at amortized cost that are past due but not credit-impaired is primarily driven by the Austrian entities, where the logic of the DPD counter has been standardised.

In addition to the amounts in the table, loans and advances to customers at AC with outstanding nominal value of EUR 23,623 million (2024: EUR 4,873 million) are guaranteed through synthetic securitisation transactions as explained above. The unguaranteed first loss portion which is related to the excess spread and the junior tranches amounts to EUR 309 million (2024: EUR 82 million). The credit protection received relates to the mezzanine tranches which amount to EUR 1,303 million (2024: EUR 274 million).

37. Measurement of expected credit loss

The general principles and standards for credit loss allowances are governed by internal policies in Erste Group. According to IFRS 9, credit loss allowances are calculated for all components of credit risk exposures which are measured at amortised cost (AC) or at fair value through other comprehensive income. They include debt securities, loans and advances, demand deposits on nostro accounts with commercial banks as well as finance lease and trade receivables. In addition, credit loss allowances are calculated for loan commitments and financial guarantees if they meet the applicable IFRS 9 definitions.

CLASSIFICATION INTO STAGES AND DEFINITION OF CREDIT-IMPAIRED FINANCIAL INSTRUMENTS

There are three main stages outlined for expected credit loss (ECL) determination. The stages approach applies to financial instruments within the scope of the impairment requirements of IFRS 9 and those that are not categorised as purchased or originated credit impaired financial assets (POCI), which form a category of their own. Depending on the impairment status and the assessment of the development of credit risk, these financial instruments are assigned to one of the three stages, as described in the chapter 'Financial instruments – Material accounting policies', in the section 'Impairment of financial instruments'.

SIGNIFICANT INCREASE IN CREDIT RISK DETERMINATION

Assessment of significant increase in credit risk (SICR) of financial instruments as at the reporting date since initial recognition is one of the key drivers affecting the amount of the ECL recognised based on IFRS 9 requirements. In this respect, across portfolios and product types, quantitative and qualitative indicators are defined for assessing SICR, including the indicator of 30 days-past-due (DPD).

Erste Group methodology allows introduction of the cure periods for migrations back to Stage 1 from Stage 2 in addition to those already established in general credit risk practices (forbearance, watch lists, default). They are rarely applied, only in specific countries for specific criteria without significant effect on the overall expected credit loss or Stage 2.

Quantitative criteria. Quantitative SICR indicators include adverse changes in lifetime probability of default with significance being assessed by comparison to the thresholds. The bank has established thresholds for significant increases in credit risk based on both a percentage (relative) and absolute change in PD compared to initial recognition. SICR occurs for a particular financial instrument, when both the relative and the absolute thresholds are breached.

The relative measure is calculated as a ratio between current annualised LT PD and annualised LT PD value on initial recognition, considering remaining maturity of the instrument. Cumulative LT PD comparison can be used for simplification according to Erste Group methodology; however, such approach is rarely used. The breach means that such ratio has reached or is higher than the established threshold. These relative thresholds for SICR assessment are established at PD segment level or client rating level for each consolidated entity, as necessary and are subject to initial and on-going validation.

The relative thresholds are kept stable as one of the most significant estimates in ECL measurement. They are re-estimated only in cases of significant changes in PD models or when required by internal validation findings. In 2025, thresholds were recalibrated in:

- _ Czechia, in case of local private individual models, resulting in an ECL increase of EUR 7.5 million;
- _ Slovakia, for local micro model used for clients with single-entry bookkeeping, with no material impact on ECL;
- _ Hungary, for local private and corporate models, also without material impact on ECL (combined with the PD review for these two models, the total impact was approximately EUR 360 thousand; and
- _ Serbia, in case of local models, resulting in ECL decrease of approx. EUR 0.4 million.

Relative thresholds for SICR assessment by Erste Group main entities

Threshold interval (x times)	Dec 24		Dec 25		
	Min	Max	Min	Weighted average	Max
Austria	1.02	2.37	1.02	1.60	2.37
EBOe & Subs.	1.02	2.37	1.02	1.53	2.37
Savings Banks	1.02	2.37	1.02	1.65	2.37
Holding	1.02	2.37	1.02	1.62	2.37
CEE	1.00	4.08	1.01	2.38	4.90
Czechia	1.01	3.59	1.01	2.24	4.83
Slovakia	1.13	4.08	1.13	2.89	4.08
Romania	1.06	3.37	1.06	2.56	3.37
Hungary	1.13	3.21	1.01	2.12	4.90
Croatia	1.13	3.13	1.13	2.14	3.13
Serbia	1.00	2.72	1.01	2.14	3.00
Total	1.00	4.08	1.01	1.88	4.90

The table shows only relative thresholds applied by main Erste Group entities. The thresholds applied by their subsidiaries can deviate from those shown in the table.

Thresholds might seem to show high dispersion, but they are driven mainly by regional and rating diversity. In general, the maximal thresholds are applied in case of clients with higher credit quality and minimal in case of clients with lower credit quality. The thresholds' review performed in 2025 for selected portfolios resulted in more pronounced increases, which in some cases exceeded a fourfold level. However, these increases are concentrated within a narrow part of the portfolio comprising clients with the better assigned ratings. The observed increases in thresholds primarily reflect changes in PD models or adjustments to portfolio segmentation, such as the split of a single model into secured and unsecured components. Given that, within Erste Group, PD curves assigned to individual deals at initial recognition are not recalibrated over time, such model or segmentation changes could otherwise result in unjustified transfers of exposures to Stage 2 in cases where credit quality, as reflected by the rating, remains strong and where the Stage 2.

The exposure weighted average threshold at Group level remains below two.

The absolute threshold refers to difference of LT PD on initial recognition and current LT PD (annualized or cumulative values). It is set to a maximum of 50 bps and serves as a backstop for migrations between the best ratings (LT PDs considered for remaining maturity). In such cases, relative thresholds may be breached, however overall LT PD is very low and therefore SICR is not triggered.

There are certain portfolios where the SICR quantitative criteria are assessed based on the ratings rather than PDs. Predefined rating notches' downgrade leads to SICR recognition. These rules are applied primarily to leasing and factoring business receivables.

Qualitative criteria. Qualitative SICR indicators include forbearance-type flags (identification of regulatory forbearance), work-out transfer flags (when the account starts being monitored by the work-out department), information from the early-warning system and fraud indicators. The assignment of some of the qualitative indicators inherently relies on experienced credit risk judgment being exercised adequately and in a timely manner. The related group-wide and entity-level credit risk controlling policies and procedures (adapted as necessary in the light of transition to IFRS 9) ensure the necessary governance framework. These indicators are used internally for identification of insolvency or increased probability that a borrower will enter bankruptcy and there is increased risk of default in the foreseeable future.

Besides the qualitative indicators defined on a client level, the assessment of a significant increase in credit risk is performed on a portfolio level if the increase in credit risk on individual instruments or at a client level is available only with a certain time lag or is observable exclusively on a portfolio level.

Examples are Stage 2 overrides for parts of Swiss franc retail portfolio or in case of high LTV loans resulting from a specific law in Romania (clients are allowed to give up on real estate collateral against waiver of principal).

Erste Group has introduced additional portfolio level SICR assessment criteria stemming from multiple geopolitical conflicts (implemented with the start of the war in Ukraine in 2022) and related macroeconomic impacts. For more details refer to 'Collective assessment' in the next chapter.

Backstop. A backstop is applied and the financial instruments are considered to have experienced a SICR if the borrower is more than 30 days past due on contractual payments. As observed during validation, this does not represent a major trigger for Stage 2 classification.

Low credit risk exemption. The 'Low credit risk exemption' allowed by IFRS 9 for 'Investment grade' assets or other assets deemed 'Low risk' (and resulting in 12 months expected credit losses being calculated irrespective of SICR quantitative measures) has been implemented with limitations in Erste Group. Thus, the potential activation of this exemption is limited to particular types of debt instruments and counterparty categories and only if supported by sufficient 'Low risk' evidence. On this basis, the 'Low risk exemption' is applied in special cases to debt security exposures and only exceptionally to loans.

As of 31 December 2025, low credit risk exemption is applied only to debt securities in the Czech subsidiary (Česká spořitelna) and sovereign exposures in the Romanian subsidiary (Banca Comercială Română). In Česká spořitelna, the corresponding exposure amounted to EUR 18 billion (2024: EUR 17 billion) with PDs interval of 0.004%-0.25%. In Banca Comercială Română, the respective exposure amounted to EUR 8 billion (2024: EUR 8 billion) with PD below 0.1%.

MEASURING ECL – EXPLANATION OF INPUTS AND MEASUREMENT

Credit loss allowances are calculated individually or collectively.

The individual calculation approach is applied in case of exposures to significant defaulted customers in Stage 3 or POCI. It consists in the individual assessment of the difference between the gross carrying amount and the present value of the expected cash flows, which are estimated by workout or risk managers. The discounting of the cash flows is based on the effective interest rate (POCI: credit-adjusted effective interest rate). However, the discount rate for financial guarantees shall reflect the current market assessment of the time value of money and the risks that are specific to the cash flows which in Erste Group's implementation means using a risk-free rate as a proxy.

A defaulted customer is classified as individually significant if the total on- and off-balance exposure exceeds a predefined materiality limit. Otherwise, the customer is considered insignificant and a rule-based (collective) approach is used for the calculation of the related credit loss allowance as the product of gross carrying amount and LGD, where the LGD depends on characteristics such as time in default or the stage of the workout process.

For exposures to non-defaulted customers (i.e., in Stage 1 and Stage 2), collective allowances are calculated according to a rule-based approach irrespective of the significance of the customer. The calculation of collective allowances requires grouping the related exposures into homogenous clusters based on shared risk characteristics. The grouping criteria may differ based on the customer segment (retail, corporate) and include product type, collateral type, repayment type, loan to value band and credit rating band.

The calculation of credit loss allowances is done monthly on a single exposure level and in the contractual currency of the exposure. To compute the collective credit loss allowance, Erste Group applies an expected credit loss (ECL) model based on a three-stage approach that leads to either a 12-month ECL or to a lifetime ECL. ECL is the discounted product of exposure at default (EAD) that also includes a credit conversion factor in the case of off-balance sheet exposures, probability of default (PD) and loss given default (LGD), defined as follows:

- _ PD represents the likelihood of a borrower defaulting on its financial obligation (per definition of default below), either over next 12 months (1Y PD) for Stage 1 exposures or over the remaining lifetime (LT PD) for Stage 2 and 3 and POCI exposures.
- _ EAD is based on the amounts Erste Group expects to be owed at the time of default, over next 12 months (1Y EAD) for Stage 1 exposures, or over the remaining lifetime (LT EAD) for Stage 2 and 3 and POCI exposures. The estimation includes current balance, expected repayments and expected drawings up to the current contractual limit by the time of default.
- _ LGD represents the Erste Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit exposure at the time of default (EAD).

LIFE-TIME PARAMETERS

The LT PD is developed through observation of historical defaults over an available history. The calculated LT PDs are extrapolated, e.g., via matrix multiplication, to ensure that the final lifetime PD covers the lifetime of the loans from initial recognition. It is assumed to be the same across all assets in the same portfolio, rating band and the country of risk which is an additional relevant PD characteristic considered via forward looking information in case of local specialized lending portfolio in Austria and central models for Group (Large) Corporate.

The 1Y and LT EADs are determined based on the expected payment profiles, which vary by product type. The LT EAD calculation utilises repayment schedule or repayment type (annuity, linear, bullet). In the case of undrawn commitments, credit conversion factor is estimated for reflecting the expected credit exposure in the EAD.

The LGD is estimated as a lifetime curve for any point in time, based on historical loss observations.

The risk parameters used in the ECL calculation consider all information available at the reporting date, including past events, current conditions, and forecasts of future economic development. In general, the risk parameters applied in the calculation of collective allowances differ from the risk parameters used for capital requirement purposes, which are determined on a through-the-cycle basis if the characteristics of the respective portfolio in combination with IFRS requirements necessitate such divergence. Nevertheless, the approach to modelling and selecting the estimation sample for the risk parameters remains harmonized across the Group.

Within Erste Group, risk parameters are reviewed regularly, at least once per year. The only exception is the forward-looking information (FLI) review, which is typically performed at least semi-annually.

In 2025, the following parameter reviews (excluding FLI) had a significant impact on expected credit loss (ECL):

September

- _ Romania – LGD re-calibration for local corporate model resulted in an ECL decrease of EUR 40 million.

October

- _ Austria – LGD review for corporate models resulted in an ECL decrease of EUR 49 million;
- _ Austria – LGD review for retail models resulted in an ECL increase of EUR 21 million;
- _ Croatia – PD review for local models, driven by the merger of clients of Erste Bank Croatia and Erste Credit Cards into a single estimation sample, resulted ECL increase of EUR 23 million.

December

- _ Romania – LGD re-calibration for non-performing secured private individuals resulted in an ECL decrease of EUR 27 million.

38. Credit risk exposure by IFRS 9 Stage and ECL

Credit risk exposure according to IFRS 9 by region

in EUR million	Stage 1	Stage 2	Stage 3	POCI	Credit risk exposure (AC and FVOCI)	Not subject to IFRS 9 impairment	Total
Dec 25							
Core markets	291,794	30,575	5,274	338	327,981	22,193	350,173
Austria	122,657	20,168	3,262	56	146,143	4,489	150,631
Czechia	83,288	4,218	747	60	88,313	4,920	93,233
Slovakia	27,580	1,692	446	115	29,833	3,872	33,705
Romania	26,872	1,905	381	55	29,213	1,934	31,147
Hungary	12,516	951	111	28	13,607	5,142	18,749
Croatia	14,590	1,343	277	13	16,224	1,011	17,235
Serbia	4,290	300	49	10	4,649	825	5,473
Other EU	35,681	1,555	362	7	37,605	4,511	42,116
Other industrialised countries	14,407	371	9	0	14,787	1,940	16,727
Emerging markets	6,114	734	126	3	6,977	819	7,796
Southeastern Europe/CIS	4,010	604	89	2	4,705	541	5,246
Asia	942	51	10	0	1,003	201	1,204
Latin America	196	5	0	0	202	3	205
Middle East/Africa	966	73	26	1	1,066	74	1,140
Total	347,996	33,234	5,771	348	387,350	29,462	416,812
Dec 24							
Core markets	270,676	37,031	5,287	364	313,359	20,685	334,043
Austria	115,203	21,809	3,368	61	140,441	3,575	144,016
Czechia	76,672	7,046	724	74	84,517	4,634	89,151
Slovakia	25,437	2,333	374	128	28,272	3,372	31,645
Romania	24,730	2,598	379	33	27,740	1,844	29,584
Hungary	11,569	1,299	114	32	13,014	5,821	18,835
Croatia	13,212	1,592	285	16	15,105	748	15,853
Serbia	3,853	355	43	20	4,270	691	4,960
Other EU	37,588	1,927	272	2	39,789	4,254	44,044
Other industrialised countries	9,627	563	9	0	10,199	2,562	12,761
Emerging markets	5,758	866	164	17	6,805	1,114	7,918
Southeastern Europe/CIS	3,361	635	98	3	4,097	505	4,602
Asia	1,330	69	10	0	1,410	581	1,990
Latin America	268	5	0	0	273	0	273
Middle East/Africa	798	157	56	15	1,025	28	1,053
Total	323,649	40,387	5,732	383	370,152	28,615	398,766

Stage 1 and Stage 2 comprise not impaired credit risks while Stage 3 includes impaired credit risks. POCI (purchased or originated credit impaired) consists of credit risks already impaired when purchased or originated. The exposure not subject to IFRS 9 impairment is measured at fair value.

The defaulted part of POCI amounted to EUR 161 million (2024: EUR 186 million), the non-defaulted part to EUR 187 million (2024: EUR 197 million).

Credit risk exposure according to IFRS 9 by geographical segment

in EUR million	Credit risk exposure					Credit loss allowances				NPE coverage ratio			
	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Stage 1	Stage 2	Stage 3	POCI	Stage 2	Stage 3	POCI	
Dec 25													
Austria	163,297	22,904	3,737	67	14,997	-196	-701	-1,195	0	3.1%	32.0%	0.0%	
EBOe & Subs.	49,186	6,132	1,036	17	835	-47	-188	-329	0	3.1%	31.8%	0.0%	
Savings Banks	66,307	14,250	2,381	45	3,059	-112	-458	-803	0	3.2%	33.7%	0.1%	
Other Austria	47,803	2,522	320	4	11,104	-37	-55	-62	0	2.2%	19.5%	0.0%	
CEE	167,141	10,325	2,034	281	14,400	-357	-677	-1,270	-59	6.6%	62.5%	20.9%	
Czechia	84,587	4,222	750	66	4,445	-107	-275	-475	-20	6.5%	63.4%	29.6%	
Slovakia	26,290	1,670	451	113	3,804	-47	-95	-226	-17	5.7%	50.2%	15.1%	
Romania	26,197	1,897	382	51	1,642	-115	-168	-284	-3	8.9%	74.4%	6.2%	
Hungary	10,775	845	106	28	2,969	-25	-47	-72	-9	5.6%	68.2%	31.4%	
Croatia	15,505	1,427	298	14	771	-50	-76	-181	-9	5.3%	60.8%	66.4%	
Serbia	3,786	265	45	10	768	-14	-14	-30	-1	5.5%	66.9%	10.8%	
Other	17,559	5	0	0	66	-2	-1	0	0	17.8%	0.0%	0.0%	
Total	347,996	33,234	5,771	348	29,462	-555	-1,379	-2,465	-59	4.1%	42.7%	16.9%	
Dec 24													
Austria	156,474	25,257	3,787	64	16,387	-184	-753	-1,237	0	3.0%	32.7%	0.1%	
EBOe & Subs.	46,276	6,697	996	19	620	-43	-180	-323	0	2.7%	32.4%	0.0%	
Savings Banks	61,449	15,360	2,244	45	2,381	-99	-498	-792	0	3.2%	35.3%	0.2%	
Other Austria	48,749	3,200	547	0	13,386	-42	-76	-122	0	2.4%	22.3%	0.0%	
CEE	150,805	15,127	1,944	319	12,164	-328	-795	-1,248	-78	5.3%	64.2%	24.4%	
Czechia	77,490	7,215	740	94	4,305	-97	-286	-458	-26	4.0%	61.8%	27.3%	
Slovakia	23,396	2,295	374	125	3,385	-37	-124	-190	-17	5.4%	50.8%	14.0%	
Romania	23,631	2,466	379	33	1,187	-121	-243	-314	-6	9.9%	82.8%	18.2%	
Hungary	8,986	1,129	107	32	2,021	-24	-50	-73	-9	4.4%	68.3%	28.4%	
Croatia	14,026	1,706	301	16	587	-40	-79	-182	-11	4.6%	60.4%	67.0%	
Serbia	3,276	316	41	20	680	-11	-13	-30	-9	4.1%	73.3%	44.5%	
Other	16,370	3	0	0	63	-2	-2	0	0	74.5%	97.7%	0.0%	
Total	323,649	40,387	5,732	383	28,615	-514	-1,550	-2,485	-78	3.8%	43.4%	20.3%	

Credit risk exposure according to IFRS 9 treatment by business segment

in EUR million	Credit risk exposure					Credit loss allowances				NPE coverage ratio			
	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Stage 1	Stage 2	Stage 3	POCI	Stage 2	Stage 3	POCI	
Dec 25													
Retail	83,843	8,018	1,631	91	1,724	-175	-458	-903	-15	5.7%	55.4%	16.3%	
Corporates	111,135	10,609	1,735	211	14,266	-246	-443	-748	-44	4.2%	43.1%	20.8%	
Group Markets	13,732	315	0	0	10,159	-9	-15	0	0	4.8%	16.2%	0.0%	
ALM & LCC	72,856	37	24	0	191	-13	-4	-10	0	11.4%	43.5%	77.8%	
Savings Banks	66,307	14,250	2,381	45	3,059	-112	-458	-803	0	3.2%	33.7%	0.1%	
GCC	124	5	0	0	64	-1	-1	0	0	17.8%	0.0%	0.0%	
Total	347,996	33,234	5,771	348	29,462	-555	-1,379	-2,465	-59	4.1%	42.7%	16.9%	
Dec 24													
Retail	74,104	9,906	1,598	103	1,253	-159	-459	-917	-20	4.6%	57.4%	19.9%	
Corporates	100,583	14,740	1,883	235	12,477	-229	-579	-768	-57	3.9%	40.8%	24.4%	
Group Markets	17,139	292	1	0	12,253	-13	-9	0	0	3.0%	0.4%	0.0%	
ALM & LCC	70,300	86	6	0	190	-14	-4	-7	0	4.7%	114.3%	0.0%	
Savings Banks	61,449	15,360	2,244	45	2,381	-99	-498	-792	0	3.2%	35.3%	0.2%	
GCC	73	3	0	0	59	0	-2	0	0	74.5%	97.7%	0.0%	
Total	323,649	40,387	5,732	383	28,615	-514	-1,550	-2,485	-78	3.8%	43.4%	20.3%	

39. Development of credit loss allowances

The following tables give an overview over the development of credit loss allowances per balance sheet line item.

In column 'Additions' increases of CLA due to the initial recognition of financial instruments during the current reporting period are disclosed. Releases of CLA following the derecognition of the related financial instruments are reported in column 'Derecognitions'.

In column 'Transfers between stages' CLA net changes due to changes in credit risk that triggered re-assignments of the related financial instruments from Stage 1 (at 1 January 2025 or initial recognition date) to Stages 2 or 3 at 31 December 2025 or vice-versa are reported. The effects of transfers from Stage 1 to Stages 2 or 3 on the related CLAs are adverse and presented in lines attributable to Stages 2 or 3. The effects of transfers from Stages 2 or 3 to Stage 1 on the related CLAs are favourable and presented in line 'Stage 1'. The P&L-neutral effect from cross-stage transferring of the related CLA amounts recognised prior to stage re-assignments are presented above in column 'Other changes in credit risk (net)'.

Any other changes in credit risk which do not trigger a transfer between Stage 1 and Stage 2 or 3 or vice-versa are disclosed in column 'Other changes in credit risk (net)'.

FINANCIAL INSTRUMENTS HELD AT AMORTISED COST

Movement in credit loss allowances – debt securities

in EUR million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Other	As of
	Jan 25						Dec 25
Stage 1	-9	-2	2	1	-1	0	-8
Stage 2	-2	0	1	-1	1	0	-2
Stage 3	-4	0	0	0	0	0	-4
Total	-15	-2	3	0	0	0	-14
	Jan 24						Dec 24
Stage 1	-10	-2	2	0	0	0	-9
Stage 2	-3	0	0	-1	1	0	-2
Stage 3	-4	0	0	0	1	0	-4
Total	-17	-2	2	-1	2	0	-15

The year-end total GCAs of AC debt securities that were initially recognised (purchased) during the year 2025 and not fully derecognised by 31 December 2025 amounts to EUR 12,315 million (2024: EUR 14,623 million.) The GCA of AC debt securities that were held at 1 January 2025 and derecognised during the year 2025 amounts to EUR 6,403 million (2024: EUR 5,212 million).

Movement in credit loss allowances – loans and advances to banks

in EUR million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Other	As of
	Jan 25						Dec 25
Stage 1	-6	-7	6	0	4	0	-3
Stage 2	0	0	0	0	0	0	0
Stage 3	0	0	0	0	0	0	0
Total	-6	-7	6	0	4	0	-3
	Jan 24						Dec 24
Stage 1	-8	-13	9	0	6	0	-6
Stage 2	-3	0	3	0	0	0	0
Stage 3	0	0	0	0	0	0	0
Total	-12	-13	13	0	7	0	-6

The year-end total GCA of AC loans and advances to banks that were initially recognised during the year 2025 and not fully derecognised by 31 December 2025 amounts to EUR 18,396 million (2024: EUR 25,420 million). The GCA of AC loans and advances to banks that were held as of 1 January 2025 and fully derecognised during the year 2025 amounts to EUR 25,424 million (2024: 18,238 million).

Movement in credit loss allowances – loans and advances to customers

in EUR million	As of Jan 25	Additions	Derecog- nitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	Other	As of Dec 25
Stage 1	-366	-295	99	580	-415	3	-8	-401
General governments	-5	-3	3	3	-3	0	1	-4
Other financial corporations	-12	-19	14	12	-7	0	0	-11
Non-financial corporations	-204	-165	57	261	-180	3	-4	-231
Households	-145	-108	25	304	-225	0	-6	-155
Stage 2	-1,263	-126	242	-678	726	1	-15	-1,113
General governments	-16	0	1	-3	0	0	6	-12
Other financial corporations	-17	-6	37	-48	20	0	-1	-15
Non-financial corporations	-770	-102	149	-292	386	0	-17	-645
Households	-460	-17	56	-336	320	1	-4	-441
Stage 3	-2,289	-57	385	-91	-907	644	12	-2,304
General governments	-4	0	0	0	3	0	0	-1
Other financial corporations	-28	-1	13	0	-14	1	-1	-30
Non-financial corporations	-1,247	-34	185	-47	-643	473	18	-1,296
Households	-1,009	-22	187	-44	-253	170	-6	-977
POCI	-73	0	6	0	-7	22	-3	-54
General governments	0	0	0	0	-1	0	0	-1
Other financial corporations	0	0	0	0	0	0	0	0
Non-financial corporations	-54	0	5	0	-5	16	-1	-39
Households	-19	0	1	0	-1	6	-2	-14
Total	-3,991	-478	733	-190	-602	670	-14	-3,872

	Jan 24							Dec 24
Stage 1	-357	-301	83	680	-467	0	-5	-366
General governments	-5	-2	2	3	-3	0	0	-5
Other financial corporations	-9	-12	8	20	-16	0	-1	-12
Non-financial corporations	-188	-170	48	292	-188	0	2	-204
Households	-155	-117	25	366	-259	0	-5	-145
Stage 2	-1,401	-252	289	-763	861	0	3	-1,263
General governments	-19	0	0	-8	10	0	0	-16
Other financial corporations	-10	-21	4	-15	25	0	0	-17
Non-financial corporations	-835	-206	224	-375	411	0	11	-770
Households	-536	-25	60	-365	416	0	-9	-460
Stage 3	-2,072	-140	400	-129	-746	371	28	-2,289
General governments	-5	0	0	0	2	0	0	-4
Other financial corporations	-28	-1	2	-8	3	1	3	-28
Non-financial corporations	-1,082	-113	255	-84	-503	241	38	-1,247
Households	-957	-25	143	-37	-248	128	-13	-1,009
POCI	-85	0	8	0	-7	12	0	-73
General governments	0	0	0	0	0	0	0	0
Other financial corporations	0	0	0	0	0	0	0	0
Non-financial corporations	-60	0	3	0	0	2	2	-54
Households	-25	0	5	0	-7	10	-2	-19
Total	-3,915	-693	779	-212	-359	383	26	-3,991

CLAs recognised against drawings from non-revolving loan commitments are deemed as additions for the purpose of presenting current period's movement in CLA. Therefore, additions in Stages 2 and 3 reflect transfers from Stage 1 having occurred between commitment and drawing dates of related credit facilities. They also reflect deals for which the CLA initial recognition in accounting occurred after those deals having been already assigned to Stage 2 as a result of applying the SICR collective assessment overlays further described in *Note 40 Scenarios used in forward looking information and Crises Effects*.

The column 'Other changes in credit risk (net)' also captures the passage-of-time adverse effect ('unwinding correction') over the lifetime expected cash shortfalls of AC loans and advances to customers that were assigned to Stage 3 for any period throughout the year, as well as of any POCI loans and advances to customers. This adverse effect amounted to EUR 119 million (2024: EUR 122 million) cumulatively for the year 2025, which also reflects the unrecognised interest income out of the related AC loans and advances to customers throughout the year.

The use of CLA triggered by full or partial write-offs of AC loans and advances to customers is reported in column 'Write-offs'.

One significant driver of the CLA movements for the year has been the transfer of the related instruments across different impairment stages. The year-end GCA of AC loans and advances to customers that were assigned at 31 December 2025 to a different stage compared to 1 January 2025 (or to the initial recognition date, if originated during the year) are summarized below:

in EUR million	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3		POCI	
	To Stage 2 from Stage 1	To Stage 1 from Stage 2	To Stage 3 from Stage 2	To Stage 2 from Stage 3	To Stage 3 from Stage 1	To Stage 1 from Stage 3	To Defaulted from Non-Defaulted	To Non-Defaulted from Defaulted
Dez 25								
General governments	70	258	20	0	0	0	0	0
Other financial corporations	228	285	25	0	1	0	0	0
Non-financial corporations	5,813	6,113	903	110	422	17	2	11
Households	4,067	3,787	432	159	311	41	2	8
Total	10,179	10,443	1,380	268	735	58	3	19
Dez 24								
General governments	415	73	0	0	0	0	0	0
Other financial corporations	471	206	14	0	9	0	0	0
Non-financial corporations	9,139	8,653	1,052	188	595	6	2	10
Households	5,487	3,557	462	169	300	50	2	8
Total	15,511	12,489	1,529	357	904	56	5	19

The year-end total GCA of the AC loans and advances to customers that were initially recognised during the reporting period and not fully derecognised by 31 December 2025 amounts to EUR 49,654 million (2024: EUR 44,600 million). The GCA of the AC loans and advances to customers that were held at 1 January 2025 and fully derecognised during the reporting period amounts to EUR 19,070 million (2024: EUR 16,191 million).

The undiscounted amount of the lifetime expected credit losses considered in the initial measurement of the AC loans and advances to customers initially recognised and identified as POCI during the year 2025 amounted to EUR 123 million (2024: EUR 54 million).

Movement in credit loss allowances – trade and other receivables

in EUR million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	Other	As of
	Jan 25							Dec 25
Stage 1	-10	-6	3	1	-1	1	1	-11
Stage 2	-8	0	2	-1	0	1	0	-7
Stage 3	-26	0	3	-5	-5	6	-1	-28
POCI	-1	0	0	0	-1	0	0	-1
Total	-44	-7	8	-5	-7	9	-1	-47
	Jan 24							Dec 24
Stage 1	-11	-8	4	2	2	0	0	-10
Stage 2	-10	0	2	-2	2	1	0	-8
Stage 3	-41	0	4	-2	6	8	0	-26
POCI	-1	0	0	0	0	0	0	-1
Total	-63	-8	10	-2	10	9	0	-44

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – DEBT INSTRUMENTS

Movement in credit loss allowances – debt instrument financial assets

in EUR million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Other	As of
	Jan 25						Dec 25
Stage 1	-3	-1	1	2	-2	0	-3
Stage 2	-9	0	1	0	8	0	0
Stage 3	0	0	0	0	-1	0	-2
Total	-13	-1	2	2	5	0	-5
	Jan 24						Dec 24
Stage 1	-5	-1	2	1	0	0	-3
Stage 2	-9	0	0	-1	0	0	-9
Stage 3	-1	0	0	0	0	0	0
Total	-14	-1	2	0	1	0	-13

One significant driver of the above presented CLA movements for the year has been the transfer of the related instruments across different stages. The year-end GCAs of FVOCI debt securities that were assigned at 31 December 2025 to a different stage compared to 1 January 2025 (or to the initial recognition date, if purchased during the year) are summarized in the table below:

Transfers between stages – debt instrument financial assets

in EUR million	Dec 24	Dec 25
Transfers between Stage 1 and Stage 2		
To Stage 2 from Stage 1	41	36
To Stage 1 from Stage 2	43	104
Transfers between Stage 1 and Stage 3		
To Stage 3 from Stage 1	2	0

FINANCE LEASE RECEIVABLES

Movement in credit loss allowances – finance lease receivables

in EUR million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	Other	As of
	Jan 25							Dec 25
Stage 1	-20	-9	2	12	-8	0	-1	-22
Stage 2	-31	0	1	-16	21	0	1	-25
Stage 3	-32	0	7	-5	-6	4	0	-32
POCI	0	0	0	0	0	0	0	0
Total	-83	-9	11	-9	7	4	0	-79
	Jan 24							Dec 24
Stage 1	-17	-7	1	12	-8	0	0	-20
Stage 2	-33	0	1	-15	15	0	0	-31
Stage 3	-40	0	6	-6	1	7	0	-32
POCI	0	0	0	0	0	0	0	0
Total	-90	-8	8	-8	8	7	0	-83

The column 'Other changes in credit risk (net)' captures the passage-of-time adverse effect ('unwinding correction') over the lifetime expected cash shortfalls of finance lease receivables that were assigned to Stage 3 for any period throughout the year, as well as of any POCI finance lease receivables. This adverse effect amounted to EUR 1 million (2024: EUR 1 million) cumulatively for the year 2025, which also reflects the unrecognised interest income out of the related finance lease receivables throughout the year.

The use of CLA triggered by full or partial write-offs of finance lease receivables is reported in column 'Write-offs'.

One significant driver of the CLA movements for the year has been the transfer of the related instruments across impairment stages. The year-end GCA of finance lease receivables that were assigned at 31 December 2025 to a different stage compared to 1 January 2025 (or to the initial recognition date, if originated during the year) are summarized below:

Transfers between stages – finance lease receivables

in EUR million	Dec 24	Dec 25
Transfers between Stage 1 and Stage 2		
To Stage 2 from Stage 1	273	215
To Stage 1 from Stage 2	257	193
Transfers between Stage 2 and Stage 3		
To Stage 3 from Stage 2	27	16
To Stage 2 from Stage 3	28	3
Transfers between Stage 1 and Stage 3		
To Stage 3 from Stage 1	32	20
To Stage 1 from Stage 3	2	5

The year-end total GCA of the finance lease receivables that were initially recognised during the reporting period and not fully derecognised by 31 December 2025 amounts to EUR 1,311 million (2024: EUR 1,260 million). The GCA of the finance lease receivables that were held at 1 January 2025 and fully derecognised during the year 2025 amounts to EUR 524 million (2024: EUR 657 million).

LOAN COMMITMENTS AND FINANCIAL GUARANTEES

Movement in credit loss allowances – loan commitments and financial guarantees

in EUR million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Other	As of
	Jan 25						Dec 25
Stage 1	98	201	-45	-153	6	-2	105
Stage 2	237	0	-65	206	-135	-10	233
Stage 3	135	0	-33	8	-13	-1	95
POCI	4	2	-7	0	5	-1	3
Total	474	202	-150	60	-138	-13	435
	Jan 24						Dec 24
Stage 1	82	190	-52	-138	17	-1	98
Stage 2	208	0	-97	209	-73	-10	237
Stage 3	124	0	-47	27	31	0	135
POCI	2	0	-3	0	4	0	4
Total	416	190	-198	97	-21	-10	474

The column 'Other changes in credit risk (net)' captures the passage-of-time adverse effect ('unwinding') over the lifetime expected cash shortfalls of defaulted loan commitments and financial guarantees.

One significant driver of the CLA movements for the year has been the transfer of the related instruments across different stages. The year-end notional amounts of loan commitments and financial guarantees that were assigned at 31 December 2025 to a different stage compared to 1 January 2025 (or to the initial recognition date, if originated during the year) are summarized below:

Transfers between stages – loan commitments and financial guarantees

in EUR million	Dec 24	Dec 25
Transfers between Stage 1 and Stage 2		
To Stage 2 from Stage 1	2,806	1,697
To Stage 1 from Stage 2	3,370	1,836
Transfers between Stage 2 and Defaulted		
To Defaulted from Stage 2	50	45
To Stage 2 from Defaulted	28	22
Transfers between Stage 1 and Defaulted		
To Defaulted from Stage 1	51	26
To Stage 1 from Defaulted	6	4

The year-end nominal amounts of unused off-balance commitments and financial guarantees that were initially recognised during the year 2025 and not fully derecognised by 31 December 2025 amounts to EUR 22,914 million (2024: EUR 21,314 million). The nominal amounts of unused off-balance commitments or financial guarantees that were held at 1 January 2025 and fully derecognised during the year 2025 amounts to EUR 13,608 million (2024: EUR 12,355 million).

40. Scenarios used in forward looking information and Crises Effects

Overview on scenarios used in forward-looking information

INCORPORATION OF FORWARD-LOOKING INFORMATION

Parameters are determined to reflect the risk as a ‘point-in-time’ measure and with consideration of forward-looking information (FLI). This results in using a baseline forecast and several alternative scenarios for selected macroeconomic variables. The alternative scenarios are derived, together with their weights of scenario outcome, as a deviation from baseline forecasts. The baseline forecasts are, with few exceptions, internally determined by Erste Group’s research department. Given multiple scenarios, the ‘neutral’ PDs (and partially included in LGDs) are adjusted using macro models that link relevant macroeconomic variables with risk drivers. The same macro-shift models as for external and internal stress test are used. Forward-looking information is incorporated for first three years of ECL measurement. Measurement of the parameters for the remaining lifetime returns to through-the-cycle observations immediately in year four.

Thus, the unbiased scenario weighted ECL considering FLI is derived using the weights representing the outcome of each macroeconomic scenario. Typical macroeconomic variables may include real gross domestic product, unemployment rate, inflation rate, production index as well as market interest rates. The selection of variables also depends on the availability of reliable forecasts for the given local market. The main indicator of the estimated economic development and basis for alternative scenario derivation is the GDP. In addition, the ongoing war in Ukraine and continued geopolitical instability in the Middle East remain key drivers of macroeconomic uncertainty in 2026. Macro-shift FLI models are recalibrated on a regular basis to ensure that they reflect the most relevant macro-variables. The recalibration is performed by the respective local entities (except the central models for Group (Large) Corporates), and variables with the highest statistical relevance are included.

In case of central model for Group (Large) Corporates, the Group (dedicated central units) is responsible for the PD review, including the FLI component which is structured on the country of risk distinguishing the macro development in the different countries. The same approach is applied in case of local specialized lending portfolio booked in Austria.

In June 2025, the FLI shifts were reviewed. The most significant impact on expected credit loss was an increase of EUR 44 million driven by the portfolios booked in Austria, partially offset by a EUR 28 million decrease from the Romanian local models.

In September 2025, Erste Group reassessed the use of in-model adjustments within FLI models, specifically the incorporation of comprehensive stress test (CST) scenario into the downside scenario modelling applied in case of the central models for Group (Large) Corporates and the local CEE models. Based on the assessment of exit triggers, Erste Group decided to remove CST from downside scenario modelling. This decision was supported by the positive macroeconomic development in Czechia, Croatia, Romania and Serbia and risk materialization in Germany. In case of Slovakia and Hungary, it was concluded that downside risk is already considered in GDP outlook. As a result of the CST removal, the expected credit loss (ECL) decreased in amount of approx. EUR 15 million, based on internal simulations, until end of October 2025. For Austrian local models, the CST had already been removed from scenario modelling in 2024.

In October 2025, the PD macro model for local models was reviewed in Czechia. It resulted in ECL release in amount of EUR 21 million. Erste Group conducted the last review of the FLI in November 2025 based on the disclosed macroeconomic forecasts for baseline, downside, and upside scenarios. It triggered the release of allocated ECL by EUR 34 million on Erste Group level.

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

Baseline scenario

Erste Group anticipates a slight moderation of Eurozone economic activity in 2026, with GDP-growth forecast to reach 1.1%, following an estimated 1.4% expansion in 2025. The 2025 GDP-growth figure has been benefited from a sizeable one-off effect stemming from the of intellectual property rights by large multinational companies to Ireland. Currently, the Eurozone economy continues to deliver solid growth, supported by robust private consumption, benefiting from rising real wages, and by investment activity driven by favourable financing conditions. With increasing competitive pressures from China and the trade barriers imposed by the United States, the outlook for foreign trade remains cautious.

Over the midterm, growth prospects have improved marginally, supported by Germany's announcement of a EUR 500 billion fiscal stimulus programme to be implemented over the next decade, as well as the relaxation of EU fiscal rules to accommodate increased defence spending across Member States. With the deposit rate at 2%, the ECB is considered to have reached the end of the current rate cutting cycle. Risks to the interest rate outlook are now more balanced, compared with the previously prevailing downside bias up to mid-2025. Assuming macroeconomic fundamentals remain stable and financing conditions supportive, no further monetary easing by the ECB is anticipated.

DOWNSIDE RISKS TO THE BASELINE SCENARIO

One of the key downside risks includes the ongoing conflict in Ukraine. In addition, uncertainty surrounding the trade policy direction of the new US administration under President Trump remains a significant challenge. The announcement of a framework about a trade deal between the US and the EU has reduced uncertainty to some extent. However, subsequent additional demands from the US administration, as well as renewed tensions regarding Greenland, demonstrate the fragility of the current negotiation environment. A deterioration in US–EU trade relations would pose a clear downside risk to the economic outlook, particularly for export performance and investment growth.

Energy security also remains a critical concern for the EU in light of the ongoing war between Russia and Ukraine. The region has become increasingly dependent on liquefied natural gas (LNG) imports from geographically distant suppliers, such as the United States and Middle Eastern countries. At the same time, a surge in energy-intensive data centres in the US, driven by the rapid expansion of AI applications, has significantly increased domestic energy demand. This could constrain the volume of LNG available for export to Europe. Any disruption in global LNG supply chains could trigger sharp increases in energy prices, potentially forcing the ECB to adopt a more restrictive monetary policy stance to contain inflation, with implications across the entire yield curve.

Furthermore, the rapid expansion of green-energy investments adds volatility to the European power system. Variability in renewable energy production can lead to temporary spikes in electricity prices, such as the recent increases observed in Spain, which can negatively affect industrial output and erode consumer purchasing power.

A pronounced increase in interest rates would also pose downside risks for both corporate and household investment. While the likelihood of a sharp rise in rates has recently diminished, such a scenario could still result in investment activity falling below the levels assumed in the baseline forecast.

Higher Harmonized Index of Consumer Prices (HICP), particularly in energy-related costs, would reduce disposable income and dampen consumption. Combined with elevated post-pandemic debt levels, rising military expenditures, and expansionary fiscal policies, especially in France, this may heighten investor concerns about debt sustainability in certain EU member states.

UPSIDE RISKS TO THE BASELINE SCENARIO

A stronger and faster recovery in global industrial activity could provide notable upside potential for the Eurozone economy. This would be particularly beneficial for Germany, which is expected to post slight GDP growth in 2025 - its first expansion in three years. Given Germany's deep economic linkages with other major Eurozone economies, a rebound in German industrial output would likely generate positive spillover effects across the region.

In such an upside scenario, Eurozone GDP growth in 2026 would receive an additional boost, primarily driven by a more dynamic than expected rebound in investment activity. Improved consumer sentiment would further support private consumption, leading

to a stronger contribution to overall growth compared with the baseline scenario. The services sector would also benefit from rising confidence and increased household spending.

For this optimistic scenario to materialise, a continued and gradual decline in inflation, particularly within the services component, remains essential. This would help maintain the ECB's deposit facility rate at 2% and preserve favourable financing conditions.

Overview of Baseline, Upside and Downside scenarios

Below Erste Group is summarizing expected development of the GDP for all regions, all scenarios and scenario weights, as main indicator of the macro-economic situation. In case of Group (Large) Corporate clients, the considered GDP scenarios are the same as shown below for the standalone countries, however including GDP predictions for Germany.

Additionally, Erste is disclosing the most relevant variables for the macro-shift model in the most significant regions.

Austria, Czechia, Slovakia and Romania are presented as they have the highest share of credit risk exposure, expected credit loss and the highest share of FLI component in the expected credit loss measurement. Macro-shift models are calibrated for the three main sub-portfolios: private individuals, micro enterprises and another corporate business. Models' calibration and variables disclosed below are incorporated into expected credit loss measurement as of 31 December 2025. The baseline and weighted scenario outcome for the major variables is disclosed in the tabular format for the years 2026-2028.

Baseline, upside and downside scenarios of GDP growth by geographic region

	Scenario	Scenario weights		GDP growth in %		
		2026-2028	2026	2027	2028	
Dec 25						
Austria	Upside	21%	3.3	3.7	3.7	
	Baseline	50%	0.7	1.1	1.1	
	Downside	29%	-2.0	-1.6	-1.6	
Czechia	Upside	24%	4.7	4.7	4.8	
	Baseline	50%	2.7	2.7	2.8	
	Downside	26%	0.2	0.2	0.3	
Slovakia	Upside	26%	3.7	4.2	4.4	
	Baseline	50%	1.3	1.8	2.0	
	Downside	24%	-1.8	-1.3	-1.1	
Romania	Upside	24%	5.0	5.9	5.6	
	Baseline	50%	2.1	3.0	2.7	
	Downside	26%	-1.4	-0.5	-0.8	
Hungary	Upside	18%	4.4	4.7	4.9	
	Baseline	50%	2.0	2.3	2.5	
	Downside	32%	-0.6	-0.3	-0.1	
Croatia	Upside	26%	4.9	5.3	4.9	
	Baseline	50%	2.8	2.6	2.6	
	Downside	24%	0.7	-0.1	0.3	
Serbia	Upside	21%	4.8	6.6	5.6	
	Baseline	50%	2.7	4.5	3.5	
	Downside	29%	0.5	2.3	1.3	
Germany	Upside	22%	3.0	3.6	3.3	
	Baseline	50%	0.9	1.5	1.2	
	Downside	28%	-1.7	-1.1	-1.4	
Dec 24						
		2025-2027	2025	2026	2027	
Austria	Upside	23%	3.3	3.2	3.6	
	Baseline	50%	0.9	0.8	1.2	
	Downside	27%	-1.8	-1.9	-1.5	
Czechia	Upside	22%	4.6	4.7	4.6	
	Baseline	50%	2.6	2.7	2.6	
	Downside	28%	-3.9	-2.1	0.1	
Slovakia	Upside	28%	4.4	4.3	4.6	
	Baseline	50%	2.0	1.9	2.2	
	Downside	22%	-4.9	-2.8	-0.5	
Romania	Upside	26%	4.4	5.6	5.0	
	Baseline	50%	1.2	2.4	1.8	
	Downside	24%	-3.0	-1.0	-0.7	
Hungary	Upside	19%	4.4	6.0	5.7	
	Baseline	50%	2.0	3.6	3.3	
	Downside	31%	-4.4	-1.8	0.5	
Croatia	Upside	28%	4.8	5.5	4.5	
	Baseline	50%	2.9	2.8	2.5	
	Downside	22%	-3.0	-1.2	0.2	
Serbia	Upside	21%	6.7	6.5	6.7	
	Baseline	50%	4.5	4.3	4.5	
	Downside	29%	-0.8	0.5	1.3	
Germany	Upside	24%	2.8	3.4	3.1	
	Baseline	50%	0.8	1.4	1.1	
	Downside	26%	-3.2	-2.0	-1.0	

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

	Baseline scenario			Scenario weighted outcome		
	2026	2027	2028	2026	2027	2028
Dec 25						
Austria						
GDP growth	0.7	1.1	1.1	0.5	0.9	0.9
Inflation	2.0	2.2	2.0	2.1	2.3	2.1
Yields_10Y	2.8	2.7	2.7	2.8	2.7	2.2
Czechia						
GDP Deflator	1.4	1.4	1.4	1.4	1.4	1.4
CPI core	157.7	161.5	165.8	157.7	161.5	165.7
Slovakia						
Unemployment Rate	5.8	5.6	5.5	5.8	5.6	5.5
Inflation	3.2	2.3	2.1	3.5	2.6	2.4
Romania						
GDP growth	2.1	3.0	2.7	1.9	2.8	2.5
Interest Rate (ROBOR 3M)	5.5	4.3	4.0	5.6	4.4	4.1
Inflation (CPI)	6.5	3.0	3.0	6.5	3.0	3.0
	2025	2026	2027	2025	2026	2027
Dec 24						
Austria						
GDP growth	0.9	0.8	1.2	0.7	0.6	1.0
Inflation	1.7	1.5	2.0	1.8	1.6	2.1
Yields_10Y	2.3	2.3	2.3	2.3	2.3	2.3
Czechia						
Unemployment Rate	3.4	3.5	3.5	3.7	4.0	4.0
Inflation (PPI)	147.8	151.0	154.1	148.2	151.5	154.6
Slovakia						
Unemployment Rate	5.5	5.3	5.1	5.4	5.6	5.3
Inflation	4.5	3.0	2.3	4.6	3.2	2.0
Romania						
GDP growth	1.2	2.4	1.8	1.0	2.4	2.0
Interest Rate (ROBOR 3M)	5.2	4.4	4.3	5.2	4.4	4.2
Inflation (CPI)	4.1	3.2	3.1	4.5	3.2	2.8

Collective assessment

In addition to standard SICR assessment, Erste Group applied collective SICR assessment, i.e., transfer into Stage 2 based on pre-defined portfolio characteristics, due to emerging risks not covered by standard models. This approach is aligned with all affected entities and business lines and approved by the respective governance bodies of Erste Group. It requires, after the assessment of the outliers from the common portfolio characteristics, to have exemptions from the collective SICR assessment, if properly documented why they would behave differently than the rest of the portfolio.

In December 2025, Erste Group applied collective staging assessment (industry stage overlays), that had been implemented in 2024. This approach means that rules for transferring into stage 2 are defined as a combination, in case of industries selected in line with industry strategy, to ensuring that it reflects risks and changes in the risk assessment which our portfolio is exposed to, and one-year IFRS PDs.

During 2025, several adjustments were made to the industry stage overlays in line with updates to the Group's risk strategy and observed portfolio developments:

March - the Hotel and Leisure sub-industry, category Leisure, was added into the scope of industry overlays what resulted into ECL allocation in amount of EUR 10 million.

September - following a review of the industry strategy, the Construction and Building Materials sub-industry was removed from the scope of industry stage overlays. This decision resulted in the release of allocated ECL amounting to EUR 6 million.

October - the Real Estate Developers sub-industry was excluded from the overlays for Central and Eastern European (CEE) countries, and subsequently for the Holding, due to stable portfolio performance. No deterioration was observed in the CEE region in recent periods, and no adverse developments are anticipated. The removal of this overlay led to the release of EUR 20 million in allocated ECL. In Austria, the segment remained within the scope of the overlay. Even though the inflow of new

defaults has stabilised, it continues to remain at an elevated level. Once a sustained improvement is confirmed in 2026, the overlays in the Austrian perimeter will also be released.

December - the Metals (Iron/Steel) industry category was added to the industry stage overlays following a change in the Group's risk strategy. The adjustment was driven by decreasing demand in certain key end-user industries (e.g., construction), increased price competition from Asian imports, and persistent structural cost pressures stemming from elevated energy and labour expenses. This update resulted in a minor ECL allocation of EUR 0.4 million.

Out of the overall credit risk exposure of EUR 417 billion (2024: EUR 399 billion), portfolio under collective staging assessment (industry stage overlays) represents EUR 63 billion, thereof EUR 12 billion is in Stage 2 (out of which EUR 4 billion due to applying rules for industry stage overlays).

In addition, local risk management may apply a local SICR collective assessment when it is determined that the recalibration of the PD model, the macro-shift FLI model, or the scoring model does not sufficiently reflect current economic conditions, such as developments in inflation, interest rates, or unemployment.

In 2022, local risk management in Czechia and Croatia assessed that the recalibration of the macro-shift FLI model for private individuals did not sufficiently reflect the current environment. Consequently, a local SICR collective assessment for private individuals was introduced. Based on the regular review of exit triggers, these collective assessments were maintained as of year-end 2025. As of 31 December 2025, the exposure in Stage 2 resulting from this collective assessment amounts to EUR 1 billion, with an allocated ECL to EUR 17 million (2024: exposure of EUR 1 billion, ECL of EUR 21 million).

In addition, at the same time, in Croatia, following the internal validation of the scoring model for private individuals, another type of local SICR collective assessment is applied. As of 31 December 2025, the exposure in Stage 2 due to this collective assessment amounts to EUR 366 million and an allocated ECL to EUR 12 million (2024: exposure of EUR 330 million, ECL of EUR 11 million).

In September 2024, because of floods in parts of Central Europe, new SICR collective assessment rules were introduced in Czechia to cover the physical risk. In the second quarter of 2025, these rules were decommissioned – the evaluation of the exit trigger showed no deterioration of the affected portfolio since September 2024. It triggered the release of allocated ECL by EUR 15 million.

EFFECT ON EXPECTED CREDIT LOSS

The analysis tables below present the effects of the collective SICR assessment and FLI on both exposure migration to Stage 2 and the resulting increase of ECL. Additional sensitivities to the baseline, upside and downside scenarios are simulated. Effects on geographical segments are disclosed.

In December 2025, the exposure in Stage 2 due to the application of the rules for collective SICR assessment (industry stage overlays) stood at EUR 3,784 million (2024: EUR 6,559 million), with additional ECL allocated in the amount of EUR 71 million (2024: EUR 122 million).

As described above, the FLI were reassessed based on the latest macro-scenarios in the fourth quarter of 2025. Considering the review of in-model adjustments (removal of the CST scenario from the downside scenario), the Stage 2 exposure triggered by FLI decreased to EUR 2,942 million as of December 2025 (2024: EUR 3,599 million). The decrease of the Stage 2 exposure affected the level of ECL allocated in Stage 2 due to FLI: EUR 265 million (2024: EUR 326 million).

Scenario simulation presents sensitivity analyses taking into consideration only changes due to the different values of PDs, if baseline, upside or downside FLI scenarios had 100% weight. Sensitivities of these scenarios are calculated in comparison to current production - weighted scenarios FLI shifted - PDs (weights and scenarios are disclosed in the 'Incorporation of forward-looking information' section above). Both staging and resulting ECL were simulated with the scenario PDs.

The incorporation of 100% baseline scenario instead of the currently applied weighted scenario outcome would lead to a decrease of Stage 2 exposure by EUR 289 million (2024: EUR 856 million), resulting in an ECL drop by EUR 19 million (2024: EUR 58 million).

The downside scenario would lead to additional EUR 3,905 million (2024: EUR 5,281 million) of exposure migration to Stage 2 in comparison with scenario weighted FLI, resulting in ECL increase of EUR 294 million (2024: EUR 383 million).

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

Forward looking information (FLI) and collective SICR assessment

Impact on credit risk exposure by geographical segment

in EUR million	Current status - parameters (FLI shifted)						Simulations - difference to FLI shifts effect		
	Stage 1	Stage 2	Total	Stage 2 impacted by			Upside scenario	Baseline scenario	Downside scenario
				Collective assessment					
				Industry	PI	FLI shifts			
Dec 25									
Austria	163,297	22,904	186,200	3,244	0	2,064	-2,239	-250	3,351
EBOe & Subs.	49,186	6,132	55,319	905	0	720	-795	-101	1,125
Savings Banks	66,307	14,250	80,557	2,317	0	1,151	-1,381	-149	1,992
Other Austria	47,803	2,522	50,325	22	0	193	-63	0	233
CEE	167,141	10,325	177,466	540	1,055	878	-485	-39	555
Czechia	84,587	4,222	88,809	173	850	429	-253	-13	200
Slovakia	26,290	1,670	27,960	66	0	30	-28	0	59
Romania	26,197	1,897	28,095	121	0	183	-151	-21	240
Hungary	10,775	845	11,620	45	0	126	-32	-4	37
Croatia	15,505	1,427	16,931	92	205	105	-18	0	15
Serbia	3,786	265	4,051	44	0	5	-3	-1	5
Other	17,559	5	17,565	0	0	0	0	0	0
Total	347,996	33,234	381,231	3,784	1,055	2,942	-2,723	-289	3,905
Dec 24									
Austria	156,474	25,257	181,732	4,743	0	2,393	-1,886	-525	3,529
EBOe & Subs.	46,276	6,697	52,974	1,297	0	809	-635	-170	999
Savings Banks	61,449	15,360	76,809	3,333	0	1,340	-1,071	-301	1,620
Other Austria	48,749	3,200	51,949	113	0	244	-180	-54	910
CEE	150,805	15,127	165,932	1,818	1,382	1,205	-1,016	-332	1,751
Czechia	77,490	7,215	84,705	611	988	616	-509	-152	882
Slovakia	23,396	2,295	25,692	462	0	71	-64	-56	76
Romania	23,631	2,466	26,097	470	0	298	-320	-80	610
Hungary	8,986	1,129	10,115	49	0	185	-92	-34	108
Croatia	14,026	1,706	15,732	174	394	44	-6	-2	39
Serbia	3,276	316	3,592	52	0	-9	-25	-8	36
Other	16,370	3	16,373	0	0	0	0	0	0
Total	323,649	40,387	364,037	6,561	1,382	3,598	-2,902	-857	5,280

Impact on credit loss allowances by geographical segment

in EUR million	Current status - parameters (FLI shifted)						Simulations - difference to FLI shifts effect		
	Stage 1	Stage 2	Total	Out of which:			Upside scenario	Baseline scenario	Downside scenario
				Collective assessment due to					
				Industry	PI	FLI shifts			
Dec 25									
Austria	-196	-701	-897	-55	0	-144	141	12	-207
EBOe & Subs.	-47	-188	-236	-15	0	-38	41	3	-63
Savings Banks	-112	-458	-570	-40	0	-77	88	6	-128
Other Austria	-37	-55	-91	0	0	-29	12	3	-17
CEE	-357	-677	-1,034	-15	-17	-121	75	7	-87
Czechia	-107	-275	-383	-5	-11	-30	24	3	-23
Slovakia	-47	-95	-142	-2	0	-4	8	0	-10
Romania	-115	-168	-283	-5	0	-43	35	3	-46
Hungary	-25	-47	-72	-1	0	-21	3	0	-3
Croatia	-50	-76	-126	-2	-6	-21	4	0	-4
Serbia	-14	-14	-28	-1	0	-2	1	0	-1
Other	-2	-1	-3	0	0	0	0	0	0
Total	-555	-1,379	-1,934	-71	-17	-265	216	19	-294
Dec 24									
Austria	-184	-753	-937	-75	0	-169	103	27	-173
EBOe & Subs.	-43	-180	-223	-19	0	-39	27	6	-41
Savings Banks	-99	-498	-597	-53	0	-95	62	16	-92
Other Austria	-42	-76	-117	-3	0	-35	14	5	-40
CEE	-328	-795	-1,123	-47	-21	-156	113	32	-212
Czechia	-97	-286	-382	-17	-14	-51	30	8	-47
Slovakia	-37	-124	-161	-11	0	-6	5	3	-14
Romania	-121	-243	-364	-11	0	-61	67	17	-136
Hungary	-24	-50	-74	-1	0	-21	6	2	-7
Croatia	-40	-79	-119	-7	-7	-17	3	1	-5
Serbia	-11	-13	-24	0	0	0	2	1	-3
Other	-2	-2	-4	0	0	0	0	0	0
Total	-514	-1,550	-2,064	-122	-21	-325	216	59	-385

41. Restructuring, renegotiation and forbearance

Restructuring means contractual modification of any of the customer's loan repayment conditions including tenor, interest rate, fees, principal amount due or a combination thereof. Forbearance can be initiated by the bank or by the customer (on account of loss of employment, illness etc.). Components of forbearance can be instalment reduction, tenor extension, interest reduction or forgiveness, principal reduction or forgiveness, revolving exposure change to instalment and/or others.

A restructuring is considered 'forbearance' if it entails a concession towards a customer facing or about to face financial difficulties in meeting their contractual financial commitments. A borrower is in financial difficulties if any of the following conditions are met:

- _ the customer was more than 30 days past due in the past 3 months;
- _ the customer would be 30 days past due or more without receiving forbearance;
- _ the customer is in default;
- _ the customer would default without receiving forbearance.

Additional criteria for non-retail segment:

- _ early warning signals for this customer identified (deteriorated financial figures, increased probability of default);
- _ customers managed in a workout unit.

Forbearance concession triggers the performing forbearance classification and means that any of the following conditions are met:

- _ modification/refinancing of the contract would not have been granted, had the customer not been in financial difficulty;
- _ there is a difference in favour of the customer between the modified/refinanced terms of the contract and the previous terms of the contract;

- _ the modified/refinanced contract includes more favourable terms than other customers with a similar risk profile would have obtained from the same institution;
- _ activation of embedded forbearance clause of the contract;
- _ any waiver of a default relevant covenant.

The performing forbearance classification can be discontinued and the account can become a non-forborne account when all the following conditions are met:

- _ a minimum of two years has passed from the date of classifying the exposure as performing forbearance (probation period);
- _ under the forborne payment plan, at least 50% of the original (pre-forbearance) instalment has been regularly repaid (significant repayment) at least during half of the probation period (in the case of retail customers);
- _ regular repayments in a significant amount during at least half of the probation period have been made (in the case of non-retail customers);
- _ significant repayment includes amount previously past-due (if any) or written-off (if no-past due amounts) for both segments retail and non-retail;
- _ none of the exposure of the customer is more than 30 days past due at the end of the probation period.

Performing forborne exposures become non-performing when one of the following forbearance classifications is fulfilled during the monitoring period of a minimum two years:

- _ the contract modification involves total or partial cancellation of the debt by (partial) write-off;
- _ an additional forbearance measure is extended;
- _ the customer becomes more than 30 days past due on forborne exposure and in the past the customer was in the non-performing forbearance category;
- _ the customer meets any of the default event criteria defined in the default definition;
- _ for corporate customers, when a final restructuring agreement cannot be concluded within 18 months after the first forbearance measure.

The non-performing forbearance classification can be discontinued and reclassified as performing under probation when all the following conditions are met:

- _ the customer is not classified as defaulted according to the definition of default;
- _ the customer has demonstrated the ability to comply with the post-forbearance conditions;
- _ one year has passed from the date of classifying the exposure as non-performing forbearance or from the latest of the following events:
 - _ the moment of extending the restructuring measure;
 - _ the end of the grace period included in the restructuring agreement;
 - _ the moment when the exposure has been classified as defaulted;
 - _ the forbearance has not led the exposure to be classified as non-performing.

Credit risk exposure, forbearance exposure and credit loss allowances

in EUR million	Loans and advances	Debt securities	Other positions	Loan commitments	Total
Dec 25					
Credit exposure	256,813	69,492	35,632	54,875	416,812
thereof gross forborne exposure	5,657	0	0	189	5,846
Performing exposure	251,071	69,478	35,437	54,740	410,726
thereof performing forborne exposure	3,242	0	0	144	3,386
Credit loss allowances for performing exposure	-1,589	-13	-99	-240	-1,941
thereof credit loss allowances for performing forborne exposure	-169	0	0	-7	-176
Non-performing exposure	5,742	14	195	136	6,086
thereof non-performing forborne exposure	2,415	0	0	45	2,460
Credit loss allowances for non-performing exposure	-2,413	-6	-54	-50	-2,522
thereof credit loss allowances for non-performing forborne exposure	-838	0	0	-6	-844
Dec 24					
Credit exposure	249,162	63,769	34,854	50,981	398,766
thereof gross forborne exposure	5,502	0	0	264	5,766
Performing exposure	243,481	63,756	34,703	50,801	392,741
thereof performing forborne exposure	3,377	0	0	194	3,571
Credit loss allowances for performing exposure	-1,711	-23	-110	-229	-2,073
thereof credit loss allowances for performing forborne exposure	-157	0	0	-10	-167
Non-performing exposure	5,680	13	151	180	6,025
thereof non-performing forborne exposure	2,126	0	0	70	2,196
Credit loss allowances for non-performing exposure	-2,412	-4	-67	-83	-2,566
thereof credit loss allowances for non-performing forborne exposure	-783	0	0	-30	-813

Types of forbearance exposure

in EUR million	Gross forborne exposure	Modification in terms and conditions	Refinancing
Dec 25			
Loans and advances	5,657	4,864	793
Debt securities	0	0	0
Loan commitments	189	154	35
Total	5,846	5,018	828
Dec 24			
Loans and advances	5,502	4,799	703
Debt securities	0	0	0
Loan commitments	264	218	46
Total	5,766	5,017	749

Loans and advances also include lease, trade and other receivables.

Impact of non-significant contractual modifications of debt instruments AC assigned to Stage 2 and 3

in EUR million	Dec 24		Dec 25	
	Amortised cost before the modification	Net modification gains/losses	Amortised cost before the modification	Net modification gains/losses
Loans and advances				
General governments	2	0	45	0
Other financial corporations	15	0	35	0
Non-financial corporations	2,609	-6	2,866	-1
Households	1,053	-6	780	-5
Total	3,679	-12	3,727	-6

As of 31 December 2025, the total GCA of Erste Group's debt instruments measured at AC, which were impacted by non-significant contractual modifications while they were assigned to Stage 2 or 3 and re-assigned to Stage 1 during the year 2025 amounted to EUR 1,253 million (2024: EUR 1,123 million).

42. Non-performing credit risk exposure and credit loss allowances

For the definition of credit risk exposure classified as non-performing, please refer to the description of risk categories in the subsection 'Credit risk classification'. Credit risk allowances include credit loss allowances for financial assets, credit loss allowances for loan commitments and financial guarantees (all allowances within the scope of IFRS 9) and provisions for other commitments.

Credit loss allowances (all stages combined) covered 75% (2024: 78%) of the reported non-performing on-balance and off-balance credit risk exposure.

During 2025, the non-performing credit risk exposure slightly increased by EUR 61 million, or 1%, while the credit loss allowances for loans and advances together with credit loss allowances for loan commitments and financial guarantees decreased by EUR -170 million or -4%. This development resulted in a moderate decrease of 3 percentage points in the coverage of non-performing credit risk exposure by credit risk allowances.

The following tables show the coverage of the non-performing credit risk exposure by credit loss allowances (without taking into consideration collateral). The differences in the credit allowance levels between the reporting segments result from the risk situation in the respective markets, different levels of collateralisation as well as the local legal environment and regulatory requirements.

The non-performing exposure ratio (NPE ratio) is calculated as the non-performing credit risk exposure divided by total credit risk exposure while the NPE coverage ratio is computed as total credit loss allowances (all allowances within the scope of IFRS 9) divided by non-performing credit risk exposure at AC and FVOCI. Collateral is not considered in the NPE coverage ratio.

Non-performing credit risk exposure by geographical segment and coverage by credit loss allowances and collateral

in EUR million	Non-performing		Credit risk exposure		Credit loss allowances	Collateral for NPE		NPE ratio		NPE coverage ratio	NPE collateralisation ratio	
	Total	AC and FVOCI	Total	AC and FVOCI	AC and FVOCI	Total	AC and FVOCI	Total	AC and FVOCI	AC and FVOCI	Total	AC and FVOCI
Dec 25												
Austria	3,811	3,770	205,001	190,004	-2,092	2,199	2,199	1.9%	2.0%	55.5%	57.7%	58.3%
EBOe & Subs.	1,058	1,042	57,206	56,372	-565	628	628	1.8%	1.8%	54.2%	59.4%	60.3%
Savings Banks	2,415	2,404	86,041	82,983	-1,373	1,455	1,455	2.8%	2.9%	57.1%	60.2%	60.5%
Other Austria	338	324	61,753	50,649	-154	116	116	0.5%	0.6%	47.5%	34.3%	35.8%
CEE	2,275	2,162	194,181	179,781	-2,362	764	751	1.2%	1.2%	109.3%	33.6%	34.7%
Czechia	827	798	94,071	89,626	-878	222	219	0.9%	0.9%	110.0%	26.8%	27.4%
Slovakia	535	468	32,328	28,524	-386	219	218	1.7%	1.6%	82.5%	40.8%	46.6%
Romania	411	410	30,169	28,528	-570	144	144	1.4%	1.4%	138.9%	35.1%	35.1%
Hungary	135	122	14,723	11,754	-153	51	42	0.9%	1.0%	125.6%	37.9%	34.5%
Croatia	312	310	18,014	17,243	-317	112	112	1.7%	1.8%	102.2%	36.0%	36.3%
Serbia	54	54	4,875	4,106	-60	17	17	1.1%	1.3%	109.9%	30.8%	30.8%
Other	0	0	17,631	17,565	-3	0	0	0.0%	0.0%	>500.0%	0.0%	0.0%
Total	6,086	5,933	416,812	387,350	-4,457	2,963	2,950	1.5%	1.5%	75.1%	48.7%	49.7%
Dec 24												
Austria	3,872	3,828	201,970	185,583	-2,174	2,138	2,138	1.9%	2.1%	56.8%	55.2%	55.9%
EBOe & Subs.	1,013	1,012	54,609	53,988	-546	615	615	1.9%	1.9%	53.9%	60.8%	60.8%
Savings Banks	2,279	2,268	81,479	79,099	-1,389	1,329	1,329	2.8%	2.9%	61.2%	58.3%	58.6%
Other Austria	580	547	65,882	52,496	-239	194	194	0.9%	1.0%	43.8%	33.5%	35.5%
CEE	2,152	2,090	180,360	168,196	-2,449	779	768	1.2%	1.2%	117.2%	36.2%	36.7%
Czechia	838	811	89,845	85,540	-866	274	268	0.9%	0.9%	106.7%	32.7%	33.1%
Slovakia	418	390	29,575	26,191	-368	189	188	1.4%	1.5%	94.4%	45.2%	48.3%
Romania	389	389	27,696	26,509	-684	128	128	1.4%	1.5%	175.8%	33.0%	33.0%
Hungary	132	125	12,276	10,254	-156	45	40	1.1%	1.2%	124.8%	34.3%	32.1%
Croatia	315	314	16,637	16,050	-312	130	130	1.9%	2.0%	99.3%	41.2%	41.3%
Serbia	61	60	4,332	3,652	-63	13	13	1.4%	1.6%	104.8%	21.1%	21.4%
Other	0	0	16,436	16,373	-4	0	0	0.0%	0.0%	>500.0%	0.0%	0.0%
Total	6,025	5,918	398,766	370,152	-4,627	2,917	2,906	1.5%	1.6%	78.2%	48.4%	49.1%

Non-performing credit risk exposure by business segment and coverage by credit loss allowances and collateral

in EUR million	Non-performing		Credit risk exposure		Credit loss allowances	Collateral for NPE		NPE ratio		NPE coverage ratio	NPE collateralisation ratio	
	Total	AC and FVOCI	Total	AC and FVOCI	AC and FVOCI	Total	AC and FVOCI	Total	AC and FVOCI	AC and FVOCI	Total	AC and FVOCI
Dec 25												
Retail	1,678	1,671	95,307	93,583	-1,550	626	621	1.8%	1.8%	92.8%	37.3%	37.2%
Corporates	1,968	1,834	137,957	123,691	-1,481	873	865	1.4%	1.5%	80.7%	44.4%	47.2%
Group Markets	0	0	24,206	14,047	-24	0	0	0.0%	0.0%	>500.0%	0.0%	0.0%
ALM & LCC	24	24	73,108	72,917	-28	9	9	0.0%	0.0%	116.5%	39.8%	39.9%
Savings Banks	2,415	2,404	86,041	82,983	-1,373	1,455	1,455	2.8%	2.9%	57.1%	60.2%	60.5%
GCC	0	0	193	130	-2	0	0	0.1%	0.2%	>500.0%	0.0%	0.0%
Total	6,086	5,933	416,812	387,350	-4,457	2,963	2,950	1.5%	1.5%	75.1%	48.7%	49.7%
Dec 24												
Retail	1,650	1,645	86,964	85,711	-1,555	619	615	1.9%	1.9%	94.5%	37.5%	37.4%
Corporates	2,088	1,997	129,919	117,441	-1,634	969	962	1.6%	1.7%	81.8%	46.4%	48.2%
Group Markets	1	1	29,686	17,432	-22	0	0	0.0%	0.0%	>500.0%	0.0%	0.0%
ALM & LCC	6	6	70,583	70,392	-25	0	0	0.0%	0.0%	404.8%	2.6%	2.6%
Savings Banks	2,279	2,268	81,479	79,099	-1,389	1,329	1,329	2.8%	2.9%	61.2%	58.3%	58.6%
GCC	0	0	136	76	-3	0	0	0.3%	0.5%	>500.0%	0.0%	0.0%
Total	6,025	5,918	398,766	370,152	-4,627	2,917	2,906	1.5%	1.6%	78.2%	48.4%	49.1%

43. Detailed analysis of loans and advances to customers

The tables on the following pages present the structure of the customer loan book, excluding loans to central banks and credit institutions broken down by different categories. Loans and advances to customers comprise:

- _ loans and advances to customers at FVPL;
- _ loans and advances to customers at AC;
- _ finance lease receivables;
- _ trade and other receivables.

The presentation is by gross carrying amount excluding loan loss allowances and collateral.

Loans and advances to customers by geographical segment and currency

in EUR million	EUR	CEE-LCY	CHF	USD	Other	Total
Dec 25						
Austria	122,952	0	1,551	3,152	2,519	130,175
EBOe & Subs.	42,764	0	532	37	11	43,345
Savings Banks	59,924	0	862	18	1,839	62,643
Other Austria	20,264	0	157	3,096	669	24,187
CEE	48,750	56,574	32	238	101	105,695
Czechia	9,246	39,966	26	132	68	49,437
Slovakia	21,071	0	0	9	33	21,113
Romania	4,026	10,739	0	54	0	14,820
Hungary	1,786	5,112	0	5	0	6,904
Croatia	10,718	0	5	36	0	10,759
Serbia	1,903	757	0	1	0	2,661
Other	28	42	0	0	43	114
Total	171,730	56,616	1,583	3,389	2,664	235,983

Dec 24						
Austria	118,456	0	1,546	3,312	2,883	126,197
EBOe & Subs.	41,814	0	628	50	18	42,509
Savings Banks	57,403	0	898	65	1,621	59,988
Other Austria	19,238	0	20	3,197	1,244	23,700
CEE	45,788	49,868	10	190	78	95,933
Czechia	8,933	35,036	2	77	65	44,113
Slovakia	19,779	0	0	9	12	19,800
Romania	3,815	10,116	0	85	0	14,015
Hungary	1,747	4,060	0	7	0	5,815
Croatia	9,917	0	7	11	0	9,935
Serbia	1,599	655	0	1	0	2,255
Other	11	14	0	0	29	54
Total	164,256	49,882	1,556	3,501	2,989	222,184

'CEE-LCY' refers to the CEE geographical segment view where the local currency is the currency of the respective country (e.g., CZK in Czechia, RON in Romania etc.).

Loans and advances to customers by geographical segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Dec 25					
Austria	108,256	13,690	4,576	3,652	130,175
EBOe & Subs.	37,145	3,810	1,374	1,016	43,345
Savings Banks	48,260	9,082	2,983	2,319	62,643
Other Austria	22,851	798	220	318	24,187
CEE	78,062	21,063	4,481	2,089	105,695
Czechia	38,392	8,894	1,378	774	49,437
Slovakia	15,296	3,860	1,501	456	21,113
Romania	11,048	2,744	631	397	14,820
Hungary	3,322	2,905	566	111	6,904
Croatia	8,026	2,122	312	299	10,759
Serbia	1,978	538	93	53	2,661
Other	105	4	4	0	114
Total	186,424	34,758	9,060	5,742	235,983
Dec 24					
Austria	104,481	13,443	4,606	3,668	126,197
EBOe & Subs.	36,435	3,695	1,395	985	42,509
Savings Banks	45,760	9,001	3,048	2,179	59,988
Other Austria	22,286	747	163	504	23,700
CEE	69,900	19,641	4,379	2,013	95,933
Czechia	34,057	8,007	1,257	792	44,113
Slovakia	14,284	3,738	1,395	382	19,800
Romania	10,095	2,795	759	366	14,015
Hungary	2,810	2,385	509	110	5,815
Croatia	7,033	2,213	385	305	9,935
Serbia	1,621	503	73	58	2,255
Other	51	3	0	0	54
Total	174,432	33,087	8,985	5,680	222,184

Loans and advances to customers by business segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Dec 25					
Retail	67,426	13,324	3,872	1,659	86,280
Corporates	68,409	12,192	2,117	1,741	84,459
Group Markets	2,126	111	17	0	2,255
ALM & LCC	183	44	67	23	317
Savings Banks	48,260	9,082	2,983	2,319	62,643
GCC	20	4	4	0	29
Total	186,424	34,758	9,060	5,742	235,983
Dec 24					
Retail	61,432	12,328	3,656	1,630	79,046
Corporates	64,854	11,705	2,161	1,865	80,585
Group Markets	2,206	25	25	1	2,257
ALM & LCC	172	25	95	6	298
Savings Banks	45,760	9,001	3,048	2,179	59,988
GCC	8	3	0	0	11
Total	174,432	33,087	8,985	5,680	222,184

In the following tables, the non-performing loans and advances to customers divided by segments are contrasted with allowances for customer loans (all allowances for loans and advances to customers within the scope of IFRS 9) and the collateral for non-performing loans (NPL). The NPL ratio, the NPL coverage ratio (excluding collateral) and the NPL collateralisation ratio are also included.

Non-performing loans and advances to customers by geographical segment and coverage by loan loss allowances and collateral

in EUR million	Non-performing		Customer loans		Loan loss allowances	Collateral for NPL		NPL ratio		NPL coverage ratio	NPL collateralisation ratio	
	Total	AC	Total	AC	AC	Total	AC	Total	AC	AC	Total	AC
Dec 25												
Austria	3,652	3,652	130,175	130,166	-1,813	2,181	2,181	2.8%	2.8%	49.7%	59.7%	59.7%
EBOe & Subs.	1,016	1,016	43,345	43,337	-484	624	624	2.3%	2.3%	47.7%	61.4%	61.4%
Savings Banks	2,319	2,319	62,643	62,642	-1,227	1,441	1,441	3.7%	3.7%	52.9%	62.2%	62.2%
Other Austria	318	318	24,187	24,187	-102	116	116	1.3%	1.3%	32.1%	36.5%	36.5%
CEE	2,089	2,084	105,695	104,179	-2,183	736	731	2.0%	2.0%	104.8%	35.2%	35.1%
Czechia	774	774	49,437	49,436	-811	209	209	1.6%	1.6%	104.9%	27.0%	27.0%
Slovakia	456	456	21,113	21,113	-371	216	216	2.2%	2.2%	81.5%	47.4%	47.4%
Romania	397	397	14,820	14,820	-524	141	141	2.7%	2.7%	132.0%	35.5%	35.5%
Hungary	111	106	6,904	5,390	-133	44	38	1.6%	2.0%	125.5%	39.1%	36.2%
Croatia	299	299	10,759	10,759	-287	110	110	2.8%	2.8%	96.0%	36.7%	36.7%
Serbia	53	53	2,661	2,661	-57	17	17	2.0%	2.0%	107.3%	31.8%	31.8%
Other	0	0	114	114	-1	0	0	0.2%	0.2%	>500.0%	0.0%	0.0%
Total	5,742	5,736	235,983	234,459	-3,998	2,917	2,912	2.4%	2.4%	69.7%	50.8%	50.8%
Dec 24												
Austria	3,668	3,668	126,197	126,170	-1,856	2,105	2,105	2.9%	2.9%	50.6%	57.4%	57.4%
EBOe & Subs.	985	985	42,509	42,502	-468	608	608	2.3%	2.3%	47.5%	61.7%	61.7%
Savings Banks	2,179	2,179	59,988	59,986	-1,225	1,312	1,312	3.6%	3.6%	56.2%	60.2%	60.2%
Other Austria	504	504	23,700	23,682	-163	185	185	2.1%	2.1%	32.3%	36.7%	36.7%
CEE	2,013	2,008	95,933	94,853	-2,260	758	754	2.1%	2.1%	112.5%	37.7%	37.5%
Czechia	792	792	44,113	44,113	-807	262	262	1.8%	1.8%	101.9%	33.1%	33.1%
Slovakia	382	382	19,800	19,800	-352	187	187	1.9%	1.9%	92.3%	49.1%	49.1%
Romania	366	366	14,015	14,015	-618	127	127	2.6%	2.6%	168.8%	34.6%	34.6%
Hungary	110	106	5,815	4,734	-135	42	38	1.9%	2.2%	128.1%	38.6%	36.3%
Croatia	305	305	9,935	9,935	-287	126	126	3.1%	3.1%	94.2%	41.5%	41.5%
Serbia	58	58	2,255	2,255	-60	13	13	2.6%	2.6%	103.5%	21.9%	21.9%
Other	0	0	54	54	-2	0	0	0.4%	0.4%	>500.0%	0.0%	0.0%
Total	5,680	5,676	222,184	221,077	-4,118	2,863	2,859	2.6%	2.6%	72.5%	50.4%	50.4%

Total gross customer loans, total non-performing loans and total collateral include both AC and FVPL portfolios.

The NPL ratio of loans and advances to customers is calculated by dividing the gross carrying amount of non-performing loans and advances to customers by the total gross carrying amount of loans and advances to customers. Consequently, it differs from the NPE ratio in section 'Credit risk exposure'. Collaterals for non-performing loans mainly consist of real estates.

The NPL coverage ratio is calculated by dividing total loss allowances by the gross carrying amount of the non-performing loans and advances to customers. Collateral is not considered.

Non-performing loans and advances to customers by business segment and coverage by loan loss allowances and collateral

in EUR million	Non-performing		Customer loans		Loan loss allowances	Collateral for NPL		NPL ratio		NPL coverage ratio	NPL collateralisation ratio	
	Total	AC	Total	AC	AC	Total	AC	Total	AC	AC	Total	AC
Dec 25												
Retail	1,659	1,653	86,280	84,764	-1,498	623	618	1.9%	2.0%	90.6%	37.6%	37.4%
Corporates	1,741	1,741	84,459	84,453	-1,253	844	844	2.1%	2.1%	72.0%	48.5%	48.5%
Group Markets	0	0	2,255	2,255	-5	0	0	0.0%	0.0%	>500.0%	0.0%	0.0%
ALM & LCC	23	23	317	317	-14	9	9	7.4%	7.4%	61.8%	40.3%	40.3%
Savings Banks	2,319	2,319	62,643	62,642	-1,227	1,441	1,441	3.7%	3.7%	52.9%	62.2%	62.2%
GCC	0	0	29	29	-1	0	0	0.9%	0.9%	479.7%	0.0%	0.0%
Total	5,742	5,736	235,983	234,459	-3,998	2,917	2,912	2.4%	2.4%	69.7%	50.8%	50.8%
Dec 24												
Retail	1,630	1,625	79,046	77,964	-1,506	616	611	2.1%	2.1%	92.6%	37.8%	37.6%
Corporates	1,865	1,865	80,585	80,560	-1,370	935	935	2.3%	2.3%	73.5%	50.2%	50.2%
Group Markets	1	1	2,257	2,257	-6	0	0	0.0%	0.0%	>500.0%	0.0%	0.0%
ALM & LCC	6	6	298	298	-10	0	0	2.1%	2.1%	156.4%	2.4%	2.4%
Savings Banks	2,179	2,179	59,988	59,986	-1,225	1,312	1,312	3.6%	3.6%	56.2%	60.2%	60.2%
GCC	0	0	11	11	-2	0	0	1.8%	1.8%	>500.0%	0.0%	0.0%
Total	5,680	5,676	222,184	221,077	-4,118	2,863	2,859	2.6%	2.6%	72.5%	50.4%	50.4%

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

in EUR million	Loans to customers					Credit loss allowances				Coverage ratio			
	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Stage 1	Stage 2	Stage 3	POCI	Stage 2	Stage 3	POCI	
Dec 25													
Austria	106,785	19,696	3,619	67	8	-139	-545	-1,129	0	2.8%	31.2%	0.0%	
EBOe & Subs.	37,027	5,283	1,009	17	7	-34	-145	-305	0	2.8%	30.2%	0.0%	
Savings Banks	47,872	12,429	2,296	45	1	-85	-377	-765	0	3.0%	33.3%	0.0%	
Other Austria	21,886	1,983	314	4	0	-20	-23	-59	0	1.2%	18.8%	0.0%	
CEE	93,047	8,898	1,961	273	1,515	-295	-598	-1,235	-56	6.7%	62.9%	20.4%	
Czechia	45,026	3,619	726	65	1	-95	-236	-461	-19	6.5%	63.6%	29.8%	
Slovakia	19,012	1,550	440	111	0	-40	-89	-225	-17	5.8%	51.2%	14.9%	
Romania	12,793	1,608	369	49	0	-90	-153	-278	-3	9.5%	75.4%	6.4%	
Hungary	4,486	786	95	23	1,514	-19	-44	-64	-6	5.6%	67.0%	26.5%	
Croatia	9,354	1,104	288	14	0	-40	-62	-176	-9	5.6%	61.3%	66.4%	
Serbia	2,376	232	44	10	0	-12	-14	-29	-1	6.0%	67.0%	10.8%	
Other	109	5	0	0	0	0	-1	0	0	19.2%	0.0%	0.0%	
Total	199,941	28,599	5,581	340	1,524	-434	-1,144	-2,364	-56	4.0%	42.4%	16.4%	
Dec 24													
Austria	100,740	21,739	3,628	63	27	-127	-591	-1,137	0	2.7%	31.3%	0.0%	
EBOe & Subs.	35,711	5,804	968	19	8	-31	-140	-298	0	2.4%	30.8%	0.0%	
Savings Banks	44,377	13,410	2,155	44	1	-76	-409	-740	0	3.0%	34.4%	0.0%	
Other Austria	20,652	2,525	504	0	18	-21	-43	-99	0	1.7%	19.6%	0.0%	
CEE	79,868	12,806	1,871	307	1,081	-268	-709	-1,209	-74	5.5%	64.6%	24.0%	
Czechia	37,296	6,002	722	93	0	-85	-249	-448	-26	4.1%	62.0%	27.6%	
Slovakia	17,278	2,032	367	123	0	-33	-113	-189	-17	5.6%	51.5%	14.0%	
Romania	11,559	2,069	356	32	0	-92	-219	-300	-6	10.6%	84.2%	18.9%	
Hungary	3,579	1,036	95	25	1,080	-19	-46	-65	-6	4.4%	68.3%	22.6%	
Croatia	8,234	1,393	292	16	0	-29	-69	-178	-11	4.9%	61.2%	67.0%	
Serbia	1,922	274	39	20	0	-10	-13	-29	-9	4.6%	73.5%	44.5%	
Other	51	2	0	0	0	0	-2	0	0	75.6%	98.2%	0.0%	
Total	180,659	34,548	5,499	371	1,108	-396	-1,302	-2,346	-74	3.8%	42.7%	19.9%	

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

The defaulted part of POCI loans amounted to EUR 156 million (2024: EUR 177 million), the non-defaulted part to EUR 184 million (2024: EUR 194 million).

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

in EUR million	Loans to customers					Loan loss allowances				Coverage ratio		
	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Stage 1	Stage 2	Stage 3	POCI	Stage 2	Stage 3	POCI
Dec 25												
Retail	75,849	7,212	1,614	89	1,516	-163	-424	-896	-15	5.9%	55.5%	16.4%
Corporates	73,779	8,821	1,647	206	7	-184	-335	-693	-41	3.8%	42.1%	19.9%
Group Markets	2,147	107	0	0	0	-2	-3	0	0	2.6%	16.2%	0.0%
ALM & LCC	270	24	23	0	0	0	-4	-10	0	16.8%	42.9%	77.8%
Savings Banks	47,872	12,429	2,296	45	1	-85	-377	-765	0	3.0%	33.3%	0.0%
GCC	24	5	0	0	0	0	-1	0	0	19.2%	0.0%	0.0%
Total	199,941	28,599	5,581	340	1,524	-434	-1,144	-2,364	-56	4.0%	42.4%	16.4%
Dec 24												
Retail	67,296	8,990	1,579	99	1,082	-148	-428	-909	-20	4.8%	57.6%	20.3%
Corporates	66,648	11,927	1,758	227	25	-169	-456	-691	-54	3.8%	39.3%	23.7%
Group Markets	2,048	208	1	0	0	-2	-3	0	0	1.6%	0.4%	0.0%
ALM & LCC	281	11	6	0	0	0	-4	-5	0	33.0%	89.7%	0.0%
Savings Banks	44,377	13,410	2,155	44	1	-76	-409	-740	0	3.0%	34.4%	0.0%
GCC	9	2	0	0	0	0	-2	0	0	75.6%	98.2%	0.0%
Total	180,659	34,548	5,499	371	1,108	-396	-1,302	-2,346	-74	3.8%	42.7%	19.9%

The NPL exposures above exclude any write-offs recognised in accordance with IFRS 9. Erste Group distinguishes between contractual write-offs (debt forgiveness towards the defaulted client, either unconditional or subject to conditions) and technical write-offs (claim removal from the books due to no reasonable expectation of recovery, whereby the legal claim towards the customer remains). Both types of write-offs have as a pre-condition that all reasonable workout measures and late collections tools have been applied for optimal recovery. In case of collateralised loans, write-off prior to the realisation of the collateral is not allowed unless specific circumstances apply. Additional technical write-off triggers include enforcement, worthlessness of claim/collateral, legally binding bankruptcy/liquidation or other economic loss of the rights to claim/sale. The amount written off during 2025, which is still subject to enforcement activity, totals EUR 388 million (2024: EUR 178 million).

44. Market risk

Market risk is the risk of loss that may arise due to adverse changes in market prices and to the parameters derived from them. These market value changes might appear in the profit and loss account, in the statement of comprehensive income or in hidden reserves. At Erste Group, market risk is divided into interest rate risk; credit spread risk, currency risk, equity risk, commodity risk and volatility risk. This concerns both trading and banking book positions.

METHODS AND INSTRUMENTS EMPLOYED

At Erste Group, potential losses that may arise from market movements are assessed using the value at risk (VaR) methodology. The VaR describes what level of losses may be expected as a maximum at a defined probability – the confidence level – within a certain holding period of the positions under historically observed market conditions.

The VaR calculation for the trading book is based on the methodology of historical simulation with a one-sided confidence level of 99%, a holding period of one day and a look back period of two years.

Back-testing for the trading book is used to constantly monitor the validity of the internal market risk model. This process is conducted with a one-day delay to monitor if the model projections regarding losses have actually materialised. At a confidence level of 99%, the actual loss on a given day should exceed the VaR estimate statistically only two to three times a year (1% of around 250 workdays).

The VaR calculation for banking book positions (BB-VaR) is based on the methodology used for ICAAP calculation of Erste Group where 250,000 historical scenarios (starting with 2010) are calculated with a theoretical holding period of 1 year and a confidence level of 99.90%. The same calculation is used for the BB-VaR with a 1 day holding period and a 99% confidence level, consistent with the trading book methodology. The results of both calculations, ICAAP and BB-VaR are presented in the Group ALCO to the Management Board.

A known limitation of the VaR approach is that on the one hand, it estimates losses only up to the confidence level and on the other hand, the model considers only those market scenarios observed within the look-back period to calculate the VaR for the current position of the bank. To address this limitation and to investigate any extreme market situations not reflected in the VaR approach, stress tests are conducted at Erste Group. These stress tests are designed to cover market movements of low probability and high impact.

The stress tests are carried out according to several methods: for the trading book, a stressed VaR (SVaR) is derived from the normal VaR calculation. Instead of simulating only over the two most recent years, an analysis of a much longer period is carried out to identify a one-year period that constitutes a relevant period of stress for the current portfolio mix. According to the regulatory framework, that one-year stressed period is used to calculate a VaR with a 99% confidence level. This enables Erste Group to hold sufficient own funds available for the trading book even in periods of elevated market volatility, while also enabling it to incorporate these resulting effects into the management of trading positions.

Standard scenarios are also defined, in which selected market risk factors are subject to extreme movements. Such scenarios are calculated at Erste Group for interest rates, stock prices, exchange rates and volatilities. Historic scenarios are a modification of the concept of standard scenarios. In this case, risk factor movements modelled after certain crisis events such as 'Covid-19 crisis' or 'Lehman bankruptcy' form the basis of the stress calculation. In addition, hypothetical stress test scenarios are defined based on analysis of the current economic environment and projections of adverse developments of key market risk drivers. These analyses are made available to the Market Risk Committee within the scope of the regular market risk reporting. Banking book positions are considered in the comprehensive stress test.

METHODS AND INSTRUMENTS OF RISK MITIGATION

At Erste Group, market risks are controlled in the trading book by setting several layers of limits. The overall limit based on risk-weighted assets (RWAs) for the trading book is allocated by the Management Board in the Risk Appetite Statement while considering the risk-bearing capacity and projected earnings. A further breakdown in VaR, SVaR and sensitivity limits is done by the Market Risk Committee on the basis of a proposal from the Trading Book Risk Management unit.

All market risk activities of the trading book are assigned risk limits which are entirely consistent with the overall RWA limit. The RWA limit is broken down into dedicated VaR and SVaR limits and assigned in a top-down procedure to the individual trading units. Additionally, in a bottom-up procedure, sensitivity limits are assigned on trading desk level to control exposures to individual risk drivers and ensure sufficient diversification. These are then aggregated and applied as a second-limit layer to the VaR and SVaR limits.

Limit compliance is verified at two levels: by the appropriate local risk management unit and by the Trading Book Risk Management unit. The monitoring of sensitivity limits is performed on both intraday and end-of-day basis. On demand, limit reports can also be triggered by the trading units or risk management on an ad-hoc basis.

Trading book VaR and SVaR are calculated daily at group level and reported to all key stakeholders including the relevant board members. In case of a limit breach, the escalation procedure ensures the timely remediation of the limit breach.

In the Banking Book, limits are implemented top-down from Group to individual entity covering change in economic value and in net interest income as well as limits on market risk Pillar 2 RWA. Limit monitoring is done by respective local risk management and Group Banking Book Risk Management. A dedicated escalation procedure is in place in case of limit breaches.

ANALYSIS OF MARKET RISK

The following tables show the VaR amounts at the 99% confidence level using equally weighted market data and with a holding period of one day. The figures do not cover exposures which are accounted for in the standardized approach (e.g., FX risks in the banking book, specific position risk):

Value at Risk of banking book and trading book

in EUR thousand	Total	Interest	Credit spread	Currency	Shares	Commodity	Volatility
Dec 25							
Erste Group	93,713	88,697	55,462	803	1,249	333	594
Banking book	91,015	86,411	55,462	-	-	-	-
Trading book	2,698	2,285	-	803	1,249	333	594
Dec 24							
Erste Group	118,670	119,568	18,646	731	1,060	197	648
Banking book	114,849	116,212	18,646	-	-	-	-
Trading book	3,821	3,356	-	731	1,060	197	648

As of year-end 2025 the number of VaR backtesting outliers is one in the trading book and hence the regulatory multiplier has a value of 3.0. This is marginally higher compared to the zero outliers at year-end 2024. The outlier was caused by major market movements across all asset classes in response to worse than expected employment data in the US in the context of trade tariff tensions. The postponed implementation of the new regulatory framework for market risk under the CRR3 to 2027 means that the internal model will be used also in 2026. VaR figure for Banking Book decreased due to lower duration investments on asset side and higher inflow of demand deposits. For year end 2025 methodological changes were performed. Scope of bonds subject to credit spread risk has been extended from fair value bond portfolio to also including amortised cost bond portfolio (closing of SREP finding) and treatment of margins in cashflows was aligned with the methodology for the Supervisory Outlier Test from Economic Value Perspective (carve out of margins).

Interest rate risk in the banking book (IRRBB)

Interest rate risk is the current and prospective risk of a negative impact to the institution's economic value of equity, or to the institution's net interest income, taking market value changes into account as appropriate, which arise from adverse movements in interest rates affecting interest rate sensitive instruments, including gap risk, basis risk and option risk.

To identify interest rate risk, all financial instruments, including off-balance instruments are used to calculate the impact of certain interest rate scenarios on their economic value and their net interest income. Limits and thresholds are implemented for both aspects of the IRRBB, the change in economic value as well as the change in net interest income. Positions without contractually defined maturity or repricing structures, such as demand deposits or overdrafts are modelled accordingly. For positions where the customer has the right to prepay his debt prepayment models are applied.

During 2025 Erste Group has updated its behavioural models according to the internal Model Risk Management Policy and regulatory expectations. Among others, this update comprises enlargement of model coverage and extension of data histories, reflecting the recent developments of interest rates.

For internal risk calculations and for the regulatory interest rate risk measures, the maximum downward shock is floored according to the Article 4 (k) of the EBA Regulatory Technical Standard on the supervisory outlier tests (EBA/RTS/2022/10) and the Article 3 (7) of the Commission Delegated Regulation (EU) 2024/856. With increasing yield curves, especially in EUR, USD and CZK, these embedded floors have become less relevant.

Exchange rate risk

Risk from open foreign exchange positions is the risk related to exchange rates that derives from the mismatch between assets and liabilities, or from currency-related financial derivatives. In the trading book, these risks might originate from customer-related or trading operations and are monitored and managed daily. Foreign currency exposure is subject to regulatory and internal limits. The internal limits for the trading book are set by the Market Risk Committee.

Erste Group separately measures and manages other types of risks relating to the Group's balance sheet and earnings structure. The translation risk related to the valuation of the balance sheet items, earnings, dividends and participations/net investments in local currency or foreign exchange has an impact on consolidated earnings and consolidated capital. Erste Group also reduces the negative impact related to volatility of foreign exchange rates on asset performance (for example because of foreign exchange lending in the CEE countries that was stopped for clients not having sufficient regular income in the respective loan currency).

In order to manage its multi-currency earnings structure, Erste Group regularly discusses hedging opportunities and takes decisions in the Group Asset Liability Committee (ALCO). Balance Sheet Management (BSM) uses as the usual source of information the current financial results and the financial budget prepared for the upcoming period to obtain as much information as possible on the future foreign currency cash flows. The proposal, which mainly includes the volume, hedging level, hedge ratio and timeline of the hedging, is submitted by BSM to ALCO. The impact of translation on consolidated capital is monitored and

reported to ALCO. The ALCO decisions are then executed by BSM and the implementation status is reported on a monthly basis to ALCO.

The following table shows the largest open foreign currency positions of Erste Group. The inclusion of structural FX positions in the table below is in line with the EBA guideline on the treatment of structural FX (EBA/GL/2020/09) which requires banks to calculate own funds for FX positions resulting from participations in foreign subsidiaries. The inclusion of structural FX positions leads to overall significantly higher open positions in the core market currencies. In 2025 ALCO approved partial hedging of the structural FX positions in CZK and HUF. The hedges are executed using a combination of derivatives and spot positions and are recorded as net investment hedges.

Open foreign currency positions

in EUR thousand	Open Position
Dec 25	
RON	1,763,722
CZK	825,137
RSD	533,618
HUF	404,604
MKD	323,630
BAM	255,484
PLN	17,053
CHF	13,434
USD	8,593
CNH	6,472
Dec 24	
CZK	2,431,289
RON	1,659,256
HUF	768,588
RSD	495,111
MKD	294,404
BAM	226,908
GBP	82,203
CHF	33,372
PLN	25,795
TRY	8,541

Credit spread risk

Credit spread risk is the risk driven by changes in the market perception about the price of credit risk, liquidity premium and potentially other components of credit-risky instruments. Erste Group is exposed to credit spread risk with respect to its securities portfolio, both in the trading as well as in the banking book.

For the trading book, credit spread risk for government bonds is part of the general market risk covered by VaR and SVaR. Corporate bonds are allocated to benchmark spread curves depending on sector, rating and currency as part of the general risk covered by VaR and SVaR. The issuer specific risk is covered by the standardised approach for Pillar 1 of regulatory capital requirements. For the issuer specific risk of the trading book in Pillar 2, the spread risk is broken down into a systematic and a residual part risk and reported on an aggregated level.

Quantifying the credit spread risk of the securities in the banking book is based on a historical simulation. The maximum (hypothetical) drawdown that can be attributed to credit related risk factors over a one-year horizon is calculated. It is based on credit spread sensitivities (CR01) and the risk factors used are mainly z-spreads for sovereigns and corporate benchmark bond spreads for financials and corporates. The portfolio included into the calculation comprises all bonds on the asset and liability side. The resulting amount is used as part of the ICAAP calculations to determine the Pillar 2 capital consumption of the banking book portfolio.

For banking book positions, the impacts of changes in credit spreads on the economic value and net interest income are additionally assessed through rating-dependent widening and narrowing shock scenarios derived from historical data.

Hedging

Banking book market risk management consists of optimising Erste Group's risk position by finding the proper trade-off between the economic value of the balance sheet and forecasted earnings. ALM is responsible for the interest rate and FX risk management

of the banking book and respective hedging actions. ALCO is informed by BSM on a regular basis about the interest rate risk of the banking book and required approvals (e.g., for strategic positions, the BSM strategy, investments, etc.) by the members of the ALCO.

To achieve the goals of risk management, hedging activities focus on the two main control variables: net interest income and market value of equity risk. In a broader sense, hedging refers to an economic activity that mitigates risk but does not necessarily qualify for hedge accounting under IFRS rules. IFRS hedge accounting is applied, if possible, to avoid accounting mismatches due to hedging activity. Within the scope of IFRS-compliant hedge accounting, fair value hedges, cash flow and net investment hedges are used. In addition, the fair value option is used for hedging the market risk from the economic perspective. Most of the hedging within Erste Group concerns hedging of interest rate risk. The remainder is hedging of foreign exchange rate risk using net investment hedges.

45. Liquidity risk

LIQUIDITY STRATEGY

In 2025, customer deposits remained the primary source of funding for Erste Group. The growth in loan volume was financed by inflows of customer deposits and issued securities.

With regards its own issuance, Erste Group Bank AG issued EUR 5.2 billion in bonds in 2025 (2024: EUR 4.5 billion). EUR 2.1 billion (2024: EUR 1.4 billion) was collected by issuing senior preferred bonds, of which EUR 1.5 billion (2024: EUR 750 million) was printed via 2 benchmark sized transactions. Mortgage bonds issued in amount of EUR 2.2 billion (2024: EUR 2.2 billion), whereby Tier 2 subordinated debt issuance amounted to EUR 860 million (2024: EUR 990 million). There were no repurchases in 2025 (2024: EUR 9.2 million). The average tenor of all new issues in 2025 is approximately 6.8 years (2024: 7.2 years).

LIQUIDITY METRICS AND REPORTS

The liquidity risk in Erste Group is defined in line with the principles set out by the Basel Committee on Banking Supervision as well as the European and Austrian regulations Regulation (EU) No 575/2013 (CRR), Regulation (EU) 2015/61 and the Council and the 'Kreditinstitute-Risikomanagement-Verordnung - KI-RMV' in their current versions. Accordingly, a distinction is made between market liquidity risk, which is the risk that the group entities cannot easily offset or close a position at the market price because of inadequate market depth or market disruption and funding liquidity risk, which is the risk that the banks in the group will not be able to meet efficiently both expected and unexpected current and future cash flow and collateral needs without affecting either daily operations or the financial condition of the group members.

Funding liquidity risk is further divided into insolvency risk and structural liquidity risk. The former is the short-term risk that current or future payment obligations cannot be met in full and on time in an economically justified manner, while structural liquidity risk is the long-term risk of losses due to a change in the Group's own refinancing cost or spread.

The regulatory liquidity ratios LCR and NSFR are well implemented in Erste Group which uses the above-mentioned technical environment to calculate the LCR according to Regulation (EU) No 2015/61 as well as the NSFR according to the Regulation (EU) No 575/2013 in their currently valid versions.

Erste Group calculates LCR daily on solo and group level and reports it monthly to the authorities. Furthermore, the LCR is part of the internal Risk Appetite Statement (RAS). LCR limits are defined in the RAS targeting to be well above the regulatory requirement of 100%. Legal lending limits exist in all CEE countries where Erste Group is represented. As they restrict liquidity flows between Erste Group's subsidiaries in different countries they are considered for the assessment of liquidity risk in the survival period model as well as in the calculation of the LCR at group level.

The NSFR is calculated monthly on solo and group level and is reported on a quarterly basis to the authorities. Same as the LCR, the NSFR is part of the internal RAS and limits are defined in the RAS targeting to be well above the regulatory requirement of 100%.

Short-term insolvency risk is monitored by calculating the survival period analysis (SPA) on both entity and group levels. This analysis determines the maximum period during which the entity can survive a set of defined scenarios, including a severe combined market and idiosyncratic crisis while relying on its pool of liquid assets. The monitored worst-case scenario simulates very limited money market and capital market access and at the same time significant client deposit outflows. Furthermore, the simulation assumes increased drawdown on guarantees and loan commitments dependent on the type of customer, as well as the

potential out-flows from collateralised derivative transactions estimating the effect of collateral outflows in the case of adverse market movements. The SPA is covering a stress horizon of up to 12 months. It is calculated monthly at entity and group level. Structural liquidity is monitored with the internal Structural Liquidity Ratio (STRL), depicting the going concern maturity mismatches of the subsidiaries and the group. The STRL is calculated monthly both on solo entity level and on group level.

All above mentioned reports (LCR, NSFR, SPA and STRL) are reported to the Operational Liquidity Committee (OLC) as well as to the Management Board during the Group ALCO.

Additionally, concentration risks in the funding structure and 'Counterbalancing Capacity' (CBC) are regularly monitored and reported to the regulator. Erste Group's funds transfer pricing (FTP) system has also proven to be an efficient tool for structural liquidity risk management.

METHODS AND INSTRUMENTS OF RISK MITIGATION

Apart from the reporting of liquidity metrics to the OLC and the Group ALCO, another important instrument for managing the liquidity risk within Erste Group and in relation to its subsidiaries is the FTP system. Important information for liquidity management can be obtained by the process of planning funding needs. Therefore, a detailed overview of funding needs is prepared on a quarterly basis for the planning horizon across Erste Group.

The Comprehensive Contingency Plan of the Erste Group ensures the necessary coordination of all parties involved in the liquidity management process in case of crisis and is reviewed on a regular basis. The contingency plans of the subsidiaries are coordinated as part of the plan for Erste Group.

ANALYSIS OF LIQUIDITY RISK

In Erste Group, the liquidity risk is analysed by the following methods.

Liquidity coverage ratio. Erste Group uses the regulatory LCR for internal monitoring and steering of the liquidity position. To keep the LCR according LCR DA above both limits, the regulatory limit and the internal limit, Erste Group closely monitors its short-term liquidity inflows and outflows as well as its available counterbalancing capacity (CBC).

Erste Group has continued to actively increase their liquidity buffer resulting in a higher LCR ratio in comparison to previous year. Increase is mainly due to the increase of Level 1 central government assets and higher volume of excess minimum reserve. Thus, Erste Group is having a more than comfortable buffer well above internal and external limits. Following the closure of findings from the 2024 liquidity inspection, parts of the LCR methodology have been adjusted accordingly. This adjustment has resulted in a slight downward impact, effective from August 2025.

Liquidity coverage ratio

in EUR million	Dec 24	Dec 25
Liquidity buffer	79,810	90,532
Net liquidity outflow	52,642	55,588
Liquidity coverage ratio	151.6%	162.9%

Structural liquidity gaps. The long-term liquidity position is managed using structural liquidity gaps based on contractual and partially behavioural cash flows of all liquidity relevant components of the balance sheet (on-balance and off-balance). This liquidity position is calculated for each material currency.

Cash flows are broken down by contractual maturities in accordance with the amortisation schedule and arranged in maturity ranges. All customer products without contractual maturities (such as demand deposits and overdrafts) are included according to a going concern maturity profile using model based on statistically observed client behaviour. The increased liquidity buffer also has a positive impact on the first year time band of the structural liquidity gap.

Structural liquidity gap

in EUR million	0-12 months		1-3 years		3-5 years		> 5 years	
	Dec 24	Dec 25	Dec 24	Dec 25	Dec 24	Dec 25	Dec 24	Dec 25
Liquidity gap	24,319	32,057	3,113	-2,579	4,103	3,050	-36,159	-40,115

An excess of assets over liabilities is indicated by a positive value, while an excess of liabilities over assets is indicated by a negative value. The cash inflows from liquid securities amounting to EUR 67 billion (2024: EUR 64 billion), which are accepted as collateral by the central banks to which Erste Group has access, are considered in the first-time bucket rather than considering them at their contractual maturity.

Counterbalancing capacity. Erste Group regularly monitors its counterbalancing capacity, which consists of cash, excess minimum reserves at the central banks as well as unencumbered central bank eligible assets and other liquid securities, including impacts from repos, reverse repos and securities lending transactions. These assets can be mobilised in the short term to offset potential cash out-flows in a crisis situation.

Term structure of counterbalancing capacity

in EUR million	< 1 month	1-12 months	1-5 years	> 5 years
Dec 25				
Cash, excess reserve	22,139	0	0	0
Liquid assets	62,236	-10,489	-30,509	-21,238
Other central bank eligible assets	16,145	1,283	-9,769	-7,659
Thereof retained covered bonds	12,522	1,165	-10,178	-3,510
Thereof credit claims	3,880	0	0	-3,880
Counterbalancing capacity	100,520	-9,206	-40,278	-28,897
Dec 24				
Cash, excess reserve	19,927	0	0	0
Liquid assets	57,497	-8,783	-28,657	-20,057
Other central bank eligible assets	14,872	691	-11,525	-4,038
Thereof retained covered bonds	9,877	1,403	-10,418	-862
Thereof credit claims	4,319	0	0	-4,319
Counterbalancing capacity	92,296	-8,092	-40,182	-24,095

The figures above show the total amount of potential liquidity available for the group in a going concern situation considering the applicable central bank haircuts. In a crisis situation, adverse market movements can decrease this amount. The initial counterbalancing capacity available at group level is reduced by additional stressed haircuts. Negative figures are maturing positions of the counterbalancing capacity. Positive figures after first time bucket are positions not immediately available as counterbalancing capacity.

The growth in counterbalancing capacity is primarily driven by higher volumes of highly liquid Level 1 assets, increased excess minimum reserves, and a higher amount of issued retained covered bonds. Consequently, counterbalancing capacity volume even further increased at an already high level, ensuring a comfortable liquidity buffer for Erste Group.

Financial liabilities. The table below shows the undiscounted principal cash flows for all financial liabilities and it contains interest cash flows.

Financial liabilities

in EUR million	Carrying amounts	Contractual cash flows	< 1 month	1-12 months	1-5 years	> 5 years
Dec 25						
Non-derivative liabilities	324,781	340,028	252,380	17,425	44,630	25,593
Deposits by banks	16,919	23,375	8,561	2,821	8,070	3,923
Customer deposits	252,991	255,050	239,106	7,805	6,256	1,883
Debt securities in issue	49,358	55,267	4,516	6,495	28,757	15,499
Subordinated liabilities	5,514	6,337	197	305	1,547	4,288
Derivative liabilities	1,262	4,002	606	664	2,566	167
Derivatives liabilities with netted Cash Flows	-	3,486	572	422	2,353	138
Derivatives liabilities with gross Cash Flow (net)	-	517	33	242	213	28
Outflows	-	68,048	53,184	8,666	4,960	1,237
Inflows	-	-67,531	-53,151	-8,424	-4,747	-1,209
Contingent liabilities	-	79,557	79,557	-	-	-
Financial guarantees	-	7,766	7,766	-	-	-
Commitments	-	71,792	71,792	-	-	-
Other financial liabilities	2,564	2,564	2,564	-	-	-
Total	328,608	426,152	335,107	18,089	47,196	25,759
Dec 24						
Non-derivative liabilities	314,801	326,531	246,509	17,033	41,005	21,984
Deposits by banks	21,261	24,272	11,833	2,600	6,203	3,636
Customer deposits	241,651	244,305	227,856	9,992	5,051	1,406
Debt securities in issue	46,494	51,779	6,650	4,014	28,144	12,970
Subordinated liabilities	5,395	6,175	169	427	1,608	3,971
Derivative liabilities	1,343	3,804	327	687	2,581	208
Derivatives liabilities with netted Cash Flows	-	2,981	121	523	2,171	166
Derivatives liabilities with gross Cash Flow (net)	-	822	206	164	410	42
Outflows	-	52,221	36,478	5,743	8,809	1,192
Inflows	-	-51,399	-36,271	-5,579	-8,399	-1,150
Contingent liabilities	-	73,137	73,137	-	-	-
Financial guarantees	-	7,431	7,431	-	-	-
Commitments	-	65,706	65,706	-	-	-
Other financial liabilities	1,484	1,484	1,484	-	-	-
Total	317,628	404,956	321,458	17,719	43,587	22,192

As of year-end 2025, the currency composition of the non-derivative liabilities consisted of approximately 71% EUR, 18% CZK, 4% RON, 3% USD and 4% in other currencies (2024: 71% EUR, 18% CZK, 4% RON, 3% USD and 4% in other currencies).

Besides the contingent liabilities from unused credit lines and guarantees, material potential cash outflow is calculated from the collateralised derivative transactions for the stress testing, following a historical lookback approach, which amounted to EUR 1 billion (2024: EUR 1 billion) in the severe combined idiosyncratic and market crisis scenario as of 31 December 2025.

As of 31 December 2025, the volume of customer deposits due on demand amounted to EUR 185 billion (2024: EUR 171 billion). According to customer segments, the customer demand deposits are composed as follows: 65% private individuals, 19% small and medium-sized enterprises, 8% large corporates, 5% public sector and 3% non-banking financial institutions (2024: 65% private individuals, 19% small and medium-sized enterprises, 8% large corporates, 5% public sector and 3% non-banking financial institutions).

46. Operational risk

Pursuant to point (52) of Article 4(1) of regulation (EU) No 575/2013 (CRR), Erste Group defines operational risk (OpRisk) as risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including, but not limited to, legal risk, model risk or information and communication technology (ICT) risk, but excluding strategic and reputational risk. Non-Financial Risks (NFR) comprise both operational and reputational risks. Erste Group's operational risk appetite sets the limits and escalation levels in line with the group risk strategy for risk-taking as a consequence of doing business. The OpRisk Framework

is a modular, interrelated and comprehensive approach integrated into the banks and the group's steering and risk management system. It is designed to fulfil internal risk management and external regulatory requirements.

ORGANISATION AND GOVERNANCE

The roles and responsibilities for OpRisk management is defined by the 'Three Lines of Defence' model. The day-to-day management of operational risk is the primary responsibility of Business Line Management (BLM). BLM is responsible for identifying, assessing and managing the risks residual in the products, activities, processes and systems on an ongoing basis by using operational risk management instruments. Operational and Non-Financial Risk independently oversees the Group-wide management of operational risks, identifies and reports risks on the Group-level. The NFR function defines the NFR framework, promotes a consistent application across the group and maintains the operational risk capital requirement calculation under Standardised Measurement Approach .

Regional Operational Conduct Committee (ROCC) decides on strategic steering topics based on NFR reporting, serves as a sounding board for risk decisions concerning non-financial risks , environmental, social and governance impacts and decides on escalations to the Holding Board of Erste Group. Further on, it acts as Reputational Risk, Operational Resilience and ESG Committee.

NON-FINANCIAL RISK FRAMEWORK AND MEASUREMENT

OpRisk framework consists of various elements. Risk identification takes place through the collection of internal loss data and Key Risk Indicators (KRI) to measure the risk level changes. Risk indicators are reviewed periodically to ensure early detection of risk potentials to cause losses. The risk identification process includes an on-going mechanism to identify new sub-risk types, risk drivers and emerging risks. Risk evaluation is an ongoing process in which the Business Line Management (BLM) proactively identifies and analyses relevant non-financial risks and assesses the effectiveness of the controls to mitigate those risks, both for the run and change the bank processes (e.g., new product approval, third-party service providers). BLM evaluates the risks in line with the risk appetite and reports the residual risks to senior management or Risk Committees for risk response. The acceptance level of NFR is managed by using the Group Operational Risk Scaling Matrix which is setting the limits of the residual operational risk tolerated by Erste Group. Risk monitoring via corrective measures is performed on a regular basis. Regular risk reporting provides detailed information to business and risk management units, senior management and the board of directors, most importantly the quarterly Group Risk Re-port, which informs on recent losses, loss trends, qualitative information derived from Risk Control Self-Assessments, NFR decisions, risk indicators, key ratios and the own funds requirements for operational risk. Small entities implemented internal loss data collection, new product approval and third party risk management instruments following the proportionality principle.

Erste Group measures the capital requirements for operational risk using a non-model-based approach for the calculation of the own funds requirements in line with the Regulation (EU) 575/2013 (CRR3). Under the Standardised Measurement Approach the Business Indicator Component (BIC) is calculated by multiplying the Business Indicator (BI) by a set of regulatory determined marginal coefficients in the applicable BI ranges. The BI is a financial statement proxy of operational risk exposure.

Non-current assets and other investments

47. Property, equipment and investment properties

PROPERTY AND EQUIPMENT

Depreciation of property and equipment is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Depreciation is recognised in the statement of income in the line item 'Depreciation and amortisation' and impairment in the line item 'Other operating result'.

	Useful lives in years
Buildings	30-50
Re-buildings on own and foreign real estates	15-50
Office furniture and equipment	4-10
Passenger cars	4-8
Computer hardware	4-6

Land is not depreciated.

Any impairment losses including their reversals and gain or loss arising on disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are recognised in the statement of income under the line item 'Other operating result'.

INVESTMENT PROPERTIES

Investment property is property (land and buildings or part of a building or both) held for the purpose of earning rental income or for capital appreciation or both.

Investment property is presented on the balance sheet in the line item 'Investment properties'.

Rental income is recognised in the statement of income in the line item 'Rental income from investment properties and other operating leases'. Depreciation is presented in the statement of income in the line item 'Depreciation and amortisation' using the straight-line method over an estimated useful life. The useful lives of investment properties are in the range of 15-100 years. Any impairment losses, as well as their reversals, are recognised under the line item 'Other operating result'.

IMPAIRMENT

The bank assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. Testing for impairment is done at individual asset level if the asset generates cash inflows that are largely independent of those from other assets. The typical case is investment property. Otherwise, the impairment test is carried out at the level of the cash-generating unit (CGU) to which the asset belongs.

ACQUISITION AND PRODUCTION COSTS

Own property, equipment and investment properties

in EUR million	Land and buildings	Office and plant equipment/other fixed assets	IT assets (hardware)	Movable other property	Property and equipment	Investment properties
Jan 24	2,481	994	617	312	4,405	1,987
Additions	261	84	96	63	504	141
Disposals	-52	-82	-64	-136	-335	-27
Acquisition of subsidiaries	0	1	0	0	1	106
Disposal of subsidiaries	-16	0	-1	0	-17	0
Reclassification	-2	1	1	0	0	0
Assets held for sale	-10	0	-10	0	-20	0
Currency translation	-17	-3	-5	2	-24	-6
Dec 24	2,645	995	634	240	4,514	2,199
Additions	222	96	88	71	478	339
Disposals	-54	-56	-57	-111	-278	-20
Acquisition of subsidiaries	0	0	0	0	0	27
Disposal of subsidiaries	-51	0	0	-7	-58	0
Reclassification	8	-1	3	0	10	-10
Assets held for sale	-16	0	0	0	-16	-178
Currency translation	32	3	7	-1	40	12
Dec 25	2,786	1,036	675	193	4,690	2,369

ACCUMULATED DEPRECIATION

Own property, equipment and investment properties

in EUR million	Land and buildings	Office and plant equipment/other fixed assets	IT assets (hardware)	Movable other property	Property and equipment	Investment properties
Jan 24	-1,123	-655	-407	-150	-2,334	-554
Amortisation and depreciation	-71	-62	-72	-29	-234	-30
Disposals	42	77	62	80	261	11
Acquisition of subsidiaries	0	0	0	0	0	-2
Disposal of subsidiaries	5	0	0	0	5	0
Impairment	-3	-1	0	-4	-7	-1
Reversal of impairment	11	0	0	0	11	1
Reclassification	1	1	0	0	1	-1
Assets held for sale	-70	0	9	0	-61	-68
Currency translation	60	2	3	-3	62	2
Dec 24	-1,147	-637	-405	-107	-2,296	-642
Amortisation and depreciation	-75	-65	-77	-28	-246	-32
Disposals	37	50	55	60	203	11
Acquisition of subsidiaries	0	0	0	0	0	-2
Disposal of subsidiaries	51	0	0	7	58	0
Impairment	-2	-1	0	-1	-4	0
Reversal of impairment	3	0	0	0	3	0
Reclassification	-16	0	0	2	-14	14
Assets held for sale	11	0	0	0	11	85
Currency translation	-14	-2	-4	1	-18	-6
Dec 25	-1,152	-654	-432	-65	-2,302	-572

CARRYING AMOUNTS

Own property, equipment and investment properties

in EUR million	Land and buildings (used by the Group)	Office and plant equipment/other fixed assets	IT assets (hardware)	Movable other property	Property and equipment	Investment properties
Dec 24	1,498	358	229	134	2,218	1,557
Dec 25	1,634	382	243	128	2,387	1,797

Rights of use: property, equipment and investment properties

in EUR million	Land and buildings (used by the Group)	Office and plant equipment/other fixed assets	IT assets (hardware)	Movable other property	Property and equipment	Investment properties
Dec 24	501	3	0	33	537	121
Dec 25	532	3	0	18	553	116

Total carrying amounts

in EUR million	Land and buildings (used by the Group)	Office and plant equipment/other fixed assets	IT assets (hardware)	Movable other property	Property and equipment	Investment properties
Dec 24	1,999	360	229	167	2,754	1,678
Dec 25	2,166	385	243	146	2,941	1,913

For details related to right of use assets capitalized in balance sheet arising from leases where Erste Group is lessee, please see [Note 51 Leases where the Group is a lessee](#).

The carrying amount of investment properties include properties subject to operating leases in the amount of EUR 1,812 million (2024: EUR 1,179 million). Investment properties with a carrying amount of EUR 790 million (2024: EUR 741 million) are pledged as collaterals. Investment properties with a carrying amount of EUR 969 million (2024: EUR 761 million) are subject to the Austrian Non-Profit Housing Act (Wohnungsgemeinnützigkeitgesetz) and hence are subject to the specific rules in respect of sale and use of these properties. The carrying amount of property and equipment includes properties subject to operating leases in the amount of EUR 155 million (2024: EUR 161 million).

In the reporting period, expenditures in the amount of EUR 232 million (2024: EUR 111 million) are capitalised in the carrying amount of fixed assets and investment properties during their construction. The contractual commitments for purchase of fixed assets are EUR 7 million (2024: EUR 2 million).

In 2025, for land and buildings net impairment gains in the amount of EUR 2 million in Slovakia (2024: EUR 4 million net impairment gain in Czech Republic) were realized. As of 31 December 2025, the recoverable amount of these impaired assets amounted to EUR 16 million (2024: EUR 4 million).

As of 31 December 2025 the fair value of investment properties with a carrying amount of EUR 1,913 million (2024: EUR 1,678 million) amounts to EUR 2,373 million (2024: EUR 2,122 million) and is classified as level 3 of the fair value hierarchy.

The fair values are determined by experts with recognised and relevant professional qualification. Fair values of commercial real estate in Austria and CEE owned by Erste Group through Austrian companies are based on valuation reports relying essentially, but not solely, on observable market inputs (such as selling price per square meter charged in recent market observable transactions for similar assets). For all other property owned by Erste Group through subsidiaries located in CEE countries the valuations are carried out mainly using the comparative and investment methods. Assessment is made on the basis of a comparison and analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the relevant property. The characteristics of such similar transactions are then applied to the asset, taking into account size, location, terms, covenant and other material factors.

48. Intangible assets

Erste Group's intangible assets include goodwill (see *Note 58 Subsidiaries*), computer software, customer relationships and other intangible assets.

Intangible assets with finite lives are amortised over their useful economic lives using the straight-line method. The amortisation expense is recognised in the statement of income under the line item 'Depreciation and amortisation'.

	Useful lives in years
Computer software	4-10
Customer relationships	10-20

IMPAIRMENT OF INTANGIBLE ASSETS INCLUDING GOODWILL

It is typical of intangible assets that they do not generate cash inflows that are largely independent of those from other assets. As a result, the impairment test is carried out at the level of the cash-generating unit (CGU) to which the asset belongs. For CGUs to which goodwill has been allocated the impairment test is carried out annually in November, or whenever there is an indication of possible impairment during the year.

For CGUs at Erste Group the recoverable amount for determining the potential impairment loss is typically based on value in use which is the present value of the future cash flows expected to be derived from the CGU. The calculation starts with estimation of future earnings distributable to shareholders. In this respect financial plans for the CGUs as agreed by the management while taking into account the fulfilment of the respective regulatory capital requirements are used. The planning period is five years. Any forecasted earnings beyond the planning period are derived on the basis of the last year of the planning period and a long-term growth rate. The present value of such perpetual earnings growing at a stable rate (referred to as terminal value) takes into consideration macroeconomic parameters and economically sustainable cash flows for each CGU.

The cash flows are determined by subtracting the annual capital requirement generated by a change in the amount of risk-weighted assets from the estimated future earnings. The capital requirement was defined through the target tier 1 ratio in light of the expected future minimum regulatory capital requirements.

The discount rates reflect risks specific to the CGU and have been determined based on the capital asset pricing model (CAPM). According to the CAPM, the discount rate comprises a risk-free interest rate together with a market risk premium that itself is multiplied by a factor that represents the systematic market risk (beta factor). Furthermore, a country-risk premium component is considered in calculation of the discount rate. The values used to establish the discount rates are determined using external sources of information.

When the recoverable amount of a CGU is less than its carrying amount, the difference is recognised as an impairment loss in the statement of income under the line item 'Other operating result'.

The analysis on the recoverability of non-financial assets is explained in section 'Material accounting policies' in the chapter '*Material accounting judgements, assumptions and estimates*'.

Acquisition and production costs

in EUR million	Goodwill	Customer relationships	Software acquired	Self-constructed software within the Group	Others (licenses, patents, etc.)	Total
Jan 24	663	158	1,908	632	341	3,701
Additions	0	0	155	25	5	185
Disposals	0	0	-64	-19	-24	-108
Acquisition of subsidiaries	66	30	0	0	2	98
Disposal of subsidiaries	0	0	0	0	0	0
Reclassification	0	0	10	-9	-1	0
Assets held for sale	0	0	-1	0	-12	-12
Currency translation	-1	-2	-32	0	-1	-36
Dec 24	727	186	1,976	629	309	3,827
Additions	12	10	152	27	13	215
Disposals	0	-1	-281	-19	-13	-313
Acquisition of subsidiaries	0	0	0	0	0	0
Disposal of subsidiaries	0	0	0	0	0	0
Reclassification	0	0	-3	-6	8	-1
Assets held for sale	0	0	0	0	0	0
Exchange-rate changes	1	2	45	-1	1	47
Dec 25	740	196	1,889	631	319	3,775

Accumulated depreciation

in EUR million	Goodwill	Customer relationships	Software acquired	Self-constructed software within the Group	Others (licenses, patents, etc.)	Total
Jan 24	-118	-138	-1,368	-467	-297	-2,388
Amortisation and depreciation	0	-4	-107	-59	-13	-183
Disposals	0	0	59	19	24	103
Acquisition of subsidiaries	-1	0	0	0	-2	-4
Disposal of subsidiaries	0	0	0	0	0	0
Impairment	0	0	-9	0	0	-10
Reversal of impairment	0	0	0	0	0	0
Reclassification	0	0	-5	0	5	0
Assets held for sale	0	0	1	0	11	12
Currency translation	1	2	22	0	1	25
Dec 24	-119	-140	-1,408	-507	-271	-2,445
Amortisation and depreciation	0	-7	-116	-47	-12	-182
Disposals	0	1	279	19	13	312
Acquisition of subsidiaries	0	0	0	0	0	0
Disposal of subsidiaries	0	0	0	0	0	0
Impairment	0	0	-12	0	-1	-13
Reversal of impairment	0	0	0	0	0	0
Reclassification	0	0	-1	1	0	0
Assets held for sale	0	0	0	0	0	0
Currency translation	-1	-2	-31	1	-1	-34
Dec 25	-119	-149	-1,288	-534	-272	-2,362

Carrying amounts

in EUR million	Goodwill	Customer relationships	Software acquired	Self-constructed software within the Group	Others (licenses, patents, etc.)	Total
Dec 24	609	45	568	122	38	1,382
Dec 25	621	48	600	97	47	1,413

The contractual commitments for the purchase of intangible assets amounted to EUR 0 million (2024: EUR 2 million). As of 31 December 2025 the customer relationship Ringturm Kapitalanlagegesellschaft m.b.H. amounted to EUR 11 million (2024: EUR 16 million). The remaining amortization period of the customer relationship in Ringturm Kapitalanlagegesellschaft m.b.H. was 2.8 years. In addition, a customer relationship of InterCapital Asset Management d.o.o. in the amount of EUR 10 million was

recognised in 2025. Amortization is spread on average over the next 9 years for 2 customer segments. In October 2025 InterCapital Asset Management d.o.o. was merged into company Erste Asset Management d.o.o.

GOODWILL

The addition to goodwill includes EUR 12 million from the acquisition of InterCapital Asset Management d.o.o. (in October 2025 InterCapital Asset Management d.o.o. was merged into company Erste Asset Management d.o.o.).

The goodwill of Česká spořitelna a.s. ('CSAS') was tested for objective evidence of impairment on a quarterly basis during 2025. The annual goodwill impairment test was performed as of 31 October 2025. With regards to the ongoing planning uncertainty caused by the unpredictable economic environment due to several global conflicts (Israel, Ukraine), Erste Group derived an additional planning scenario for the impairment test. In addition to the base case scenario, which was weighted as the most likely scenario with 75% probability, a downside scenario with 25% probability weighting was also defined. The recoverable amount was higher than the carrying amount, thus no impairment was required.

Carrying amount and material parameters used for the impairment test per subsidiary (CGU) for significant goodwills

	CSAS
Carrying amount of goodwill as of 1 January 2025 (in EUR million)	544
Effect of exchange rate changes for the year 2025 (in EUR million)	0
Basis upon which recoverable amount has been determined	Value in Use (discounted cash flow model based)
Key interest input parameters into the discounted cash flow model	Risk Free Rate, Terminal Growth Rate, β Factor, Market Risk Premium
Description of approach to determining value assigned to risk free rate	Risk Free Rate has been set at 3.25% p.a. throughout relevant Group's CGUs on relevant financial statistics published by Deutsche Bundesbank as at the reference date 31. October 2025.
Description of approach to determining values assigned to terminal growth rate	For non-Austrian (CEE) CGUs: Terminal Growth Rate has been equated to 3% representing the recommended cap level for the Terminal Growth Rate, as per the report ESMA/2013/2 'European Enforcers Review of Impairment of Goodwill and Other Intangible Assets in the IFRS Financial Statements' published by the European Securities and Markets Authority (ESMA).
Description of approach to determining values assigned to β factor	Set as the median value of a group of levered β factors attributable to a sample of 'peer banks' representative of the tested banks (CGUs), as published by Capital IQ as of the reference date 31 October 2025
Description of approach to determining values assigned to market risk premium	Set at 5.98% throughout relevant Group's CGUs based on published evaluations by the Austrian Chamber of Commerce (Kammer der Steuerberater und Wirtschaftsprüfer).
Period of cash flow projection (years)	5 years (2026 - 2030); extrapolation to perpetuity based on Terminal Growth Rate
Discount rate applied to cash flow projections (pre-tax)	14.2%
The value assigned to β Factor	1.26
Amount of goodwill impairment loss recognised in profit or loss for the year 2025 (in EUR million)	0
Post-impairment carrying amount of goodwill as of 31 December 2025 (in EUR million)	544

Carrying amount of goodwill as of 1 January 2024 (in EUR million)	544
Effect of exchange rate changes for the year 2024 (in EUR million)	0
Basis upon which recoverable amount has been determined	Value in Use (discounted cash flow model based)
Key interest input parameters into the discounted cash flow model	Risk Free Rate has been set at 2.60% p.a. throughout relevant Group's CGUs based on relevant financial statistics published by Deutsche Bundesbank as at the reference date 31 October 2024.
Description of approach to determining value assigned to risk free rate	For non-Austrian (CEE) CGUs: Terminal Growth Rate has been equated to 3%, representing the recommended cap level for the Terminal Growth Rate, as per the report ESMA/2013/2 'European Enforcers Review of Impairment of Goodwill and Other Intangible Assets in the IFRS Financial Statements' published by the European Securities and Markets Authority (ESMA).
Description of approach to determining values assigned to terminal growth rate	For non-Austrian (CEE) CGUs: Terminal Growth Rate has been equated to 3%, representing the recommended cap level for the Terminal Growth Rate, as per the report ESMA/2013/2 'European Enforcers Review of Impairment of Goodwill and Other Intangible Assets in the IFRS Financial Statements' published by the European Securities and Markets Authority (ESMA).
Description of approach to determining values assigned to β factor	Set as the median value of a group of levered β factors attributable to a sample of 'peer banks' representative of the tested banks (CGUs), as published by Capital IQ as of the reference date 31 October 2024.
Description of approach to determining values assigned to market risk premium	Set at 6.87% throughout relevant Group's CGUs based on published evaluations by the Austrian Chamber of Commerce (Kammer der Steuerberater und Wirtschaftsprüfer).
Period of cash flow projection (years)	5 years (2025 - 2029); extrapolation to perpetuity based on Terminal Growth Rate
Discount rate applied to cash flow projections (pre-tax)	13.8%
The value assigned to β Factor	1.19
Amount of goodwill impairment loss recognised in profit or loss for the year 2024 (in EUR million)	0
Post-impairment carrying amount of goodwill as of 31 December 2024 (in EUR million)	544

For cash generating units outside the euro-zone, an inflation differential has been considered when determining the discount rates applicable to the related 2026-2030 cash flow projections.

The outcome of the sensitivity analysis shows by how much the key input parameters into the applied discounted cash flow models would need to vary in order to cause the unit's calculated recoverable amount to equal its related carrying amount:

Dec 25	CSAS
Amount by which recoverable amount exceeds/fall short the carrying amount (in EUR million)	4,794
Risk free rate increase/decrease that would cause recoverable amount to equal carrying amount (basis points)	798
Terminal growth rate increase/decrease that would cause recoverable amount to equal carrying amount (basis points)	-6,808
β factor increase/decrease that would cause recoverable amount to equal carrying amount (coefficient value)	1.335
Market risk premium increase/decrease that would cause recoverable amount to equal carrying amount (basis points)	635
Dec 24	
Amount by which recoverable amount exceeds/fall short the carrying amount (in EUR million)	3,916
Risk free rate increase/decrease that would cause recoverable amount to equal carrying amount (basis points)	650
Terminal growth rate increase/decrease that would cause recoverable amount to equal carrying amount (basis points)	-6,033
β factor increase/decrease that would cause recoverable amount to equal carrying amount (coefficient value)	0.945
Market risk premium increase/decrease that would cause recoverable amount to equal carrying amount (basis points)	547

49. Other assets

in EUR million	Dec 24	Dec 25
Prepayments	162	187
Inventories	108	129
Sundry assets	796	985
Other assets	1,066	1,301

In the line 'Inventories' real estate project developments and repossessed assets (mainly real estate) are disclosed.

The impairment of inventories, shown as expense in the reporting period amounts to EUR 1 million (2024: EUR 5 million). The carrying amount of inventories carried at fair value less costs to sell amounts to EUR 16 million (2024: EUR 25 million). The cost of inventories recognised as expense in the reporting period amounts to EUR 4 million (2024: EUR 3 million).

FIDUCIARY ASSETS

The Group provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients. Assets held in a fiduciary capacity are not reported in the financial statements, as they are not the assets of Erste Group.

Leases

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

50. Erste Group as a lessor

On the side of the lessor, a distinction is made between finance leases and operating leases. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. In the case of a finance lease, Erste Group reports a receivable from the lessee under the line item 'Finance lease receivables'. The receivable is equal to the present value of the contractually agreed payments taking into account any residual value. Interest income on the receivable is reported in the statement of income in the line item 'Other similar income' under 'Net interest income'.

In the case of operating leases, which are leases other than finance leases, the leased asset is reported in 'Property and equipment' or in 'Investment properties' and is depreciated in accordance with the principles applicable to the assets involved. Lease income is recognised on a straight-line basis over the lease term in the statement of income under the line item 'Rental income from investment properties and other operating leases'.

Erste Group is mitigating the risk associated with any rights it retains in underlying assets. This is achieved especially by means of residual value guarantees, variable lease payments for use in excess of specified limits and buy-back agreements with third parties.

Erste Group (intermediate lessor) accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The vast majority of lease agreements in which Erste Group operates as a lessor are finance leases.

FINANCE LEASES

Erste Group leases both movable property and real estate to other parties under finance lease arrangements. For finance lease receivables included in this item, the reconciliation of the gross investment in leases to the present value of the minimum lease payments is as follows:

in EUR million	Dec 24	Dec 25
Outstanding lease payments	5,789	5,880
Non-guaranteed residual values	165	160
Gross investment	5,954	6,040
Unrealised financial income	623	667
Net investment	5,331	5,373
Present value of non-guaranteed residual values	116	112
Present value of outstanding lease payments	5,215	5,261

Maturity analysis by residual maturities

in EUR million	Dec 24		Dec 25	
	Gross investment	Present value of outstanding lease payments	Gross investment	Present value of outstanding lease payments
< 1 year	1,630	1,438	1,647	1,453
1-2 years	1,266	1,125	1,323	1,176
2-3 years	1,034	932	1,096	985
3-4 years	797	724	829	748
4-5 years	524	472	485	427
> 5 years	702	524	661	472
Total	5,954	5,215	6,040	5,261

During 2025, Erste Group recognised interest income on finance lease receivables in the amount of EUR 271 million (2024: EUR 290 million). Gains/losses from derecognition of finance lease receivables are recognised in line item 'Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss' (see *Note 10 Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss*).

Finance lease receivables

Gross carrying amounts and credit loss allowances per impairment buckets

in EUR million	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Dec 25											
General governments	234	10	0	0	244	-1	-1	0	0	-2	242
Credit institutions	1	0	0	0	1	0	0	0	0	0	1
Other financial corporations	236	4	13	0	253	-1	0	-1	0	-2	252
Non-financial corporations	3,282	596	83	1	3,963	-16	-21	-25	0	-63	3,900
Households	825	68	15	0	908	-5	-2	-6	0	-13	895
Total	4,579	678	112	1	5,369	-22	-25	-32	0	-79	5,290
Dec 24											
General governments	248	5	0	0	253	-1	-1	0	0	-2	251
Credit institutions	1	0	0	0	1	0	0	0	0	0	1
Other financial corporations	234	4	18	0	255	-1	0	0	0	-1	254
Non-financial corporations	3,123	724	87	1	3,934	-14	-28	-26	0	-68	3,866
Households	800	73	13	0	886	-4	-2	-5	0	-11	875
Total	4,405	806	119	1	5,331	-20	-31	-32	0	-83	5,248

For information about development of credit loss allowances refer to [Note 39 Development of credit loss allowances](#).

OPERATING LEASES

Under operating leases, Erste Group leases both real estate and movable property to other parties.

Maturity analysis of lease payments from operating leases

in EUR million	Dec 24	Dec 25
< 1 year	167	160
1-2 years	151	145
2-3 years	145	143
3-4 years	147	141
4-5 years	149	131
> 5 years	147	378
Total	905	1,098

During 2025, Erste Group recognised income relating to variable lease payments in the amount of EUR 2 million (2024: EUR 3 million). For information about rental income please refer to [Note 7 Rental income from investment properties and other operating leases](#).

51. Leases where the Group is a lessee

Under IFRS 16, Erste Group as a lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The right-of-use asset is depreciated to the earlier of the end of its useful life or the end of the lease term. Erste Group uses the straight-line method of depreciation. The right-of-use assets are presented on the balance sheet as part of 'Property and equipment' or, if they are sub-leased to third parties, for operating leases as part of 'Investment properties' and for finance leases as a 'Finance lease receivable'.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments also include the exercise price under a purchase option and consider lease payments in an optional renewal period if Erste Group is reasonably certain to exercise the options. Extension and termination options are included in a number of real estate leases across Erste Group. The use of extension and termination options gives Erste Group added flexibility in case more suitable premises in terms of costs and/or location are identified or in case it is considered favourable to remain in a location beyond the original lease term.

When determining the present value of lease payment Erste Group typically uses the incremental borrowing rate as the discount rate. For movables it consists of EURIBOR as a base rate, adjusted by a surcharge based on the entity's rating, the amount of funds borrowed, the term of the lease and the collateral provided. The determination of the incremental borrowing rate for property leases is based on two components, the market rate and the single property rate. The market rate considers the lease term, creditworthiness and the base rate EURIBOR and is derived from existing bank data. The single property rate represents a surcharge to the market rate based on the quality of the single property. On the balance sheet the lease liabilities are presented in the line item 'Lease liabilities'.

Erste Group primarily rents real estates such as buildings and land for headquarters, branches and parking lots. In addition, movables such as IT equipment and ATMs are rented for business operations.

Rights of use assets

in EUR million	Land and buildings	Property and equipment
Dec 25		
Carrying amount	532	553
Additions	114	122
Depreciation	-89	-96
Dec 24		
Carrying amount	501	537
Additions	97	116
Depreciation	-91	-97

Maturity analysis of lease liabilities based on undiscounted cash flows

in EUR million	Dec 24	Dec 25
< 1 year	103	115
1-5 years	342	357
> 5 years	362	364
Total	807	836

During 2025, interest expenses on lease liabilities were recognised in the amount of EUR 14 million (2024: EUR 13 million). In addition, expenses in the amount of EUR 4 million (2024: EUR 4 million) relating to short term leases and expenses amounting to EUR 6 million (2024: EUR 7 million) relating to leases of low value items, for which the recognition exemption of IFRS 16 applies, were recognised. Gains arising from sale and leaseback transactions in the amount of EUR 2 million (2024: EUR 5 million) were recognised. During 2025, income from subleasing right-of-use assets was recognised in the amount of EUR 1 million (2024: EUR 2 million). Total cash outflow for leases in 2025 was EUR 116 million (2024: EUR 111 million).

Accruals, provisions, contingent liabilities and legal proceedings

52. Other liabilities

in EUR million	Dec 24	Dec 25
Deferred income	124	128
Sundry liabilities	2,534	2,577
Other liabilities	2,658	2,706

Deferred income outstanding at 31 December 2025 includes 'contract liabilities' in accordance with IFRS 15 in amount of EUR 111 million (2024: EUR 110 million). Revenue recognised in the reporting year 2025 that was included in the contract liability balance at the beginning of the period amounts to EUR 80 million (2024: EUR 47 million).

The item 'Sundry liabilities' mainly contains outstanding settlement liabilities as well as other liabilities from employee benefits.

53. Provisions

Provisions are liabilities with uncertain timing or amount. The balance sheet line item 'Provisions' includes:

- _ provisions for defined employee benefit plans recognised based on requirements of IAS 19
- _ provisions for expected credit losses from loan commitments and financial guarantees recognised based on requirements of IFRS 9; and
- _ remaining classes of provisions recognised in accordance with IAS 37 such as provisions or litigation, restructuring, commitments and guarantees not in scope of IFRS 9.

MATERIAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND ESTIMATES

Recognition of provisions requires judgement with respect to whether Erste Group has a present obligation as a result of a past event and whether it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Furthermore, estimates are necessary with respect to the amount and timing of future cash flows when determining the amount of provisions. Further details on provisions for off-balance credit risk exposures are explained in [Note 35 Credit risk exposure](#) and [39 Development of credit loss allowances](#). Legal proceedings that do not meet the criteria for recognition of provisions are described in [Note 54 Contingent liabilities](#).

Following classes of provision can be distinguished in the business of Erste Group:

in EUR million	Dec 24	Dec 25
Defined employee benefit plans	746	657
Loan commitments and financial guarantees given in scope of IFRS 9	474	435
Pending legal issues and tax litigation	258	196
Commitments and guarantees given out of scope of IFRS 9	12	6
Other provisions	136	121
Provisions	1,626	1,416

DEFINED EMPLOYEE BENEFIT PLANS

Defined employee benefit plans operated by Erste Group are for pensions, severance and jubilee benefits. They largely relate to plans operated in Austria which are described below. In addition, there are defined employee benefit plans for foreign subsidiaries in Romania, Croatia, Serbia and Slovakia and the New York branch.

In Austria, the defined benefit pension plans relate largely to retired employees before 2000. The pension obligations for current employees or those who retired after 2000 were transferred to external pension funds.

Employees of Austrian entities who started their employment before 1 January 2003, are entitled to receive a severance payment if their employment is terminated by the employer or if they retire. The amount depends on the number of years of service and the

employee's salary at termination of the employment. For other employees a contribution-based system is provided. The contributions to external employee pension funds are recognised as expenses.

Jubilee provisions are special one-off payments stipulated in the collective agreement which are dependent on remuneration and duration of service. Eligibility is conditioned on a certain minimum duration of the employment.

From IAS 19 categorisation perspective, pension and severance benefits qualify as post-employment defined benefits plans whereas jubilee benefits are other long-term employee benefits.

Obligations ensuing from defined employee benefit plans are determined using the projected unit credit method. The calculation involves actuarial assumptions which are further discussed below.

The liability recognised under a defined benefit plan represents the present value of the defined benefit obligation less the fair value of the plan assets available for the direct settlement of obligations. The resulting defined benefit liability is reported on the balance sheet under the line item 'Provisions'. At Erste Group, the plan assets consist of qualifying insurance policies purchased to back severance and jubilee benefit provisions. Plan assets for pension provision are held by a long-term employee benefit fund.

Remeasurements consist of actuarial gains and losses on the defined benefit obligations and the return on plan assets. Remeasurements of pension and severance defined benefit plans are recognised as accumulated OCI in equity specifically under 'Remeasurement of defined benefit plans' in the statement of changes in equity. The change for the period is reported as OCI in the statement of comprehensive income in the line 'Remeasurement of defined benefit plans'. Remeasurements of jubilee defined benefit plans are recognised in the statement of income under the line item 'Personnel expenses'.

Long-term employee provisions

in EUR million	Pensions	Severance payments	Jubilee benefits	Total
Present value of long-term employee benefit obligations - Dec 21	720	447	115	1,282
Present value of long-term employee benefit obligations - Dec 22	609	367	98	1,074
Present value of long-term employee benefit obligations - Dec 23	599	375	108	1,082
Settlements/curtailments	1	0	0	1
Service cost	1	9	6	17
Interest cost	19	12	3	35
Payments	-61	-32	-6	-99
Exchange rate difference	3	0	0	3
Actuarial gains/losses recognised in OCI	-9	-3	0	-11
Actuarial gains/losses recognised in PL	0	0	-3	-3
Present value of long-term employee benefit obligations - Dec 24	553	362	108	1,023
Obligations covered by plan assets	31	182	62	275
Obligations covered by provisions	521	180	46	748
Less fair value of plan assets	31	182	62	275
Provisions - Dec 24	521	180	46	748
Present value of long-term employee benefit obligations - Dec 24	553	362	108	1,023
Settlements/curtailments	1	0	0	1
Service cost	1	8	6	16
Interest cost	19	13	4	35
Payments	-58	-34	-7	-100
Exchange rate difference	-5	0	0	-5
Actuarial gains/losses recognised in OCI	-24	-17	0	-41
Actuarial gains/losses recognised in PL	0	0	-11	-11
Present value of long-term employee benefit obligations - Dec 25	487	330	100	917
Obligations covered by plan assets	33	171	56	260
Obligations covered by provisions	454	159	44	657
Less fair value of plan assets	33	171	56	260
Provisions - Dec 25	454	159	44	657

ACTUARIAL ASSUMPTIONS

The cost of the defined benefit pension plan is determined using an actuarial valuation. The actuarial valuation involves making assumptions about interest rates, future pension increases, future salary increases and mortality rates.

For Austrian entities the actuarial calculation of pension obligations is based on the following assumptions:

in %	Dec 24	Dec 25
Interest rate	3.48	3.99
Expected increase in retirement benefits	3.10	3.10

The expected retirement age for each employee was individually calculated on the basis of the changes set out in the Budget Implementation Act of 2003 (Austrian Federal Law Gazette Vol. I No. 71/2003) regarding the increase in the minimum retirement age. The currently applicable legislation on the gradual raising of the retirement age for women to 65 was taken into consideration.

For Austrian entities the actuarial calculation of severance payment and jubilee benefits is based on the following assumptions:

in %	Dec 24	Dec 25
Interest rate	3.48	3.99
Average increase in salary (incl. career trend and collective agreement trend)	4.00	4.00

The interest rate applied for the calculation of the long-term employee provisions is derived from the yield of a portfolio of AA-rated corporate bonds. For this purpose the weighted average yield of the underlying portfolio with a corresponding duration is determined.

For the non-Austrian subsidiaries and branches interest rates between 3.0% (2024: 2.0%) and 6.8% (2024: 6.9%) were used.

Obligations were calculated based on mortality tables entitled 'AVÖ 2018-P – Rechnungsgrundlagen für die Pensionsversicherung' or comparable mortality tables.

The following table presents a sensitivity analysis for each significant actuarial assumptions showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the balance sheet.

in EUR million	Dec 24			Dec 25		
	Pensions	Severance payments	Total	Pensions	Severance payments	Total
Change in discount rate +0.5%	535	345	880	472	316	788
Change in discount rate -0.5%	573	380	953	503	346	849
Change in future salary increases +0.5%	553	380	933	487	346	833
Change in future salary increases -0.5%	553	345	898	487	315	802
Change in future benefit increases +0.5%	584	362	946	513	330	843
Change in future benefit increases -0.5%	523	362	885	462	330	792
Increase in survival rate by approx. 10%	598	362	960	526	330	856

INVESTMENT STRATEGY

Erste Group's severance payments and jubilee payments are partially covered by the fair value of plan assets, while large majority of the defined benefit pension plans are unfunded.

The primary investment strategy of Erste Group is the continuous optimization of plan assets and the effective coverage of existing entitlements. The Group works with professional fund managers for the investment of plan assets. The Investment Fund Act applies as a requirement with respect to specific investment guidelines relating to the investment of plan assets. Additionally, the Investment Committee is responsible for monitoring the mandate guidelines and the investment structure, the supervision, which may arise from regulatory or other legal requirements, as well as the monitoring of demographic changes. It is composed of senior staff in the financial sector and representatives of the S-Versicherung and Erste Asset Management.

Movements in plan assets

in EUR million	Pensions	Severance payments	Jubilee benefits	Total
Fair value of plan assets - Dec 23	30	183	60	273
Addition	0	0	0	0
Interest income on plan assets	2	6	2	9
Contributions by the employer	1	12	6	20
Benefits paid	-1	-19	-6	-27
Return on plan assets recognised in OCI	1	6	0	7
Return on plan assets recognised in PL	0	0	0	0
Fair value of plan assets - Dec 24	31	189	62	283
Addition	0	0	0	0
Interest income on plan assets	2	6	2	10
Contributions by the employer	1	9	2	13
Benefits paid and other	-5	-19	-8	-32
Return on plan assets recognised in OCI	2	-3	0	-1
Return on plan assets recognised in PL	0	0	0	0
Fair value of plan assets - Dec 25	33	183	58	274

In 2026, the expected contributions for the severance and jubilee benefit obligations will amount to EUR 6 million (2025: EUR 6 million). The contributions shown in the table include not only regular contributions but also one-time payments at the end of the year. The total gain on plan assets in 2025 amounted to EUR 9 million (2024: gain EUR 17 million).

Asset allocation in the different asset classes

in EUR million	Dec 24					Dec 25				
	Europe-EMU	Europe-non EMU	USA	Other countries	Total	Europe-EMU	Europe-non EMU	USA	Other countries	Total
Cash and cash equivalents					48					13
Equity instruments	1	1	34	12	49	2	2	40	13	58
Investment-grade bonds										
Government	72	2	0	4	78	34	5	0	5	44
Non-government bonds	19	9	11	10	50	52	20	26	14	112
Non-investment-grade bonds										
Government	0	0	0	6	6	0	0	0	6	6
Non-government bonds	13	5	7	10	35	14	6	5	8	33
Alternatives										
Other	4	3	0	13	19	0	0	0	8	8
Derivatives (market risk)										
Other					0					1
Plan assets					285					274

In the table above, Investment-grade refers to BBB and above. The plan assets shown in the table above include mainly assets that are quoted and traded on active markets.

For the yearly pension payments of the unfunded defined benefit plans and the unfunded part of severance payments Erste Group generally takes care within its asset-liability management strategy covering the funding plan and interest rate risk position of the Group.

Effects of defined post-employment benefit plans in profit or loss and other long-term employee benefits

in EUR million	Dec 24	Dec 25
Settlements/curtailments	-1	-1
Service cost	-17	-16
Net interest	-26	-25
Total	-43	-41

Settlements and curtailments as well as service costs are included in the income statement in the line item 'Personnel expenses'. Net interest includes interest expenses for long-term employee benefits as well as the expected return on plan assets. These are disclosed in the income statement in the line item 'Other similar income' and 'Other similar expense' under 'Net interest income'. As of 31 December 2025, the cumulative amount of remeasurement from defined benefit plans, recognised in other comprehensive income amounted to EUR 716 million before tax (2024: EUR 756 million).

IMPACT ON CASH FLOWS

Benefits expected to be paid by the defined benefit plans in each of the respective periods

in EUR million	Pensions	Severance payments	Total
2026	53	16	69
2027	50	15	65
2028	47	16	63
2029	44	18	62
2030	41	20	61
2031-2035	157	146	303

DURATION

Weighted average duration of the defined benefit obligations

in years	Dec 24	Dec 25
Pensions	6.97	6.56
Severance payments	9.89	9.35
Total	8.12	7.69

The weighted average duration is affected by changes in longevity and in the mortality table.

LOAN COMMITMENTS AND FINANCIAL GUARANTEES GIVEN IN SCOPE OF IFRS 9

In the ordinary course of business, Erste Group provides financial guarantees, consisting of various types of letters of credit and guarantees. A financial guarantee is a contract that requires the guarantor to make specified payments to reimburse the holder for a loss it incurs in case a specified debtor fails to make a payment when due in accordance with the original or modified terms of a debt instrument.

For financial guarantees provisions are recognised based on the expected credit loss impairment model if the amount is higher than the unamortised balance of the initial premium.

Loan commitments are firm commitments to provide credit under prespecified terms and conditions. Loan commitments are generally not recognised in the balance sheet before they are drawn. If it is probable that the bank will enter into the loan agreement loan commitment fees received are deferred and adjust the effective interest rate of the loan when the commitment is drawn. Loan commitments result in recognition of provisions based on the expected credit loss impairment model.

Expenses or income related to provisions for loan commitments and financial guarantees are reported in the statement of income under the line item 'Impairment result from financial instruments'.

For information about development of credit loss allowances for provision for financial guarantees and loan commitments refer to *Note 39 Development of credit loss allowances*, part 'Loan commitments and financial guarantees': table '*Movement in credit loss allowances – loan commitments and financial guarantees*'.

PROVISIONS RECOGNISED IN ACCORDANCE WITH IAS 37

Expenses or income related to provisions which are in scope of IAS 37 are reported in the statement of income under the line item 'Other operating result'.

Following table provides the information about the development of the IAS 37 provisions

in EUR million	As of	Allocations	Use	Releases	Unwind of discount	Exchange rate and other changes	As of
	Jan 25						Dec 25
Pending legal issues and tax litigation	258	85	-20	-129	1	1	196
Commitments and guarantees given out of scope of IFRS9	12	6	0	-12	0	0	6
Other provisions	136	6	-8	-14	2	1	121
Provisions	406	97	-28	-155	2	2	324
	Jan 24						Dec 24
Pending legal issues and tax litigation	289	32	-15	-44	0	-3	258
Commitments and guarantees given out of scope of IFRS9	24	13	0	-25	0	0	12
Other provisions	71	108	-30	-4	1	-11	136
Provisions	384	154	-44	-74	1	-14	406

Under position 'Pending legal issues and tax litigation' provisions related to litigations from lending business, asset management or litigations related to customer protection topics, which normally occur in banking business, are disclosed. In 2025, a partial release of provisions for risks related to Romanian Consumer Protection Claims Act was recognised in the income statement in the amount of EUR 42 million (2024: allocation of EUR 1 million). The total amount of the provision as of 31 December 2025 was EUR 23 million (2024: EUR 66 million).

With respect to the business activities of the Romanian building society subsidiary BCR Banca pentru Locuinte SA (BPL) the recognition of a penalty (in relation to whether state subsidies had been disbursed to building society's clients in accordance with the applicable legal provisions) amounting in total to EUR 78 million was derecognized in autumn 2025 following favorable court ruling. Consequently, no liability will remain recognised at year-end 2025 (2024: EUR 78 million).

In Croatia, the Supreme Court, in a proceeding initiated by a local consumer protection association against several credit institutions ('Collective Case'), among them Erste Bank Croatia ('EBC'), declared in 2015 that Swiss Franc (CHF) clauses in loan agreements with consumers are valid, but contractual provisions permitting unilateral change of the variable interest rates in CHF denominated consumer loans, used by the majority of credit institutions until 2008, are null and void. In 2016, the Croatian Constitutional Court rescinded the part of the Supreme Court of Croatia decision relating to the validity of CHF clauses. After the case had been returned for a retrial with respect to the CHF clause to the court of second instance, such court delivered its decision in 2018, declaring in essence the nullification of the CHF currency clause, holding that collective and individual consumer rights were breached.

In the course of the aforementioned pending Collective Case, EBC was forced to offer a statutory conversion in 2015, allowing clients to convert their CHF denominated loans to EUR denominated loans based on respective conversion agreements. A certain number of CHF denominated loans concluded between 2004 and 2008 are subject of individual court proceedings initiated by clients arguing to be entitled to restitution on the account of partial nullity of their initial loan agreement although the conversion was conducted. A final legal standing on the issue of restitution claims for converted loans is currently under consideration on the level of the Supreme Court. Due to the uncertainty on the final legal standing and the continuous non-uniform judicial practice of courts in Croatia in regards to converted loans, respective provisions for individual cases were adjusted accordingly.

In July 2024, the Federal Fiscal Court raised the question whether Art 6 sec 1 subsec 28 (2nd sentence) Austrian VAT Act constitutes state aid pursuant to Article 107 (1) of the Treaty on the Functioning of the European Union (TFEU) to the ECJ in proceedings brought by an Austrian bank. A decision can be expected in around one to two years. From today's perspective, Erste believes there is a high probability that the ECJ will affirm the existence of state aid in its decision. The calculation of the provision is based on a best estimate. In 2024, a provision amounting to EUR 102 million was recognized. The 2025 remeasurement did not result in any material change.

54. Contingent liabilities

To meet the financial needs of customers, the bank enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the balance sheet, they do involve credit risk and are therefore part of the overall risk of the Bank (see [Note 35 Credit risk exposure](#) and [39 Development of Credit loss allowances](#)).

Legal proceedings

Erste Group Bank AG and some of its subsidiaries are involved in legal disputes, most of which have arisen in the course of ordinary banking business. These proceedings are not expected to have a significant negative impact on the financial position or profitability of Erste Group or Erste Group Bank AG. Erste Group is also subject to the following ongoing proceedings, some of which, if adversely adjudicated, may have a significant impact on the financial position or profitability of Erste Group or Erste Group Bank AG. Any possible financial impacts of these proceedings are not disclosed, as neither the duration nor the outcome can be reliably estimated and to avoid influencing the outcome of the various proceedings.

CONSUMER PROTECTION CLAIMS

Several subsidiaries of Erste Group have been named in their respective jurisdictions as defendants in a number of lawsuits and in regulatory proceedings, filed by individual customers, regulatory authorities or consumer protection agencies and associations. Some of the lawsuits are class actions. The proceedings mainly relate to allegations that certain contractual provisions, particularly in respect of consumer loans, violate mandatory consumer protection laws and regulations and principles of general civil law and that certain fees or parts of interest payments charged to customers in the past must be repaid. The allegations relate to the enforceability of certain fees as well as to contractual provisions for the adjustment of interest rates and currencies. In some jurisdictions, the legal risks in connection with loans granted in the past are also increased by the enactment of politically-motivated laws impacting existing lending relationships, which may result in repayment obligations towards customers. The following consumer protection issues are deemed noteworthy.

In Romania, BCR is - aside from being a defendant in a number of individual lawsuits initiated by consumers regarding alleged violations of applicable consumer protection laws - among several local credit institutions pursued by the consumer protection authority for allegedly abusive clauses pertaining to pre-2010 lending practices. In connection therewith, BCR is currently a defendant in an individual litigation claim filed by the local consumer protection authority on behalf of or several borrowers. The court proceeding is still pending. A potential adverse judgment on the validity of certain contractual clauses may have an impact of invalidating such clauses also in other similar agreements concluded by BCR with other consumers.

CSAS MINORITY SHAREHOLDERS CLAIMS

Following the completion of a squeeze-out procedure in CSAS resulting in Erste Group Bank AG becoming the sole shareholder of CSAS, some former minority shareholders of CSAS filed legal actions with the courts in Prague against Erste Group Bank AG. In that proceedings the plaintiffs allege in essence that the share price of 1,328 CZK (then approx. EUR 51 per share) paid by Erste Group Bank AG in the squeeze-out of the CSAS minority shareholders in 2018 was unfair and too low and should be increased. In case the courts find there should be an increase, this would affect all minority shareholders squeezed-out. In the squeeze-out performed in 2018 Erste Group Bank AG acquired a total of 1.03% of minority shares for a consideration of approx. EUR 80 million. Erste Group Bank AG views that the purchase price, established by a valuation done by professional external experts and in the course of the ongoing proceeding supported by another external expert valuation appointed by Erste Group Bank AG, was correct and fair. The competent first instance court in Prague confirmed the view of Erste Group Bank AG of having paid a fair and correct share price to the former minority shareholders and ruled against the plaintiffs in its first instance judgement, rejecting their claims for an increase of the share price being paid out. The judgement was appealed by several plaintiffs. The appellate proceeding is still pending.

Capital instruments, equity and reserves

55. Total equity

in EUR million	Dec 24	Dec 25
Subscribed capital	821	821
Additional paid-in capital	1,516	1,516
Retained earnings and other reserves	18,110	20,481
Owners of the parent	20,447	22,819
Additional equity instruments	2,688	3,479
Non-controlling interests	7,633	8,367
Total	30,767	34,665

As of 31 December 2025, subscribed capital (also known as registered capital) consists of 410,514,384 (2024: 410,514,384) voting bearer shares (ordinary shares). The pro rata amount of registered capital, per no-par value share, was EUR 2.00. Additional paid-in capital (or share premium) represents the amount by which the issue price of the shares exceeded their par value. Retained earnings and other reserves represent accumulated net profit brought forward, as well as income and expenses recognised in other comprehensive income.

SHARE BUYBACK PROGRAM

There was no share buyback program in the course of 2025.

At the Annual General Meeting of Erste Group on 22 May 2024, the Management Board was authorized, with the approval of the Supervisory Board, to repurchase own shares up to 10% of the share capital within a period of 30 months and to cancel own shares pursuant to section 65 (1) 8 in conjunction with section 192 of the Austrian Stock Corporation Act. After approval by the ECB on 4 June 2024, the Management Board and Supervisory Board of Erste Group decided to launch a share buyback program with a volume of up to EUR 500 million. The share buyback program was carried out by a bank commissioned by Erste Group. The program started on 28 June 2024 and was completed on 28 November 2024. 10,398,524 shares and 2.47% of the share capital have been redeemed.

Capital decrease was entered in the commercial register during 2024.

ADDITIONAL EQUITY INSTRUMENTS

In addition, Erste Group Bank AG issued additional tier 1 capital (AT1 bonds). AT1 bonds are unsecured and subordinated bonds. AT1 bonds are perpetual and can be called by the issuer at predetermined dates. The bonds include discretionary non-cumulative coupon payments. Due to these features, they are classified as equity under IFRS.

AT1 bonds issued

Nominal value	Currency	Issue	Initial fixed rate	Reset rate after the first call date	Coupon payments	First and subsequent call dates
500 million	EUR	January 2020	3.375%	5Y swap +3.433%	Semi-annually on 15th April and 15th October	15.04.2027 + coupon dates thereafter 15.10.2027 + daily until 18.04.2028
750 million	EUR	November 2020	4.25%	5Y swap +4.646%	Semi-annually on 15th April and 15th October	+ subsequent coupon dates thereafter 16.10.2028 + monthly on 15th until coupon payment
500 million	EUR	September 2023	8.50%	5Y swap +5.463%	Semi-annually on 15th April and 15th October	+ subsequent coupon dates thereafter 15.04.2031
750 million	EUR	May 2024	7.00%	5Y swap +4.646%	Semi-annually on 15th April and 15th October	+ coupon dates thereafter 15.10.2032
1 billion	EUR	May 2025	6.375%	5Y swap +4.008%	Semi-annually on 15th April and 15th October	+ coupon dates thereafter

If common equity tier 1 ratio of Erste Group or Erste Group Bank AG falls below 5.125% (i.e. a trigger event occurs) the principal amount will be written down (fully or partially) on a temporary basis. The issuer may, at its sole discretion, write up the amount (fully or partially) provided a positive profit has been recorded and the trigger event no longer exists.

In 2025 the bank issued a new AT1 bond in the amount of EUR 1 billion and redeemed a 2019 issuance.

DISTRIBUTIONS ON OWN EQUITY INSTRUMENTS

Distributions on own equity instruments are recognised as a liability and deducted from equity when their payment is confirmed. For dividends on common shares the decision is taken by the Annual General Meeting. For coupons on additional tier 1 instruments the payouts do not need approvals but an event of non-payment would require a decision of Erste Group Bank AG Board.

Changes in number of outstanding shares

	Dec 24	Dec 25
Shares outstanding as of 1 January	399,294,699	388,126,224
Acquisition of treasury shares	-14,698,790	-2,746,469
Disposal of treasury shares	14,678,790	3,026,469
Capital increase/Capital decrease	-11,148,475	0
Shares outstanding as of 31 December	388,126,224	388,406,224
Treasury shares	22,388,160	22,108,160
Number of shares issued as of 31 December	410,514,384	410,514,384
Weighted average undiluted number of outstanding shares	415,854,514	408,949,788
Weighted average diluted number of outstanding shares	416,176,925	409,244,552

In addition to the calculation of the annual average number of shares outstanding by incorporation of acquisitions and disposals of treasury shares during the year, the line items 'weighted average number of outstanding shares' and 'weighted average diluted number of outstanding shares' consider a proportionate allocation of the treasury shares held by non-controlling interests.

TREASURY SHARES AND CONTRACTS ON TREASURY SHARES

Equity instruments of Erste Group that it or any of its subsidiaries acquire (referred to as treasury shares) are deducted from equity.

TRANSACTIONS AND SHARES HELD BY THE MANAGEMENT BOARD AND SUPERVISORY BOARD

The shares of Management- and Supervisory Board member, whose office term began or ended during the financial year, held as at the date of inception or termination of their term in office were recognised as additions or disposals.

Shares and related dividends held by Management Board

Managing Board member	Dec 24	Additions	Disposals	Dec 25	Dividends received in 2025 (in EUR)
Peter Bosek (Chairman)	10,351	1,097	0	11,448	34,344
Ingo Bleier	11,574	3,638	0	15,212	45,636
Stefan Dörfler	15,215	3,695	0	18,910	56,559
Alexandra Habeler-Drabek	11,922	3,583	0	15,505	46,515
Maurizio Poletto	8,187	3,583	0	11,770	35,310

Shares and related dividends held by Supervisory Board

Supervisory Board member	Dec 24	Additions	Disposals	Dec 25	Dividends received in 2025 (in EUR)
Christine Catasta	0	0	0	0	0
Henrietta Egerth-Stadlhuber	0	0	0	0	0
Alois Flatz	0	0	0	0	0
Martin Grießer	222	29	0	251	666
Markus Haag	426	24	0	450	1,278
Gottfried Haber (since 21.05.2025)	0	0	0	0	0
Regina Haberhauer	396	24	0	420	1,188
Jakob Hofstädter	701	63	0	764	2,103
Marion Khüny	0	0	0	0	0
Mariana Kühnel (until 24.03.2025)	0	0	0	0	0
Caroline Kuhnert	0	0	0	0	0
Elisabeth Krainer-Senger-Weiss	1,592	3,183	0	4,775	14,325
Barbara Pichler	742	39	0	781	2,226
Friedrich Rödler (until 21.05.2025)	3,802	0	3,802	0	11,406
Friedrich Santner	0	0	0	0	0
Michael Schuster	30	0	0	30	90
Walter Schuster	0	0	0	0	0
Gabriele Semmelrock-Werzer (since 21.05.2025)	0	42	0	42	126
Christiane Tusek	0	0	0	0	0
Karin Zeisel	122	29	0	151	366

For further details on shares held by Supervisory Board refer to the published 'Director's Dealings' of Erste Group Bank AG.

As of 31 December 2025, Supervisory Board members did not receive any Erste Group Bank AG shares or options for such shares as part of their remuneration. Persons related to members of the Management Board or Supervisory Board held 1,696 shares (2024: 1,690 shares) of Erste Group Bank AG.

REMAINING AUTHORISED AND CONTINGENT CAPITAL AS OF 31 DECEMBER 2025

Clause 5 of the articles of association authorises the Management Board to increase the registered capital with the consent of the Supervisory Board until 18 May 2027 – also in several tranches – by an amount of up to EUR 343,600,000 by issuing up to 171,800,000 voting no-par value bearer shares in return for contributions in cash and/or in kind, with the issue price and the issuing conditions being determined by the Management Board with the consent of the Supervisory Board. Furthermore, the Management Board is authorized to fully or partly exclude the statutory subscription right of the shareholders with the consent of the Supervisory Board if the capital increase is in return for contributions in kind or if the capital increase is in return for cash and the pro rata amount of the share capital attributable to the shares issued under exclusion of subscription rights in both cases (section 5.1.1 capital increase against contribution in kind and section 5.1.2 capital increase against cash contribution) does not exceed EUR 85,960,000.

The measures in sections 5.1.1 (capital increase against contribution in kind) to 5.1.2 (capital increase against cash contribution) can also be combined. The aggregate pro rata amount of registered capital represented by new shares in respect of which the shareholders' subscription rights are excluded under this authorization in section 5.1 (authorized capital), together with the pro rata amount of registered capital attributable to new shares which serve to fulfil subscription rights, conversion rights and conversion obligations arising from convertible bonds issued with the exclusion of subscription rights from 18 May 2022 onwards pursuant to section 8.3 and which are issued from conditional capital pursuant to section 6.3 to satisfy share options of employees, senior employees and members of the Management Board of the Company or of a group company, must not exceed the proportionate amount of 10% of the share capital in total.

Clause 6.3 of the articles of association states that conditional capital based on the resolutions of the Management Board in 2002 and 2010 (both approved by the Supervisory Board) with a nominal value of EUR 21,923,264 persists that can be consumed by issuing up to 10,961,632 ordinary bearer shares or ordinary registered shares (ordinary share) with an issue price of at least EUR 2.00 per share against cash contribution and by excluding the subscription rights of the current shareholders. This conditional capital is used for granting options to staff, management and members of the Management Board of the entity of one of its related undertakings.

Under clause 6.4 of the articles of association, the company has conditional capital of EUR 124,700,000.00 available, which may be utilized by issuing up to 62,350,000 pieces bearer shares. This conditional capital can be used for granting conversion or

subscription rights to holders of convertible bonds. In case the terms and conditions of the convertible bonds provide for a mandatory conversion, it shall also serve to cover the mandatory conversion. The issue price and exchange ratio shall be determined pursuant to a recognised pricing method on the basis of accepted finance-mathematical methods and the share price of the company.

According to clause 7 of the articles of association, currently no authorized conditional capital exists.

56. Non-controlling interest

in EUR million	Haftungsverbund Savings Banks, thereof:			
	Total	Sparkasse Oberösterreich	Sparkasse Steiermark	Sparkasse Kärnten
Dec 25				
Country of incorporation	Austria	Austria	Austria	Austria
Place of business	Austria	Austria	Austria	Austria
Main business activity	Banking	Banking	Banking	Banking
Ownership% held by NCI	50,1%-100%	90%	75%	75%
Reporting currency	EUR	EUR	EUR	EUR
Dividends paid to equity holders of the parent	77	18	22	16
Net result attributable to non-controlling interests	640	73	172	31
Accumulated NCI	7,466	974	2,003	285
Subsidiary-level stand-alone key financial information				
Current assets	26,742	5,671	6,001	1,512
Non-current assets	67,195	10,185	14,286	4,073
Current liabilities	69,983	11,386	15,894	4,844
Non-current liabilities	12,245	3,176	1,232	172
Operating income	2,868	403	788	171
Profit or loss from continuing operations	996	91	406	49
Total comprehensive income	1,951	145	563	112
Dec 24				
Country of incorporation	Austria	Austria	Austria	Austria
Place of business	Austria	Austria	Austria	Austria
Main business activity	Banking	Banking	Banking	Banking
Ownership% held by NCI	50,1%-100%	90%	75%	75%
Reporting currency	EUR	EUR	EUR	EUR
Dividends paid to equity holders of the parent	106	48	19	18
Net result attributable to non-controlling interests	694	73	192	25
Accumulated NCI	6,750	893	1,727	266
Subsidiary-level stand-alone key financial information				
Current assets	26,056	6,028	6,051	1,390
Non-current assets	62,248	9,527	13,156	3,808
Current liabilities	66,518	11,489	14,803	4,513
Non-current liabilities	11,951	2,901	1,777	207
Operating income	2,592	345	677	144
Profit or loss from continuing operations	974	81	367	31
Total comprehensive income	1,461	118	417	71

Scope of consolidation

The IFRS scope of consolidation of Erste Group as of 31 December 2025 comprises 281 companies including Erste Group Bank AG as the parent company (31 December 2024: 299). These comprise a total of 49 entities, which are members of the Haftungsverbund (cross-guarantee system) of the Austrian savings bank sector. Alongside Erste Group Bank AG, local savings banks, Bausparkasse der österreichischen Sparkassen Aktiengesellschaft, Erste Bank der oesterreichischen Sparkassen AG and Zweite Wiener Vereins-Sparcasse are members of the Haftungsverbund (cross-guarantee system). The scope of consolidation also includes 'ex-ante fund' IPS GesbR which can be used solely for the purpose to cover loss events of members of the cross-guarantee system. It was established in 2014 and the members are required to pay into the fund until 31 December 2031.

57. Scope of consolidation - additions and disposals

ADDITIONS 2026

These disclosures are provided based on requirements of IFRS 3.B66 which mandates information on business combinations for which the acquisition date occurs after the end of the reporting period but before the financial statements are authorised for issue.

Acquisition of Santander Bank Polska S.A. and subsidiaries

In May 2025, Erste Group Bank AG and Banco Santander S.A. entered into an agreement under which Erste Group acquired a 49% stake in Santander Bank Polska Group S.A. ('Santander Bank Polska'), a publicly listed universal bank operating in Poland, and a 50% stake in Santander Towarzystwo Funduszy Inwestycyjnych S.A. ('Santander TFI'), an asset management company. The transaction was closed on 9 January 2026, the acquisition date, when Erste Group obtained control of the companies. At the extraordinary general assembly of Santander Bank Polska held on 22 January 2026, a resolution to rename Santander Bank Polska to 'Erste Bank Polska S.A.' was unanimously approved. The rebranding will also apply to Santander Bank Polska group companies that have 'Santander' in their name.

The acquisition of Santander Bank Polska is consistent with Erste Group's strategic objective of strengthening its presence in Central and Eastern Europe and expanding its retail and corporate banking operations in Poland, one of the largest and fastest-growing banking markets in the EU. The business combination provides the Group with access to a well-diversified customer base, a strong distribution network and a scalable operational platform. Santander Bank Polska is the third-largest bank in Poland by assets, with market share of 8% (based on transaction perimeter as of December 2024), and is also one of the most profitable banks in the country. It offers a full range of commercial banking products to retail, SME and corporate clients. Santander TFI is an asset management company with EUR 6 billion in assets under management as of December 2024.

Erste Group considers that the 49.00% stake in Santander Bank Polska constitutes a controlling interest, despite not representing a majority of the voting rights. Currently Banco Santander S.A. holds 9.70%, Allianz Polska Otwarty Fundusz Emerytalny 5.23% and Nationale-Nederlanden OFE 5.01% of the share capital in Santander Bank Polska. The remaining 31.06% of the share capital is in free float. There are around 100 institutional investors each holding less than a 0.5% stake. The remaining free float is held by individual investors. There is no information regarding voting agreements among the shareholders. Over the last five years the participation rate at general meetings of Santander Bank Polska was stable between 82% to 86%. The critical participation rate at which shareholders, acting in a mutual agreement, could theoretically outvote Erste Group exceeds 98%. As a result, Erste Group concludes that due to the wide dispersion of shareholdings of the other vote holders it exercises control over Santander Bank Polska.

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

The transaction will be accounted for as a business combination using the acquisition method under IFRS 3.

Consideration transferred

The consideration amounts to EUR 7,035 million paid in cash. No equity-settled consideration arrangements exist. The amount consists of EUR 6,844 million paid for Santander Bank Polska and EUR 171 million paid for Santander TFI. The remaining EUR 20 million relates to post-tax effect of the acquisition price increase in connection with the sale of shares in Santander Consumer Bank S.A. (subsidiary of Santander Bank Polska) held by Santander Bank Polska S.A. prior to the finalisation of the transaction. The consideration of EUR 20 million will be paid in cash in the first quarter of 2026 in accordance with the contract, while the remaining consideration of EUR 7,015 million was paid on the acquisition date.

Acquisition related costs

The Group incurred acquisition-related costs of EUR 38 million relating to external legal fees, advisory and due diligence costs. These costs will be included in 'administrative expenses' in the consolidated statement of income.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition measured based on the IFRS 3 requirements.

in EUR million	Carrying Amount	IFRS 3 adjustment	IFRS 3 measurement
Cash and cash balances	3,240	0	3,240
Financial assets held for trading	4,236	0	4,236
Financial assets at fair value through other comprehensive income	9,066	0	9,066
Debt securities at amortised cost	11,880	277	12,158
Loans and advances to banks at amortised cost	3,740	0	3,740
Loans and advances to customer at amortised cost	33,549	266	33,815
Finance lease receivables	2,546	15	2,560
Hedge accounting derivatives	479	0	479
Property and equipment	309	0	309
Intangible assets	633	-369	264
Customer relationship	0	2,170	2,170
Investments in associates and joint ventures	234	97	332
Deferred tax assets	158	-158	0
Other assets	2,834	3	2,837
Total assets	72,906	2,301	75,206
Financial liabilities held for trading	2,925	0	2,925
Deposits from banks at amortised cost	675	0	675
Deposits from customers at amortised cost	55,059	0	55,059
Debt securities issued at amortised cost	3,813	0	3,813
Lease liabilities	92	0	92
Hedge accounting derivatives	46	0	46
Provisions	579	331	909
Deferred tax liability	0	481	481
Other liabilities	1,317	66	1,383
Total liabilities	64,505	878	65,383

Given that the acquisition date of Santander Bank Polska occurred on 9 January 2026, the amounts are provisional, as Erste Group has not yet finalised the measurement of certain assets acquired and liabilities assumed. In accordance with the requirements of IFRS 3, Erste Group will finalise the accounting for the acquisition within a maximum of one year from the acquisition date. In particular, based on additional information the valuation of loan portfolios, customer relationships, intangible assets, contingent liabilities and resulting deferred tax balances might be adjusted. Consequently, finalisation of the acquisition accounting may result in changes to the carrying amounts of the assets acquired, liabilities assumed and goodwill.

In accordance with IFRS 3, the assets acquired and the liabilities assumed as part of the purchase price allocation at the acquisition date are generally measured at fair value. In accordance with IFRS 13, for assets and liabilities for which quoted prices in active markets are not available, fair values are determined using valuation techniques that require the use of assumptions and judgments. Absence of quoted market prices is common in the purchase price allocation process. Accordingly, the fair values recognised in the PPA are subject to estimation uncertainty and reflect reasonable estimates based on information available at the acquisition date, rather than precise or directly observable amounts.

The acquired receivables

Loans and advances to banks at AC

in EUR million	Amount
Fair value of the receivables	3,740
Gross contractual amounts receivable	3,740
Contractual cash flows not expected to be collected*	0

Loans and advances to customers at AC

in EUR million	Amount
Fair value of the receivables	33,815
Gross contractual amounts receivable	34,790
Contractual cash flows not expected to be collected*	1,463

Loans and advances to customers at FVOCI

in EUR million	Amount
Fair value of the receivables	749
Gross contractual amounts receivable	783
Contractual cash flows not expected to be collected*	36

Finance lease receivables

in EUR million	Amount
Fair value of the receivables	2,560
Gross contractual amounts receivable	2,562
Contractual cash flows not expected to be collected*	53

Factoring receivables (Other assets)

in EUR million	Amount
Fair value of the receivables	1,977
Gross contractual amounts receivable	2,007
Contractual cash flows not expected to be collected*	34

*Local credit loss allowances are used as a proxy as the calculations are still ongoing

Goodwill

Goodwill arising from the acquisition was measured as follows.

in EUR million	Amount
(i) Consideration transferred*	7,035
(ii) Non-controlling interests measured based on a proportionate share in the recognised amounts of the assets and liabilities of Santander Bank Polska = 51% of (iii)	5,010
(iii) Fair value of identifiable net assets**	9,823
Goodwill = (i) + (ii) – (iii)	2,222

* See part Consideration transferred

** See part Identifiable assets acquired and liabilities assumed

The goodwill recognised in connection with the acquisition primarily reflects:

- anticipated synergies expected to arise from integrating the operations of Santander Bank Polska with those of Erste Group, including operational efficiencies, enhanced distribution capabilities, optimisation of funding and liquidity management, and cost rationalisation;
- the value of assembled workforce and other intangible resources that do not meet the recognition criteria for identifiable intangible assets under IAS 38;
- expected future profitability of the combined entity that cannot be separately recognised as an intangible asset; and
- the strategic benefits derived from expanding Erste Group's footprint in a key EU banking market not otherwise available for separate recognition.

Goodwill is not expected to be tax deductible.

ADDITIONS AND DISPOSALS 2025

Additions and disposals had no material impact on the financial position and performance of the Group.

ADDITIONS AND DISPOSALS 2024

On 11 September 2024 Erste Asset Management GmbH (EAM) has signed a purchase agreement to acquire 100% of Impact Asset Management GmbH (IAM), which was previously majority-owned by Cubic (London) Ltd. IAM is an Investment Management company focused on ESG- and Impact Investing. This acquisition enables EAM to strengthen its existing market position as leading provider of ESG- and sustainable investments and expand the presence on the German market. The transaction was effectuated as of 3 December 2024 with the approval of the financial market authority and the responsible competition authorities.

For the assessment of the purchase price allocation, an external expert opinion has been commissioned. The expert opinion provides a goodwill of EUR 64 million and a customer relationship of EUR 30 million. The goodwill was calculated as the difference between the adjusted net asset and the purchase price allocation and is not tax-deductible. No other significant assets and liabilities were identified during the purchase price allocation.

Assets and liabilities recognized in first consolidation are as follows:

in EUR million	Carrying Amount
Cash and cash balances at central banks	3
Financial assets at fair value through profit or loss	5
Property and equipment	0
Intangible assets – Goodwill	64
Intangible assets – Customer relationships	30
Trade and other receivables	1
Tax assets	0
Other assets	1
Total Assets	104
Other financial liabilities	1
Tax liabilities	7
Other liabilities	2
Total Liabilities	9
Capital	95
Total Equity	95
Total Liabilities and Equity	104

The fair value of the total consideration amounts to EUR 95 million. It consists of the cash purchase price of EUR 91 million and the seller's right to 65% of the distributable annual profit at the time of dividend payment for the fiscal year 2024.

Since the transaction was completed just before 31 December 2024, no contribution from IAM is included in the annual results 2024 of Erste Group. If IAM had been included in Erste Group's consolidated financial statements as of 1 January 2024, the contribution to the operating income would have been EUR 15 million and the contribution to net result for the period would have been EUR 5 million.

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

58. Subsidiaries

A subsidiary is an entity controlled by another entity. All entities directly or indirectly controlled by Erste Group Bank AG are consolidated in the Group financial statements on the basis of their annual accounts as of 31 December 2025 and for the year then ended.

Non-controlling interests represent those portions of total comprehensive income and net assets that are neither directly nor indirectly attributable to the owners of Erste Group Bank AG. Non-controlling interests are presented separately in the consolidated statement of income, in the consolidated statement of comprehensive income and within equity on the consolidated balance sheet.

CONTROL

Assessing the existence of control may require considerable accounting judgements, assumptions and estimates, notably in non-standard situations such as:

- _ power stemming both from voting rights and from contractual arrangements (or mostly from the latter);
- _ exposure to variable returns from the involvement with the investee stemming from on-balance investments and from off-balance commitments or guarantees (or mostly from the latter); or from readily identifiable income streams (e.g. dividends, interest, fees) and from cost savings, economies of scale and/or operational synergies (or mostly from the latter).

In the case of Erste Group, such accounting judgements, assumptions and estimates have been primarily relevant for the assessment of the following cases:

i. The savings bank members of the Austrian cross-guarantee system

Erste Group Bank AG is a member of the Haftungsverbund (cross-guarantee system) of the Austrian savings bank sector. As of the balance sheet date, all Austrian savings banks, in addition to Erste Group Bank AG, Erste Bank der oesterreichischen Sparkassen AG and Bausparkasse der österreichischen Sparkassen Aktiengesellschaft, formed part of this cross-guarantee system. The provisions of the agreement governing the Haftungsverbund are implemented by Haftungsverbund GmbH. Erste Group Bank AG always holds directly and indirectly at least 51% of the voting rights of the steering company. The indirect voting rights are held via Erste Bank der oesterreichischen Sparkassen AG and via other savings banks in which companies of Erste Group hold the majority of voting rights.

Erste Group has also assessed whether it exercises control over those savings banks in the cross-guarantee system, in which the group it forms, holds less than 50% of the voting rights.

From the contractual agreement the following substantive rights related to the savings banks arise, which, through control of Haftungsverbund GmbH, are attributable to Erste Group Bank AG:

- _ participation in the appointment of board members;
- _ approval of budgets including capital decisions;
- _ provision of binding guidelines in the areas of risk and liquidity management as well as internal audit; and
- _ determination of thresholds for capital requirement including the payment of dividends.

Considering the magnitude of Erste Group Bank AG's involvement with the member banks – whether in the form of synergies, investments, commitments, guarantees, or access to common resources – the Group has significant exposure to the variable returns of each of the members. As Erste Group Bank AG, via its direct and indirect participation in the Haftungsverbund GmbH, is able to affect the variable returns through the rights stipulated in the contractual agreement, Erste Group Bank AG exercises control over the savings banks.

ii. Investment funds under own management

The Group has assessed whether the investment funds it manages through its asset management subsidiaries are controlled and hence shall be consolidated. This assessment has been made on the basis that power over such investment funds is generally conferred based on the contractual arrangements appointing an Erste Group subsidiary as fund manager without any substantive removal rights by fund's investors. Furthermore, Erste Group made the conclusive judgement that its exposure to such own-managed funds' variable returns is basically considered as significant if, additionally to the exposure through management fees, Erste Group is also exposed in the form of at least 20% investment in the fund. Furthermore, in its capacity as fund manager, Erste Group is also able to affect the returns of the funds through its power. Following this assessment, investment funds under own management in which Erste Group – directly or through its subsidiaries – has significant unit holdings (i.e. holds at least 20% of the units issued by the fund) are deemed to be controlled and included in the scope of consolidation.

iii. Pension funds under own management

The Group has assessed whether the contractual arrangements appointing an Erste Group subsidiary as pension fund manager (with no substantive removal rights by the fund's participants) are generally expected to confer power over such funds, followed by an assessment of the Group's exposure/rights to the pension fund's variable returns. The relevant legal requirements regulating the activities of such pension funds in their respective jurisdictions were also considered, notably in assessing the significance of the rights to variable returns from management fees, as well as of the exposure to losses from any guarantees that the fund manager may be legally bound to. As a result of this review, the Czech pension fund 'Transformovaný fond penzijního připojištění se státním příspěvkem Česká spořitelna – penzijní společnost, a.s.' (the 'Transformed pension fund') is not consolidated. There are no further cases of application in Erste Group.

59. Investments in associates and joint ventures

In the case of Erste Group, all equity method investments are direct or indirect investments in associates and joint ventures over which the Group exercises significant influence or joint control stemming from voting power greater than 20% up to 50%.

Carrying amounts of at equity measured entities

in EUR million	Dec 24	Dec 25
Credit institutions	47	78
Financial institutions	120	168
Others	114	218
Total	280	465

Aggregated financial information of at equity measured entities

in EUR million	Dec 24	Dec 25
Total assets	5,591	7,035
Total liabilities	4,619	5,415
Income	745	1,271
Profit/loss	73	409

None of Erste Group's investments accounted for using the equity method published price quotations.

Selected equity method investments where the Erste Group has strategic interest

in EUR million	Dec 24			Dec 25		
	Global Payments s.r.o.	Prvá stavebná	VBV - Betriebliche Altersvorsorge AG	Global Payments s.r.o.	Prvá stavebná	VBV - Betriebliche Altersvorsorge AG
Country of Incorporation	Czechia	Slovakia	Austria	Czechia	Slovakia	Austria
Place of business	Czechia	Slovakia	Austria	Czechia	Slovakia	Austria
Main business activity	Payment services	Financing building society	Insurance	Payment services	Financing building society	Insurance
Ownership held %	49%	35%	32%	49%	35%	32%
Voting rights held %	49%	35%	29%	49%	35%	29%
IFRS Classification (JV/A)	Associate	Associate	Associate	Associate	Associate	Associate
Reporting currency	CZK	EUR	EUR	CZK	EUR	EUR
Investee's financial information for the reporting year						
Cash and cash balances	52	1	0	32	1	40
Other current assets	112	107	46	113	133	67
Non-current assets	127	2,906	48	240	2,758	486
Current liabilities	121	2,341	0	131	2,216	0
Non-current liabilities	18	351	27	19	341	209
Operating Income	90	72	18	100	80	12
Post-tax result from continuing operations	19	12	-5	23	18	327
Total comprehensive income	19	12	-5	23	18	327
Depreciation and amortization	-9	-7	0	-10	-7	-2
Interest income	1	104	18	1	106	12
Interest expense	-3	-42	0	-3	-38	0
Tax expense/income	-2	-8	0	0	-6	-5
Reconciliation of investee's net assets against equity investment's carrying amount						
Net assets attributable to Erste Group	74	113	21	115	117	125
Accumulated impairment	0	-69	0	0	-41	0
Carrying amount	74	44	21	115	76	125

The classification of current and non-current financial assets and liabilities is based on the expected remaining maturities of assets and liabilities.

In 2025 a reversal of the impairment of the carrying amount of Prvá stavebná was recognized in the amount of EUR 27 million (2024: impairment of EUR 1 million).

Aggregated financial information of other equity method investments

in EUR million	Dec 24		Dec 25	
	Associates	Joint Ventures	Associates	Joint Ventures
Total comprehensive income	8	22	36	6
Carrying amount	89	38	110	38

60. Unconsolidated structured entities

INTERESTS IN STRUCTURED ENTITIES

Assessing which entities are structured entities and which involvements in such entities are interests, may require considerable accounting judgements and assumptions. In the case of Erste Group, such accounting judgements, assumptions and estimates have been primarily relevant for assessing involvements with investment funds and securitisation vehicles.

For investment funds, Erste Group reached the conclusion that direct Group exposure would typically indicate an interest in these structured entities, irrespective of whether such exposure comes from on-balance financial assets – mostly in the form of units held in such funds, off-balance commitments given or management fees varying in relation to the assets under management (for own-managed funds in general). As described under *Note 58 Subsidiaries* above, own-managed funds where the Group cumulatively holds less than 20% of the related fund units in issue are not consolidated due to lack of control and thus are subject to specific disclosures for unconsolidated structured entities. Erste Group uses following structured entities in the course of its business activity.

INVESTMENT FUNDS

Direct investments in own-managed and third-party-managed investment funds as well as management fees earned for the management of investment funds by subsidiaries of Erste Group are classified as interests in unconsolidated structured entities, if they are not consolidated.

Direct investments in investment funds. Erste Group is invested in several mutual funds as well as in private investment funds which are registered in Austria, Central- and Eastern Europe or other countries. The majority of those funds is managed by subsidiaries of Erste Group, the smaller part of the funds being managed by independent third parties. The investments in funds held by Erste Group do not constitute material investments (basically below 20%) and mostly take the form of redeemable fund unit investments. They are measured at fair value on the Group's balance sheet and are disclosed as debt securities either under line item 'Non-trading financial assets at fair value through profit or loss' or 'Financial assets held for trading'.

Management fees. Moreover, Erste Group earns management fees for providing investment management services as fund manager (by subsidiaries of Erste Group); meaning for making the investment decision for the funds under management of the relevant investment fund.

Beside the management fees for the services as fund manager Erste Group also receives distributions for their investments in fund units. On the other side stand expenses for the administration of investment funds and fees for the business activity of investment funds, especially custodian fees and fees for securities trading transactions. In the normal course of business activity Erste Group enters into derivative transactions with own-managed unconsolidated investment funds. Moreover, own-managed unconsolidated investment funds are also invested - over different time periods - in debt securities issued by or deposits of Erste Group. In restricted cases Erste Group offers capital guarantees for own-managed unconsolidated investment funds.

The magnitude of the Group's equity interests in unconsolidated investment funds may vary in the future depending on the future performance of their respective underlying assets, relevant market circumstances and opportunities, or regulatory requirements.

OTHERS

To a lesser extent, Erste Group is also exposed (notably as lender) to unconsolidated structured entities having other business activities. The respective loans and advances are either measured at amortised cost or at fair value through profit or loss, depending whether they are SPPI-compliant or not. Debt securities include investments in Collateralised Mortgage Obligations as well as securitizations.

MAXIMUM EXPOSURE TO UNCONSOLIDATED STRUCTURED ENTITIES

Erste Group's maximum exposure to losses from its interests in unconsolidated structured entities is equal to the total fair value of its fund units, bond investments, trading derivative assets, provided loans and off-balance sheet commitments and guarantees as of the respective balance sheet date. The maximum exposure corresponds to the carrying amounts after risk provisions as of the balance sheet date. For off-balance sheet loan commitments and guarantees the maximum exposure corresponds to the respective nominal value.

The table below summarises the Group's business relations to unconsolidated structured entities per balance sheet line item, business activity and business location. The summary includes the assets identified as impaired at year-end, as well as related net

impairment losses/gains incurred during the year. The carrying amounts of the exposures summarized below are mostly referring to assets already measured at fair value in the balance sheet of the Group. The carrying amounts of the remaining exposures (notably 'Loans and advances') are materially similar to their fair values.

in EUR million	Investment Funds			Other	Total
	Own-managed	Third-party managed	Total		
Dec 25					
Assets					
Equity instruments, thereof:	0	0	0	7	7
at FVPL	0	0	0	7	7
Debt securities, thereof:	579	289	868	13	882
Financial assets HfT	0	221	221	0	221
at FVPL	579	68	647	13	660
Loans and advances	53	0	53	219	271
Trading derivatives	2	0	2	1	3
Total assets	634	289	923	239	1,162
thereof impaired	0	0	0	0	0
On-balance sheet exposure analysis per jurisdiction					
Austria	614	0	614	0	614
Central and Eastern Europe	20	16	36	226	262
Other jurisdictions	0	273	273	13	286
Liabilities					
Equity instruments	208	0	208	0	208
Debt securities issued	367	0	367	0	367
Deposits	1,486	0	1,486	23	1,508
Trading derivatives	42	0	42	0	42
Total liabilities	2,103	0	2,103	23	2,125
Off balance-sheet commitments	440	0	440	123	563
Dec 24					
Assets					
Equity instruments, thereof:	0	0	0	39	39
at FVPL	0	0	0	39	39
Debt securities, thereof:	625	320	944	20	964
Financial assets HfT	1	249	250	0	250
at FVPL	624	70	695	20	715
Loans and advances	192	0	192	213	405
Trading derivatives	61	0	61	1	63
Total assets	879	320	1,198	272	1,471
thereof impaired	0	0	0	0	0
On-balance sheet exposure analysis per jurisdiction					
Austria	846	0	846	0	846
Central and Eastern Europe	33	13	46	252	298
Other jurisdictions	0	307	307	20	327
Liabilities					
Equity instruments	155	0	155	0	155
Debt securities issued	350	0	350	0	350
Deposits	1,601	0	1,601	30	1,631
Trading derivatives	3	0	3	1	4
Total liabilities	2,109	0	2,109	30	2,139
Off balance-sheet commitments	261	0	261	192	453

Other disclosure matters

61. Related-party transactions

In the course of its ordinary business activity Erste Group enters into business relationships with related persons and entities. Shareholders of Erste Group Bank AG are classified as related parties if they have significant influence over Erste Group. In addition, Erste Group also defines as related parties subsidiaries that are controlled but not consolidated due to non-materiality as well as associated entities and joint ventures that are included in the consolidated financial statements by the equity method. Transactions between Erste Group Bank AG and fully consolidated companies are not recognised in the consolidated financial statements as they have been eliminated. Furthermore, related persons consist of key management personnel, i.e. Management and Supervisory Board members of Erste Group Bank AG. Moreover, Erste Group defines close family members of Management and Supervisory Board members of Erste Group Bank AG, as well as companies which are controlled or significantly influenced by Management and Supervisory Board members of Erste Group Bank AG, as other related parties. Banking transactions with related persons and entities are done at arm's length.

TRANSACTIONS WITH SHAREHOLDERS OF ERSTE GROUP BANK AG

Erste österreichische Spar-Casse Privatstiftung

In addition to its shareholding of the subscribed capital of Erste Group Bank AG, there are other factors giving Erste österreichische Spar-Casse Privatstiftung (ERSTE Stiftung) significant influence over Erste Group. As of 31 December 2025, Erste Group had liabilities toward ERSTE Foundation of EUR 65 million (2024: EUR 28 million). In addition, ERSTE Foundation held bonds issued by Erste Group Bank AG in the amount of EUR 47 million (2024: EUR 46 million). The mentioned transactions resulted in interest expenses of EUR 3 million (2024: EUR 2 million). Erste Group did not receive fee and commission income or rental income in 2024 and 2025. In 2025, ERSTE Foundation received a dividend of EUR 151 million (2024: EUR 136 million) on its shareholding in Erste Group Bank AG.

Under article 15.1 of the articles of association of Erste Group Bank AG, for the duration of its assumption of liability for all current and future debts in the event of default on payment by Erste Group Bank AG, the ERSTE Foundation is entitled, pursuant to Section 92 (9) of the Austrian Banking Act, to delegate up to one-third of the Supervisory Board members to be elected at the Annual General Meeting of Erste Group Bank AG.

TRANSACTIONS WITH NOT CONSOLIDATED SUBSIDIARIES, ASSOCIATED ENTITIES AND JOINT VENTURES

Balances and off-balance exposures

in EUR million	Dec 24			Dec 25		
	Subsidiaries, not consolidated	Associated entities	Joint ventures	Subsidiaries, not consolidated	Associated entities	Joint ventures
Financial assets	88	633	472	110	835	480
Equity instruments	55	99	20	71	124	21
Debt securities	0	5	0	0	0	0
Loans and advances	34	528	451	39	711	460
Loans and advances credit institutions	0	10	0	0	3	0
Loans and advances customers	34	518	451	39	708	460
of which impaired	0	0	0	0	0	0
of which finance lease receivables	0	0	0	0	2	0
Financial liabilities	28	230	14	28	196	15
Deposits	28	230	14	28	196	15
Deposits from banks	0	0	0	0	0	0
Deposits from customers	28	230	14	28	196	15
Other financial instruments						
Loan commitments, financial guarantees and other commitments given (notional amount)	2	307	92	9	433	90
of which defaulted	0	0	0	0	0	0
Loan commitments, financial guarantees and other commitments received (notional amount)	0	1	0	0	5	0
Derivatives (notional amount)	0	0	0	0	7	0
Credit loss allowances and provisions	0	0	0	0	0	0

Expenses and income

in EUR million	1-12 24			1-12 25		
	Subsidiaries, not consolidated	Associated entities	Joint ventures	Subsidiaries, not consolidated	Associated entities	Joint ventures
Interest income	1	25	14	1	24	14
Fee and commission income	0	2	2	0	2	2
Dividend income	4	10	3	3	9	1
Interest expenses	0	-2	0	0	-2	0
Fee and commission expenses	-2	-2	0	-2	-1	0
Impairment result from financial instruments	0	-1	0	0	0	0

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Remuneration of Management and Supervisory Board members

The following table shows total remuneration of the members of the Management and Supervisory Board. The expenses were recognised on an accrual basis in line with the respective rules of the underlying standards IAS 19 and IFRS 2. The amounts disclosed correspond to the estimated disbursement as of the balance sheet date and may deviate from the ones which will be finally paid.

in EUR million	1-12 24			1-12 25		
	Management board	Supervisory board	Total	Management board	Supervisory board	Total
Short-term employee benefits	8	2	10	8	2	10
Post-employment benefits	1		1	1		1
Other long-term benefits	2		2	1		1
Share-based payment	5		5	3		3
Total	16	2	18	13	2	15

Short-term employee benefits. Under this category salaries, benefits in kind, social security contributions and other short-term benefits are included. Further, this category includes variable remuneration to be settled in cash within one year. Disclosed remuneration for Supervisory Board members comprises supervisory board compensation, meeting fees as well as remuneration for board functions in fully consolidated subsidiaries.

Post-employment benefits. The members of the Management Board participate in the defined contribution pension plan of Erste Group according to the same principles as the employees of the Group (see [Note 53 Provisions](#)). Post-employment benefits shown in the table above contain contribution payments to pension schemes and to severance schemes ('Mitarbeitervorsorgekasse').

Other long-term benefits. This category includes variable remuneration to be settled in cash, but payable - deferred over several years - only after one year. In addition, net allocations to provisions for jubilee payments (see [Note 53 Provisions](#)) are also reported under this category.

Share-based payment transactions. Expenses for variable share-based payments are disclosed under this line (refer to [Note 62 Share-based payments](#), Share-based payment for the Management Board of Erste Group Bank AG).

On 31 December 2025 the outstanding amount of liability for variable remuneration towards members of the Management Board amounts to EUR 8 million (2024: EUR 10 million). This amount includes liabilities resulting from the Share-based Payment Program for the Management Board of Erste Group Bank AG (for the performance year 2021 for the first time) and liabilities from unpaid deferred tranches from the Phantom Shares Program (for performance years up to 2021). For further details please refer to [Note 62 Share-based payments](#).

The members of the Management Board of Erste Group were granted a remuneration of 0.4% (2024: 0.5%) of the total personnel expenses for their activities in the financial year 2024.

In 2025, EUR 2 million (2024: EUR 3 million) was paid in cash and 30,684 (2024: 40,607) share-equivalents were assigned to former board members and their dependents.

BANKING TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

As of the end of 2025, loans and advances granted to members of the Management Board and Supervisory Board totalled EUR 3 million (2024: EUR 2 million). Deposits of members of the Management Board and Supervisory Board at Erste Group amounted to EUR 12 million (2024: EUR 14 million) in total. Members of the Management and Supervisory Board held bonds issued by Erste Group of EUR 0 million (2024: EUR 0 million). Loan commitments and financial guarantees, issued in favour of members of the Management and Supervisory Board totalled EUR 1 million (2024: EUR 0 million) as of the end of 2025. From banking transactions with members of the Management Board and Supervisory Board Erste Group received interest income and fee income of EUR 0 million (2024: EUR 0 million) in total. The interest expenses and fee expenses amounted to EUR 0 million (2024: EUR 1 million).

TRANSACTIONS WITH OTHER RELATED PARTIES

Loans and advances to close family members of key management employees and companies over which key management employees have control or significant influence (hereinafter referred to 'other related parties') totalled EUR 8 million (2024: EUR 1 million) as of 31 December 2025. As of the end of 2025, deposits of other related parties at Erste Group amounted to EUR 8 million (2024: EUR 6 million) in total. Loan commitments and financial guarantees, issued in favour of other related parties totalled EUR 0 million (2024: EUR 0 million) as of the end of 2025. From banking transactions with other related parties Erste Group received interest income and fee income of EUR 1 million (2024: EUR 0 million) in total and paid interest and fee expenses of EUR 0 million (2024: EUR 0 million).

62. Share-based payments

The total expense recognised during the reporting period arising from share-based payment transactions amounts to EUR 67 million (2024: EUR 58 million), thereof EUR 33 million (2024: EUR 32 million) relate to equity-settled share-based payment transactions. At the end of the reporting period the liability arising from share-based payment transactions amounts to EUR 76 million (2024: EUR 56 million). The intrinsic value of the liability is EUR 86 million (2024: EUR 70 million).

SHARE-BASED PAYMENT FOR THE MANAGEMENT BOARD OF ERSTE GROUP BANK AG

The share-based remuneration plan for the management board of Erste Group Bank AG comprises short-term and long-term variable remuneration components. The total amount of variable compensation is determined in the following year by a resolution of the Supervisory Board.

Upfront share-based remuneration. 20% of the bonus will be converted into shares on the date of the Supervisory Board resolution and is transferred to the participant's securities deposit and retained for one year.

Deferred share-based remuneration. 30% of the bonus is converted into performance share units (PSUs) on the day of the Supervisory Board resolution using the average share price of the last 30 trading days. A PSU represents an unsecured, conditional right to receive shares of Erste Group Bank AG in the future. In the following five years, the initial number of PSUs is adjusted in a range from 120% to 0% to the group's performance based on performance criteria, which the Supervisory Board reviews on a yearly basis and adjusts in exceptional cases. The final number of PSUs corresponds to the number of shares, which is transferred to the participant's securities deposit and retained for one year.

The awarded shares and PSUs are equity-settled share-based payments that vest by the end of the performance year. The determination of the grant date requires an assessment of all the circumstances. As the Supervisory Board has significant discretionary powers in connection with the assessment of the performance in the performance year, the grant is made with the resolution of the Supervisory Board on the bonus awarded for the past performance year.

For the performance year 2025, it is expected that 9,791 shares and 14,687 PSUs (2024: 20,630 shares and 30,944 PSUs) will be granted to participants. The fair value of PSUs on the measurement date is calculated based on a Monte Carlo simulation model considering the achievement level of Erste Group performance over the next five years and the share price of Erste Group Bank AG. The estimated fair value on the balance sheet date is EUR 2 million (2024: EUR 3 million). In 2025, in total personnel expenses of EUR 2 million (2024: EUR 4 million) and a corresponding retained earnings reserve were recognised.

PHANTOM SHARES PROGRAM

Erste Group grants selected employees every year a bonus for services rendered in the past year (vesting period). If the individual bonus exceeds a certain limit, the final payout amount of at least 25% depends on the development of the average, volume-weighted, daily price of Erste Group shares in subsequent years (phantom share program). The program applies to Erste Group entities in different countries, with different amounts and share equivalents. The share equivalents (phantom shares) are divided into several tranches, which differ in the duration of the observation period for the development of the Erste Group share price.

The phantom share program meets the criteria for cash-settled share-based payments in accordance with IFRS 2.

The estimated fair value of variable compensation for share equivalents is recognised in profit or loss. The liability for stock equivalents that have not yet been paid out is continuously measured at fair value until payment is made. Fair value changes and changes of the final allocation in subsequent years are recognised in profit or loss. To determine the fair value, the number of share equivalents not yet paid out as at the balance sheet date is multiplied by the estimated average price of Erste Group shares for the respective payout year. The fair values of the share equivalents for the respective payout year are determined using an option pricing model (Black-Scholes model). The main parameters are the share price of the Erste Group share on the balance sheet date and the dividend payments expected until payment.

For 2025, it is expected that 141,206 (2024: 233,980) share equivalents with a fair value of EUR 14 million (2024: EUR 13 million) will be granted to eligible employees. The total expense recognised in the reporting period for the phantom share program amounts to EUR 34 million (2024: EUR 26 million), the carrying amount of the liability as at the balance sheet date is EUR 76 million (2024: EUR 56 million). The intrinsic value of the liability from unpaid share equivalents is EUR 86 million (2024: EUR 70 million).

WESHARE BY ERSTE GROUP PROGRAM

The WeShare by Erste Group-Participation program and the WeShare by Erste Group-Investment Plus program are equity-settled share-based payment transactions. Both programs are offered to employees of Erste Group provided that specific requirements (e.g. capital and liquidity requirements, payment of dividends, ECB approval) are met.

Under the WeShare by Erste Group-Investment Plus program all employees, who had been employed by an entity of the Erste Group, from March/April 2025 until June 2025 could voluntarily invest in Erste Group shares and receive free shares depending on the amount of their personal investment. The WeShare by Erste Group-Investment Plus program was settled in June 2025. The

number of free shares, which were granted under this program for the reporting period, is 229,226 (2024: 349,019). Personnel expenses in the amount of EUR 16 million (2024: EUR 16 million) were recorded.

Under the WeShare by Erste Group-Participation program all employees, who have been employed by an entity of the Erste Group for at least six months in year 2025 and are still employed until the transfer of the shares to the employees in June 2026 are entitled to receive shares in an equivalent amount of EUR 350. The expected number of free shares, which are granted under this program for the period, is 171,054 (2024: 295,569). Based on the number of entitled employees, personnel expenses in the amount of EUR 7 million (2024: EUR 7 million) were recorded and a corresponding reserve in retained earnings was created. Furthermore, during 2025 an expense of EUR 8 million was booked, which is related to the active employment requirement of the WeShare by Erste Group-Participation that was offered to employees in 2024.

63. Fees of the Auditors

The following table contains fees charged by the auditors of Erste Group Bank AG and subsidiaries for the financial years 2025 and 2024; the auditors being Sparkassen-Prüfungsverband (auditing agency) and Price Waterhouse Coopers. The values for PricewaterhouseCoopers comprise the services of 'PwC Wirtschaftsprüfung GmbH' as well as the PwC network. The amounts in the table include value-added tax.

in EUR million	Dec 24	Dec 25
Statutory audit of financial statements/consolidated financial statements	17	18
Audit fees - PwC	7	8
Audit fees - Sparkassen-Prüfungsverband	10	10
Other assurance services	5	5
Other assurance services - PwC	3	3
Other assurance services - Sparkassen-Prüfungsverband	2	2
Tax consulting	0	0
Tax consulting - PwC	0	0
Tax consulting - Sparkassen-Prüfungsverband	0	0
Other services	1	2
Other services - PwC	1	1
Other services - Sparkassen-Prüfungsverband	0	0
Total	24	25

The Sparkassen-Prüfungsverband (Austrian Savings Bank Auditing Association) provided audit services for an amount of EUR 2 million (2024: EUR 2 million) to Erste Group Bank AG and EUR 7 million (2024: EUR 8 million) for the subsidiaries. For other assurance services EUR 0 million (2024: EUR 0 million) were charged to the subsidiaries of Erste Group Bank AG while EUR 0 million (2024: EUR 0 million) is the amount for other services provided to the subsidiaries. The amounts in the table above also include fees for services provided by SPV Wirtschaftsprüfungsges.m.b.H..

The auditor 'PwC Wirtschaftsprüfung GmbH' provided audit services to Erste Group Bank AG for EUR 2 million (2024: EUR 2 million) and to the subsidiaries for EUR 1 million (2024: EUR 1 million). An amount of EUR 5 million (2024: EUR 5 million) was charged for audit services of the PricewaterhouseCoopers network to the subsidiaries. The total amount for other assurance services provided by 'PwC Wirtschaftsprüfung GmbH' is EUR 1 million (2024: EUR 1 million).

64. Assets held for sale and liabilities associated with assets held for sale

Assets classified as held for sale and assets belonging to disposal groups held for sale are reported under the balance sheet line item 'Assets held for sale'. Liabilities belonging to the disposal groups held for sale are presented on the balance sheet under the line item 'Liabilities associated with assets held for sale'.

Non-current assets and disposal groups that are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Should the impairment loss in a disposal group exceed the carrying amount of the assets that are within the scope of IFRS 5 measurement requirements, there is no specific guidance on how to treat such a difference. Erste Group recognises this difference as a provision under the balance sheet line item 'Provisions'.

in EUR million	Dec 24	Dec 25
Assets held for sale	154	211
Liabilities associated with assets held for sale	93	84

As of the end of 2025, 'Assets held for sale' include mainly land and buildings in amount of EUR 194 million (2024: EUR 147 million). This includes an amount of EUR 96 million classified as 'Assets held for sale' by Česká spořitelna and relates to the planned sale of the current headquarter. EUR 89 million was classified as 'Assets held for sale' by Immorent subgroup in connection with the planned sale of commercial premises.

In addition, assets and liabilities of Erste Card Club in Croatia were included as of the end of 2025, which met the criteria for the classification as a 'disposal group held for sale' for the first time in 2024. The sale was completed on 2nd January 2026.

Assets held for sale are measured at fair value on non-recurring basis when their carrying amount is impaired down to fair value less costs to sell. The fair values are determined by experts with recognised and relevant professional qualification.

Fair values and fair value hierarchy

in EUR million	Carrying amount	Fair value	Level 1	Level 2	Level 3
Dec 25					
Assets for which the FV is presented in the balance sheet					
Assets held for sale	116	117	0	0	117
Dec 24					
Assets for which the FV is presented in the balance sheet					
Assets held for sale	151	151	0	0	151

65. Assets and liabilities denominated in foreign currencies and outside Austria and return on assets

Assets and liabilities not denominated in EUR

in EUR million	Dec 24	Dec 25
Assets	125,825	127,754
Liabilities	97,546	103,304

Assets and liabilities outside Austria

in EUR million	Dec 24	Dec 25
Assets	220,770	228,729
Liabilities	163,110	165,681

Return on assets (net profit after tax for the year divided by total assets at the reporting period) was 1.17% at 31 December 2025 (2024: 1.12%).

66. Analysis of remaining maturities

Expected remaining maturities of assets and liabilities

in EUR million	Dec 24		Dec 25	
	< 1 year	> 1 year	< 1 year	> 1 year
Cash and cash balances	25,129	0	27,573	0
Financial assets HfT	7,860	3,602	6,043	3,334
Derivatives	699	528	481	348
Other financial assets held for trading	7,162	3,074	5,562	2,986
Non-trading financial assets at FVPL	501	2,539	710	3,123
Equity instruments	7	458	5	518
Debt securities	475	993	702	1,084
Loans and advances to customers	19	1,089	2	1,522
Financial assets at FVOCI	1,455	8,043	2,432	6,749
Equity instruments	-9	118	1	112
Debt securities	1,463	7,925	2,431	6,637
Financial assets at AC	56,156	232,738	51,334	250,373
Debt securities	4,581	48,307	5,815	52,840
Loans and advances to banks	22,793	4,178	16,430	4,397
Loans and advances to customers	28,781	180,252	29,089	193,136
Finance lease receivables	642	4,606	558	4,732
Hedge accounting derivatives	3	177	18	214
Fair value changes of hedged items in portfolio hedge of interest rate risk	-410	390	-1	-62
Property and equipment	0	2,754	0	2,941
Investment properties	0	1,678	0	1,913
Intangible assets	0	1,382	0	1,413
Investments in associates and joint ventures	0	280	0	465
Current tax assets	45	0	84	0
Deferred tax assets	0	266	0	171
Assets held for sale	154	0	211	0
Trade and other receivables	2,582	95	2,816	130
Other assets	1,006	61	1,162	140
Total Assets	95,123	258,613	92,940	275,634
Financial liabilities HfT	595	1,226	656	1,756
Derivatives	519	630	557	534
Other trading liabilities	77	596	99	1,222
Financial liabilities at FVPL	2,200	8,081	2,184	7,673
Deposits	44	71	112	62
Debt securities issued	2,020	8,010	1,657	7,611
Other financial liabilities	136	0	415	0
Financial liabilities at AC	161,529	143,803	150,281	165,887
Deposits from banks	14,697	6,564	9,220	7,698
Deposits from customers	138,272	103,263	131,817	121,000
Debt securities issued	7,863	33,996	8,447	37,156
Other financial liabilities	697	-20	796	32
Lease liabilities	46	645	90	631
Hedge accounting derivatives	10	184	58	112
Provisions	458	1,168	421	994
Current tax liabilities	241	0	323	0
Deferred tax liabilities	0	31	0	52
Liabilities associated with assets held for sale	93	0	84	0
Other liabilities	2,337	321	2,399	307
Total liabilities	167,509	155,459	156,497	177,412

In the line 'Deposits to customers' the amounts were broken down into the columns '< 1 year' and '> 1 year' on the following basis. For non-maturing deposits such as current accounts and savings deposits, the liquidity model used for interest rate risk in the banking book was applied. Core deposits, which are assumed to remain with the bank over a longer horizon, are allocated to the '> 1 year' bucket. Non-core deposits are expected to flow out within 1 year are therefore included in the '< 1 year' bucket. All deposits with a given maturity structure, such as term deposits, are allocated according to their remaining contractual maturity. To comply with this method, the prior-year figure was adjusted.

67. Events after the balance sheet date

Acquisition of Santander Bank Polska S.A. and subsidiaries

In May 2025, Erste Group Bank AG and Banco Santander S.A. entered into an agreement under which Erste Group acquired a 49% stake in Santander Bank Polska Group S.A. and a 50% stake in Santander Towarzystwo Funduszy Inwestycyjnych S.A.. The transaction was closed on 9 January 2026, the acquisition date, when Erste Group obtained control of the companies. Further details can be found in *Note 57 Scope of consolidation - additions and disposals*.

Sale of Erste Card Club d.o.o.

The sale of Erste Card Club d.o.o. was completed on 2 January 2026 and EUR 101 million in cash was received. The company had already been classified as held for sale as of 31 December 2025.

68. Country by country reporting

The following country by country breakdown complies with the disclosure requirements of Article 89 of the EU Capital Requirements Directive IV:

in EUR million	Operating income	Pre-tax result from continuing operations (ex dividend income)	Taxes on income
Dec 25			
Austria	8,358	2,233	-432
Croatia	598	294	-52
Czech Republic	2,475	1,374	-237
Hungary	1,013	447	-66
Romania	1,304	854	-124
Serbia	195	78	-8
Slovakia	919	478	-162
Other locations	62	-117	-21
Consolidation	-3,265	-277	-1
Total	11,659	5,364	-1,103
Dec 24			
Austria	7,325	2,296	-405
Croatia	570	303	-58
Czech Republic	2,344	1,254	-223
Hungary	970	427	-64
Romania	1,244	666	-105
Serbia	187	77	-9
Slovakia	836	452	-167
Other locations	305	135	-21
Consolidation	-2,603	-652	-1
Total	11,178	4,958	-1,053

The unconsolidated profit before tax is presented for each country in which the Group operates. The profit before tax, excluding dividend income, is presented in accordance with the Transfer Pricing Documentation Act. The consolidation column leads to the consolidated profit. Income tax is allocated according to the expenses incurred in the respective tax jurisdictions in which the Group operates. The previous year's figures were adjusted to reflect the new structure.

For information regarding the country of residence of each fully consolidated entity refer to *Note 70 Details of the companies wholly or partly owned by Erste Group as of 31 December 2025*. Information about the geographical split of the average number of headcounts employed in Erste Group throughout 2025 is disclosed in Note 8 General administrative expenses.

69. Government grants

A government grant is recognised in Erste Group's financial statements, when there is reasonable assurance that it will be received and that Erste Group will comply with the conditions attached to it. Grants that compensate for the acquisition of assets are presented as deduction from the cost of the related asset and are recognised in profit or loss over the periods and in the proportions,

in which depreciation and amortisation expenses on those assets are recognised. Grants that compensate for expenses incurred are presented as deduction of relevant expenses in the period in which the expenses are incurred.

The total amount of government grants recognised in the group adds up to EUR 18 million (2024: EUR 7 million). Out of this total amount, EUR 12 million (2024: EUR 1 million) relates to government grants received by Czech entities, primarily in connection with the Modernisation Fund. The remaining government grants have been reported by Austrian entities.

70. Details of the companies wholly or partly owned by Erste Group as of 31 December 2025

The table below presents material, fully consolidated subsidiaries, investments in associates accounted for at equity and other investments.

Company name, registered office	Interest of Erste Group in %		
	Dec 24	Dec 25	
Fully consolidated subsidiaries			
Credit institutions			
Banca Comerciala Romana SA	Bucharest	99.9	99.9
Banka Sparkasse d.d.	Ljubljana	28.0	28.0
Bausparkasse der österreichischen Sparkassen Aktiengesellschaft	Wien	100.0	100.0
BCR Banca pentru Locuinte SA	Bucharest	99.9	99.9
Ceska sporitelna, a.s.	Praha	100.0	100.0
Die Zweite Wiener Vereins-Sparcasse	Wien	0.0	0.0
Dornbirner Sparkasse Bank AG	Dornbirn	0.0	0.0
Erste & Steiermärkische Bank d.d.	Rijeka	69.3	69.3
ERSTE BANK AD PODGORICA	Podgorica	69.3	69.3
ERSTE BANK AKCIONARSKO DRUSTVO, NOVI SAD	Novi Sad	80.5	80.5
Erste Bank der oesterreichischen Sparkassen AG	Wien	100.0	100.0
Erste Bank Hungary Zrt	Budapest	100.0	100.0
Erste Group Bank AG	Wien	0.0	0.0
ERSTE Jelzálogbank Zártkörűen Működő Részvénytársaság	Budapest	100.0	100.0
Erste Lakas-Takarekpenztar Zartkoruen Mukodo Reszvenytarsasag	Budapest	100.0	100.0
Kärntner Sparkasse Aktiengesellschaft	Klagenfurt	25.0	25.0
KREMSER BANK UND SPARKASSEN AKTIENGESELLSCHAFT	Krems	0.0	0.0
Lienzer Sparkasse AG	Lienz	0.0	0.0
Slovenska sporitelna, a. s.	Bratislava	100.0	100.0
Sparkasse Baden	Baden	0.0	0.0
Sparkasse Bank AD Skopje	Skopje	24.1	24.1
Sparkasse Bank dd Bosna i Hercegovina	Sarajevo	25.0	25.0
Sparkasse Bludenz Bank AG	Bludenz	0.0	0.0
Sparkasse Bregenz Bank Aktiengesellschaft	Bregenz	0.0	0.0
Sparkasse der Gemeinde Egg	Egg	0.0	0.0
Sparkasse der Stadt Amstetten AG	Amstetten	0.0	0.0
Sparkasse der Stadt Feldkirch	Feldkirch	0.0	0.0
Sparkasse der Stadt Kitzbühel	Kitzbühel	0.0	0.0
Sparkasse Eferding-Peuerbach-Waizenkirchen	Eferding	0.0	0.0
Sparkasse Feldkirchen/Kärnten	Feldkirchen	0.0	0.0
SPARKASSE FRANKENMARKT AKTIENGESELLSCHAFT	Frankenmarkt	0.0	0.0
Sparkasse Hainburg-Bruck-Neusiedl Aktiengesellschaft	Hainburg	75.0	75.0
Sparkasse Haugsdorf AG	Haugsdorf	0.0	0.0
Sparkasse Herzogenburg-Neulengbach Bank Aktiengesellschaft	Herzogenburg	0.0	0.0
Sparkasse Horn-Ravelsbach-Kirchberg Aktiengesellschaft	Horn	0.0	0.0
Sparkasse Imst AG	Imst	0.0	0.0
Sparkasse Korneuburg AG	Korneuburg	0.0	0.0
Sparkasse Kufstein Tiroler Sparkasse von 1877	Kufstein	0.0	0.0
Sparkasse Lambach Bank Aktiengesellschaft	Lambach	0.0	0.0
Sparkasse Langenlois	Langenlois	0.0	0.0
Sparkasse Mittersill Bank AG	Mittersill	0.0	0.0
Sparkasse Mühlviertel-West Bank Aktiengesellschaft	Rohrbach	40.0	40.0
Sparkasse Müzzuschlag Aktiengesellschaft	Müzzuschlag	0.0	0.0
Sparkasse Neuhofen Bank Aktiengesellschaft	Neuhofen	0.0	0.0
Sparkasse Neunkirchen	Neunkirchen	0.0	0.0

Company name, registered office	Interest of Erste Group in %		
	Dec 24	Dec 25	
SPARKASSE NIEDERÖSTERREICH MITTE WEST AKTIENGESELLSCHAFT	St. Pölten	0.0	0.0
Sparkasse Oberösterreich Bank AG	Linz	10.0	10.0
Sparkasse Pöllau AG	Pöllau	0.0	0.0
Sparkasse Pottenstein N.Ö.	Pottenstein	0.0	0.0
Sparkasse Poysdorf AG	Poysdorf	0.0	0.0
Sparkasse Pregarten - Unterweißenbach AG	Pregarten	0.0	0.0
Sparkasse Rattenberg Bank AG	Rattenberg	0.0	0.0
Sparkasse Reutte AG	Reutte	0.0	0.0
Sparkasse Ried im Innkreis-Haag am Hausruck	Ried	0.0	0.0
Sparkasse Salzkammergut AG	Bad Ischl	0.0	0.0
Sparkasse Scheibbs AG	Scheibbs	0.0	0.0
Sparkasse Schwaz AG	Schwaz	0.0	0.0
Sparkasse Voitsberg-Köflach Bankaktiengesellschaft	Voitsberg	4.2	4.2
Stavebni sporitelna Ceske sporitelny, a.s.	Praha	100.0	100.0
Steiermärkische Bank und Sparkassen Aktiengesellschaft	Graz	25.0	25.0
Tiroler Sparkasse Bankaktiengesellschaft Innsbruck	Innsbruck	75.0	75.0
Waldviertler Sparkasse Bank AG	Zwettl	0.0	0.0
Wiener Neustädter Sparkasse	Wiener	0.0	0.0
Financial institutions			
"Die Kärntner" Trust-Vermögensverwaltungsgesellschaft m.b.H.	Klagenfurt	25.0	25.0
ACP Financial Solutions GmbH	Wien	75.0	75.0
Alea-Grundstückverwaltung Gesellschaft m.b.H.	Wien	100.0	100.0
BCR Leasing IFN SA	Bucharest	99.9	99.9
BCR Payments Services SRL	Sibiu	99.9	99.9
BCR Pensii, Societate de Administrare a Fondurilor de Pensii Private SA	Bucharest	99.9	99.9
CEE Property Development Portfolio 2 a.s.	Praha	100.0	100.0
Ceska sporitelna - penzijni spolecnost, a.s.	Praha	100.0	100.0
DENAR-Immorent Grundverwertungsgesellschaft m.b.H.	Wien	62.5	62.5
DIE ERSTE Leasing Grundstückverwaltungsgesellschaft m.b.H.	Wien	100.0	100.0
Dostupné bydlení České sporitelny, a.s.	Praha	100.0	100.0
Društvo za leasing Sparkase Lizing d.o.o. Skopje	Skopje	24.6	24.6
EB Erste Bank Internationale Beteiligungen GmbH	Wien	100.0	100.0
Erste & Steiermärkische S-Leasing drustvo s ogranicenom odgovornoscju za leasing vozila i strojeva	Zagreb	47.1	47.1
Erste Alapkezelő Zrt. (Erste Asset Management Ltd.)	Budapest	91.1	91.1
Erste Asset Management d.o.o.	Zagreb	91.1	91.1
Erste Asset Management GmbH	Wien	91.1	91.1
Erste Befektetési Zrt.	Budapest	100.0	100.0
ERSTE CARD CLUB d.o.o.	Zagreb	69.3	69.3
Erste Finance (Delaware) LLC	Wilmington	100.0	100.0
Erste Group Immorent CR s.r.o.	Praha	100.0	100.0
Erste Group Immorent International Holding GmbH	Wien	100.0	100.0
Erste Group Immorent Lizing Zartkörűen Működő Reszvenytársaság	Budapest	100.0	100.0
ERSTE GROUP IMMORENT LJUBLJANA, finančne storitve, d.o.o.	Ljubljana	100.0	100.0
ERSTE Immobilien Kapitalanlagegesellschaft m.b.H.	Wien	68.7	68.7
Erste Reinsurance S.A.	Luxembourg	100.0	100.0
Erste Securities Polska S.A.	Warsaw	100.0	100.0
Factoring Ceske sporitelny a.s.	Praha	100.0	100.0
GIROLEASING-Mobilienvermietungsgesellschaft m.b.H.	Wien	62.5	62.5
Hotel- und Sportstätten-Beteiligungs-, Errichtungs- und Betriebsgesellschaft m.b.H. Leasing KG	St. Pölten	54.6	54.6
ImmoRent Einkaufszentren Verwaltungsgesellschaft m.b.H.	Wien	100.0	100.0
Immorent-Clio-Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
Immorent-Gamma-Grundstücksverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-GREKO Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
Immorent-Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-NERO Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-Raiffeisen Fachhochschule Errichtungs- und BetriebsgmbH	Wien	55.0	55.0
IMMORENT-RASTA Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-RIO Grundverwertungsgesellschaft m.b.H.	Wien	55.0	55.0
IMMORENT-RIWA Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
Immorent-Theta-Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-TRIAS Grundverwertungsgesellschaft m.b.H.	Wien	62.5	62.5

Company name, registered office	Interest of Erste Group in %		
	Dec 24	Dec 25	
IMNA-Immorent Immobilienleasing GmbH	Wien	100.0	100.0
Impact Asset Management GmbH	Wien	91.1	91.1
Intermarket Bank AG	Wien	93.8	93.8
IPS Fonds Gesellschaft bürgerlichen Rechts	Wien	65.2	67.5
IR REAL ESTATE LEASING d.o.o. u likvidaciji	Zagreb	92.5	92.5
Leasing Ceske sporitelny, a.s.	Praha	100.0	100.0
MEKLA Leasing Gesellschaft m.b.H.	Wien	100.0	100.0
NAXOS-Immorent Immobilienleasing GmbH	Wien	100.0	100.0
OREST-Immorent Leasing GmbH	Wien	100.0	100.0
PAROS-Immorent Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
PREDUZECE ZA FINANSIJSKI LIZING ERSTE LEASING DOO, BEOGRAD	Belgrade	66.6	66.6
REICO investicni spolecnost Erste Asset Management, a.s.	Praha	91.1	91.1
RHEA-Immorent Holding GmbH	Wien	100.0	100.0
s ASG Sparkassen Abwicklungs- und Servicegesellschaft mbH	Graz	25.0	25.0
s Autoleasing SK, s.r.o.	Bratislava	100.0	100.0
s Wohnbaubank AG	Wien	100.0	100.0
s Wohnfinanzierung Beratungs GmbH	Wien	100.0	100.0
SAI Erste Asset Management S.A.	Bucharest	91.1	91.1
sBAU Holding GmbH	Wien	100.0	100.0
SCIENTIA Immorent GmbH	Wien	100.0	100.0
Sieben Tiroler Sparkassen Beteiligungsgesellschaft m.b.H.	Kufstein	0.0	0.0
S-Leasing Immobilienvermietungsgesellschaft m.b.H.	Wiener	33.3	33.3
SPARKASSE IMMORENT Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
Sparkasse Leasing društvo sa ogranicenom odgovornošću za leasing nekretnina, vozila, brodova i mašina, Sarajevo	Sarajevo	25.0	25.0
Sparkasse Leasing S, družba za financiranje d.o.o.	Ljubljana	28.0	28.0
Sparkasse Oberösterreich Kapitalanlagegesellschaft m.b.H.	Linz	14.1	14.1
Sparkasse Pay poslovanje s kreditnimi karticama, d.o.o.	Ljubljana	28.0	28.0
TAURIS-Immorent Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
Theuthras-Immorent Grundverwertungsgesellschaft m.b.H.	Wien	62.5	62.5
WIESTA-Immorent Immobilienleasing GmbH	Wien	100.0	100.0
Other			
"Die Kärntner" Trust- Vermögensverwaltungsgesellschaft m.b.H. & Co KG	Klagenfurt	25.0	25.0
"Nare" Grundstücksverwertungs-Gesellschaft m.b.H.	Wien	100.0	100.0
BP Antal, s.r.o.	Praha	100.0	100.0
BTV-Beteiligungs-, Treuhand-, Vermögens-Verwaltungsgesellschaft m.b.H.	Klagenfurt	25.0	25.0
Budejovicka development, s. r. o.	Praha	100.0	100.0
Cinci-Immorent Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
Collat-real Korlatolt Felelőssegü Tarsasag	Budapest	100.0	100.0
Commerzbank Zrt. "v.a."	Budapest	100.0	100.0
CPDP 2003 s.r.o.	Praha	100.0	100.0
CS NHQ, s.r.o.	Praha	100.0	100.0
CS Seed Starter, a.s.	Praha	100.0	100.0
DBCS Cerny Most, s.r.o.	Praha	100.0	100.0
DBCS Opatov, s.r.o.	Praha	100.0	100.0
DBCS Prosek, s.r.o.	Praha	100.0	100.0
DBCS Zdar s.r.o.	Praha	100.0	100.0
DIE ERSTE Leasing Grundbesitzgesellschaft m.b.H.	Wien	100.0	100.0
DIE ERSTE Leasing Immobilienbesitzgesellschaft m.b.H.	Wien	100.0	100.0
DIE ERSTE Leasing Immobilienverwaltungs- und -vermietungsgesellschaft m.b.H.	Wien	100.0	100.0
Dienstleistungszentrum Leoben GmbH	Wien	51.0	51.0
EBB Beteiligungen GmbH	Wien	100.0	100.0
EB-Grundstücksbeteiligungen GmbH	Wien	100.0	100.0
EB-Restaurantsbetriebe Ges.m.b.H.	Wien	100.0	100.0
EKZ-Immorent Vermietung GmbH	Wien	100.0	100.0
Erste Bank und Sparkassen Leasing GmbH	Wien	100.0	100.0
ERSTE CAMPUS Immobilien AG & Co KG	Wien	100.0	100.0
Erste Digital GmbH	Wien	81.8	81.8
Erste Grantika Advisory, a.s.	Brno	100.0	100.0
Erste Group Card Processor d.o.o.	Zagreb	100.0	100.0
Erste Group Immorent GmbH	Wien	100.0	100.0
ERSTE GROUP IMMORENT HRVATSKA drustvo s ogranicenom odgovornoscu za upravljanje	Zagreb	100.0	100.0

Company name, registered office	Interest of Erste Group in %		
	Dec 24	Dec 25	
Erste Group Immorent Slovensko s.r.o.	Bratislava	100.0	100.0
Erste Group Services GmbH	Wien	100.0	100.0
ERSTE Immobilien Alpha Eggenberger Gürtel GmbH & Co KG	Wien	0.0	89.9
ERSTE Immobilien Alpha Lemböckgasse 59 GmbH & Co KG	Wien	90.0	90.0
ERSTE Immobilien Alpha Ulmgasse GmbH & Co. KG	Wien	0.0	90.0
ERSTE Immobilien Gamma Lemböckgasse GmbH & Co KG	Wien	90.0	90.0
ERSTE Immobilien Gamma Seepark Campus West GmbH & Co KG	Wien	90.0	90.0
Erste Ingatlan Fejlesztő, Hasznosító és Mernoki Kft.	Budapest	100.0	100.0
ERSTE NEKRETNINE d.o.o. za poslovanje nekretninama	Zagreb	69.3	69.3
Erste Operations GmbH	Wien	100.0	100.0
Erste Sparkassen Services GmbH	Wien	100.0	46.2
ERSTE Tower Kft.	Budapest	100.0	100.0
Eva-Immobilienverwaltungsgesellschaft m.b.H.	Wien	100.0	100.0
Eva-Realitätenverwaltungsgesellschaft m.b.H.	Wien	100.0	100.0
F & S Leasing GmbH	Klagenfurt	100.0	100.0
FUKO-Immorent Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
George Labs GmbH	Wien	100.0	100.0
Graben 21 Liegenschaftsverwaltung GmbH	Wien	100.0	100.0
Haftungsverbund GmbH	Wien	63.1	63.1
HATHOR Grundverwertungsgesellschaft m.b.H.	Graz	62.5	25.0
HBM Immobilien Kamp GmbH	Wien	100.0	100.0
Holding Card Service s.r.o.	Praha	100.0	100.0
HP Immobilien Psi GmbH	Wien	100.0	100.0
HT Immobilien Tau GmbH	Wien	100.0	100.0
HT Immobilien Theta GmbH	Wien	100.0	100.0
HV Immobilien Hohenems GmbH	Wien	100.0	100.0
IBF-Anlagenleasing 95 Gesellschaft m.b.H.	Wien	100.0	100.0
IGP Industrie und Gewerbepark Wörgl Gesellschaft m.b.H.	Kufstein	0.0	0.0
ILGES - Immobilien- und Leasing - Gesellschaft m.b.H.	Rohrbach	40.0	40.0
Immo Smaragd GmbH	Schwaz	0.0	0.0
Immobilienverwertungsgesellschaft m.b.H.	Klagenfurt	25.0	25.0
Immorent - Immobilienleasing Gesellschaft m.b.H.	Wien	100.0	100.0
Immorent Oktatási Ingatlanhasznosító és Szolgáltató Kft.	Budapest	100.0	100.0
IMMORENT Österreich GmbH	Wien	100.0	100.0
IMMORENT RIED GmbH	Wien	100.0	100.0
Immorent Singidunum d.o.o.	Belgrade	100.0	100.0
IMMORENT Terinvest Ingatlanhasznosító és Szolgáltató Korlátolt Felelőségi Társaság	Budapest	100.0	100.0
IMMORENT-ANUBIS Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
Immorent-Kappa Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-KRABA Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-LEANDER Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-PAN Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-RAMON Grundverwertungsgesellschaft m.b.H.	Wien	62.5	62.5
IMMORENT-REMUS Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-RIALTO Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-RONDO Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-RUBIN Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
Immorent-WBV Grundverwertungsgesellschaft m.b.H.	Wien	50.0	50.0
IR Beteiligungsverwaltungsgesellschaft mbH	Wien	100.0	100.0
IR CEE Project Development Holding GmbH	Wien	100.0	100.0
IZBOR NEKRETNINA D.O.O. ZA USLUGE	Zagreb	69.3	69.3
Jura GrundverwertungsgmbH	Graz	25.0	25.0
Kärntner Sparkasse Vermögensverwaltungsgesellschaft m.b.H.	Klagenfurt	25.0	25.0
KEKS pay d.o.o.	Zagreb	0.0	69.3
KS - Dienstleistungsgesellschaft m.b.H.	Klagenfurt	25.0	25.0
KS-Beteiligungs- und Vermögens-Verwaltungsgesellschaft m.b.H.	Klagenfurt	25.0	25.0
LANED a.s.	Bratislava	100.0	100.0
Lassallestraße 7b Immobilienverwaltung GmbH	Wien	100.0	100.0
LIEGESA Immobilienvermietung GmbH Nfg OG	Graz	25.0	25.0
MCS 14 Projektentwicklung GmbH & Co KG	Wien	100.0	100.0
NÖ-Sparkassen Beteiligungsgesellschaft m.b.H.	St. Pölten	2.5	2.5
Oktatási Solutions PPP Korlátolt Felelőségi Társaság	Budapest	100.0	100.0

Company name, registered office	Interest of Erste Group in %		
	Dec 24	Dec 25	
Ölim-Grundverwertungsgesellschaft m.b.H.	Graz	25.0	25.0
OM Objektmanagement GmbH	Wien	100.0	100.0
Österreichische Sparkassenakademie GmbH	Wien	43.8	43.8
Österreichisches Volkswohnungswerk, Gemeinnützige Gesellschaft mit beschränkter Haftung	Wien	100.0	100.0
ÖVW Bauträger GmbH	Wien	100.0	100.0
Pacemaker Lab GmbH	Wien	0.0	100.0
Procurement Services CZ s.r.o.	Praha	99.9	99.9
Procurement Services GmbH	Wien	99.9	99.9
Procurement Services HR d.o.o.	Zagreb	99.9	99.9
Procurement Services HU Kft.	Budapest	99.9	99.9
Procurement Services RO srl	Bucharest	99.9	99.9
Procurement Services SK, s.r.o.	Bratislava	99.9	99.9
QBC Management und Beteiligungen GmbH in Liqu.	Wien	65.0	65.0
Real-Service für oberösterreichische Sparkassen Realitätenvermittlungsgesellschaft m.b.H.	Linz	56.1	54.9
Real-Service für steirische Sparkassen, Realitätenvermittlungsgesellschaft m.b.H.	Graz	61.7	61.7
s IM Immobilien Management GmbH	Graz	25.0	25.0
S IMMORENT OMIKRON drustvo s ogranicenom odgovornoscu za poslovanje nekretninama	Zagreb	100.0	100.0
s REAL Immobilienvermittlung GmbH	Wien	100.0	100.0
s ServiceCenter GmbH	Wien	55.2	55.2
s Wohnbauträger GmbH	Wien	100.0	100.0
S-Invest Beteiligungsgesellschaft m.b.H.	Wien	70.0	70.0
SK - Immobiliengesellschaft m.b.H.	Krems	0.0	0.0
SK Immobilien Epsilon GmbH	Wien	100.0	100.0
SKT Immobilien GmbH	Kufstein	0.0	0.0
SKT Immobilien GmbH & Co KG	Kufstein	0.0	0.0
SLSP Seed Starter, s.r.o.	Bratislava	100.0	100.0
SLSP Social Finance, s.r.o.	Bratislava	79.8	79.8
sMS Marktservice für Sparkassen GmbH	Krems	0.0	0.0
Sparfinanz-, Vermögens-, Verwaltungs- und Beratungs- Gesellschaft m.b.H.	Wiener	0.0	0.0
Sparkasse Mühlviertel-West Holding GmbH	Rohrbach	40.0	40.0
Sparkassen IT Holding AG	Wien	27.5	27.5
Sparkassen Leasing Süd GmbH	Graz	25.0	25.0
Sparkassen Real Vorarlberg Immobilienvermittlung GmbH	Dornbirn	50.0	50.0
Sparkassen-Haftungs GmbH	Wien	63.1	63.1
Sparkassen-Real-Service für Kärnten und Osttirol Realitätenvermittlungs-Gesellschaft m.b.H.	Klagenfurt	57.6	57.6
Sparkassen-Real-Service - Tirol Realitätenvermittlungs-Gesellschaft m.b.H.	Innsbruck	68.7	68.7
SPK OÖ Beteiligungsholding GmbH	Linz	10.0	10.0
SPK OÖ Immobilien GmbH	Linz	10.0	10.0
SPK OÖ R6-8 Immobilien GmbH & Co KG	Linz	10.0	10.0
S-Real, Realitätenvermittlungs- und -verwaltungs Gesellschaft m.b.H.	Wiener	0.0	0.0
S-RENT DOO BEOGRAD	Belgrade	35.5	35.5
Steiermärkische Verwaltungssparkasse Immobilien & Co KG	Graz	25.0	25.0
Subholding Immorent GmbH	Wien	100.0	100.0
Suport Colect SRL	Bucharest	99.9	99.9
UBG-Unternehmensbeteiligungsgesellschaft m.b.H.	Wien	100.0	100.0
Vorarlberger Sparkassen Beteiligungs GmbH	Dornbirn	0.0	0.0
XENIA-Immorent Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
ZWETTLER LEASING Gesellschaft m.b.H.	Zwettl	0.0	0.0
Funds			
ERSTE RESERVE CORPORATE	Wien	0.0	0.0
ERSTE RESPONSIBLE RESERVE	Wien	0.0	0.0
IPS Fonds II	Wien	0.0	0.0
SPARKASSEN 4	Wien	0.0	0.0
SPARKASSEN 5	Wien	0.0	0.0
SPARKASSEN 8	Wien	0.0	0.0
Equity method investments			
Credit institutions			
Prva stavebna sporitelna, a.s.	Bratislava	35.0	35.0
SPAR-FINANZ BANK AG	Salzburg	50.0	50.0
Financial institutions			
BCR Social Finance IFN S.A.	Bucharest	73.9	73.9
ERSTE d.o.o.	Zagreb	45.2	50.6

Company name, registered office		Interest of Erste Group in %	
		Dec 24	Dec 25
Erste Social Finance Holding GmbH	Wien	49.0	49.0
Esquilin Grundstücksverwaltungs Gesellschaft m.b.H.	St. Pölten	24.5	24.5
FORIS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	24.5	24.5
Global Payments s.r.o.	Praha	49.0	49.0
HOSPES-Grundstückverwaltungs Gesellschaft m.b.H.	St. Pölten	33.3	33.3
Immorent-Hypo-Rent Grundverwertungsgesellschaft m.b.H.	Innsbruck	49.0	49.0
LITUS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	24.5	24.5
NÖ Bürgschaften und Beteiligungen GmbH	Wien	14.4	14.4
NÖ-KL Kommunalgebäudeleasing Gesellschaft m.b.H.	Wien	33.4	33.4
PSA Payment Services Austria GmbH	Wien	18.5	18.5
Quirinal Grundstücksverwaltungs Gesellschaft m.b.H.	Wien	33.3	33.3
TKL VIII Grundverwertungsgesellschaft m.b.H.	Innsbruck	24.5	24.5
VALET-Grundstückverwaltungs Gesellschaft m.b.H.	St. Pölten	24.5	24.5
VOLUNTAS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	35.0	35.0
Other			
APHRODITE Bauträger GmbH	Wien	50.0	50.0
Gemdat Niederösterreichische Gemeinde-Datenservice Gesellschaft m. b. H.	Korneuburg	0.8	0.8
Hochkönig Bergbahnen GmbH	Mühlbach	49.2	49.2
Neue Eisenstädter gemeinnützige Bau-, Wohn- und Siedlungsgesellschaft m.b.H.	Eisenstadt	50.0	50.0
O.Ö. Kommunalgebäude-Leasing Gesellschaft m.b.H.	Linz	40.0	40.0
Steirische Gemeindegebäude Leasing Gesellschaft m.b.H.	Wien	50.0	50.0
Steirische Leasing für öffentliche Bauten Gesellschaft m.b.H. in Liqu.	Wien	50.0	50.0
Steirische Kommunalgebäudeleasing Gesellschaft m.b.H.	Wien	50.0	50.0
Steirische Leasing für Gebietskörperschaften Gesellschaft m.b.H.	Wien	50.0	50.0
STUWO Gemeinnützige Studentenwohnbau Aktiengesellschaft	Wien	50.0	50.0
SWO Kommunalgebäudeleasing Gesellschaft m.b.H.	Wien	50.0	50.0
TRABITUS Grundstückvermietungs Gesellschaft m.b.H. in Liqu.	Wien	25.0	25.0
"Wohnungseigentümer" Gemeinnützige Wohnbaugesellschaft m.b.H.	Mödling	20.3	20.3
Slovak Banking Credit Bureau, s.r.o.	Bratislava	33.3	33.3
VBV - Betriebliche Altersvorsorge AG	Wien	29.3	29.3
Flottenmanagement GmbH	Wien	51.0	51.0
GELUP GmbH	Wien	33.3	33.3
KWC Campus Errichtungsgesellschaft m.b.H.	Klagenfurt	13.6	13.6
Erste ÖSW Wohnbauträger GmbH	Wien	50.1	50.1
CIT ONE SA	Bucharest	33.3	33.3
Dostupny Domov j.s.a.	Nitra	39.9	39.9
Monilogi s.r.o.	Bratislava	28.0	28.0
Dostupny Najom j.s.a.	Nitra	39.8	39.8
Other investments			
Credit institutions			
ALTA BANKA AD BEOGRAD	Belgrade	0.0	0.0
EUROAXIS BANK AD Moskva	Moscow	1.6	1.6
EUROPEAN INVESTMENT FUND	Luxembourg	0.1	0.1
Oesterreichische Kontrollbank Aktiengesellschaft	Wien	12.9	12.9
Public Joint-stock company commercial Bank "Center-Invest"	Rostov	9.1	9.1
Südtiroler Sparkasse AG	Bozen	0.1	0.1
Financial institutions			
"Die Kärntner" - Förderungs- und Beteiligungsgesellschaft für die Stadt Friesach Gesellschaft m.b.H.	Friesach	25.0	25.0
"Die Kärntner" - Förderungsgesellschaft für das Gurktal Gesellschaft m.b.H.	Gurk	25.0	25.0
"Die Kärntner"-Förderungs- und Beteiligungsgesellschaft für den Bezirk Wolfsberg Gesellschaft m.b.H.	Wolfsberg	25.0	25.0
AMC V SCA SICAV-RAIF	Luxembourg	2.9	2.9
Anlegerentschädigung von Wertpapierfirmen GmbH	Wien	0.0	0.5
ASEF S.C.Sp.	Senningerberg	5.3	5.3
BCR Asigurari de Viata Vienna Insurance Group SA	Bucharest	5.5	5.5
BCR SEED STARTER SRL	Bucharest	99.9	99.9
Burza cennych papierov v Bratislave, a.s.	Bratislava	3.9	3.9
capital300 EuVECA GmbH & Co KG	Wien	0.7	0.7
Centar banka d.d. in bankruptcy	Zagreb	0.6	0.6
Central Securities Depository AD Skopje	Skopje	4.6	4.6
Clearing House KIBS AD Skopje	Skopje	4.5	4.5
Crowdberry Investment Platform j.s.a.	Bratislava	20.0	20.0

Company name, registered office		Interest of Erste Group in %	
		Dec 24	Dec 25
CULINA Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	25.0	25.0
CVI Private Debt Fund II S.C.A. SICAV-RAIF	Luxembourg	0.0	3.3
EBA CLEARING (ABE CLEARING S.A.S.)	Paris	2.1	2.1
Erste Asset Management Deutschland GmbH	Haar	91.1	91.1
ERSTE Immobilien Beta GmbH	Wien	68.7	68.7
Fortenova Group STAK Stichting	Amsterdam	0.3	0.3
Fund of Excellence Förderungs GmbH	Wien	45.0	45.0
Garantiqa Hitelgarancia Zrt.	Budapest	2.3	2.3
Gladiator Leasing Limited	Pieta	100.0	100.0
Innova/7 SCA SICAV-RAIF	Senningerberg	2.9	2.9
KERES-Immorent Immobilienleasing GmbH	Wien	25.0	25.0
KOOPERATIVA poistovna, a.s. Vienna Insurance Group	Bratislava	1.5	1.5
Kooperativa pojistovna, a.s. Vienna Insurance Group	Praha	1.6	1.6
Neo Investment B.V.	Amsterdam	0.0	0.0
Oberösterreichische Kreditgarantiegesellschaft m.b.H.	Linz	2.3	1.5
Omniasig Vienna Insurance Group SA	Bucharest	0.1	0.1
Q-ENERGY V, FCR	Madrid	1.3	1.3
Round2 Capital Partners II SCSp RAIF	Howald	5.2	5.2
S Servis, s.r.o.	Znojmo	100.0	100.0
SOCIETATEA DE TRANSFER DE FONDURI SI DECONTARI TRANSFOND SA	Bucharest	3.2	3.2
Society for Worldwide Interbank Financial Telecommunication scrI	La Hulpe	0.3	0.3
Speedinvest III EuVECA GmbH & Co KG	Wien	1.8	1.8
Speedinvest IV EuVECA GmbH & Co KG	Wien	1.6	1.6
SREDISNJE KLIRINSKO DEPOZITARNO DRUSTVO D.D.(CENTRAL DEPOZITORY & CLEARING COMPANY Inc.)	Zagreb	0.1	0.1
SVB Lambach Versicherungsmakler GmbH	Lambach	0.0	0.0
Taaleri SolarWind III CEE SCSp	Luxembourg	0.0	1.7
Taaleri SolarWind III SCSp.	Luxembourg	0.0	1.7
TKL VI Grundverwertungsgesellschaft m.b.H.	Innsbruck	33.3	33.3
TKL VII Grundverwertungsgesellschaft m.b.H.	Innsbruck	33.3	33.3
UNION Vienna Insurance Group Biztosito Zrt.	Budapest	1.4	1.4
WB & VC Sparkasse Korneuburg GmbH	Korneuburg	0.0	0.0
Web Value GmbH	Wien	6.5	6.5
Wiener Börse AG	Wien	11.6	11.6
Wiener osiguranje Vienna Insurance Group dionicko drustvo za osiguranje	Zagreb	1.1	1.1
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group	Wien	2.2	2.2
WKBG Wiener Kreditbürgschafts- und Beteiligungsbank AG (vorm.Kapital-Beteiligungs Aktiengesellschaft)	Wien	14.4	14.4
WVR Immobilien GmbH	Zwettl	0.0	0.0
Zweite Beteiligungsgesellschaft Reefer-Flottenfonds mbH & Co KG	Hamburg	0.0	0.0
Other			
"Gasthof Löwen" Liegenschaftsverwaltung GmbH & Co., KG	Feldkirch	0.0	0.0
"Photovoltaik-Gemeinschaftsanlage" der Marktgemeinde Wolfurt	Wolfurt	0.0	0.0
"S-PREMIUM" Drustvo sa ogranicenom odgovornoscu za posredovanje i zastupanje u osiguranju d.o.o. Sarajevo	Sarajevo	25.0	25.0
"Stolz auf Wien" Beteiligungs GmbH	Wien	0.0	0.0
"TBG" Thermenzentrum Geinberg Betriebsgesellschaft m.b.H.	Geinberg	0.4	0.4
"THG" Thermenzentrum Geinberg Errichtungs-GmbH	Linz	0.4	0.4
AB Banka, a.s. v likvidaci	Mladá Boleslav	4.5	4.5
Achenseebahn-Aktiengesellschaft in Abwicklung	Jenbach	0.0	0.0
Achtundsechzigste Sachwert Rendite-Fonds Holland GmbH & Co KG	Hamburg	0.0	0.0
AD SPORTSKO POSLOVNI CENTAR MILLENNIUM VRŠAC	Vršac	0.2	0.2
Agrargemeinschaft Kirchsschlag	Kirchsschlag	0.0	0.0
Alpbacher Bergbahn Gesellschaft m.b.H. & Co.KG.	Alpbach	0.0	0.0
Am Garnmarkt Betriebs GmbH	Götzis	0.0	0.0
ARWAG Holding-Aktiengesellschaft	Wien	19.3	19.3
AS LEASING Gesellschaft m.b.H.	Linz	10.0	10.0
AS Support GmbH	Linz	10.0	10.0
Austrian Reporting Services GmbH	Wien	14.3	14.3
aws Gründerfonds Beteiligungs GmbH & Co KG	Wien	5.1	5.1
Bankovni identita, a.s.	Praha	17.0	17.0
Bäuerliches Blockheizkraftwerk Kautzen registrierte Genossenschaft mit beschränkter Haftung	Kautzen	0.0	0.0
beeex GmbH	Pöllau	0.0	0.0

Company name, registered office		Interest of Erste Group in %	
		Dec 24	Dec 25
Berg- und Schillift Schwaz-Pill Gesellschaft m.b.H.	Schwaz	0.0	0.0
Bergbahn Aktiengesellschaft Kitzbühel	Kitzbühel	0.0	0.0
Bergbahn Lofer GmbH	Lofer	7.1	7.1
Bergbahnen Oetz Gesellschaft m.b.H.	Oetz	0.0	0.0
Bergbahnen Westendorf Gesellschaft m.b.H.	Westendorf	0.0	0.0
BGM - EB-Grundstücksbeteiligungen GmbH & Co KG	Wien	0.0	0.0
Biogenrohstoffgenossenschaft Kamptal und Umgebung registrierte Genossenschaft mit beschränkter Haftung	Maieresch	0.0	0.0
Biomasse Heizwerk Zürs GmbH	Zürs	0.0	0.0
Biroul de Credit SA	Bucharest	19.4	19.4
Born Digital s.r.o.	Praha	7.5	7.5
Brauerei Murau eGen	Murau	0.7	0.7
Bregenz Tourismus & Stadtmarketing GmbH	Bregenz	0.0	0.0
Budapesti Értéktözsde Zártkörűen Működő Részvénytársaság	Budapest	2.3	2.3
Camelot Informatik und Consulting Gesellschaft m.b.H.	Wien	4.1	4.1
CAMPUS 02 Fachhochschule der Wirtschaft GmbH	Graz	1.5	1.5
CANCOM Banking Services GmbH	Wien	0.3	0.3
Cargo-Center-Graz Betriebsgesellschaft m.b.H	Werndorf	1.6	1.6
Cargo-Center-Graz Betriebsgesellschaft m.b.H. & Co KG	Werndorf	1.6	1.6
CARUSO Carsharing eGen	Dornbirn	0.0	0.0
Casa Romana de Compensatie Sibiu	Sibiu	0.4	0.4
CBCB-Czech Banking Credit Bureau, a.s.	Praha	20.0	20.0
CONATUS Grundstückvermietungs Gesellschaft m.b.H. in Liqu.	St. Pölten	24.5	24.5
CRNOMEREC CENTAR D.O.O. ZA PROJEKTIRANJE GRADENJE I NADZOR	Zagreb	0.0	0.0
Dachstein Tourismus AG	Gosau	0.0	0.0
Dateio s.r.o.	Praha	31.0	31.0
Digital factory s.r.o.	Praha	15.0	15.0
Dornbirner Seilbahn AG	Dornbirn	0.0	0.0
DRUSTVO ZA KONSALTING I MENADZMENT POSLOVE TRZISTE NOVCA A.D. BEOGRAD (SAVSKI VENAC)	Belgrade	0.8	0.8
EBB-Delta Holding GmbH	Wien	100.0	100.0
EBV-Leasing Gesellschaft m.b.H.	Wien	51.0	51.0
EC Energie Center Lipizzanerheimat GmbH	Bärnbach	0.0	0.0
Egg Investment GmbH	Egg	0.0	0.0
E-H Liegenschaftsverwaltungs-GmbH	Etsdorf	0.0	0.0
EHKS74 Projektentwicklung GmbH & Co KG	Korneuburg	0.0	0.0
Einlagensicherung AUSTRIA Ges.m.b.H.	Wien	1.8	1.8
EKS74 GmbH	Korneuburg	0.0	0.0
ELAG Immobilien AG	Linz	0.4	0.4
encall s.r.o.	Praha	10.0	10.0
Energie AG Oberösterreich	Linz	0.1	0.1
Energiegemeinschaft Kamptal eGen	Langenlois	0.0	0.0
Erste Diversified Private Equity I	Senningerberg	0.0	0.0
ERSTE Immobilien Alpha "WE-Objekte" GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Alpha APS 85 GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Alpha Baufeld Omega GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Alpha Brünner Straße 124 Liegenschaftsverwaltung GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Alpha Favoritenstraße 92 GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Alpha GmbH	Wien	68.7	68.7
ERSTE Immobilien Alpha Hirschstettner Straße 61 GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Alpha Kerensstraße GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Alpha Paragonstraße GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Alpha W175 GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Aspernbrückengasse 2 GmbH & Co KG	Wien	0.1	0.1
ERSTE Immobilien Beta GS 131 GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Gamma Breitenfurter Straße 235 GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Gamma GmbH	Wien	68.7	68.7
ERSTE Immobilien Gamma Hilde-Spiel-Gasse GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Gamma Poststraße 1 GmbH & Co KG	Wien	0.0	0.0
Erste PEWO Immobilienverwaltung GmbH	Wien	96.9	96.9
Erste Private Capital S.a r.l.	Senningerberg	91.1	91.1
Erste Private Capital S.C.A. SICAV-RAIF	Senningerberg	0.0	0.0
FLIP GmbH - gemeinnützige Gesellschaft zur Förderung finanzieller Bildung	Wien	49.0	49.0

Company name, registered office		Interest of Erste Group in %	
		Dec 24	Dec 25
FLIP Linz GmbH - Gemeinnützige Gesellschaft zur Förderung finanzieller Bildung	Linz	10.0	10.0
Flourish d.o.o Podgorica	Podgorica	3.5	3.5
Förstergasse 7 Immobilien GmbH	Zwettl	0.0	0.0
Fortenova STAK Stichting	Amsterdam	0.2	0.2
Freizeitpark Zell GmbH	Zell	0.0	0.0
Freizeitzentrum Zillertal GmbH	Fügen	0.0	0.0
FWG-Fernwärmeversorgung Raabs a.d. Thaya registrierte Genossenschaft mit beschränkter Haftung	Raabs	0.0	0.0
Gasteiner Bergbahnen Aktiengesellschaft	Bad Hofgastein	13.4	13.4
GEBAU-NIOBAU Gemeinnützige Baugesellschaft m.b.H.	Mödling	19.2	19.2
GEMDAT OÖ GmbH	Linz	4.3	2.9
GEMDAT OÖ GmbH & Co KG	Linz	4.7	3.2
Gemeinnützige Bau- und Siedlungsgenossenschaft "Waldviertel" registrierte Genossenschaft mit beschränkter Haftung	Raabs	0.0	0.0
Gemeinnützige Wohn- und Siedlungsgesellschaft Schönerer Zukunft, Gesellschaft m.b.H.	Wien	15.0	15.0
Gemeinnützige Wohnungsgesellschaft "Austria" Aktiengesellschaft	Mödling	20.0	20.0
Gerlitzten - Kanzelbahn - Touristik Gesellschaft m.b.H. & Co KG	Sattendorf	0.0	0.0
Gewerbe- und Dienstleistungspark der Stadtgemeinde Bad Radkersburg KG	Bad	12.5	12.5
Gladiator Aircraft Management Limited (in Liqui.)	Pieta	100.0	100.0
GLL A319 AS LIMITED	Pieta	100.0	100.0
GLL MSN 2118 DESIGNATED ACTIVITY COMPANY (in Liqui)	Dublin	100.0	100.0
Golfclub Brand GmbH	Brand	0.0	0.0
Golfclub Pfarrkirchen im Mühlviertel GesmbH	Pfarrkirchen	0.2	0.2
Golfplatz Hohe Salve - Brixental Errichtergesellschaft m.b.H. & Co KG	Westendorf	0.0	0.0
Golfresort Haugschlag GmbH & Co KG	Litschau	0.0	0.0
Green Encoded GmbH	Graz	0.0	0.0
Großarler Bergbahnen Gesellschaft mit beschränkter Haftung & Co. KG.	Großarl	0.1	0.1
GW St. Pölten Integrative Betriebe GmbH	St. Pölten	0.0	0.0
GWS Gemeinnützige Alpenländische Gesellschaft für Wohnungsbau und Siedlungswesen m.b.H.	Graz	7.5	7.5
GXT Vermögensverwaltung GmbH & Co KG	Wien	0.4	0.4
Harkin Limited	Dublin	100.0	100.0
Haus für Senioren 1 Fischamend Errichtungsgesellschaft m.b.H. & Co KG	Wien	0.0	0.0
Hauser Kaibling Seilbahn- und Liftgesellschaft m.b.H. & Co. KG.	Haus	0.4	0.4
HDL Fiecht GmbH	Vomp	0.0	0.0
Heiltherme Bad Waltersdorf GmbH	Bad	4.5	4.5
Heiltherme Bad Waltersdorf GmbH & Co KG	Bad	4.1	4.1
Hinterstoder-Wurzeralm Bergbahnen Aktiengesellschaft	Hinterstoder	0.1	0.1
Hrvatski registar obveza po kreditima d.o.o. (HROK)	Zagreb	7.3	7.3
HV-Veranstaltungsservice GmbH	St. Lorenzen	100.0	100.0
I4A Baumeistergasse 65 Projekt GmbH	Zwettl	0.0	0.0
IMMORENT S-Immobilienmanagement GesmbH	Wien	100.0	100.0
Innovations.Raum Kufstein eGen	Kufstein	0.0	0.0
Investown Technologies s.r.o.	Zlatniky-	24.1	19.0
JAVNO SKLADISTE SLOBODNA CARINSKA ZONA NOVI SAD AD NOVI SAD	Novi Sad	4.1	4.1
Juchgasse 10 Immobilien GmbH	Zwettl	0.0	0.0
JUGOALAT-JAL AD NOVI SAD	Novi Sad	5.0	5.0
Kaiser-Ebersdorfer Straße 8 GmbH & Co KG	Wien	0.0	0.0
Kapruner Freizeitzentrum Betriebs GmbH	Kaprun	0.0	0.0
Kitzbüheler Anzeiger Gesellschaft m.b.H.	Kitzbühel	0.0	0.0
Kleinkraftwerke-Betriebsgesellschaft m.b.H.	Wien	100.0	100.0
Kur- und Fremdenverkehrsbetriebe Bad Radkersburg Gesellschaft m.b.H.	Bad	0.3	0.3
L & M Immobilien Invest GmbH	St. Pölten	0.0	0.0
ländleticket marketing gmbh	Dornbirn	0.0	0.0
Langenloiser Liegenschaftsverwaltungs-Gesellschaft m.b.H.	Langenlois	0.0	0.0
LBH Liegenschafts- und Beteiligungsholding GmbH	Innsbruck	75.0	75.0
Lebens.Resort & Gesundheitszentrum GmbH	Ottenschlag	0.0	0.0
Lienzer-Bergbahnen-Aktiengesellschaft	Gaimberg	0.0	0.0
Liezener Bezirksnachrichten Gesellschaft m.b.H.	Liezen	1.1	1.1
LOCO 597 Investment GmbH	Egg	0.0	0.0
Lorit Kommunalgebäudeleasing Gesellschaft m.b.H.	Wien	26.7	26.7
LV Holding GmbH	Linz	14.2	9.7
Macedonian Stock Exchange AD	Skopje	4.7	4.7
Maissauer Amethyst GmbH	Maissau	0.0	0.0

Company name, registered office		Interest of Erste Group in %	
		Dec 24	Dec 25
MAJEVICA HOLDING AKCIONARSKO DRUSTVO, BACKA PALANKA	Bacčka Palanka	5.2	5.2
Mayer Property Alpha d.o.o. u likvidaciji	Zagreb	100.0	100.0
Mayrhofner Bergbahnen Aktiengesellschaft	Mayrhofen	0.0	0.0
MCG Graz e.gen.	Graz	1.4	1.4
MEG Hausgemeinschaft "Bahnhofstraße 1, 4481 Asten"	Asten	0.0	0.0
MIGRA Gemeinnützige Wohnungsges.m.b.H.	Wien	19.8	19.8
Mittersiller Golf- und Freizeitanlagen Gesellschaft m.b.H.	Mittersill	0.0	0.0
Montfort Investment GmbH	Götzis	0.0	0.0
Mühlbachgasse 8 Immobilien GmbH	Langenlois	0.0	0.0
MUNDO FM & S GmbH	Wien	100.0	100.0
Nahwärme Frankenmarkt eGen	Frankenmarkt	0.0	0.0
Neuhofner Bauträger GmbH	Neuhofen	0.0	0.0
O.Ö. Kommunal-Immobilienleasing GmbH	Linz	40.0	40.0
Oberösterreichische Unternehmensbeteiligungsgesellschaft m.b.H.	Linz	2.3	1.5
Oberpinzgauer Fremdenverkehrsförderungs- und Bergbahnen - Aktiengesellschaft	Neukirchen	0.0	0.0
Obertilliacher Bergbahnen-Gesellschaft m.b.H.	Obertilliach	0.0	0.0
ÖKO-Heizkraftwerk Pöllau GmbH	Pöllau	0.0	0.0
ÖKO-Heizkraftwerk Pöllau GmbH & Co KG	Pöllau	0.0	0.0
OÖ HightechFonds GmbH	Linz	3.1	2.1
Ortswärme Fügen GmbH	Fügen	0.0	0.0
Österreichische Wertpapierdaten Service GmbH	Wien	32.6	32.6
Osttiroler Wirtschaftspark GesmbH	Lienz	0.0	0.0
ÖSW Wohnbauvereinigung Gemeinnützige Gesellschaft m.b.H.	Salzburg	15.0	15.0
ÖWGES Gemeinnützige Wohnbaugesellschaft m.b.H.	Graz	2.5	2.5
Planai - Hochwurzen - Bahnen Gesellschaft m.b.H.	Schladming	0.7	0.7
Planung und Errichtung von Kleinkraftwerken GmbH	Wien	100.0	100.0
POSLOVNO UDRUZENJE DAVAOKA LIZINGA "ALCS" BEOGRAD	Belgrade	8.3	8.3
PREDUZECE ZA PRUZANJE CONSULTING USLUGA BANCOR CONSULTING GROUP DOO NOVI SAD	Novi Sad	2.6	2.6
Profluo Mind SRL	Pucioasa	0.0	6.8
Prvni certifikacni autorita, a.s.	Praha	23.3	23.3
Radio Osttirol GesmbH	Lienz	0.0	0.0
Rätikon-Center Errichtungs- und Betriebsgesellschaft m.b.H.	Bludenz	0.0	0.0
RDS43 Immobilien GmbH	Zwettl	0.0	0.0
Realitäten und Wohnungsservice Gesellschaft m.b.H.	Köflach	4.0	4.0
REGIONALNA AGENCIJA ZA RAZVOJ MALIH I SREDNJIH PREDUZECA ALMA MONS D.O.O.	Novi Sad	3.3	3.3
Rekenber s.r.o.	Praha	20.0	20.0
Riesneralm - Bergbahnen Gesellschaft m.b.H. & Co. KG.	Irdning-	0.0	0.0
Rolling Stock Lease s.r.o.	Bratislava	3.0	3.0
RTG Tiefgaragenerrichtungs und -vermietungs GmbH	Graz	25.0	25.0
S - Leasing und Vermögensverwaltung - Gesellschaft m.b.H.	Peuerbach	0.0	0.0
S IMMOKO Leasing GesmbH	Korneuburg	0.0	0.0
SALIX-Grundstückserwerbs Ges.m.b.H.	Eisenstadt	50.0	50.0
SALZBURG INNENSTADT, Vereinigung zur Förderung selbständiger Unternehmer der Salzburger Innenstadt, registrierte Genossenschaft mit beschränkter Haftung in Liquidation	Salzburg	2.0	2.0
S-AMC1 DOOEL Skopje	Skopje	24.1	24.1
Schweighofer Gesellschaft m.b.H. & Co KG	Friedersbach	0.0	0.0
S-City Center Wirtschaftsgütervermietungsgesellschaft m.b.H.	Wiener	0.0	0.0
S-COMMERZ Immobilienvermittlung GmbH	Neunkirchen	0.0	0.0
SEG Sport Event GmbH	Hohenems	0.0	0.0
Seniorenresidenz "Am Steinberg" GmbH	Graz	25.0	25.0
S-Finanzservice Gesellschaft m.b.H.	Baden	0.0	0.0
SHAPE Capital Partners GmbH	Wien	0.0	22.7
SILO II Komplementärgesellschaft m.b.H. in Liqu.	Wien	49.0	49.0
Silvrettaseilbahn Aktiengesellschaft	Ischgl	0.0	0.0
Skilifte Unken - Heutal Gesellschaft m.b.H. & Co, KG	Unken	0.0	0.0
Skilifte Unken Heutal Gesellschaft m.b.H.	Unken	2.2	2.2
SmartHead Co. s.r.o.	Bratislava	13.8	17.0
Smarthuts SRL	Bucharest	0.0	10.0
Sparkasse Amstetten Service- und Verwaltungsgesellschaft m. b. H.	Amstetten	0.0	0.0
Sparkasse Bludenz Beteiligungsgesellschaft mbH	Bludenz	0.0	0.0
Sparkasse Bludenz Immobilienverwaltungsgesellschaft mbH	Bludenz	0.0	0.0
Sparkasse Imst Immobilienverwaltung GmbH	Imst	0.0	0.0

Company name, registered office		Interest of Erste Group in %	
		Dec 24	Dec 25
Sparkasse Imst Immobilienverwaltung GmbH & Co KG	Imst	0.0	0.0
Sparkassen Bankbeteiligungs GmbH	Dornbirn	0.0	0.0
Sparkassen Beteiligungs GmbH & Co KG	Wien	3.0	3.0
Sparkassen Facility Management GmbH	Innsbruck	75.0	75.0
Sparkassen Leasing Süd GmbH	Kaprun	6.5	6.5
Sparkassen Leasing Süd GmbH	Hermagor	25.0	25.0
SPES GmbH & Co. KG	Schlierbach	0.0	0.0
SPK OÖ City Immobilien GmbH	Linz	10.0	10.0
SPK OÖ Investment GmbH	Linz	10.0	10.0
SPK OÖ M2 Immobilien GmbH	Linz	10.0	10.0
SPKR Liegenschaftsverwertungs GmbH	Reutte	0.0	0.0
SPKU Immo GmbH	Kufstein	0.0	0.0
Sport- und Freizeitanlagen Gesellschaft m.b.H.	Schwandenstadt	3.3	3.3
SPRON ehf.	Reykjavik	4.9	4.9
Stadtgemeinde Weiz - Wirtschaftsentwicklungs KG	Weiz	0.0	0.0
Stadtmarketing-Ternitz GmbH	Ternitz	0.0	0.0
Sternstein Sessellift Gesellschaft m.b.H.	Bad Leonfelden	7.2	7.2
Stoderzinken - Liftgesellschaft m.b.H. & Co. KG.	Gröbming	0.4	0.4
SZG-Dienstleistungsgesellschaft m.b.H.	Salzburg	100.0	100.0
Tannheimer Bergbahnen GmbH	Tannheim	0.0	0.0
Tauern SPA World Betriebs- GmbH & Co KG	Kaprun	11.1	11.1
Tauern SPA World Betriebs-GmbH	Kaprun	12.2	12.2
Tauern SPA World Errichtungs- GmbH & Co KG	Kaprun	11.1	11.1
Tauern SPA World Errichtungs-GmbH	Kaprun	12.2	12.2
TAUROS Capital Investment GmbH & Co KG	Wien	40.4	40.4
TAUROS Capital Investment Zwei GmbH & Co KG	Wien	48.1	48.1
TAUROS Capital Management GmbH	Wien	44.6	44.6
TDG Techn. Dienstleistungs- und Objektservicegesellschaft m.b.H.	Wien	100.0	100.0
TECH21 Bürohaus und Gewerbehof Errichtungs- und Betriebsgesellschaft mbH & Co KG	Wien	0.1	0.1
Technologie- und Dienstleistungszentrum Ennstal GmbH	Reichraming	0.0	0.0
TECHNOLOGIE- und GRÜNDERPARK ROSENAL GmbH	Rosental	0.3	0.3
Technologie- und Innovationszentrum Kirchdorf GmbH	Schlierbach	0.0	0.0
Technologiezentrum Inneres Salzkammergut GmbH	Bad Ischl	0.0	0.0
Technologiezentrum Salzkammergut GmbH	Gmunden	0.2	0.2
Technologiezentrum Salzkammergut-Bezirk Vöcklabruck GmbH	Attnang-	0.0	0.0
Techno-Z Ried Technologiezentrum GmbH	Ried	0.0	0.0
Therme Wien Ges.m.b.H.	Wien	15.3	15.3
Therme Wien GmbH & Co KG	Wien	15.3	15.3
Tiefgarage Anger, Gesellschaft m.b.H. & Co. KG.	Lech	0.0	0.0
Tiroler Siedlungswerk Gemeinnützige Wohnungsaktiengesellschaft	Innsbruck	25.8	25.8
TIZ Landl - Grieskirchen GmbH	Grieskirchen	0.0	0.0
TKL II. Grundverwertungsgesellschaft m.b.H.	Wien	26.7	26.7
Tourismus- u. Freizeitanlagen GmbH	Hinterstoder	0.0	0.0
Tourismusgenossenschaft Ramsau am Dachstein eGen	Ramsau am	0.4	0.4
TravelPerk Inc.	Wilmington	0.0	0.2
TSG EDV-Terminal-Service Ges.m.b.H.	Wien	0.1	0.1
VERMREAL Liegenschaftserwerbs- und -betriebs GmbH	Wien	25.6	25.6
Vestberry Holding, j.s.a.	Bratislava	4.4	10.1
VISA INC.	San Francisco	0.0	0.0
VIVEA Bad Schönau GmbH	Bad Schönau	0.0	0.0
VIVITHv GmbH	St. Pölten	19.9	19.9
VIVITimmo GmbH	St. Pölten	14.9	14.9
Waldviertler Leasing s.r.o.	Praha	0.0	0.0
Wassergenossenschaft Mayrhofen	Mayrhofen	0.0	0.0
WBV Beteiligungs- und Vermögensverwaltungsgesellschaft m.b.H.	Feldkirch	0.0	0.0
we - Gemeinnützige Tiroler Wohnbau GmbH	Innsbruck	19.1	19.1
WEB Windenergie AG	Pfaffenschlag	0.0	0.0
Weißsee-Gletscherwelt GmbH	#NV	0.0	0.0
WET Wohnbaugruppe Service GmbH	Mödling	19.9	19.9
wflow.com Czech Republic s.r.o.	Praha	17.0	17.0
Wien 3420 Aspern Development AG	Wien	24.5	24.5
WIEPA-Vermögensverwaltungsgesellschaft m.b.H.	Dornbirn	0.0	0.0

Company name, registered office		Interest of Erste Group in %	
		Dec 24	Dec 25
Wirtschaftspark Kleinregion Fehring Errichtungs- und Betriebsgesellschaft m.b.H.	Fehring	1.3	1.3
WNI Wiener Neustädter Immobilienleasing Ges.m.b.H.	Wiener	0.0	0.0
WW Wohnpark Wehlstraße GmbH	Wien	100.0	100.0
Zagreb Stock Exchange, Inc.	Zagreb	2.3	2.3
Zwettler Immobilien und Projekt GmbH	Zwettl	0.0	0.0

Additional information

GLOSSARY

Book value per share

Equity (attributable to owners of the parent) divided by the number of outstanding shares at the end of the period.

Cash return on equity (cash RoE)

Net profit for the period attributable to the owners of the parent less dividends for Additional Tier 1 capital (AT1), adjusted for non-cash items such as goodwill amortisation and amortisation of customer relationship as a percentage of the average equity attributable to the owners of the parent. The average is calculated on the basis of final quarterly values.

Cash earnings per share

Net profit for the period attributable to owners of the parent, less dividends for Additional Tier 1 capital (AT1), adjusted for non-cash items such as goodwill impairment and amortisation of customer relationship divided by the weighted average number of outstanding shares.

CEE (Central and Eastern Europe)

Abbreviation for the economic area Central and Eastern Europe. Includes the new EU member states of the enlargement rounds 2004 and 2007 as well as the successor states of Yugoslavia and the Soviet Union as well as Albania.

CET1

Common equity Tier 1.

CET1 ratio

Common equity Tier 1 as a percentage of the total risk (according to CRR).

CRR

Capital Requirements Regulation: one of the two legal acts containing the new Capital Requirements.

Cost/income ratio

General administrative expenses or operating expenses as a percentage of operating income.

Dividend yield

Dividend distribution of the financial year as a percentage of the year-end closing price or the most recent price of the share.

Earnings per share

Net profit for the period attributable to owners of the parent, less dividends for Additional Tier 1 capital (AT1), divided by the weighted average number of outstanding shares.

Interest-bearing assets

Total assets less cash and cash balances, derivatives – held for trading, hedge accounting derivatives, property and equipment, investment properties, intangible assets, current and deferred tax assets, assets held for sale and other assets.

Loan to deposit ratio

Loans and receivables to customers (net) in relation to deposits from customers

Miscellaneous assets

The total of hedge accounting derivatives, property and equipment, investment properties, investments in associates and joint ventures associates, current and deferred tax assets, assets held for sale and other assets.

Miscellaneous liabilities

The total of other financial liabilities at fair value through profit or loss, other financial liabilities at amortised cost, hedge accounting derivatives, changes in fair value of portfolio hedged items, provisions, current and deferred tax liabilities, liabilities associated with assets held for sale and other liabilities.

Net interest margin

Net interest income as a percentage of average interest-bearing assets. The average is calculated on the basis of quarterly values.

Operating expenses (general administrative expenses)

The total of personnel expenses, other administrative expenses and depreciation and amortisation.

Operating income

Total of net interest income, net fee and commission income, dividend income, net trading result, gains/losses from financial instruments measured at fair value through profit or loss, net result from equity method investments and rental income from investment properties & other operating leases.

Operating result

Operating income less operating expenses.

Own funds

Own funds according to CRR consist of Common equity Tier 1 (CET1), Additional Tier 1 capital (AT1) and the supplementary capital (T2).

Price/earnings ratio

Ratio between closing price of the financial year and earnings per share of the financial year.

Non-performing exposure (NPE) collateralisation ratio

Collateral for non-performing credit risk exposure as a percentage of non-performing credit risk exposure.

Non-performing exposure (NPE) coverage ratio

Credit risk allowances for credit risk exposure (all allowances in scope of IFRS 9 and provisions for other commitments) as a percentage of non-performing credit risk exposure.

Non-performing exposure (NPE) ratio

Non-performing credit risk exposure as a percentage of total credit risk exposure.

Non-performing loans (NPL) collateralisation ratio

Collateral for non-performing loans and advances to customers as a percentage of non-performing loans and advances to customers.

Non-performing loans (NPL) coverage ratio

Credit risk allowances for loans and advances to customers as a percentage of non-performing loans and advances to customers.

Non-performing loans (NPL) ratio

Non-performing loans and advances to customers as a percentage of total loans and advances to customers.

Return on equity (RoE)

Net profit for the period attributable to owners of the parent, less dividends for Additional Tier 1 capital (AT1) as a percentage of the average equity attributable to the owners of the parent. The average is calculated on the basis of final quarterly figures.

Return on equity excluding intangible assets (ROTE)

Net profit for the period attributable to owners of the parent, less dividends for Additional Tier 1 capital (AT1) as a percentage of average equity attributable to owners of the parent and adjusted for intangible assets and AT1. The average is calculated on the basis of quarterly final values.

Risk Appetite Statement (RAS)

The RAS is a strategic document, which concludes the maximum risk an organization is willing to take in order to reach any given target.

Risk categories

Risk categories classify the risk exposures of Erste Group based on the internal ratings of Erste Group. There exist three risk categories for performing risk exposures and one risk category for non-performing risk exposures.

Risk category – low risk

Typically regional customers with well-established and rather long-standing relationships with Erste Group or large, internationally recognised customers. Very good to satisfactory financial position and low likelihood of financial difficulties relative to the respective market in which the customers operate. Retail clients having long relationships with the bank, or clients with a

wide product pool use. No relevant late payments currently or in the most recent 12 months. New business is generally done with clients in this risk category.

Risk category – management attention

Vulnerable non-retail clients, which may have overdue payments or defaults in their credit history or may encounter debt repayment difficulties in the medium term. Retail clients with possible payment problems in the past triggering early collection reminders. These clients typically have a good recent payment history.

Risk category – substandard

The borrower is vulnerable to short term negative financial and economic developments and shows an elevated probability of failure. In some cases, restructuring measures are possible or already in place. As a rule, such loans are managed in specialised risk management departments.

Risk category – non-performing

One or more of the default criteria under Article 178 of the CRR are met: among others, full repayment unlikely, interest or principal payments on a material exposure more than 90 days past due, restructuring resulting in a loss to the lender, realisation of a loan loss, or initiation of bankruptcy proceedings. Erste Group applies the customer view for all customer segments, including retail clients; if an obligor defaults on one deal then the customer's performing transactions are classified as non-performing as well. Furthermore, non-performing exposures also comprise non-performing forborne transactions even in cases where the client has not defaulted.

Share capital

Total equity attributable to owners of the parent subscribed by the shareholders.

Tax ratio

Taxes on income as a percentage of pre-tax profit from continuing operations.

Texas ratio

Total capital according to IFRS dividends for Additional Tier 1 capital (AT1) and intangible assets plus allowances for loans and advances to customers as a percentage of non-performing loans.

T 1 ratio

Tier 1 as a percentage of the total risk (according to CRR).

Total capital ratio

Total of own funds as a percentage of the total risk (according to CRR).

Total risk (risk-weighted assets, RWA)

Includes credit, market and operational risk (according to CRR).

Total shareholder return

Performance of an investment in Erste Group Bank AG shares within one year including all distributions, such as dividends, as a percentage of the share price at the end of the previous year.

ABBREVIATIONS

ABA	Austrian Banking Act
ABC	Anti-bribery and Corruption
AC	Amortised cost
AI	Artificial Intelligence
ALCO	Asset Liability Committee
ALM	Asset Liability Management
AMA	Advanced Measurement Approach
AT1	Additional Tier 1
AuM	Assets under Management
B2BS	Beyond 2°C Scenario
BCR	Banca Comercială Română S.A.
CapEx	Capital Expenditures
CCMO	Chief Corporates and Markets Officer
CEE	Central and Eastern Europe
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CET1	Common Equity Tier 1
CGU	Cash-Generating Unit
CLA	Credit Loss Allowance
CMO	Collateralised Mortgage Obligation
CO ₂	Carbon Dioxide
CO ₂ e	Carbon Dioxide Equivalent
Col	Conflict of Interest
COO	Chief Operating Officer
CPO	Chief Platform Officer
CRD	Capital Requirements Directive
CRE	Commercial Real Estate
CRetO	Chief Retail Officer
CRO	Chief Risk Officer
CRP	Credit Portfolio Steering
CRR	Capital Requirements Regulation
CSAS	Česká spořitelna, a.s.
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
CVA	Credit Value Adjustments
DBEIS	Department for Business, Energy & Industrial Strategy
Defra	Department for Environment, Food & Rural Affairs
DFR	Deposit Facility Rate
DMA	Double Materiality Assessment
DNSH	Do no significant harm
DQ	Data Quality
DTA	Deferred Tax Asset
DVA	Debit Value Adjustment
EAD	Exposure At Default
EBA	European Banking Authority
EBC	Erste Bank Croatia
EBH	Erste Bank Hungary Zrt.
EBOe	Erste Bank Oesterreich
ECB	European Central Bank
ECL	Expected Credit Loss
EIB	European Investment Bank
EIF	European Investment Fund
EIR	Effective interest rate
eop	end of period
EPC	Energy Performance Certificate
ERG	Employee Resource Group
ERM	Enterprise wide & Operational Risk Management
ESG	Environmental, Social and Governance

ESMA	European Security and Markets Authority
ESRS	European Sustainability Reporting Standards
EVIC	Enterprise Value including Cash
FinGuar	Financial Guarantees
FINREP	Financial Reporting
FKi	Frauen-Karriere-Index; Women's Career Index
FLI	Forward Looking Information
FLIP	Erste Financial Life Park
FMA	Financial Market Authority
FTE	Full-time Equivalent
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit or loss
FX	Foreign exchange
GAR	Green Asset Ratio
GCA	Gross Carrying Amount
GCC	Group Corporate Centre
GDM	Group Diversity Management
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas
GWP	Global Warming Potentials
HC	Headcount
HFT	Held for trading
IAS	International Accounting Standards
IC	Intercompany
ICAAP	Internal Capital Adequacy Assessment Process
ICS	Internal Control System
ICT	Information and Communication Technology
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
IRO	Impacts, Risks and Opportunities
KPI	Key Performance Indicator
LC	Large Corporates
LCC	Local Corporate Centre
LCR	Liquidity Coverage Ratio
LDM	Local Diversity Management
LGD	Loss Given Default
LT PD	Lifetime Probability of Default
LULUCF	Land Use, Land-Use Change and Forestry
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
MS	Minimum Safeguards
MWh	Megawatt-hour
N&G	Nuclear and Gas
NACE	Nomenclature statistique des activités économiques dans la Communauté européenne
NCI	Non-controlling Interest
NECPs	National Energy and Climate Plans
NFR	Non-financial Risk
NGFS	Network for Greening the Financial System
NGO	Non-Governmental Organisation
NPE	Non-performing Exposure
NPL	Non-performing Loans
NZE	Net Zero Emissions
NZEB	Nearly Zero Energy Building
OCI	Other comprehensive income
O-SII	Other Systemic Important Institution
OTC	Over the Counter
P&L	Profit and loss
P2G	Pillar 2 Guidance
P2R	Pillar 2 Requirement
PACTA	Paris Agreement Capital Transition Assessment

PCAF	Partnership for Carbon Accounting Financials
PD	Probability of Default
PED	Primary Energy Demand
POCI	Purchased or originated credit impaired
PSU	Performance Share Unit
RAS	Risk Appetite Statement
RCP	Representative Concentration Pathway
REF	Real Estate Financing
RMA	Risk Materiality Assessment
RRE	Residential Real Estate
RWA	Risk Weighted Assets
SBTi	Science Based Targets initiative
SC	Substantial Contribution
SDA	Sectoral Decarbonisation Approach
SFM	Sustainable Finance Methodology
SICR	Significant increase in credit risk
SLSP	Slovenská sporiteľňa
SME	Small and medium-sized Enterprises
Sparkasse Kärnten	Kärntner Sparkasse Aktiengesellschaft
Sparkasse Oberösterreich	Sparkasse Oberösterreich Bank AG
Sparkasse Steiermark	Steiermärkische Bank und Sparkassen Aktiengesellschaft
SPPI	Solely payments of principal and interest
SREP	Supervisory Review and Evaluation Process
T&D	Transmission and Distribution
T1	Tier 1
T2	Tier 2
TLTRO	Target Longer-Term Refinancing Operations
TMT	Technology, Media and Telecommunications
UBA	Umweltbundesamt
UGB	Unternehmensgesetzbuch; Austrian Company Code
UN	United Nations
UoP	Use of Proceeds
VAR	Value at Risk
WACI	Weighted Average Carbon Intensity
WBT	Web-based Training
WEO	World Energy Outlook
WTT	Well-to-tank

Management Board

Peter Bosek mp, Chairman

Ingo Bleier mp, Member

Stefan Dörfler mp, Member

Alexandra Habeler-Drabek mp, Member

Maurizio Poletto mp, Member

Vienna, 25 February 2026

AUDITOR'S REPORT

AUDIT OPINION

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

AUDIT OPINION

Sparkassen-Prüfungsverband (Prüfungsstelle) and PwC Wirtschaftsprüfung GmbH, Vienna, – hereinafter referred to as “we” – have audited the group consolidated financial statements of Erste Group Bank AG, Vienna, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2025, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended, and the notes to the group financial statements of Erste Group Bank AG.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as at December 31, 2025, and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards (IFRSs) as adopted by the EU and the additional requirements under Section 59a Austrian Banking Act (BWG) in conjunction with Section 64 BWG and Section 245a Austrian Company Code (UGB).

BASIS FOR OPINION

We conducted our audit in accordance with Regulation (EU) No. 537/2014 (hereinafter “EU Regulation”) and Austrian generally accepted auditing standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report.

We are independent of the Group in accordance with Austrian Generally Accepted Accounting Principles, the provisions of the Austrian Banking Act and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor’s report is sufficient and appropriate to provide a basis for our opinion by this date.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have structured key audit matters as follows:

- _ Description
- _ Audit approach
- _ Reference to related disclosures

IMPAIRMENTS OF LOANS AND ADVANCES TO CUSTOMERS (EXPECTED CREDIT LOSSES)

DESCRIPTION

Impairments of Loans and Advances represent management’s best estimate of the credit losses expected with respect to the loan portfolio at balance sheet date.

For loans and advances to customers in the amount of EUR 226.1 billion, measured at amortized cost, Erste Group Bank AG has recognized credit loss allowances in the amount of EUR 3.9 billion as of December 31, 2025.

For the estimation of expected credit losses Erste Group Bank AG has implemented internal guidelines and specific processes. As part of these processes to estimate expected credit losses the management relies significantly on complex criteria and judgements subject to considerable discretion.

The models used for determining loss allowances are specific to the types of loan portfolios. These models are complex and not only take product specific information into consideration, but also economical features as well as specific scenarios for country specific

future information and alternative scenarios. The uncertainty inherent in the estimation of impairments of loans and advances, in particular the consideration of future economic conditions, are in 2025 significant due to the geopolitical and economic developments.

Erste Group Bank AG has taken this into account by collective staging (overlays).

Details on the methodology are presented in Note 40.

Due to

- _ the volume of risk provisions,
 - _ the complexity of models and interdependent assumptions and the resulting audit effort,
 - _ a high degree of uncertainty of future economic developments, which led to a high degree of auditor judgement and
 - _ the substantial judgement to be applied by the management in designing overlays.
- we identified this area to be a key audit matter.

AUDIT APPROACH

To assess the appropriateness of impairments of loans and advances to customers, we:

- _ updated our understanding of the Expected Credit Loss calculation methodology applied by Erste Group Bank AG based on policies, documentation and interviews and assessed its compliance with the requirements of IFRS 9. We focused specifically on adjustments to methods and processes made in order to capture the increased uncertainties of the present and future environment in expected credit losses.
- _ evaluated the control activities in credit risk management and lending business processes and tested key controls, in particular with respect to the approval of loans, ongoing monitoring and the early warning system as well as the processes around the early identification of default, as well as understood and evaluated the UTP assessment (unlikeness to pay assessment).
- _ evaluated control activities and tested key controls in the area of rating models and collateral valuation and critically assessed the valuation of collaterals based on risk adjusted sampling.
- _ assessed model governance and validation processes and critically reviewed the information brought to the attention of the management. We evaluated, with the support from our internal credit risk modelling experts, the results of back-testing and model validations.
- _ examined and critically assessed the appropriateness of credit risk parameters and models, taking into account possible structural breaks in the observable data, and assessed the plausibility of expectations and estimates made on the basis of such biases, to identify significant increases in the credit risk of individual customers or groups of customers.
- _ assessed the correctness of the stage allocation for selected portfolios based on applicable policies.
- _ analyzed sensitivities and impacts of IFRS 9 specific model aspects.
- _ evaluated whether key components of the calculation of expected credit losses are correctly incorporated in the models by performing walkthroughs and reviewing steering tables.
- _ assessed the correctness of the expected credit loss calculation (ECL calculation) for selected portfolios.
- _ evaluated the adequacy and plausibility of forward-looking information integrated into the estimates. In particular, we have compared the underlying macro-economic forecasts with external sources of information and critically assessed the individual weights attributed to scenarios.
- _ tested, on a sample basis, whether default events have been identified in accordance with applicable policies, and evaluated whether events occurred that significantly affect the borrower's ability to repay loans and advances. Furthermore, we tested, on a sample basis, the adequacy of individual loan loss allowances assessing the scenarios adopted and the estimation of expected cash flows made.

REFERENCE TO RELATED DISCLOSURES

For further details regarding the process of determining loss allowances as well as regarding the design of the models involved, we refer to the management's disclosures in section significant accounting policies point c) Significant judgements, assumptions and estimates and Note 37. Measurement of expected credit loss.

OTHER INFORMATION

Management is responsible for other information. Other information comprises any information included in the annual report, but does not include the consolidated financial statements, the management report for the Group and the auditor's report.

We obtained the consolidated corporate governance report in accordance with Section 267b UGB as well as the consolidated non-financial declaration in accordance with Section 267a UGB prior to the date of this auditor's report, all other parts of the annual report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover other information and we will not express any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements under Section 59a BWG in conjunction with Section 64 BWG and Section 245a UGB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation and with Austrian generally accepted auditing standards, which require the application of ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation and with Austrian generally accepted auditing standards, which require the application of ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- _ identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- _ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- _ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- _ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- _ evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- _ plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an audit opinion

on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinion.

- We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide the Audit Committee with a statement that we have complied with all relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated to the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE MANAGEMENT REPORT

Pursuant to the Austrian Company Code, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal requirements.

Regarding the consolidated non-financial statement included in the group management report, our responsibility is to check whether it has been prepared, to read it and to assess whether this other information shows material discrepancies with the consolidated financial statements or with our knowledge obtained during the audit, or otherwise appears to be misrepresented. Management is responsible for the preparation of the management report for the Group in accordance with the Austrian Company Code and the special legal requirements.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report for the Group.

OPINION

In our opinion, the management report for the Group was prepared in accordance with the applicable legal requirements, includes accurate statement pursuant to Section 243a UGB and is consistent with the consolidated financial statements.

STATEMENT

Based on the findings during the audit of the consolidated financial statements and the obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.

ADDITIONAL INFORMATION IN ACCORDANCE WITH ARTICLE 10 OF THE EU REGULATION

Pursuant to Sections 23 and 24 Austrian Savings Bank Act (SpG), Sparkassen-Prüfungsverband (Prüfungsstelle) is the statutory auditor of Erste Group Bank AG, Vienna. In accordance with Section 23 (3) SpG in conjunction with Sections 60 and 61 BWG, this comprises the audit of the consolidated financial statements.

At the general meeting dated May 22, 2024 and pursuant to Section 1 (1) of the Auditing Rules for Savings Banks, Annex to Section 24 SpG, PwC Wirtschaftsprüfung GmbH, Vienna, was appointed as additional auditor for the financial year 2025 and, subsequently, was engaged by the supervisory board. At the general meeting dated May 21, 2025 PwC Wirtschaftsprüfung GmbH, Vienna, was appointed as additional auditor for the financial year 2026 and, subsequently, was engaged by the Supervisory Board. Since 2017 PwC Wirtschaftsprüfung GmbH, Vienna, has constantly been appointed as additional auditor.

We confirm that the audit opinion in the “Report on the Consolidated Financial Statements” section is consistent with the additional report to the Audit Committee referred to in Article 11 of the EU Regulation.

We declare that we did not provide any prohibited non-audit services (Article 5 (1) of the EU Regulation) and that we remained independent of the audited company in conducting the audit.

RESPONSIBLE ENGAGEMENT PARTNER

Responsible for the proper performance of the engagement are Mr. Herwig Hierzer, Austrian Certified Public Accountant (Prüfungsstelle des Sparkassen-Prüfungsverbandes), Mr. Martin Ziegler, Austrian Certified Public Accountant (appointed auditor within the meaning of Section 3 (1) of the Auditing Rules for Savings Banks), and Mr. Marius Richter, Austrian Certified Public Accountant (PwC Wirtschaftsprüfung GmbH, Vienna).

Vienna, February 25, 2026

Sparkassen-Prüfungsverband

(Prüfungsstelle)
(Bank Auditor)

Herwig Hierzer
Austrian Certified Public Accountant

Martin Ziegler
Austrian Certified Public Accountant

PwC Wirtschaftsprüfung GmbH

Marius Richter
Austrian Certified Public Accountant

This report is a translation of the original report in German, which is solely valid. Publication and sharing with third parties of the consolidated financial statements together with our auditor's opinion is only allowed if the consolidated financial statements and the management report for the Group are identical with the German audited version. This audit opinion is only applicable to the German and complete consolidated financial statements with the management report for the Group. For deviating versions, the provisions of Section 281 (2) UGB apply.

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON ERSTE GROUP BANK AG'S CONSOLIDATED SUSTAINABILITY REPORTING

We have performed an engagement to obtain limited assurance on the consolidated sustainability reporting of Erste Group Bank AG, Vienna, for the financial year ending on 31 December 2025, contained in the Group Management Report in the section "Sustainability Statement".

CONCLUSION BASED ON AN AUDIT WITH LIMITED ASSURANCE

Based on our audit procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the consolidated sustainability reporting included in the Group Management Report in the section "Sustainability Statement" is not in accordance, in all material respects, with the requirements of Art. 29a (1) to (5), of the Directive 2013/34/EU, including

- _ compliance with the European Sustainability Reporting Standards (ESRS),
- _ the performance of the process to determine information to report on in accordance with the ESRS (hereafter 'materiality analysis process') and its presentation in the information in chapter 'IRO-1 - Description of the processes for determining and evaluating material climate-related impacts, risks and opportunities', and
- _ compliance with the reporting requirements pursuant to Art. 8 of the Taxonomy Regulation (EU) 2020/852 (hereinafter 'EU Taxonomy Regulation').

BASIS FOR CONCLUSION

We conducted our limited assurance engagement in accordance with the legal requirements and Austrian generally accepted standards for other assurance engagements and additional statements. In a limited assurance engagement, the assurance procedures are less extensive than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

Our responsibilities under those provisions and standards are further described in the 'Responsibilities of the group auditors' section of our report.

We are independent of the group in accordance with Austrian professional requirements and Art. 22ff AP-RL, insofar as these are applicable, and we have fulfilled our other professional responsibilities in accordance with these requirements.

Our audit firms are subject to the provisions of KSW-PRL 2022, which essentially corresponds to the requirements of ISQM 1, and apply a comprehensive quality management system, including documented guidelines and procedures to comply with ethical requirements, professional standards and applicable legal and regulatory requirements, where applicable.

We believe that the audit evidence we have obtained as of the date of this assurance report is sufficient and appropriate to provide a basis for our summary assessment as of this date.

OTHER INFORMATION

Management is responsible for other information. Other information comprises any information included in the consolidated financial statements, the Management Report for the Group, the annual report, except the sustainability statements and our assurance report.

Our limited assurance conclusion on the consolidated sustainability statement included in the section "Sustainability Statement" does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our limited assurance engagement on the consolidated sustainability statement included in the section "Sustainability Statement" it is our responsibility to read the other information and, in doing so, to consider whether it is materially inconsistent with the sustainability reporting included in the section "Sustainability Statement" or our knowledge obtained in the limited assurance engagement or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT

Management is responsible for preparing the "Sustainability Statement", including developing and implementing the materiality analysis process in accordance with the applicable requirements and standards. This responsibility includes

- _ identifying the actual and potential impacts, risks and opportunities related to sustainability aspects and assessing the materiality of these impacts, risks and opportunities,

- _ preparing the sustainability reporting included in the “Sustainability Statement” section of the Group Management Report in accordance with the requirements of Article 29a (1) to (5) of Directive 2013/34/EC, including compliance with the ESRS,
- _ including information in the “Sustainability Statement” in accordance with the EU Taxonomy Regulation, and
- _ designing, implementing and maintaining internal controls the management considers relevant to enable the preparation of a sustainability reporting included in the section “Sustainability Statement” of the Group Management Report; to ensure that is free from material misstatement due to fraud or error and to enable the implementation of the materiality analysis process in accordance with the requirements of the ESRS.

This responsibility also includes selecting and applying appropriate methods for sustainability reporting and making assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances.

INHERENT LIMITATIONS IN THE PREPARATION OF THE “SUSTAINABILITY STATEMENT”

Reporting on sustainability aspects in accordance with the ESRS requires the use of information from the group's value chain, which is only accessible to a limited extent. As described in the “Sustainability Statement” in the chapter “BP-2 – Disclosures in relation to specific circumstances, time horizons and data methodology for reporting”, section “General information – Basis for preparation”, the management must therefore use data and information from third parties and make assumptions and estimates as part of the materiality analysis and to determine parameters that are disclosed in the “Sustainability Statement”. Such parameters are therefore subject to considerable uncertainty.

Setting climate-related targets and defining the corresponding measures and strategies requires forward-looking parameters with a long-term horizon. The underlying expectations, projections and estimates are subject to uncertainties, and actual developments are likely to differ from current expectations.

When determining the methodology for implementing Delegated Regulation (EU) 2021/2178, as amended by Delegated Regulation (EU) 2026/73, it is necessary to interpret undefined legal terms. Undefined legal terms can be interpreted in different ways, and the legal conformity of their interpretation is therefore subject to uncertainty.

AUDITOR'S RESPONSIBILITIES FOR THE LIMITED ASSURANCE ENGAGEMENT OF THE CONSOLIDATED SUSTAINABILITY REPORTING

Our responsibility is to plan and perform a limited assurance engagement on whether the consolidated sustainability reporting in the “Sustainability Statement” section of the Group Management Report, including the materiality analysis process and the reporting on the EU Taxonomy Regulation, is free from material misstatement, whether due to fraud or error, and to issue a report containing our summary assessment. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the sustainability declaration.

We exercise professional judgement and maintain professional scepticism throughout the limited assurance engagement.

Our responsibilities include:

- _ Performing risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement to identify representations where material misstatements are likely to occur, whether due to fraud or error, but not for the purpose of expressing a conclusion on the effectiveness of the group's internal controls, and
- _ developing and performing audit procedures on the disclosures in the “Sustainability Statement” where material misstatements are likely.

The risk of material misstatements resulting from fraud not being detected is higher than that of material misstatements resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

SUMMARY OF WORK PERFORMED

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability reporting contained in the “Sustainability Statement” section. The nature, timing and extent of the procedures selected depend on professional judgement, including the identification of information in the “Sustainability Statement” that is likely to be materially misstated, whether due to fraud or error.

In conducting our limited assurance engagement on the sustainability reporting included in the “Sustainability Statement” of the Group Management Report, we proceed as follows:

- _ We gain an understanding of the materiality analysis process, in particular by:

- interviews to understand the sources of the information used by the management; and
- reviewing internal documentation of the process; and
- we assess, based on the evidence obtained from our audit procedures, whether the materiality analysis procedure complies with the requirements of the ESRS and with the presentation of the process in the chapter “IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities”.
- We assess whether all relevant information obtained through the materiality analysis process has been included in the “Sustainability Statement”.
- We gain an understanding of the company’s procedures that are relevant to the preparation of the “Sustainability Statement”.
- We assess whether the structure and presentation of the consolidated sustainability reporting contained in the “Sustainability Statement” are in accordance with the ESRS.
- We conduct interviews with relevant personnel and analytical procedures on selected information in the “Sustainability Statement”.
- We perform substantive procedures on samples of selected information in the “Sustainability Statement”.
- We obtain evidence regarding the methods for developing estimates and forward-looking information described in the “Sustainability Statement”.
- We obtain an understanding of the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and for preparing the corresponding disclosures in the “Sustainability Statement”,
- evaluate whether these processes, based on our understanding, are in accordance with the EU Taxonomy Regulation and the related Delegated Regulations,
- and test the input data and calculation logic used on a sample basis.
- We compare selected information in the “Sustainability Statement” with information in the consolidated financial statements and the other sections of the Group Management Report.

LIMITATION OF LIABILITY

The limited assurance engagement on the “Sustainability Statement” is a voluntary engagement. As agreed, in the event of liability, any contributory negligence on the part of the audited Company, its legal representatives and vicarious agents must be taken into account. As our report is prepared exclusively on behalf of and in the interests of the company, it does not form a basis for any reliance by third parties on its content. Claims by third parties cannot therefore be derived from it.

We issue this limited assurance report on the basis of the engagement letters concluded with the Company, which are governed by the General Terms and Conditions for the Public Accounting Professions (AAB 2018) enclosed to this report, which are also effective with respect to third parties. Our liability for slight negligence is excluded in accordance with the AAB 2018. Notwithstanding section 7 (2) of the AAB 2018, a maximum liability limit of EUR 12 million is agreed for our liability to the company in the event of gross negligence.

RESPONSIBLE ENGAGEMENT PARTNERS

Responsible for the proper performance of the engagement are Mr. Herwig Hierzer, Austrian Certified Public Accountant (Prüfungsstelle des Sparkassen-Prüfungsverbandes), Mr. Martin Ziegler, Austrian Certified Public Accountant (appointed auditor within the meaning of Section 3 (1) of the Auditing Rules for Savings Banks), and Mrs. Dorotea-E. Rebmann, Austrian Certified Public Accountant (PwC Wirtschaftsprüfung GmbH, Vienna).

Vienna, February 25, 2026

Sparkassen-Prüfungsverband

(Prüfungsstelle)
(Bank Auditor)

Herwig Hierzer
Austrian Certified Public Accountant

Martin Ziegler
Austrian Certified Public Accountant

PwC Wirtschaftsprüfung GmbH

Dorotea-E. Rebmann
Austrian Certified Public Accountant

This report is a translation of the original report in German language, which is solely valid. Publication and sharing with third parties of the consolidated sustainability reporting included in the section 'Sustainability Statement' of the group Management report together with our limited assurance report is only allowed if the "Sustainability Statement" is identical with the German version which was subject to our engagement. This limited assurance report only refers to the complete German language "Sustainability Statement". For deviating versions, the provisions of Section 281 (2) UGB shall apply accordingly.

STATEMENT OF ALL MEMBERS OF THE MANAGEMENT BOARD

We confirm that to the best of our knowledge the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties to which the Group is exposed.

Management Board

Peter Bosek mp, Chairman

Ingo Bleier mp, Member

Stefan Dörfler mp, Member

Alexandra Habeler-Drabek mp, Member

Maurizio Poletto mp, Member

Vienna, 25 February 2026