Erste Group Bank AG

Financial Statements 2025

Table of Contents

Balance Sheet of Erste Group Bank AG as of 31 December 2025

Assets

in EUR or in EUR thousand	Dec 25	Dec 24
1. Cash in hand, balances with central banks	**9,824,295,463.86**	**6,932,389**
2. Treasury bills and other bills eligible for refinancing with central banks	**17,901,326,096.77**	**16,142,603**
a) treasury bills and similar securities	17,901,326,096.77	16,142,603
b) other bills eligible for refinancing with central banks	0.00	0
3. Loans and advances to credit institutions	**24,802,041,944.42**	**32,386,353**
a) repayable on demand	2,388,809,669.48	2,556,698
b) other loans and advances	22,413,232,274.94	29,829,656
4. Loans and advances to customers	**24,254,225,795.27**	**23,652,703**
5. Debt securities and other fixed-income securities	**4,446,546,740.86**	**13,997,028**
a) issued by public bodies	538,120,028.22	400,069
b) issued by other borrowers	3,908,426,712.64	13,596,960
of which: own debt securities	154,419,366.75	8,616,527
6. Shares and other variable-yield securities	**1,827,435,506.19**	**1,811,052**
7. Participating interests	**205,621,137.18**	**155,622**
of which: in credit institutions	57,384,198.07	34,984
8. Shares in affiliated companies	**10,237,814,268.86**	**9,796,892**
of which: in credit institutions	9,584,594,033.79	9,210,717
9. Intangible fixed assets	**28,797,223.01**	**27,129**
10. Tangible fixed assets	**167,590,513.14**	**170,827**
of which: land and buildings used by the credit institution for its own business operations	6,856,879.05	3,442
11. Shares in a controlling company	**0.00**	**0**
of which: par value	0.00	0
12. Other assets	**2,676,406,580.34**	**2,888,187**
13. Subscribed capital called but not paid	**0.00**	**0**
14. Prepayments and accrued income	**98,447,275.20**	**98,157**
15. Deferred tax assets	**32,160,381.40**	**46,891**
Total assets	**96,502,708,926.50**	**108,105,833**
Off-balance sheet items		
1. Foreign assets	**62,781,566,166.72**	**68,913,090**

Liabilities and equity

in EUR or in EUR thousand	Dec 25	Dec 24
1. Liabilities to credit institutions	**30,517,498,206.15**	**35,552,929**
a) repayable on demand	4,719,568,632.49	7,501,888
b) with agreed maturity dates or periods of notice	25,797,929,573.66	28,051,041
2. Liabilities to customers (non-banks)	**8,806,418,492.76**	**10,672,557**
a) savings deposits	0.00	0
aa) repayable on demand	0.00	0
bb) with agreed maturity dates or periods of notice	0.00	0
b) other liabilities	8,806,418,492.76	10,672,557
aa) repayable on demand	2,488,524,230.13	2,583,490
bb) with agreed maturity dates or periods of notice	6,317,894,262.63	8,089,067
3. Securitised liabilities	**31,168,272,399.98**	**38,906,116**
a) debt securities issued	28,338,431,433.64	35,216,229
b) other securitised liabilities	2,829,840,966.34	3,689,887
4. Other liabilities	**3,694,886,726.69**	**3,073,978**
5. Accruals and deferred income	**177,906,243.58**	**202,264**

in EUR or in EUR thousand	Dec 25	Dec 24
6. Provisions	**641,821,492.98**	**549,929**
a) provisions for severance payments	0.00	0
b) provisions for pensions	184,923,129.81	214,368
c) provisions for taxes	228,594,249.85	100,909
d) other	228,304,113.32	234,652
6a. Special fund for general banking risks	**0.00**	**0**
7. Tier 2 capital pursuant to Part 2 Title I Chapter 4 of Regulation (EU) No 575/2013	**4,750,357,651.37**	**4,679,784**
8. Additional Tier 1 capital pursuant to Part 2 Title I Chapter 3 of Regulation (EU) No 575/2013	**3,544,108,153.49**	**2,738,413**
of which: Compulsory convertible bonds pursuant to § 26 Austrian Banking Act (BWG)	0.00	0
8b Instruments without a vote pursuant to § 26a Austrian Banking Act (BWG)	**0.00**	**0**
9. Subscribed capital	**821,028,768.00**	**821,029**
a) Share capital	821,028,768.00	821,029
b) Nominal amount own treasury shares	0.00	0
10. Capital reserves	**1,666,864,890.01**	**1,666,726**
a) committed	1,666,864,890.01	1,666,726
b) uncommitted	0.00	0
10a. Reserves for share-based payments	**7,575,288.05**	**9,890**
11. Retained earnings	**9,546,509,652.44**	**7,149,053**
a) statutory reserve	1,537,900,000.00	1,537,900
b) reserves provided for by the articles	0.00	0
c) other reserves	7,816,570,166.40	5,447,939
d) other restricted reserves	192,039,486.04	163,214
11a. Reserves for own shares	**0.00**	**0**
12. Reserve pursuant to section 57 (5) of Austrian Banking Act (BWG)	**851,000,000.00**	**851,000**
13. Net profit or loss for the year	**307,885,788.00**	**1,231,543**
14. Investment grants	**575,173.00**	**623**
Total Liabilities and equity	**96,502,708,926.50**	**108,105,833**
Off-balance sheet items		
1. Contingent liabilities of which	**13,214,805,914.56**	**12,627,167**
a) acceptances and endorsements	0.00	0
b) guarantees and assets pledged as collateral security	13,206,805,914.56	12,567,217
c) credit derivatives	8,000,000.00	59,950
2. Commitments	**21,424,856,015.16**	**19,784,658**
of which: commitments arising from repurchase agreements	0.00	0
3. Liabilities arising out of fiduciary activities	**181,641.60**	**131**
4. Own funds pursuant to Part 2 of Regulation (EU) No 575/2013	**19,998,148,078.13**	**15,948,354**
of which: Tier 2 capital pursuant to Part 2 Title I Chapter 4 of Regulation (EU) No 575/2013	4,045,128,438.66	3,843,503
5. Own funds requirements pursuant to Art 92 of Regulation (EU) No 575/2013 of which: capital required pursuant to Art 92 (1) of Regulation (EU) No 575/2013	**39,303,765,100.17**	**40,976,387**
a) Common Equity Tier 1 capital ratio	31.74%	22.99%
b) Tier 1 capital ratio	40.59%	29.54%
c) Total capital ratio	50.88%	38.92%
6. Foreign liabilities	**16,987,352,936.06**	**23,833,019**

Income Statement of Erste Group Bank AG for the year ended 31 December 2025

In EUR or EUR Thousand	Dec 25	Dec 24
1. Interest and similar income	6,607,370,221.80	8,754,553
of which: from fixed-income securities	958,056,322.21	1,041,692
2. Interest and similar expenses	-6,289,602,802.95	-8,550,198
I. NET INTEREST INCOME	**317,767,418.85**	**204,355**
3. Income from securities and participating interests	2,706,130,404.79	1,978,455
a) income from shares, other ownership interests and variable-yield securities	110,784,140.60	88,236
b) income from participating interests	11,596,979.02	10,505
c) income from shares in affiliated companies	2,583,749,285.17	1,879,714
4. Commissions income	268,830,832.04	234,159
5. Commissions expenses	-211,378,372.49	-182,906
6. Net profit or loss on financial operations	-119,576,302.96	35,436
7. Other operating income	140,595,245.04	167,132
II. OPERATING INCOME	**3,102,369,225.27**	**2,436,632**
8. General administrative expenses	-685,726,055.51	-649,147
a) staff costs	-331,654,721.98	-325,561
aa) wages and salaries	-262,244,003.25	-256,844
bb) expenses for statutory social security contributions and compulsory contributions related to wages and salaries	-51,482,094.02	-50,118
cc) other social expenses	-3,117,850.71	-2,945
dd) expenses for pensions and assistance	-9,876,236.11	-10,976
ee) release / allocation to the provision of pensions	0.00	0
ff) expenses for severance payments and contributions to severance and retirement funds	-4,934,537.89	-4,678
b) other administrative expenses	-354,071,333.53	-323,586
9. Value adjustments in respect of assets items 9 and 10	-13,642,182.92	-13,525
10. Other operating expenses	-19,943,280.21	-31,713
III. OPERATING EXPENSES	**-719,311,518.64**	**-694,385**
IV. OPERATING RESULT	**2,383,057,706.63**	**1,742,247**
11./12. Income/expenses from value adjustments of loans and advances as well as individual provisions for liabilities and credit risks	-532,731.91	-6,389
13./14. Income/expenses from value adjustments of transferable securities held as financial fixed assets, participating interests and shares in affiliated companies	424,987,392.21	697,481
V. PROFIT ON ORDINARY ACTIVITIES	**2,807,512,366.93**	**2,433,340**
15. Extraordinary income	4,370,487.12	1,566
of which: withdrawals from the special fund for general banking risks	0.00	0
16. Extraordinary expenses	0.00	0
of which: allocation to the special fund for general banking risks	0.00	0
17. Extraordinary result (sub-total of items 15 and 16)	4,370,487.12	1,566
18. Tax on profit or loss	-11,963,482.46	-2,494
19. Other taxes not reported under item 18	-92,360,005.99	-26,775
VI. PROFIT FOR THE YEAR AFTER TAX	**2,707,559,365.60**	**2,405,638**
20. Changes in reserves	-2,399,673,577.60	-1,177,630
of which: allocation to liability reserve pursuant to section 23 -6 of the Austrian Banking Act (BWG)	0.00	0
of which: reversal of liability reserve pursuant to section 23 -6 of the Austrian Banking Act (BWG)	0.00	0
VII. PROFIT FOR THE YEAR AFTER DISTRIBUTION ON CAPITAL	**307,885,788.00**	**1,228,008**
21. Profit brought forward from previous year	0.00	3,535
22. Profit transferred on the basis of profit transfer agreement	0.00	0
VIII. PROFIT FOR THE YEAR	**307,885,788.00**	**1,231,543**

Notes to the Financial Statement 2025

GENERAL INFORMATION

Erste Group Bank AG is listed on the Vienna Stock Exchange. It is also quoted on the Prague Stock Exchange and on the Bucharest Stock Exchange. Erste Group Bank AG is registered in the company register at the Commercial Court of Vienna under FN 33209m. The address of its registered office is: Am Belvedere 1, 1100 Vienna, Austria.

The 2025 financial statements of Erste Group Bank AG have been prepared in accordance with the regulations of the Commercial Code (Unternehmensgesetzbuch, UGB) and in conjunction with the applicable provisions of the Austrian Banking Act (Bankwesengesetz, BWG).

Pursuant to section 59a Austrian Banking Act (BWG), Erste Group Bank AG has prepared the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) on the same balance sheet date. The Erste Group consolidated financial statements have been filed with the commercial register at the Commercial Court of Vienna.

Erste Group Bank AG forms together with the Austrian savings banks a cross-guarantee scheme (Haftungsverbund) in accordance with article 4 (1) Z 127 CRR as well as an institutional protection scheme (IPS) approved by the supervisory authority pursuant to article 113 (7) CRR, whereby the contributions of the members, in case of the triggered event, are subject to an individual and general cap. The applicable amounts are determined by the cross-guarantee steering company that notifies the contributing members.

According to the regulations on the cross-guarantee scheme, the joint fulfilment of liabilities to customers (this applies to all deposits pursuant to section 1 (1) no. 1 BWG, all monetary claims based on credit balances from banking transactions, all monetary claims from the issue of securities, excluding own funds items pursuant to article 26ff, 51ff, 62ff CRR and claims from transactions relevant under criminal law) depends on the respective capitalization of the individual cross-guarantee scheme members. For new liabilities to customers, this provision was lifted from September 1, 2024; liabilities until August 30, 2024 are phasing out.

The contributions of the IPS members in the IPS ex-ante fund, that is set up for support measures, are recognised in the balance sheet as a participating interest in IPS GesbR, which manages this ex-ante fund, and are accounted for as retained earnings. Due to the contractual terms, these retained earnings represent a blocked reserve. This reserve can be utilised only in case of a claim by ex-ante fund and therefore cannot be used internally to cover losses. It qualifies as capital according to the CRR only on a consolidated level, but not on the single entity level. Further explanations can be found in note 21 Resolution Fund, deposit guarantee fund, IPS fund.

Furthermore, Erste Group Bank AG is the central institution for the associated Austrian savings banks, and together they form a liquidity compound pursuant to section 27a Austrian Banking Act (BWG). Where necessary, Erste Group Bank AG must supply liquidity to an associated savings bank in accordance with the legal and contractual provisions.

Ongoing legal cases

Erste Group Bank AG is party to lawsuits that mostly relate to ordinary banking business. The outcome of these proceedings is not expected to have a significant negative impact on the financial position and profitability of Erste Group Bank AG. Erste Group Bank AG is currently involved in the following legal case:

Lawsuit filed by minority shareholders in Česká spořitelna a.s.:
Following the completion of a squeeze-out procedure in Česká spořitelna a.s. resulting in Erste Group Bank AG becoming the sole shareholder of Česká spořitelna a.s., some former minority shareholders of Česká spořitelna a.s. filed a lawsuit with the courts in Prague. In these proceedings, the plaintiffs essentially claim that the settlement price per share of CZK 1,328.00 (approx. EUR 51.00 at the time) paid by Erste Group Bank AG was unfair and too low and should be increased. If the courts deem an increase to be necessary, this decision will work in favor of all former minority shareholders. In the squeeze-out carried out in 2018, Erste Group Bank AG acquired a total of 1.03% of minority shares with a value of EUR 80,327,547.67. Erste Group Bank AG considers the settlement amount determined by an external valuation expert, the amount of which was confirmed by another external expert consulted by Erste Group Bank AG in the course of the ongoing proceedings, to be correct and fair. The competent court of first instance in Prague decided in line with the opinion of Erste Group Bank AG that it had paid a fair and correct settlement amount to the former minority shareholders in the - not legally binding - judgment of first instance and rejected the claim for an increased settlement amount asserted by the plaintiffs. The judgement was appealed by several plaintiffs. The appellate proceeding is still pending.

Disclosure

Erste Group Bank AG fulfills the publishing disclosure requirements according to Part 8 of the regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation – CRR) published on the Internet. Details are available on the website of Erste Group at www.erstegroup.com/ir. The consolidated capital as well as consolidated capital requirements are published in Erste Group's consolidated financial statements. Further disclosures can be found in the Erste Group annual report in the section 'reports' or they are published as separate documents in the section 'regulatory disclosure'.

Large enterprise according to section 221 Commercial Code (UGB)

Pursuant to section 221 (3) Commercial Code (UGB) in connection with section 189a (1) Commercial Code (UGB), Erste Group Bank AG is the subject to the legal regulations for large companies for the financial year ending 31 December 2025.

NOTES ON ACCOUNTING AND MEASUREMENT METHODS

Generally accepted accounting principles

The financial statements were prepared in accordance with the generally accepted accounting principles and according to the standard principle that the financial statements should provide a fair and accurate view of the company's financial position, income and expenses. In the preparation of the financial statements, the principle of completeness was applied. The principle of individual measurement was applied in assessing the company's assets and liabilities, and the assumption was that the company would continue to operate (going concern). In applying the principle of prudence, the particularities of the banking business were considered.

Receivables and liabilities in foreign currency

Receivables and liabilities in foreign currencies are measured at the ECB reference rates applicable at the balance sheet date. The currencies for which ECB did not publish a reference rate were recognised at the mid-rate published by Erste Group Bank AG applicable at the balance sheet date. Foreign exchange forward transactions and foreign exchange swaps are priced at the forward exchange rate.

Participating interests and shares in affiliated companies

The valuation approach for participating interests and shares in affiliated companies is the modified lower of cost or market principle.

The fair value is determined based on expert assessments of the corporate value and recent transactions or market values. In general, the value is determined using a discounted cash-flow model (DCF model), which incorporates the specifics of the banking business and its regulatory environment. For this purpose, Erste Group Bank AG performs an annual impairment test at the balance sheet date, although an impairment test is also carried out during the year if evidence exists that might indicate depreciation. Methodologically, this is carried out following International Accounting Standards (IAS) 36.

The estimation of future earnings distributable to shareholders is based on financial plans (budgets) as agreed by the management of the subsidiaries while considering the fulfillment of the respective regulatory capital requirements. The corporate value determination is based on different budget scenarios to reflect the uncertainty about the future macroeconomic development and the development of the risk costs. The base scenario uses the approved budgets. The downside scenario takes a more conservative view of the macroeconomic data. The scenarios are weighted with their expected probability of occurrence.

Any forecast beyond the planning period is derived based on the last year of the planning period and a long-term growth rate (perpetual annuity). If the implicit return on equity is higher than the equity capital costs at the end of the planning period, the return on equity for the perpetuities is aligned with the equity capital costs. The present value of perpetual earnings growing at a stable rate (referred to as terminal value) takes macroeconomic parameters estimates and economically sustainable cash flows into consideration.

The interest rate used for calculation is determined based on the CAPM (Capital Asset Pricing Model). Key input factors include:
- A risk-free interest rate (Source: Svensson yield curve method for 30-year German government bonds)

_ Market risk premium
_ Beta factor
_ Weighted country risk premium (Source: Damodaran).

Dividend earnings from participating interests and shares in affiliated companies are reported according to the resolution on dividend pay-outs and shown in the profit and loss category 3 Income from securities and participating interests.

Loans and advances to credit institutions and customers

Credit loans and advances to credit institutions and customers are measured in accordance with the provisions set out in the provision paper by the AFRAC (Austrian Financial Reporting and Auditing Committee) of 14 June 2021 using the effective interest rate method. Default risks, which are recognised at the balance sheet date, are covered by loan loss provisions. Write-ups from the release of loan loss provisions are carried out. Methodologically, the calculation of loan loss provisions is conducted using the IFRS 9 impairment models set out in the Commercial Code (UGB).

Securities

Securities are valued according to their classification either as trading assets, current assets, fixed assets, or receivables and similar financial instruments (Forderungen und forderungsähnliche Finanzinstrumente (FFI)). FFI are debt instruments which are intended to be kept until their maturity and for which the value is not potentially affected by risk and income structures that differ significantly from the instrument's default risks.
_ trading assets at market value, even above the acquisition cost.
_ current assets at amortised cost or at the market price if lower. If the market price cannot be determined, they are valued according to the acquisition cost or fair value if lower. Repurchased own listed bonds (retained covered bonds) are valued at the redemption amount.
_ securities, which are FFI, are valued at amortised cost less impairment for default risks. Only securities held as fixed assets are FFI.
_ debt instruments held as fixed assets, that are not FFI, are written down to the lower fair value when the permanent impairment can be presumed („ the moderated lower of cost or market principle "). Other securities held as fixed assets are valued at the lower of amortized cost or fair value („ the strict lower of cost or market principle "). Securities in the asset class 6 are valued according to the strict lower of cost or market principle without exception.

The allocation of securities to trading assets, current assets or fixed assets and the determination of the intention to hold them until maturity is done in accordance with the organisational policies adopted by the Management Board. The fair value is the price that can be achieved by selling or buying a financial instrument in an active market. Market prices are used for the assets' valuation where available. The valuation methods, especially the present value method, are used for assets without market prices.

Amortized cost and Effective Interest Rate Method

The amortised cost of financial assets is the amount at which the asset is measured at the initial recognition minus redemptions, plus or minus the cumulated amortisation between the original amount and the amount redeemable at maturity using the effective interest rate method. In the lending business, fees, and commission similar in nature to interest as well as changes in estimates are amortised on a pro rata basis using the effective interest method.

The effective interest rate is the interest rate that discounts the estimated future cash flows over the expected life of the asset or liability to the amortized cost. The estimated cash flows take into consideration all contract conditions. The expected credit losses, however, are not considered. Furthermore, the calculation includes transaction costs and handling fees, if these are distributable, as well as all other premiums or discounts.

Pursuant to section 56 (2) and (3) Austrian Banking Act (BWG) in connection with section 198 (7) Commercial Code (UGB), the difference between acquisition cost and redemption amount for fixed-income securities with the characteristics of the financial investments as well as for securitised liabilities is amortised on a pro rata basis. The distribution of the difference takes place in line with AFRAC statement 14: Accounting of non-derivative financial instruments (UGB) (June 2021) according to the effective interest rate method either until the call date, or until the redemption date.

LENDING BUSINESS

Interest-related fees and commissions, as well as changes in estimates in the lending business, are amortized on a pro rata basis using the effective interest method.

Should the nominal interest rate change during the life of a variable interest rate loan and this change is not due to contractual modification, the changes to the contractual future cash flows are taken into consideration by recalculating the effective interest rate. Any caps and floors agreed on the nominal interest rate are also considered.

If the expected contractual future cash flows of a loan change during the contract term and the change is neither due to contractual modification nor to an adjustment to the nominal interest rate, nor to a deterioration in creditworthiness, the amortised cost of the asset is adjusted by a changed estimate. This changed estimate corresponds to the difference between the amortised cost before the change in the expected cash flows and the present value of the newly expected contractual cash flows discounted by the original effective interest rate. The changed estimate is reflected in the interest income in the profit and loss statement.

Market-based adjustments to interest conditions, which fulfil specific conditions, are considered by recalculating the effective interest rate. Such changes to the interest conditions usually concern loans, which have no forbearance status and for which there is a prepayment option and a sufficiently competitive refinancing market. Moreover, the costs, which are incurred by the debtor in the case of prepayment or early termination, must be low.

Handling of contractual modifications

A contractual modification occurs if a contract is modified in a way that was not specified in the contract. Contractual modifications are mainly made in the lending business. These contractual modifications are split into significant and non-significant modifications, depending on qualitative and quantitative aspects.

A contractual modification is significant if, following qualitative and quantitative assessment, there is a significant change which adjusts the asset's economic substance significantly.

A contractual modification can be classified as significant, if it leads to a borrower change, a currency conversion (if this was not stipulated in the contract). In the case of non-defaulted loans, significant contractual adjustments include those that lead to certain changes in the interest clause, a change in present value, or a change in the weighted remaining maturity to a certain extent.

Significant contractual modifications lead to the derecognition of the original financial asset and to the initial recognition of a new financial asset in accordance with the contractual modifications. If the debtor has defaulted or the significant contractual modification leads to a default, the new asset is treated as a defaulted asset. The difference between the carrying value of the derecognised asset and the fair value of the new asset is initially recognised in profit and loss category 11 or 12.

If the debtor has not defaulted and the significant contractual modification does not lead to default, the new asset is classified in stage 1 following the derecognition of the original asset. Stage 1 includes financial assets at initial recognition (provided they are not already impaired at the time of acquisition) and financial assets that, regardless of their credit rating, have not shown a significant increase in credit risk since initial recognition. The non-amortised amount of handling fees/transaction costs, which were reflected in the effective interest rate, is booked at the time of derecognition in the interest result. The reversal of impairments, which were recorded for the original asset until the contract has been significantly modified, as well as the booking of impairments for the new asset are shown in profit and loss category 11 or 12. The remaining difference between the old book value following the release of the amortized handling fees and transaction costs and the fair value of the new asset is shown in other operating income or expenses (profit and loss category 7 or 10).

A contractual adjustment is non-significant if, following qualitative and quantitative assessment, there is no significant change and the asset's economic substance is only insignificantly adjusted. Non-significant contractual modifications are accounted for according to general corporate law principles.

Impairment for credit risks

Impairments for default risks are recognised for receivables and similar financial instruments. Impairments for default risks are particularly recognised for credit claims, certain securities held as fixed assets, and off-balance sheet credit risks from financial guarantees and certain loan commitments.

For credit claims, the book value of the asset recorded in the balance sheet corresponds to the difference between the amortised cost and the cumulated impairment. Impairment for loan commitments and financial guarantees are reported in the balance sheet item "Other provisions". In the profit and loss statement, impairment losses and income are recorded in profit and loss category 11/12 or 13/14 for all assets in accordance with section 53 Austrian Banking Act (BWG).

The calculation of impairment is carried out by using the IFRS 9 model in the Commercial Code (UGB) in accordance with AFRAC

statement 14 (June 2021). The impairment model is based on expected credit loss and considers the "statistically determined empirical values from similar facts and circumstances" in Section 201 (2) Z 7 Commercial Code (UGB), which are also necessary for the valuation of expected credit loss in the Commercial Code (UGB).
Expected credit loss (ECL) reflects the following:
- an unbiased probability-weighted amount, which is determined by a series of possible scenarios,
- the time value of money, and
- plausible and comprehensible information about past events and current conditions, as well as prognoses about future economic developments that are available as of the balance sheet date without unreasonable cost or effort.

THREE STAGE MODEL

An impairment model based upon a three-stage approach is used for the calculation of the risk provisions:
- Stage 1 includes financial assets at initial recognition (provided they are not already impaired at the time of acquisition) and financial assets that, regardless of their credit rating, have not shown a significant increase in credit risk since initial recognition.
- Stage 2 includes financial assets which have shown a significant increase in credit risk since initial recognition, however for which there is not yet any impairment at the time of report. Stage 2 also includes non-impaired assets, which credit risk could not be assessed at the time of acquisition due to missing data in the framework of the IFRS 9 transition. There exist specific rules for the classification of initial utilisation of the approved credit lines. Dependent on the development of credit risk between approval and initial utilisation, the loan is classified at stage 1 or stage 2.
- Stage 3 includes financial assets that are impaired on the reporting date. A financial asset is principally impaired if the customer defaults.

Across the Erste Group, the definition used for loan default is based on European Banking Authority (EBA) requirements in EBA/GL/2016/07 "Guidelines on the application of the definition of default under Article 178 of Regulation (EU) number 575/2013" and "Commission Delegated Regulation (EU) 2018/171 of 19 October 2017 on supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for the materiality threshold for credit obligations past due." The definition lays out the rules for "default contagion" in groups of connected customers and establishes the concept of technical overdue. When applying the definition of default, Erste Group generally takes an overall customer view, which leads to an impairment of all receivables, even if the default occurs in only one of several transactions (pulling effect). On the other hand, an upgrade from the default status results in the loss of the impaired creditworthiness for all risk positions.

In stage 1 risk provisions are calculated based on the expected credit losses over 12 months. In stages 2 and 3 risk provisions are calculated based on the lifetime expected credit losses.

SIGNIFICANT INCREASE IN CREDIT RISK

Concerning the modelling of the expected credit losses (ECL) and the calculation of the risk provisions for credit risks resulting therefrom, the identification of a significant increase in credit risk (SICR) since the recognition of the credit claim is one of the substantial determinants for the expected impact. For this purpose, quantitative and qualitative indicators for the estimation of a SICR are defined for all portfolios and product types, including receivables overdue by more than 30 days.

Quantitative indicators include adverse changes in the probability of default (PD) over the lifetime, whereby the significant increase is determined by means of a combination of relative and absolute change threshold levels. Generally, the indicators for the PD are defined to represent the risk in consideration of forward-looking information (FLI) as a point-in-time measurement. The PD threshold levels are defined for customer segments or (individual) customer rating and are subject to continuous validation.

Qualitative indicators for calculating a SICR include forbearance measures and the transfer of the customer to the workout department as well as early warning indicators (if these are not already sufficiently considered in the rating) and indications of fraud. The setting of qualitative indicators is based inherently on the expert evaluation of credit risks, which is to be carried out in an appropriate and timely manner. The group-wide and institution-specific guidelines and processes concerning this ensure the required governance framework. Besides the qualitative determinants on a customer level, the calculation of a SICR is carried out at portfolio level if the increase to the credit risk on a business or customer level occurs only after some delay or if the increase is only noticeable at portfolio level. In the financial year 2024, additional approaches were used to determine the significant increase in credit risk, as described in the "Effects of the multiple crises on economic development" section.

RISK PROVISIONS DETERMINED INDIVIDUALLY OR COLLECTIVELY

The calculation of risk provisions for defaulted customers is generally carried out on an individual level. The individual method is used for significantly defaulted customers and comprises an individual definition of those restructuring or liquidation scenarios deemed currently possible, their probability of occurrence, and the expected recoveries per scenario (amortisations and collateral proceeds) by the workout risk manager. The present value is determined by discounting the expected cash flows using the original effective interest rate. The required risk provision is the difference between the gross carrying amount and the present value of the expected cash flows in a scenario, that is the probability weighted calculation of all scenarios. A customer is classified as significant if the total receivables and off-balance sheet items are above a certain materiality threshold. Otherwise, the customer is classified as “insignificant”, whereby a rule-based approach is applied for the calculation of the individual risk provision. Statistically calculated risk parameters are used for the expected loss calculation of a customer classed as “insignificant”, depending on the length of recovery and the status of the restructuring and workout process, the potential restructuring and settlement scenarios, their probability of occurrence, and the associated expected returns.

The risk provisions are calculated by taking the gross carrying amount, minus the cash-flows discounted by the effective interest rate per scenario, calculated over all probability weighted scenarios. The calculation of risk provisions for receivables for not defaulted customers follows a rule-based approach. The credit risk parameters used in the calculation include the gross carrying amount at default, the probability of default (PD), the loss given default (LGD), and the conversion factor (CCF) for off-balance sheet items. When determining the loss given default, the result of discounting future cash flows to the present value is considered. The risk parameters applied in the calculation of the expected credit loss consider both the information available on past events and current conditions on the reporting date, as well as future-related information in the form of forecasts concerning future economic developments. Depending on the characteristics of each portfolio and in consideration of the IFRS rules, the risk parameters which are used in the calculation of the rule-based risk provisions can differ from the risk parameters used to calculate the capital requirements.

EFFECTS OF THE MULTIPLE CRISES ON ECONOMIC DEVELOPMENT

Due to the multiple crises in recent years and the different effects on economic development, Erste Group Bank AG applied a collective assessment of the significant increase in credit risk (stage-overlays) in the year 2025 in addition to the standard valuation of forward-looking information. This led to a shift to Stage 2 based on predefined portfolio characteristics.

Certain industrial sectors are vulnerable to the distortions of the current environment, which has been marked by geopolitical and macroeconomic shocks. Persistently high inflation and the reduction in disposable income continued to dampen private consumption. At the same time, the great global uncertainty and high refinancing costs led to a negative impact on investments and industrial activity.

While some industries proved resilient, others continued to face high inventories, ongoing supply chain issues, cost inflation and an additional drop in demand. This development has not yet been fully reflected in the financial data of customers, which is why a further deterioration of ratings is expected.

Moreover, the policy changes introduced by the new US administration have further increased complexity in an already challenging global economy in a state of multiple crises.

To take into account the different developments in the industries and to ensure closer integration with internal risk management processes, the stage-overlay for industrial sectors (industry-overlay) was retained in 2025. The rules for the industry-overlay were defined as a combination of industries with a high risk profile (according to the industry strategy) or medium risk profile and a hold/decrease strategy as well as a threshold of 250 basis points for one-year default probabilities according to UGB/IFRS.

Intangible and tangible assets

Intangible and tangible assets are measured at purchase or production cost less depreciation and impairment. Straight-line depreciation is applied. The useful life is 25 to 50 years for buildings, 4 to 20 years for business and office equipment and 4 to 15 years for intangible assets. Low-value assets are fully written off in the year of acquisition.

Liabilities

Liabilities are recognized in the balance sheet at their settlement values.

Issuing costs for securities are expensed immediately; premiums and discounts on issued securities are amortised on a pro rata basis using the effective interest rate method.

Provisions

DEFINED BENEFIT PLAN

Defined benefit plans of Erste Group Bank AG comprise provisions for pension, severance, and jubilee benefits. In Austria, defined pension plans now only apply to retired employees. The pension obligations for active employees were transferred to VBV-Betriebliche Altersvorsorge AG in the previous years. Remaining with Erste Group Bank AG is a defined-benefit obligation for entitlements of former employees who had already retired by 31 December 1998 before the pension reform took effect, and for those former employees who did not retire until 1999 but continued to be entitled to a direct pension from Erste Group Bank AG under individual agreements. Entitlements to resulting survivor pensions also remained with the Erste Group Bank AG. Severance entitlements continue to be applicable for employees whose employment contract with Erste Group Bank AG commenced prior to 1 January 2003. Severance pay is a one-off payment which employees are entitled to when their employment is terminated. Entitlement to this severance pay arises after three years of employment. Defined benefit plans include jubilee benefits. The amount of jubilee benefits (payments for long-term service/loyalty to the company) is determined by the length of employment with the employer. The entitlement to jubilee benefits is established by a collective agreement, which defines both the conditions and amount of the entitlement.

Obligations under defined benefit plans for employees are determined using the projected unit credit method. Future obligations are determined based on actuarial reports. The calculation considers not only the known salaries, pensions and entitlements to future pension payments but also expected salary and pension increases.

The interest rate applied for the calculation of long-term personnel provisions is derived from the current interest rate of a portfolio of high-quality (AA-rating) corporate bonds. For this purpose, the weighted average of the yield of the underlying portfolio is determined with a corresponding duration.

TAX PROVISIONS AND OTHER PROVISIONS

Unless the amounts are small, provisions are set aside on the best estimate basis. Tax provisions and other provisions with a term of more than a year are discounted at a market interest rate of corporate bonds with an AA rating. Depending on the applicable remaining duration, interest rates between 0.00% and 3.71% were applied.

Assets held in trust

Separable trust assets are declared off-balance sheet in accordance with section 48 (1) Austrian Banking Act (BWG).

Derivatives transactions

Derivatives in a hedge relationship under AFRAC-statement 15 (December 2023) are treated as a valuation unit, thus the fair value neither of the derivative nor of the hedged item is part of the balance sheet. Derivatives in the Banking Book, which are not in a hedge relationship under AFRAC statement 15 (December 2023) are recognised based on the imparity principle in profit and loss as provisions for contingent losses with the expected loss exceeding the book value. The interest income/expenses as well as possible financial compensation from the current period are accrued based on the effective interest rate. These are shown in the interest result. Any compensation payments arising from the early termination of hedging instruments related to interest-bearing underlying items are accounted for as a subsequent premium or discount. They are recognized as prepayments or deferred income and amortised over time in order to adjust future interest expenses or interest income accordingly.

Derivatives in the trading book are shown in the balance sheet for each contract based on mark-to-market valuations.

The fair value is the amount which could be achieved in an active market from the sale of a financial instrument, or the amount which would need to be paid for a purchase. If market rates were available, these were used for valuation. If market rates are not available, valuation models, especially the net present value method, are used. Fair values for options were calculated using the recognised option price models. Amongst others, the valuation models include the Black-Scholes model, binomial model, Hull-White model, local volatility model and Vanna-Volga model.

Credit Value Adjustment (CVA) and Debt Value Adjustment (DVA) are used for the calculation of the fair value of derivatives.

Derivatives with the same counterparty and a netting agreement, which comply with the requirements for offsetting (central counterparts), are netted in the balance sheet.

Deferred tax assets

Deferred tax assets are recognised to the extent of convincing substantial evidence that sufficient taxable income will be available in future against which tax-deductible temporary differences and tax losses can be offset. Valuation is carried out using those tax rates (and tax laws), which are already in force on the balance sheet date or have been decided by the National Assembly and are expected to be in force at the time of reversal of the temporary differences. The valuation methods are based on expected results for all larger incorporated companies in the tax group.

The calculation of deferred tax assets of Erste Group Bank AG as group parent of the group of companies, which includes only group members in Austria, is completed in accordance with AFRAC-Statement 30 "Deferred Tax Assets in single and consolidated financial statements" (September 2023).

Securities lending and repurchase transactions

In repurchase agreements / securities lending transactions, the underlying assets continue to be recognised in the balance sheet. A liability is presented against the pledgee in the amount received for the transfer. In reverse repurchase agreements / securities lending transactions, the assets taken over are not part of the balance sheet. The amount owed by the pledgor is recognised as a receivable in the amount paid for the transfer.

Investment grants

Investment grants, as defined by the law on investment grants (InvPrG), which were mainly capitalised for tangible assets, are recognised, in accordance with the gross method, on the liabilities side of the balance sheet under investment grants and recognised in profit and loss according to the respective useful lives of the subsidised capital assets.

Changes in accounting and measurement methods

There were no changes in accounting and measurement methods in the financial year 2025.

NOTES ON THE BALANCE SHEET AND INCOME STATEMENT

Unless otherwise indicated, amounts for the reporting year are stated in Euros, for the previous year in thousand Euros. The tables in this report may contain rounding differences.

1. Maturity structure of loans and advances as well as liabilities to credit institutions and customers (by residual time to maturity)

Loans and Advances

in EUR or in EUR thousand	Dec 25	Dec 24
Loans and advances to credit institutions	**24,802,041,944.42**	**32,386,353**
payable on demand	2,388,809,669.48	2,556,698
0-3 months	10,726,169,161.22	15,343,436
3-12 months	2,883,068,215.29	4,486,301
1-5 years	5,318,884,652.67	6,138,981
>5 years	3,485,110,245.76	3,860,939
Loans and advances to customers	**24,254,225,795.27**	**23,652,703**
payable on demand	1,179,735,031.67	601,002
0-3 months	3,271,636,589.62	3,552,128
3-12 months	1,887,605,964.69	1,444,463
1-5 years	11,794,707,720.11	11,872,500
>5 years	6,120,540,489.18	6,182,610

Liabilities

in EUR or in EUR thousand	Dec 25	Dec 24
Liabilities to credit institutions	**30,517,498,206.15**	**35,552,929**
payable on demand	4,719,568,632.49	7,501,888
0-3 months	18,440,985,850.03	21,733,649
3-12 months	1,233,020,493.08	981,233
1-5 years	4,009,679,517.04	3,732,313
>5 years	2,114,243,713.51	1,603,847
Liabilities to customers (non-banks)	**8,806,418,492.76**	**10,672,557**
Savings deposits	**0.00**	**0**
Other Liabilities	**8,806,418,492.76**	**10,672,557**
payable on demand	2,488,524,230.13	2,583,490
0-3 months	6,218,529,234.68	8,038,237
3-12 months	2,898,792.01	23,564
1-5 years	55,659,924.52	6,726
>5 years	40,806,311.42	20,541

2. Debt securities due within one year

Purchased debt securities worth EUR 1,372,499,496.23 (prior year: EUR 1,097,966 thousand) and issued debt securities worth EUR 3,245,886,088.28 (prior year: EUR 2,797,342 thousand) are scheduled to mature in the year following 31 December 2025.

3. Assets and liabilities in foreign currencies

in EUR or in EUR thousand	Dec 25	Dec 24
Assets	20,443,430,903.03	28,047,790
Liabilities	10,448,368,237.82	12,648,687

4. Loans and advances as well as liabilities to affiliated companies and companies in which participating interests are held

	Loans and advances to affiliated companies		Loans and advances to participating interests	
in EUR or in EUR thousand	Dec 25	Dec 24	Dec 25	Dec 24
Loans and advances to credit institutions	15,921,230,911.75	17,531,989	0.00	0
Loans and advances to customers	495,944,637.76	467,688	4,706,347.17	6,608
Debt securities and other fixed-income securities (incl. securitised loans and advances to credit institutions)	134,900,725.97	299,115	0.00	0
Shares and other variable-yield securities	1,392,630,340.16	1,405,610	0.00	833

	Liabilities to affiliated companies		Liabilities to participating interests	
in EUR or in EUR thousand	Dec 25	Dec 24	Dec 25	Dec 24
Liabilities to credit institutions	19,586,980,634.95	19,925,806	101,886.03	413
Liabilities to customers (non-banks)	1,456,736,121.39	2,138,679	602,218.15	1,230
Securitised liabilities	95,160,861.06	147,253	0.00	0
Tier 2 capital pursuant to Part 2 Title I Chapter 4 of Regulation (EU) No 575/2013	1,965,035.21	0	0.00	0

Business with affiliated companies is conducted at arm's length.

5. Subordinated assets

in EUR or in EUR thousand	Dec 25	Dec 24
Loans and advances to credit institutions, thereof	**1,039,430,069.63**	**890,322**
to affiliated companies	1,034,807,799.83	890,322
to companies with participating interests	0.00	0
Loans and advances to customers, thereof	**1,209,736.91**	**155**
to affiliated companies	0.00	0
to companies with participating interests	31,393.32	57
Shares and other fixed-income securities, thereof	**24,856,108.19**	**14,202**
to affiliated companies	0.00	0
to companies with participating interests	0.00	0

Repurchased bonds from own issues of Erste Group Bank AG are included within shares and other fixed-income securities with a carrying amount including interest accruals of EUR 11,654,257.38 (previous year: EUR 13,162 thousand).

Erste Group Bank AG also holds senior non-preferred notes, which are not reported in the table. These are reported under loans and advances to credit institutions in the amount of EUR 706,572,055.22 (prior year: EUR 454,489 thousand) and shares and other fixed-income securities in the amount of EUR 225,878,263.05 (prior year: EUR 412,949 thousand). Within loans and advances to credit institutions EUR 702,107,138.93 (prior year: EUR 450,447 thousand) relate to affiliated companies. Shares and within other fixed-income securities EUR 33,351,077.23 (prior year: EUR 6,633 thousand) are attributable to affiliated companies.

6. Fiduciary business

No fiduciary business without the right of disposal was disclosed as of the balance sheet date.

7. Securities

In the item 'Shares and other fixed-income securities', the decrease is due to the fact that own covered bonds, which were included as of 31 December 2024 with a carrying amount of EUR 8,456,167,821.38, are not listed on any regulated market in the current financial year 2025 and are therefore not recognized in the financial statements.

BREAKDOWN OF SECURITIES ADMITTED TO TRADING ON STOCK EXCHANGE ITEMS A5 TO A8

pursuant to section 64 (1) no. 10 Austrian Banking Act (BWG)	Listed		Not Listed	
in EUR or in EUR thousand	Dec 25	Dec 24	Dec 25	Dec 24
Shares and other fixed-income securities	4,446,546,740.86	13,997,028	0.00	0
Shares and other variable-yield securities	422,805,496.63	400,941	14,505,951.96	3,730
Participating interests	0.00	0	0.00	0
Shares in affiliated companies	0.00	0	0.00	0
Total	**4,869,352,237.49**	**14,397,969**	**14,505,951.96**	**3,730**

BREAKDOWN OF SECURITIES ADMITTED TO TRADING ON STOCK EXCHANGE ITEMS A5 TO A6

pursuant to section 64 (1) no. 11 Austrian Banking Act (BWG)	Fixed assets		Current assets	
in EUR or in EUR thousand	Dec 25	Dec 24	Dec 25	Dec 24
Shares and other fixed-income securities	2,416,938,616.64	4,111,304	9,977,719.51	8,473,464
Shares and other variable-yield securities	24,312,889.27	19,795	12,497,670.59	10,952
Total	**2,441,251,505.91**	**4,131,099**	**22,475,390.10**	**8,484,416**

Securities that are listed on a non-regulated market, for example those on the third market of the Vienna Stock Exchange, are considered as approved for trading on the stock market, yet they are not publicly listed.

Allocation pursuant to section 64 (1) no. 11 Austrian Banking Act (BWG) was carried out in accordance with the organisational policies adopted by the Management Board, with positions being included under fixed assets that are held for strategic purposes of liquidity. As of 31 December 2025, the difference to the redemption value – items A2 to A6 - resulting from the pro rata write-downs pursuant to section 56 (2) Austrian Banking Act (BWG) amounts to EUR 186,831,828.96 (prior year: EUR 200,672 thousand), whereas the difference to the redemption value from the pro rata write-ups pursuant to section 56 (3) Austrian Banking Act (BWG) amounts to EUR 289,770,573.82 (prior year: EUR 302,016 thousand).

REPURCHASE AGREEMENTS

The carrying amount of assets subject to sale and repurchase agreements amounts to EUR 427,906,399.43 on the balance sheet date (prior year: EUR 7,231,217 thousand).

SECURITIES LENDING TRANSACTIONS

Securities lent are reported in the corresponding securities items. The claim for repayment is held in evidence accounts. The carrying amount of the securities lent is EUR 1,232,386,337.98 (previous year: EUR 6,189,656 thousand). In addition, securities with a market value of EUR 245,595,517.48 (previous year: EUR 914,135 thousand) were lent, which were received as part of securities lending or repurchase agreements and are therefore not reported in the balance sheet.

DIFFERENCES OF THE SECURITIES LISTED FOR TRADE ON THE STOCK EXCHANGE NOT HELD AS FINANCIAL FIXED ASSETS

As in the prior year the right to book the securities at the higher market value pursuant to section 56 (5) Austrian Banking Act (BWG) was not exercised, as in the previous year.

The difference between the higher market value on the balance sheet date and the booked cost of purchase pursuant to section 56 (4) Austrian Banking Act (BWG) amounts to EUR 370,489.15 (prior year: EUR 3,887 thousand).

BREAKDOWN OF DEBT SECURITIES AND OTHER FIXED-INCOME SECURITIES

in EUR or in EUR thousand	Dec 25	Dec 24
Issued by public-sector issuers	538,120,028.22	400,069
Repurchased own issues	154,419,366.75	8,616,527
Bonds - domestic credit institutions	130,575,457.15	265,381
Bonds - foreign credit institutions	1,013,498,295.79	2,371,694
Mortgage and municipal securities	2,346,771,347.19	2,006,523
Convertible bonds	0.00	0
Other bonds	263,162,245.76	336,835
Total position A5	**4,446,546,740.86**	**13,997,028**

8. Trading Book

Erste Group Bank AG kept a trading book in accordance with CRR Article 94 (3) b and c, with a volume of EUR 30,498,100,180.53 as of 31 December 2025 (prior year: EUR 46,410,525 thousand). The publication of the new final Regulatory Technical Standards (RTS) by the EBA for determining the long/short classification led to an adjustment of methodology for calculating the trading book volume.

9. Participating interests and shares in affiliated companies

The amounts for equity and result are denominated in euro and, as a rule, are, on behalf of a timely reporting, derived from the IFRS financial statements prepared for consolidation purposes according to uniform group guidelines. The share indicated below represents direct and indirect shares.

Holdings as of 31 December 2025

Company name, registered office	Interest of Erste Group in %	Equity	Result	Balance sheet date
Credit institutions according to the CRR				
Banca Comerciala Romana SA, Bucharest	99.89	3,476,138,673.80	631,435,554.03	31 Dec 25
Banka Sparkasse d.d., Ljubljana	28.00	198,382,832.21	14,989,453.95	31 Dec 25
Ceska sporitelna, a.s., Prague	100.00	5,698,499,684.34	1,044,723,193.64	31 Dec 25
Erste & Steiermärkische Bank d.d., Rijeka	69.26	1,696,257,476.60	229,898,939.98	31 Dec 25
ERSTE BANK AKCIONARSKO DRUSTVO, NOVI SAD, Novi Sad	80.50	545,632,634.40	65,491,457.63	31 Dec 25
Erste Bank der oesterreichischen Sparkassen AG, Vienna	100.00	2,852,362,786.59	561,751,228.60	31 Dec 25
Erste Bank Hungary Zrt, Budapest	100.00	1,630,587,731.89	336,617,769.94	31 Dec 25
Prva stavebna sporitelna, a.s., Bratislava	35.00	334,358,878.80	17,956,454.78	31 Dec 25
Public Joint-stock company commercial Bank "Center-Invest", Rostow on Don	9.09			n.a.
Slovenska sporitelna, a. s., Bratislava	100.00	2,367,669,265.12	299,278,002.17	31 Dec 25
SPAR-FINANZ BANK AG, Salzburg	50.00	5,591,799.04	156,662.06	31 Dec 25
Finanzinstitute				
EB Erste Bank Internationale Beteiligungen GmbH, Vienna	100.00	26,060,613.78	-668,925.98	31 Dec 25
Erste Asset Management GmbH, Vienna	91.06	315,223,290.35	119,275,698.26	31 Dec 25
Erste Finance (Delaware) LLC, Wilmington	100.00	0.39	0.19	31 Dec 25
Erste Group Immorent GmbH, Vienna	100.00	333,154,818.34	15,131,969.53	31 Dec 25
ERSTE GROUP IMMORENT LJUBLJANA, financne storitve, d.o.o., Ljubljana	100.00	-219,945.75	-67,150.63	31 Dec 25
EUROPEAN INVESTMENT FUND, Luxembourg	0.07	4,865,811,636.00	279,772,600.00	31 Dec 24
Holding Card Service s.r.o., Prague	100.00	71,696,084.57	-9,223.82	31 Dec 25
Intermarket Bank AG, Vienna	93.79	163,117,658.86	8,873,826.47	31 Dec 25
Other				
AMC V SCA SICAV-RAIF, Luxembourg	2.86	154,695,726.00	12,596,183.00	31 Dec 24
ASEF S.C.Sp., Senningerberg	5.32	102,434,495.00	20,880,168.00	31 Dec 24
Austrian Reporting Services GmbH, Vienna	14.28	85,672.58	2,591.40	31 Dec 24

Company name, registered office	Interest of Erste Group in %	Equity	Result	Balance sheet date
aws Gründerfonds Beteiligungs GmbH & Co KG, Vienna	5.11	23,272,393.09	-1,349,235.89	31 Dec 24
Dateio s.r.o., Prague	31.03	5,707,183.23	866,113.67	31 Dec 24
EBA CLEARING (ABE CLEARING S.A.S.), Paris	2.08	56,868,000.00	4,568,000.00	31 Dec 24
EB-Restaurantsbetriebe Ges.m.b.H., Vienna	100.00	936,399.58	73,635.37	31 Dec 25
ERSTE CAMPUS Immobilien AG & Co KG, Vienna	100.00	106,661,930.38	10,318,589.63	31 Dec 25
ERSTE d.o.o., Zagreb	50.57	20,606,451.40	3,323,640.83	31 Dec 25
Erste Digital GmbH, Vienna	81.81	73,875,683.67	-6,033,056.74	31 Dec 25
Erste Group Card Processor d.o.o., Zagreb	100.00	17,384,682.02	2,024,795.40	31 Dec 25
Erste Group Services GmbH, Vienna	100.00	708,194.95	86,054.76	31 Dec 25
Erste Operations GmbH, Vienna	100.00	1,499,397.59	959,808.76	31 Dec 25
Erste Reinsurance S.A., Luxembourg	100.00	65,043,326.49	3,077,082.77	31 Dec 25
George Labs GmbH, Vienna	100.00	2,773,305.99	1,281,542.94	31 Dec 25
Graben 21 Liegenschaftsverwaltung GmbH, Vienna	100.00	6,563,219.01	1,152,436.45	31 Dec 25
Haftungsverbund GmbH, Vienna	63.09	728,205.52	646.25	31 Dec 25
Innova/7 SCA SICAV-RAIF, Senningerberg	2.86	261,385,677.00	25,296,559.00	31 Dec 24
IPS Fonds Gesellschaft bürgerlichen Rechts, Vienna	67.50	320,927,401.17	4,351,519.50	31 Dec 24
OM Objektmanagement GmbH, Vienna	100.00	26,378,512.10	5,246,748.48	31 Dec 25
Österreichische Wertpapierdaten Service GmbH, Vienna	32.56	342,472.03	14,874.41	31 Dec 24
Pacemaker Lab GmbH, Vienna	100.00	1,324,315.54	1,289,315.54	31 Dec 25
Procurement Services GmbH, Vienna	99.86	1,170,545.52	414,744.86	31 Dec 25
Q-ENERGY V, FCR, Madrid	1.25	794,792,203.00	-5,813,504.00	31 Dec 24
Round2 Capital Partners II SCSp RAIF, Howald	5.16	85,822,816.00	3,948,697.00	31 Dec 24
Society for Worldwide Interbank Financial Telecommunication scrl, La Hulpe	0.34	803,945,301.00	151,419,729.00	31 Dec 24
Speedinvest III EuVECA GmbH & Co KG, Vienna	1.82	106,960,213.33	-12,350,969.73	31 Dec 24
Speedinvest IV EuVECA GmbH & Co KG, Vienna	1.61	103,884,928.70	-14,166,513.26	31 Dec 24
Taaleri SolarWind III CEE SCSp, Luxembourg	1.67	37,965,359.00	4,771,058.00	31 Dec 24
Taaleri SolarWind III SCSp., Luxembourg	1.67	71,892,149.00	1,880,930.00	31 Dec 24
TAUROS Capital Investment GmbH & Co KG, Vienna	40.43	4,185,990.12	-1,272,931.20	31 Dec 24
TAUROS Capital Investment Zwei GmbH & Co KG, Vienna	48.13	1,906,622.58	-303,377.44	31 Dec 24
Therme Wien GmbH & Co KG, Vienna	15.33	29,367,364.98	4,063,064.98	31 Dec 24
VBV - Betriebliche Altersvorsorge AG, Vienna	29.32	384,259,820.49	326,841,278.65	31 Dec 25
Wiener Börse AG, Vienna	11.62	208,981,025.79	46,404,319.75	31 Dec 24
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group, Vienna	2.15	763,773,949.69	124,962,698.98	31 Dec 24

There are open payment obligations to the nominal capital amounting to EUR 4,000,000.00 EUR (prior year: EUR 4,000 thousand) to the EUROPEAN INVESTMENT FUND, Luxembourg.

Advanced payments made for affiliated companies in amount of EUR 20,370,619.29 were capitalised for the acquisition of the investment in Santander Bank Polska S.A.

10. Fixed assets

Statement of changes in fixed and long-term assets 2025

AT COST

in EUR	1 January 2025	Additions	Disposals	Reclassification	Currency translation (+/-)	31 December 2025
Participating interests	**251,716,730.24**	**34,629,878.37**	**3,065,831.27**	**0.00**	**0.00**	**283,280,777.34**
Shares in affiliated companies	**11,361,048,319.51**	**91,267,943.17**	**17,500.00**	**0.00**	**0.00**	**11,452,298,762.68**
Intangible fixed assets	**94,939,339.65**	**8,136,305.84**	**0.00**	**0.00**	**0.00**	**103,075,645.49**
Tangible assets	**215,860,218.54**	**4,071,690.55**	**693,986.00**	**0.00**	**0.00**	**219,237,923.09**
Securities	**21,093,100,820.65**	**5,835,483,570.81**	**5,099,126,629.37**	**0.00**	**-52,528,520.54**	**21,776,929,241.55**
Treasury bills and similar securities	12,962,437,002.69	3,011,228,922.66	818,165,607.58	0.00	-5,814,105.50	15,149,686,212.27
Loans and advances to credit institutions	2,135,564,453.07	752,458,862.46	525,208,398.85	-19,953,400.00	-17,361,184.37	2,325,500,332.31
Loans and advances to customers	534,343,788.34	1,259,536,268.16	1,255,148,997.60	0.00	-22,629,054.41	516,102,004.49
Bonds and other fixed-income securities	4,033,205,509.38	360,759,517.53	1,999,806,077.34	19,953,400.00	-6,724,176.26	2,407,388,173.31
Shares and other non-fixed-income securities	1,427,550,067.17	451,500,000.00	500,797,548.00	0.00	0.00	1,378,252,519.17
Total	**33,016,665,428.59**	**5,973,589,388.74**	**5,102,903,946.64**	**0.00**	**-52,528,520.54**	**33,834,822,350.15**

ACCUMULATED DEPRECIATION

in EUR	1 January 2025	Write-ups (-)	Write-downs (+)	Additions / Disposals (-/+)	Currency translation (+/-)	31 December 2025
Participating interests	**96,094,446.65**	**23,881,223.89**	**6,248,423.90**	**-802,006.50**	**0.00**	**77,659,640.16**
Shares in affiliated companies	**1,564,155,937.42**	**360,534,136.60**	**10,862,693.00**	**0.00**	**0.00**	**1,214,484,493.82**
Intangible fixed assets	**67,810,123.96**	**0.00**	**6,468,298.52**	**0.00**	**0.00**	**74,278,422.48**
Tangible assets	**45,033,647.81**	**0.00**	**7,221,480.40**	**-607,718.26**	**0.00**	**51,647,409.95**
Securities	**-186,565,207.63**	**110,753,287.20**	**27,365,770.44**	**-19,773,093.94**	**462,621,369.22**	**172,895,550.89**
Treasury bills and similar securities	-165,339,364.35	64,404,603.49	24,548,939.48	-1,981,014.42	299,476,768.17	92,300,725.39
Loans and advances to credit institutions	-13,724,383.01	2,527,814.69	1,185,142.11	-18,263,409.95	85,363,818.10	52,033,352.56
Loans and advances to customers	-13,214,114.95	17,323,136.77	208,232.42	-4,585,499.70	33,557,492.54	-1,357,026.46
Bonds and other fixed-income securities	-22,347,887.27	4,548,893.09	1,326,897.91	5,266,350.45	44,223,278.28	23,919,746.28
Shares and other non-fixed-income securities	28,060,541.95	21,948,839.16	96,558.52	-209,520.32	12.13	5,998,753.12
Total	**1,586,528,948.21**	**495,168,647.69**	**58,166,666.26**	**-21,182,818.70**	**462,621,369.22**	**1,590,965,517.30**

In the income statement item 9 (value adjustments), the above-mentioned depreciation of property, plant and equipment is reduced by investment grants in the amount of EUR 47,596.00 (prior year: EUR 48 thousand).

CARRYING AMOUNT

in EUR	Clean price	Contractual interest accrual	31 December 2025	1 January 2025
Participating interests	**205,621,137.18**	**0.00**	**205,621,137.18**	**155,622,283.59**
Shares in affiliated companies	**10,237,814,268.86**	**0.00**	**10,237,814,268.86**	**9,796,892,382.09**
Intangible fixed assets	**28,797,223.01**	**0.00**	**28,797,223.01**	**27,129,215.69**
Tangible assets	**167,590,513.14**	**0.00**	**167,590,513.14**	**170,826,570.73**
Securities	**21,604,033,690.66**	**216,170,546.58**	**21,820,204,237.24**	**21,499,368,147.01**
Treasury bills and similar securities	15,057,385,486.88	129,510,703.52	15,186,896,190.40	13,250,524,781.47
Loans and advances to credit institutions	2,273,466,979.75	9,337,797.25	2,282,804,777.00	2,162,552,668.69
Loans and advances to customers	517,459,030.95	1,637,031.92	519,096,062.87	548,748,134.52
Bonds and other fixed-income securities	2,383,468,427.03	33,470,189.61	2,416,938,616.64	4,111,304,370.33
Shares and other non-fixed-income securities	1,372,253,766.05	42,214,824.28	1,414,468,590.33	1,426,238,192.00
Total	**32,243,856,832.85**	**216,170,546.58**	**32,460,027,379.43**	**31,649,838,599.11**

The carrying amount of developed land was EUR 6,758,201.35 as of 31 December 2025 (prior year: EUR 6,758 thousand). The carrying amount as of 31 December 2025 did not include leased assets. For the next financial year, Erste Group Bank AG will have expenses from the use of tangible assets not disclosed in the balance sheet (rental and leasing contracts) of EUR 15,028,735.46 (prior year: EUR 14,457 thousand), and of EUR 71,641,958.00 for the next five financial years (prior year: EUR 69,045 thousand).

Intangible fixed assets include assets with a value of EUR 28,765,256.56 (prior year: EUR 27,092 thousand) that were acquired from an affiliated company. During the reporting year, assets were acquired in the value of EUR 8,123,577.63 (prior year: EUR 7,737 thousand).

11. Other assets

in EUR or in EUR thousand	Dec 25	Dec 24
Securities transactions	23,168,771.16	28,325
Derivatives	2,033,172,979.41	2,292,805
Accrued income	16,849,345.55	12,296
Receivables from participating interests and affiliated companies	175,118,125.73	202,173
Other payments and settlements	428,097,358.49	352,588
Other assets	**2,676,406,580.34**	**2,888,187**

The carrying amounts for derivatives are shown post offsetting with central counterparties. Derivative assets and liabilities as well as provided and received cash collateral to cover the market values of outstanding derivatives are included in offsetting. Offsetting is carried out according to clearing agent, central clearer and currency.

The carrying amount of derivatives in the balance sheet item other assets is reduced by EUR 3,158,491,667.22 (prior year: EUR 3,423,396 thousand). In the balance sheet item loans to customers, the carrying amount for trades with central counterparties was reduced by EUR 23,374,077.54 (prior year: EUR 44,765 thousand). As a result of EUREX returning its banking license, the balance sheet item loans to credit institutions decreased by EUR 2 thousand in the previous year.

12. Accrued and deferred items

Prepayments and deferred charges increased to EUR 98,447,275.20 as of 31 December 2025 (prior year: EUR 98,157 thousand). Of these, EUR 92,353,601.27 (prior year: EUR 90,129 thousand) are to be amortized in connection with securities and derivative instruments.

13. Deferred tax assets

In accordance with Section 198 Paragraph 9 of the Austrian Commercial Code (UGB) deferred tax assets amount to EUR 32,160,381.40 (prior year: EUR 46,891 thousand) and is solely based on temporary differences. To calculate deferred taxes, the local tax rate in Austria in the amount of 23.0% is applied for the parent company as well as for branches with tax credit method according to the double taxation agreement. For the branch in Hong Kong (double taxation agreement with tax exemption method), the local tax rate in the amount of 16.5% is applied.

14. Securitised liabilities

The decrease in the item ‘Mortgage and municipal bonds’ is due to the fact that own issuances, which were included as of 31 December 2024 with a carrying amount of EUR 8,456,167,821.38, are not listed on any regulated market in the current financial year 2025 and are therefore not recognized in the financial statements.

in EUR or in EUR thousand	Dec 25	Dec 24
Non-covered loans and bank bonds	13,662,796,396.46	13,605,285
Mortgage and municipal bonds	14,675,635,037.18	21,610,944
Certificates of deposits	2,829,840,966.34	3,689,887
Securitised liabilities	**31,168,272,399.98**	**38,906,116**

Erste Group Bank AG issues commercial papers and certificates of deposit for the US money market via the New York branch and the fully consolidated subsidiary Erste Finance Delaware LLC. The New York branch’s Dollar Certificates of Deposit Program had reached EUR 25,563,753.47 as 31 December 2025 (prior year: EUR 28,898 thousand). The Dollar Commercial Paper Program of Erste Finance Delaware LLC is fully secured by Erste Group Bank AG. The framework program amounted to EUR 6,382,978,723.40 as of 31 December 2025 (prior year: EUR 7,219,174 thousand), of which commercial papers are in circulation in the amount of EUR 1,361,015,533.59 (prior year: EUR 2,020,638 thousand) for which the issue amount was immediately transferred to Erste Group Bank AG and are recognised in the item liabilities to customers.

15. Other liabilities

in EUR or in EUR thousand	Dec 25	Dec 24
Securities transaction	38,336,370.80	28,365
Derivatives	2,202,751,129.58	2,241,584
Accrued income	6,438,505.25	2,302
Other liabilities and settlements	1,447,360,721.06	801,727
Other liabilities	**3,694,886,726.69**	**3,073,978**

The carrying amounts for derivatives are shown post offsetting with central counterparties. Derivative assets and liabilities as well as provided and received cash collateral to cover the market values of outstanding derivatives are included in offsetting. Offsetting is carried out according to clearing agent/central clearer and currency.

The carrying amount of derivatives in the balance sheet item other liabilities is reduced by EUR 2,904,232,430.46 (prior year: EUR 3,258,626 thousand). The carrying amount in the balance sheet item other liabilities to customers is reduced by EUR 276,418,140.25 (prior year: EUR 209,022 thousand). The carrying amount of derivatives in the balance sheet item other provisions is reduced by EUR 1,215,174.05 (prior year: EUR 516 thousand).

16. Provisions

in EUR or in EUR thousand	Dec 25	Dec 24
Provisions for pensions	184,923,129.81	214,368
Provisions for taxation	228,594,249.85	100,909
Provisions for contingent liabilities	49,288,576.59	71,475
Provisions for derivatives in the bank book	12,390,248.16	8,808
Other	166,625,288.57	154,369
Provisions	**641,821,492.98**	**549,929**

Assumptions for the actuarial calculation of pension entitlements

	Dec 25	Dez 24
Interest rate	3.99%	3.48%
Expected increase in pension benefits (including career- and collective agreement trend)	4.00%	4.00%

The expected retirement age was individually calculated per employee due to the amendments determined in the Ancillary Budget Act 2003 (BGBl I 71/2003) concerning the raising of the earliest possible retirement age. The currently applicable legislation specifying a gradual rise of the retirement age for men and women to 65 was taken into consideration.

An interest rate of 5.45% (prior year: 5.80%) was used for the calculation of pension obligations in the New York branch.

The pension entitlements for the New York branch are outsourced to Milliman Inc. The calculated pension obligations amount to EUR 34,590,853.62 (prior year: EUR 36,553 thousand). As of 31 December 2025, the balance at the bank dedicated to the fulfilment of the outsourced pension obligations amounted to EUR 32,734,760.00 (prior year: EUR 33,336 thousand).

Assumptions for the actuarial calculation of severance entitlements and jubilee benefits

	Dec 25	Dec 24
Interest rate	3.99%	3.48%
Average salary rise (including career- and collective agreement trend)	4.00%	4.00%

The obligations were calculated in accordance with the Association of Actuaries' (AVÖ) mortality table "AVÖ 2018 – Rechnungsgrundlagen für die Pensionsversicherung".

Severance and anniversary entitlements are outsourced to Wiener Städtische Versicherung AG. Severance entitlements measured in accordance with commercial law and based on the above parameters amount to EUR 25,592,949.26 (prior year: EUR 28,180 thousand), respectively EUR 15,142,452.17 (prior year: EUR 17,239 thousand) for jubilee benefits obligations and are posted as a contingent liability off-balance. The credit intended for the performance of outsourced severance entitlements with the insurer as of 31 December 2025 amounted to EUR 27,413,311.86 (prior year: EUR 29,422 thousand) and the amount defined for jubilee benefits obligations is EUR 15,637,917.42 (prior year: EUR 17,239 thousand).

The outsourcing of severance/jubilee benefits entitlements to Wiener Städtische Versicherung AG has not resulted in any change to employee claims against Erste Group Bank AG, which continues to be liable for the severance/jubilee benefits entitlements of eligible employees.

Provision for pensions, severance payments and anniversary bonuses are calculated in accordance with AFRAC statement 27: provision for personnel (UGB) (June 2022).

17. Subordinated liabilities, Tier 2 capital and additional core capital

SUBORDINATED LIABILITIES

As of 31 December 2025, subordinated debt (subordinated liabilities and supplementary capital) amounted to EUR 8,294,465,804.86 (previous year: EUR 7,434,625 thousand). Of the subordinated liabilities issued by Erste Group Bank AG (including supplementary capital), a single issuance with a nominal value of EUR 1,000,000,000.00 exceeded the limit of 10% of the total subordinated debt portfolio.

This instrument carries a fixed coupon of 6.375% until 2032, after which the interest rate resets to a variable rate of mid-swap plus 4.008%. The bond is callable on any coupon payment date starting 15 October 2032. It qualifies as an Additional Tier 1 instrument under Article 52 of the CRR and therefore has no fixed maturity. The nominal value of the bonds will be reduced as soon as the common equity tier 1 ratio falls below 5.125%. There is no provision for conversion into shares.

The modalities of the subordinated debt in the amount of EUR 4,750,357,651.37 (previous year: EUR 4,679,784 thousand) fulfill the conditions of Art. 62 to 71 CRR (Part 2 Title 1 Chapter 4 of Regulation (EU) No. 575/2013).

Movements in total subordinated liabilities were as follows:

in EUR or in EUR thousand	1-12 25	1-12 24
Opening balance	**7,434,625,358.19**	**6,476,077**
Increase due to new issues	1,880,475,486.31	1,763,386
Decrease due to redemption	-1,050,836,978.55	-503,885
Decrease due to partial extinguishment	0.00	-299,799
Changes in carrying amount of bonds, of accrued interest and of FX valuation	30,201,938.91	-1,155
Closing balance	**8,294,465,804.86**	**7,434,625**

Supplementary capital liabilities are primarily issued in the form of securities. The securities are due at the end of the term. Supplementary capital bonds are sold to international institutional customers and private customers.

In the upcoming year, securitised supplementary capital liabilities in the value of EUR 290,037,747.67 (prior year: EUR 340,211 thousand) are due for repayment due to maturity.

The weighted average interest rate of supplementary capital bonds was 3.2% as of 31 December 2025 (prior year: 3.0%) and the average remaining term was 6.7 years (prior year: 6.4 years).

The term “subordinated” is defined in accordance with section 45, paragraph 4 and section 51, paragraph 9 of the Austrian Banking Act.

Erste Group Bank AG also issued a senior non-preferred bond in the amount of EUR 502,672,945.21 (prior year: EUR 502,673 thousand), which will mature next year.

In 2025, Erste Group Bank AG's expenses for subordinated liabilities amounted to EUR 344,103,956.93 (prior year: EUR 281,030 thousand).

TIER 2 CAPITAL PURSUANT TO PART 2 TITLE I CHAPTER 4 OF REGULATION (EU) NO 575/2013

As of the 2025 balance sheet date, the carrying amount of supplementary capital is EUR 4,750,357,651.37 (prior year: EUR 4,679,784 thousand). Thereof amounts the repurchased supplementary capital from own issues of Erste Group Bank AG with a carrying amount including interest accruals in the amount to EUR 11,654,257.38 (prior year: EUR 13,162 thousand).

ADDITIONAL CORE CAPITAL

In the reporting year 2025, Erste Group Bank AG issued a new bond totalling EUR 1,000,000,000.00 (prior year: EUR 750,000 thousand) as part of its Additional Tier 1 programme from 20 April 2016. In addition, a redemption of the 2019 issuance was made in the amount of EUR 203,400,000.00 (prior year: EUR 168,800 thousand).

Article 52 (1) lit n CRR provides for the loss absorbency of financial instruments of additional core capital (write-down or conversion). A trigger event for the write-off or conversion of additional core capital is deemed to occur according to Article 54 (1) lit a CRR if the core capital ratio of the Erste Group Bank AG falls below 5.125% or below another higher value defined by the Erste Group Bank AG. In 2025 no write-downs occurred.

18. Subscribed capital and reserves

In 2025, the capital of Erste Group Bank AG developed as follows:

in EUR	1 January 2025	Allocations (+)	Releases (-)	Reclassification	31 December 2025
Subscribed Capital	**821,028,768.00**				**821,028,768.00**
Capital reserves	**1,666,725,957.86**	**0.00**	**0.00**	**138,932.15**	**1,666,864,890.01**
committed	1,666,725,957.86			138,932.15	1,666,864,890.01
uncommitted	0.00				0.00
Reserves for share-based payments	**9,890,118.10**			**-2,314,830.05**	**7,575,288.05**
Retained earnings	**7,149,052,624.74**	**2,399,673,577.60**	**0.00**	**-2,216,549.90**	**9,546,509,652.44**
statutory reserve	1,537,900,000.00				1,537,900,000.00
reserves provided for by the articles	0.00				0.00
other reserves	5,447,939,005.89	2,370,847,710.41		-2,216,549.90	7,816,570,166.40
blocked reserves	163,213,618.85	28,825,867.19			192,039,486.04
Reserves for own shares	**0.00**				**0.00**
Reserve pursuant to section 57 (5) of Austrian Banking Act (BWG)	**851,000,000.00**				**851,000,000.00**

As of 31 December 2025 the subscribed capital amounted to EUR 821,028,768.00 (previous year: EUR 821,029 thousand) and was divided into 410,514,384 of bearer, voting shares (ordinary shares). In addition, Erste Group Bank AG did not hold any own shares as of the balance sheet date.

Erste Group Bank AG generated selling gains of EUR 138,932.15 (previous year: EUR 44 thousand) from the purchase and sale of its own shares in the long portfolio and, in the previous year, also for the employee share ownership program. These selling gains were recorded as additions to the committed capital reserve in accordance with section 229 (1a and 1b) of the Austrian Commercial Code (UGB).

The net allocation to retained earnings totalled EUR 2,399,673,577.60 (previous year: EUR 1,177,630 thousand) and comprises EUR 2,370,847,710.41 (previous year: EUR 1,299,027 thousand) of other reserves and EUR 28,825,867.19 (previous year: release of EUR 121,397 thousand) of blocked reserves. The latter includes EUR 43,556,172.47 (previous year: EUR 38,965 thousand) from the allocation to the ex-ante fund (see Note 21) and the release of deferred tax assets in the amount of EUR 14,058,931.86 (previous year: allocation EUR 159,529 thousand) in Austria, EUR 669,067.79 (previous year: EUR 625 thousand) in the New York branch and EUR 2,305.63 (previous year: allocation EUR 209 thousand) in the Hong Kong branch.

Blocked reserves include the contribution to the ex-ante fund, which is not eligible for inclusion in own funds at member level in accordance with Art. 26 (1) CRR, as well as amounts from the capitalisation of deferred taxes that are subject to a restriction on distribution in accordance with section 235 (2) Austrian Commercial Code (UGB). These are recognised separately from the other equity items due to the restricted right of disposal.

19. Authorised and conditional capital as of 31 December 2025

Authorised capital

According to clause 5 of the Articles of Association, the Management Board is authorised to increase the share capital with the consent of the Supervisory Board until 18 May 2027 - also in several tranches - by an amount of up to EUR 343,600,000.00 by issuing up to 171,800,000 voting no-par value bearer shares with voting rights against contributions in cash and/or in kind, whereby the issue price and the issue conditions shall be determined by the Management Board with the consent of the Supervisory Board.

Furthermore, the Management Board is authorised to fully or partly exclude the subscription rights of the shareholders with the consent of the Supervisory Board (exclusion of the subscription right):

_ 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 does not exceed EUR 85.960.000,00.

These two measures may also be combined.

The proportionate amount of share capital attributable to the new shares (i) for which the subscription right is excluded, (ii) 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, and (iii) which had been 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 10% of the share capital in total.

Conditional Capital

Pursuant to clause 6.3 of the Articles of Association, conditional capital based on the Management Board resolutions in 2002 and 2010 with a nominal value of EUR 21,923,264.00 persists, which can be consumed by issuing up to 10,961,632 ordinary bearer shares or ordinary registered shares 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. According to clause 6.4 of the Articles of Association, a conditional increase of the registered capital was resolved in the shareholders' meeting of 12 May 2009 in an amount of up to EUR 124,700,000.00 by issuing up to 62,350,000 ordinary bearer shares. This conditional capital serves to grant conversion or subscription rights to investors 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 recognized pricing method on the basis of accepted finance-mathematical methods and the share price of the company.

Authorized conditional capital

According to clause 7 of the Articles of Association currently no authorised conditional capital exists.

20. Major Shareholders

As of 31 December 2025, together with its syndicate partners (savings banks, share management savings banks – "Anteilsverwaltungssparkassen", and savings bank foundations – "Sparkassenstiftungen"), DIE ERSTE oesterreichische Spar-Casse Privatstiftung ("ERSTE Stiftung"), a foundation, controls 25.52% (prior year: 25.41%) of the shares in Erste Group Bank AG and with 18.59% (prior year: 18.48%) is the main shareholder. The ERSTE Stiftung holds 6.00% (prior year: 5.94%) of the shares directly; the indirect participation of the ERSTE Stiftung amounts to 12.59% (prior year: 12.54%) of the shares held by Sparkassen Beteiligungs GmbH & Co KG, which is an affiliated undertaking of the ERSTE Stiftung. 2.66% (prior year: 2.66%) are held directly by savings bank foundations, savings banks, and the Erste employee share participation foundation (Erste Mitarbeiterbeteiligungsstiftung), acting together with the ERSTE Stiftung. 4.27% (prior year: 4.27%) are held by a syndicate partner, Wiener Städtische Versicherungsverein.

On 21 May 2025, a decision was made at the annual general meeting in favour of paying a dividend in the amount of EUR 3.00 per share. According to its share in Erste Group Bank AG, a dividend was paid for the ERSTE Stiftung amounting to EUR 151,140,000.00 (prior year: EUR 135,716 thousand) in the financial year 2025.

The purpose of the ERSTE Stiftung, to be achieved notably by way of holding interests in Erste Group Bank AG, is to support social, scientific, cultural as well as charitable institutions and to promote the guiding principles of the savings bank philosophy. As of 31 December 2025, Gudrun Egger, Wolfgang Schopf und Martin Wohlmuth were appointed as board members of the ERSTE Stiftung. The ERSTE Stiftung's Supervisory Board had nine members at the end of 2025, one of whom is also an employee representative on the Supervisory Board of Erste Group Bank AG.

In accordance with clause 15.1 of the Articles of Association, and for the time in which the ERSTE Stiftung assumes liability for all current and future debts in the event of their default on payment, it is entitled, pursuant to section 92 (9) Austrian Banking Act, to nominate up to one-third of the Supervisory Board members for election at the annual general meeting. So far, the ERSTE Stiftung has not exercised this right.

The ERSTE Stiftung did not hold as of 31 December 2025 bonds of Erste Group Bank AG (prior year: EUR 0 thousand).

21. Resolution Fund, deposit guarantee fund, IPS fund

RESOLUTION FUND

Regulation (EU) No 806/2014 established a Single Resolution Mechanism (SRM), which has been exercising its resolution powers since 1 January 2016. The SRM aims to strengthen the resilience of the financial system and help prevent future crises through the timely and effective resolution of banks. The regulation sets out the framework for Member States participating in the Banking Union for those cases in which bank resolution is necessary.

The SRM provides for the establishment of a Single Resolution Fund (SRF), which is intended to support the financing of resolution measures, using pre-collected contributions from the banking sector. The eight-year build-up phase ended on 31 December 2023, and the SRF's financial resources amount to 1% of the insured deposits of the contributing institutions. As in the previous year, no contributions were collected for the SRF in 2025.

The annual contribution amount is determined by the Single Resolution Board (SRB) and collected via the national resolution authorities (in Austria, the Financial Market Authority). The individual contribution amount depends primarily on the institution's size and the risk profile on the contributing institution as defined by the resolution authority.

DEPOSIT GUARANTEE FUND

The deposit guarantee scheme, based on an EU directive (2014/49/EU), serves to protect customer deposits held at credit institutions. This EU directive was transposed into national law in Austria by way of the Act on Deposit Guarantee Schemes and Investor Compensation (ESAEG) and came into effect on 14 August 2015.

Every guarantee scheme has its own deposit guarantee fund consisting of available financial resources amounting to no less than 0.8% of the sum of covered deposits held at the member institutions (target level). This target level was achieved over a period of 10 years on 3rd July 2024.

Thus in 2025, Erste Group Bank AG paid a total of EUR 0.00 (prior year: EUR 37 thousand), which is included in the item other administrative expenses.

IPS FUND (EX-ANTE-FUND)

The IPS (Institutional Protection Scheme) fund is an ex-ante-fund of the Austrian savings banks' institutional guarantee system (IPS) that is intended to secure financial support to members facing economic difficulties. The IPS fund is a "Gesellschaft bürgerlichen Rechts" (IPS Fonds GesBR - a partnership under civil law) – the low-risk, readily available investment of the ex-ante-fund is recognised as a special asset. Shareholders with a stake in the assets are Erste Group Bank AG, Erste Bank der oesterreichischen Sparkassen AG, the building society of österreichische Sparkassen AG, and all other Austrian savings banks. Cross-guarantee scheme (Haftungsverbund) GmbH is an active partner but not obliged to make a capital contribution.

By means of annual allocations from the member institutes, the ex-ante fund will be built up until 31 December 2031. The aim is to achieve a volume amounting to 0.5% of the total risk exposure amount of Erste Group on a consolidated level, in accordance with article 92 (3) CRR. Cross-guarantee scheme (Haftungsverbund) GmbH is tasked with determining the amount of the respective payment due. The contributions (deposits) are to be taken from the annual financial result, with other reserves being released where necessary. Erste Group Bank AG created a reserve which corresponds to the amount of the contributions made (deposits) of EUR 43,556,172.47 (prior year: EUR 38,965 thousand) in 2025.

22. Securitisation transaction

In December 2024 and March 2025, Erste Group Bank AG carried out securitisation transactions ("EGB CRE LC 2024-1" and "EGB CRE LC 2025-1"). The aim of these transactions was to hedge the credit risk of commercial real estate and commercial loan portfolios by means of guarantees on the mezzanine tranches. The significant transfer of risk to investors reduced risk-weighted assets and freed up regulatory capital for new lending. Unlike conventional true sale securitisations, these two synthetic securitisations, EGB CRE LC 2024-1 and EGB CRE LC 2025-1, do not provide financing to the issuer.

The securitisations comprise existing portfolios of loans to commercial customers in contractually specified countries. The receivables are not derecognized from the Erste Group Bank AG balance sheet, they continue to be carried in the books. The transaction was not rated. The internal ratings-based approach (SEC-IRBA) was used to calculate the risk weights of the tranches.

Detailed information on the synthetic securitization transaction can be found in the following table:

name	EGB CRE LC 2024-1		
type of securitization	synthetic		
originator	Erste Group Bank AG		
servicer	Erste Group Bank AG		
aim of securitization	significant risk transfer		
loan category	commercial real estate- and corporate loans		
effective date	31/12/2024		
notional amount of loan portfolio	EUR 9,251,374,081.64 (thereoff securitized EUR 3,000,000,000.00 or 32.43% of notional amount)		
rating agency	-		
amount and terms of tranches	-		
ISIN	-		
seniority of tranche	Senior	Mezzanine	Junior
class	A	B	C
rating	no rating	no rating	no rating
listing	-	-	-
effective date	31.12.2024	31.12.2024	31.12.2024
legal termination date	31.12.2037	31.12.2037	31.12.2037
call options	time call, clean-up call, tax call and regulatory call		
initial tranche size	€2,827,500,000.00	€150,000,000.00	€22,500,000.00
tranche size at the end of reference period	€2,827,500,000.00	€150,000,000.00	€22,500,000.00

name	EGB CRE LC 2025-1		
type of securitization	synthetic		
originator	Erste Group Bank AG		
servicer	Erste Group Bank AG		
aim of securitization	significant risk transfer		
loan category	commercial real estate- and corporate loans		
effective date	31/3/2025		
notional amount of loan portfolio	EUR 5,905,398,867.91 (thereoff securitized EUR 1,500,188,821.82 or 25.40% of notional amount)		
rating agency	-		
amount and terms of tranches	-		
ISIN	-		
seniority of tranche	Senior	Mezzanine	Junior
class	A	B	C
rating	no rating	no rating	no rating
listing	-	-	-
effective date	31.3.2025	31.3.2025	31.3.2025
legal termination date	31.12.2038	31.12.2038	31.12.2038
call options	time call, clean-up call, tax call and regulatory call		
initial tranche size	€1,410,927,608.87	€78,009,819.95	€11,251,416.34
tranche size at the end of reference period	€1,410,927,608.87	€78,009,819.95	€11,251,416.34

23. Own funds and capital requirement

These unconsolidated financial statements of Erste Group Bank AG have yet to be approved by the Supervisory Board. Erste Group Bank AG applies the transitional provisions regarding own funds requirements and credit risk according to the CRR accompanying regulation as well as EU Regulation No. 2016/445 of the European Central Bank on the use of options and discretions under European Union law, ECB/2016/4.

Own funds - Capital structure according to Regulation (EU) No 575/2013 (CRR)

in EUR or in EUR thousand	Article pursuant to CRR	Dec 25	Dec 24
Common equity tier 1 capital (CET1)			
Capital instruments eligible as CET1	26 (1) (a) (b), 27-30, 36 (1) (f), 42	2,325,360,231.54	2,325,743
Own CET1 instruments	36 (1) (f), 42	-40,312,511.34	-23,197
Retained earnings	26 (1) (c), 26 (2)	9,743,239,988.60	6,721,856
OCI	4 (100), 26 (1) (d)	-336,756,798.09	-348,906
Other reserves	4 (117), 26 (1) (e)	889,571,232.00	889,571
Prudential filter: cash flow hedge reserve	33 (1) (a)	-2,470,971.19	-4,511
Prudential filter: cumulative gains and losses due to changes in own credit risk on fair valued liabilities	33 (1) (b)	103,880,806.38	97,151
Prudential filter: fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	33 (1) (c), 33 (2)	-7,457,773.88	-4,315
Value adjustments due to the requirements for prudent valuation	34, 105	-65,029,589.23	-58,492
Regulatory adjustments relating to unrealised gains and losses	467, 468	0.00	0
Other intangible assets	4 (115), 36 (1) (b), 37 (a)	-14,175,965.24	-31,111
Deferred tax assets dependent upon future profitability and not temporary differences net of associated tax liabilities	36 (1) (c), 38	0.00	0
IRB shortfall of credit risk adjustments to expected losses	36 (1) (d), 40, 158, 159	-50,029,634.95	-107,691
Excess of deduction from AT1 items over AT1	36 (1) (j)	0.00	0
Securitisation positions which can alternatively be subject to a 1250 % risk weight	244 (1) (b), 245 (1) (b), 253 (1)	-42,440,469.64	-27,058
Other components or deductions of the CET1	47 (c)	-28,355,729.69	-10,615
Common equity tier 1 capital (CET1)	**50**	**12,475,022,815.27**	**9,418,426**
Additional tier 1 capital (AT1)			
Additional tier 1 capital (AT1)	51 (a), 52-54, 56 (a), 57	3,479,396,824.20	2,687,826
Own AT1 instruments	52 (1) (b), 56 (a), 57	-1,400,000.00	-1,400
Instruments issued by subsidiaries that are given recognition in AT1	85, 86	0.00	0
Transitional adjustments due to grandfathered AT1 instruments	483 (4) (5), 484-487, 489, 491	0.00	0
AT1 instruments of financial sector entities where the institution has a significant investment	4 (27), 56 (d), 59, 79	0.00	0
Excess of deduction from AT1 items over AT1	36 (1) (j)	0.00	0
Additional tier 1 capital (AT1)	**61**	**3,477,996,824.20**	**2,686,426**
Tier 1 capital - total amount of common equity tier 1 (CET1) and additional tier1 (AT1)		**15,953,019,639.47**	**12,104,851**
Tier 2 capital (T2)			
Capital instruments and subordinated loans eligible as T2	62 (a), 63-65, 66 (a), 67	4,100,220,252.40	3,898,098
Own T2 instruments	63 (b) (i), 66 (a), 67	-55,091,813.74	-54,595
Instruments issued by subsidiaries recognised in T2	87, 88	0.00	0
Transitional adjustments due to additional recognition in T2 of instruments issued by subsidiaries	480	0.00	0
Transitional adjustments due to grandfathered T2 instruments and subordinated loans	483 (6) (7), 484, 486, 488, 490, 491	0.00	0
IRB excess of provisions over expected losses eligible	62 (d)	0.00	0
Standardised approach general credit risk adjustments	62 (c)	0.00	0
T2 instruments of financial sector entities where the institution has a significant investment	4 (27), 66 (d), 68, 69, 79	0.00	0
Tier 2 capital (T2)	**71**	**4,045,128,438.66**	**3,843,503**
Total own funds		**19,998,148,078.13**	**15,948,354**
Total Risk Exposure Amount	92 (3), 95, 96, 98	**39,303,765,100.17**	**40,976,387**
CET1 capital ratio	92 (2) (a)	31.74%	22.99%
Tier 1 capital ratio	92 (2) (b)	40.59%	29.54%
Total capital ratio	92 (2) (c)	50.88%	38.92%

Capital Requirements - Risk structure according to Regulation (EU) No 575/2013 (CRR)

		Dec 25		Dec 24	
in EUR or in EUR thousand	Article pursuant to CRR	Calculation base/ total risk	Capital requirement	Calculation base/ total risk	Capital requirement
Total Risk Exposure Amount	**92 (3), 95, 96, 98**	**39,303,765,100.17**	**3,144,301,208.01**	**40,976,387**	**3,278,111**
Risk weighted assets (credit risk)	92 (3) (a) (f)	30,064,638,864.77	2,405,171,109.18	35,807,568	2,864,605
Standardised approach		15,073,897,694.65	1,205,911,815.57	4,426,865	354,149
IRB approach		14,201,220,526.32	1,136,097,642.11	30,888,076	2,471,046
Default fund contributions to a central counterparty		10,245,831.50	819,666.52	8,231	658
Securitisation positions		779,274,812.30	62,341,984.98	484,397	38,752
Settlement Risk	92 (3) (c) (ii), 92 (4) (b)	696,769.63	55,741.57	145	12
Trading book, foreign FX risk and commodity risk	92 (3) (b) (i) and (iii), 92 (4) (b)	3,432,596,204.14	274,607,696.33	3,782,139	302,571
Operational Risk	92 (3) (e), 92 (4) (b)	5,168,399,710.00	413,471,976.80	965,715	77,257
Exposure for CVA	92 (3) (d)	637,433,551.63	50,994,684.13	420,821	33,666
Other amounts receivable (regulatory Add-On)		0.00	0.00	0	0
Other exposure amounts incl. Basel 1 floor	3, 458, 459	0.00	0.00	0	0

For the preparation of consolidated capital and consolidated capital requirements, reference is made to the corresponding statements in the Erste Group's Consolidated Financial Statements. Erste Group Bank AG has filed an application for early recognition of year-end profits according to Art 26 para. 2 CRR.

24. List of assets pledged as collateral for liabilities (acc. to section 64 [1] no. 8 Austrian Banking Act)

in EUR or in EUR thousand	Dec 25	Dec 24	Liability description	Balance sheet item
OeNB asset pool (tender)	**377,418,194.89**	**252,287**		
Fixed-income securities	377,418,194.89	252,287	Refinancing by OeNB / ECB	Liability 1
Collateral pool for municipal and mortgage bonds*	**197,490,028.46**	**169,434**		
Loans and advances to customers	197,490,028.46	169,434	Issued municipal and mortgage bonds	Liability 3
Collateral for derivatives	**1,346,586,031.68**	**1,398,701**		
Cash Collateral for OTC-derivatives	841,591,262.74	1,016,703	Other liabilities	Liability 4
Cash Collateral for exchange traded derivatives	34,136,811.75	4,609	margin requirement	
Blocked securities account as collateral for OTC- and exchange traded derivatives	470,857,957.19	377,388	Other liabilities / margin requirement	Liability 4
Coverage for the pension provisions	**110,378,770.06**	**156,828**		
Pension provisions § 11 BPG	110,378,770.06	156,828	Coverage for the pension provisions	Liability 6
Pledge agreements	**286,421,464.55**	**297,560**		
Securities loan	286,421,464.55	297,560	Guarantees and contingent liabilities pledged as collateral	
Collateralized Guarantee	**792,609,214.21**	**841,008**		
Securities loan	792,609,214.21	841,008	Guarantees and contingent liabilities pledged as collateral	
Total	**3,110,903,703.85**	**3,115,817**		

*previous year adjusted

Eligible collateral totalling EUR 33,519,272,576.64 (previous year: EUR 33,641,839 thousand) was provided by the savings banks for Erste Group Bank AG's own liabilities.

In addition to the collateral specified above, own issued covered bonds that are not listed on a regulated market and therefore are not recognized in the balance sheet were pledged as collateral in repurchase agreements with a nominal value of EUR 4,431,300,000.00 (previous year: EUR 0 thousand) and were lent as part of securities lending transactions with a nominal value of EUR 5,057,000,000.00 (previous year: EUR 0 thousand).

Furthermore, the company's own issued covered bonds that were not placed on the market, with a nominal value of EUR 851,000,000.00 (previous year: EUR 500,000 thousand), were pledged as collateral in repurchase agreements.

25. Total volume of unsettled derivatives

Dec 25	Remaining maturity nominals			
in EUR	< 1 years	1-5 years	> 5 years	Total
Interest rate contracts	**91,861,484,397.95**	**160,513,997,415.37**	**71,391,267,844.44**	**323,766,749,657.76**
OTC products	91,251,906,694.93	160,513,997,415.37	71,391,267,844.44	323,157,171,954.74
Options	2,221,132,439.53	23,434,656,292.33	547,435,372.47	26,203,224,104.33
Other (f.i.: Interest rate swaps)	89,030,774,255.40	137,079,341,123.04	70,843,832,471.97	296,953,947,850.41
Exchange-traded products	609,577,703.02	0.00	0.00	609,577,703.02
Options	0.00	0.00	0.00	0.00
Other (f.i.: Futures)	609,577,703.02	0.00	0.00	609,577,703.02
Securities related business	**1,587,855,012.95**	**1,700,228,842.02**	**180,206,000.00**	**3,468,289,854.97**
OTC products	1,424,317,193.10	1,678,873,957.43	180,206,000.00	3,283,397,150.53
Options	514,836,032.32	770,807,322.08	23,650,000.00	1,309,293,354.40
Other (f.i.: Stock swaps)	909,481,160.78	908,066,635.35	156,556,000.00	1,974,103,796.13
Exchange-traded products	163,537,819.85	21,354,884.59	0.00	184,892,704.44
Options	50,040,508.63	21,354,884.59	0.00	71,395,393.22
Other (f.i.: Futures)	113,497,311.22	0.00	0.00	113,497,311.22
Currency contracts	**52,158,762,574.27**	**12,565,778,537.35**	**3,355,900,233.25**	**68,080,441,344.87**
OTC products	52,125,538,779.59	12,565,778,537.35	3,355,900,233.25	68,047,217,550.19
Options	2,051,853,934.89	581,498,765.51	0.00	2,633,352,700.40
Other (f.i.: Currency swap)	50,073,684,844.70	11,984,279,771.84	3,355,900,233.25	65,413,864,849.79
Exchange-traded products	33,223,794.68	0.00	0.00	33,223,794.68
Options	0.00	0.00	0.00	0.00
Other (f.i.: Futures)	33,223,794.68	0.00	0.00	33,223,794.68
Credit derivatives	**13,240,000.00**	**265,832,502.15**	**0.00**	**279,072,502.15**
OTC products	13,240,000.00	265,832,502.15	0.00	279,072,502.15
Credit default options	0.00	0.00	0.00	0.00
Other (f.i.: Credit Default Swaps)	13,240,000.00	265,832,502.15	0.00	279,072,502.15
Exchange-traded products	0.00	0.00	0.00	0.00
Options	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Commodity contracts	**10,802,314.89**	**0.00**	**0.00**	**10,802,314.89**
OTC products	0.00	0.00	0.00	0.00
Options	0.00	0.00	0.00	0.00
Other (f.i.: Commodity swaps)	0.00	0.00	0.00	0.00
Exchange-traded products	10,802,314.89	0.00	0.00	10,802,314.89
Options	0.00	0.00	0.00	0.00
Other (f.i.: Futures)	10,802,314.89	0.00	0.00	10,802,314.89
Other	**465,779,434.72**	**877,352,328.61**	**54,000,000.00**	**1,397,131,763.33**
OTC products	465,779,434.72	877,352,328.61	54,000,000.00	1,397,131,763.33
Options	25,000,000.00	120,000,000.00		145,000,000.00
Other (f.i.: Inflation swaps)	440,779,434.72	757,352,328.61	54,000,000.00	1,252,131,763.33
Exchange-traded products	0.00	0.00	0.00	0.00
Options	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Total	**146,097,923,734.78**	**175,923,189,625.50**	**74,981,374,077.69**	**397,002,487,437.97**
OTC products	**145,280,782,102.34**	**175,901,834,740.91**	**74,981,374,077.69**	**396,163,990,920.94**
Exchange-traded products	**817,141,632.44**	**21,354,884.59**	**0.00**	**838,496,517.03**

The nominal values were presented without netting the transactions with central counterparties.

Dec 24	Remaining maturity nominals			
in EUR thousand	< 1 years	1-5 years	> 5 years	Total
Interest rate contracts	**66,887,022**	**134,594,517**	**75,345,756**	**276,827,295**
OTC products	**66,097,684**	**134,457,614**	**75,345,756**	**275,901,054**
Options	2,046,762	11,517,206	680,584	14,244,552
Other (f.i.: Interest rate swaps)	64,050,922	122,940,408	74,665,173	261,656,502
Exchange-traded products	**789,337**	**136,903**	**0**	**926,241**
Options	0	0	0	0
Other (f.i.: Futures)	789,337	136,903	0	926,241
Securities related business	**1,279,949**	**2,431,828**	**510,813**	**4,222,590**
OTC products	**1,076,962**	**2,431,828**	**510,813**	**4,019,603**
Options	468,890	977,794	63,367	1,510,050
Other (f.i.: Stock swaps)	608,072	1,454,034	447,446	2,509,553
Exchange-traded products	**202,987**	**0**	**0**	**202,987**
Options	51,372	0	0	51,372
Other (f.i.: Futures)	151,615	0	0	151,615
Currency contracts	**46,506,845**	**15,564,937**	**3,200,892**	**65,272,674**
OTC products	**46,490,452**	**15,564,937**	**3,200,892**	**65,256,281**
Options	2,954,215	439,023	0	3,393,239
Other (f.i.: Currency swap)	43,536,237	15,125,914	3,200,892	61,863,043
Exchange-traded products	**16,393**	**0**	**0**	**16,393**
Options	0	0	0	0
Other (f.i.: Futures)	16,393	0	0	16,393
Credit derivatives	**123,904**	**213,848**	**0**	**337,752**
OTC products	**123,904**	**213,848**	**0**	**337,752**
Credit default options	0	0	0	0
Other (f.i.: Credit Default Swaps)	123,904	213,848	0	337,752
Exchange-traded products	**0**	**0**	**0**	**0**
Options	0	0	0	0
Other	0	0	0	0
Commodity contracts	**6,893**	**0**	**0**	**6,893**
OTC products	**0**	**0**	**0**	**0**
Options	0	0	0	0
Other (f.i.: Commodity swaps)	0	0	0	0
Exchange-traded products	**6,893**	**0**	**0**	**6,893**
Options	0	0	0	0
Other (f.i.: Futures)	6,893	0	0	6,893
Other	**7,500**	**1,199,824**	**124,443**	**1,331,768**
OTC products	**7,500**	**1,199,824**	**124,443**	**1,331,768**
Options	0	125,000	20,000	145,000
Other (f.i.: Inflation swaps)	7,500	1,074,824	104,443	1,186,768
Exchange-traded products	**0**	**0**	**0**	**0**
Options	0	0	0	0
Other	0	0	0	0
Total	**114,812,112**	**154,004,955**	**79,181,905**	**347,998,971**
OTC products	**113,796,503**	**153,868,052**	**79,181,905**	**346,846,459**
Exchange-traded products	**1,015,609**	**136,903**	**0**	**1,152,512**

26. Derivative financial instruments and fixed-asset financial instruments

Derivative financial instruments

Dec 25	Notional amount		Carrying amount	Fair value	
in EUR		thereof sells	Assets (+) / Liabilities (-)	Positive	Negative
Interest rate contracts	**323,766,749,657.76**	**3,101,930,903.36**	**-46,921,478.29**	**4,814,072,051.89**	**-5,012,029,788.94**
OTC products	323,157,171,954.74	3,101,930,903.36	-46,921,478.29	4,814,072,051.89	-5,012,029,788.94
Options	26,203,224,104.33	3,101,930,903.36	61,556,493.13	87,309,610.56	-25,768,796.26
Other (f.i.: Interest rate swaps)	296,953,947,850.41		-108,477,971.42	4,726,762,441.33	-4,986,260,992.68
Exchange-traded products	609,577,703.02	0.00	0.00	0.00	0.00
Options	0.00	0.00	0.00	0.00	0.00
Other (f.i.: Futures)	609,577,703.02		0.00	0.00	0.00
Securities related business	**3,468,289,854.97**	**609,713,751.28**	**-7,335,779.92**	**208,183,803.53**	**-159,873,268.18**
OTC products	3,283,397,150.53	547,116,152.61	-5,469,526.32	207,560,671.34	-157,383,882.38
Options	1,309,293,354.40	547,116,152.61	61,449,357.40	113,453,768.82	-62,613,770.83
Other (f.i.: Stock swaps)	1,974,103,796.13		-66,918,883.72	94,106,902.52	-94,770,111.55
Exchange-traded products	184,892,704.44	62,597,598.67	-1,866,253.60	623,132.19	-2,489,385.80
Options	71,395,393.22	62,597,598.67	-1,866,253.60	623,132.19	-2,489,385.80
Other (f.i.: Futures)	113,497,311.22		0.00	0.00	0.00
Currency contracts	**68,080,441,344.87**	**1,539,758,823.73**	**-245,410,797.49**	**534,900,936.94**	**-779,838,631.81**
OTC products	68,047,217,550.19	1,539,758,823.73	-245,410,797.49	534,900,936.94	-779,838,631.81
Options	2,633,352,700.40	1,539,758,823.73	-969,178.25	24,065,178.54	-25,034,356.79
Other (f.i.: Currency swap)	65,413,864,849.79		-244,441,619.24	510,835,758.40	-754,804,275.02
Exchange-traded products	33,223,794.68	0.00	0.00	0.00	0.00
Options	0.00	0.00	0.00	0.00	0.00
Other (f.i.: Futures)	33,223,794.68		0.00	0.00	0.00
Credit derivatives	**279,072,502.15**	**9,470,000.00**	**-9,664,238.57**	**709,216.07**	**-4,997,127.84**
OTC products	279,072,502.15	9,470,000.00	-9,664,238.57	709,216.07	-4,997,127.84
Credit default options	0.00	0.00	0.00	0.00	0.00
Other (f.i.: Credit Default Swaps)	279,072,502.15	9,470,000.00	-9,664,238.57	709,216.07	-4,997,127.84
Exchange-traded products	0.00	0.00	0.00	0.00	0.00
Options	0.00	0.00	0.00	0.00	0.00
Other	0.00		0.00	0.00	0.00
Commodity contracts	**10,802,314.89**	**0.00**	**0.00**	**0.00**	**0.00**
OTC products	0.00	0.00	0.00	0.00	0.00
Options	0.00	0.00	0.00	0.00	0.00
Other (f.i.: Commodity swaps)	0.00		0.00	0.00	0.00
Exchange-traded products	10,802,314.89	0.00	0.00	0.00	0.00
Options	0.00	0.00	0.00	0.00	0.00
Other (f.i.: Futures)	10,802,314.89		0.00	0.00	0.00
Other	**1,397,131,763.33**	**0.00**	**2,840,338.81**	**13,332,747.04**	**-15,118,440.22**
OTC products	1,397,131,763.33	0.00	2,840,338.81	13,332,747.04	-15,118,440.22
Options	145,000,000.00	0.00	0.00	0.00	0.00
Other (f.i.: Inflation swaps)	1,252,131,763.33		2,840,338.81	13,332,747.04	-15,118,440.22
Exchange-traded products	0.00	0.00	0.00	0.00	0.00
Options	0.00	0.00	0.00	0.00	0.00
Other	0.00		0.00	0.00	0.00
Total	**397,002,487,437.97**	**5,260,873,478.37**	**-306,491,955.46**	**5,571,198,755.47**	**-5,971,857,256.99**
thereof external/internal deals					
external deals	366,970,286,560.82	5,105,723,366.68	-71,523,948.05	4,691,612,963.45	-5,092,271,464.96
internal deals	30,032,200,877.15	155,150,111.69	-234,968,007.41	879,585,792.02	-879,585,792.03
thereof OTC/Exchange-traded products					
OTC products	396,163,990,920.94	5,198,275,879.70	-304,625,701.86	5,570,575,623.28	-5,969,367,871.19
Exchange-traded products	838,496,517.03	62,597,598.67	-1,866,253.60	623,132.19	-2,489,385.80
thereof trading book/banking book					
Trading Book	355,537,195,527.49	5,243,113,478.37	-128,020,067.16	4,834,382,173.54	-4,850,388,172.94
Banking Book	41,465,291,910.48	17,760,000.00	-178,471,888.30	736,816,581.93	-1,121,469,084.05
thereof hedges	36,359,546,446.33	17,760,000.00	-60,379,369.28	735,259,123.13	-1,011,703,064.41

Nominal Values and fair values are presented without netting transactions with central counterparties.

The carrying amounts of derivatives are reported after netting transactions with central counterparties. The netting includes derivatives on the asset and liability side as well as cash collateral provided or received to cover the fair values of derivatives not yet matured (cash collaterals). Netted carrying amounts are shown on the balance sheet on other assets or other liabilities.

Dec 24	Notional amount		Carrying amount	Fair value	
in EUR thousand		thereof sells	Assets (+) / Liabilities (-)	Positive	Negative
Interest rate contracts	**276,827,295**	**3,847,797**	**-54,065**	**5,222,410**	**-5,546,345**
OTC products	275,901,054	3,847,797	-54,065	5,222,410	-5,546,345
Options	14,244,552	3,847,797	39,309	78,801	-39,535
Other (f.i.: Interest rate swaps)	261,656,502		-93,374	5,143,610	-5,506,810
Exchange-traded products	926,241	0	0	0	0
Options	0	0	0	0	0
Other (f.i.: Futures)	926,241		0	0	0
Securities related business	**4,222,590**	**570,325**	**23,195**	**242,640**	**-223,364**
OTC products	4,019,603	532,292	24,078	241,229	-221,070
Options	1,510,050	532,292	65,525	134,619	-115,169
Other (f.i.: Stock swaps)	2,509,553		-41,447	106,610	-105,900
Exchange-traded products	202,987	38,033	-883	1,411	-2,294
Options	51,372	38,033	-883	1,411	-2,294
Other (f.i.: Futures)	151,615		0	0	0
Currency contracts	**65,272,674**	**1,899,019**	**-69,091**	**706,106**	**-774,113**
OTC products	65,256,281	1,899,019	-69,091	706,106	-774,113
Options	3,393,239	1,899,019	-1,392	29,126	-30,518
Other (f.i.: Currency swap)	61,863,043		-67,699	676,980	-743,595
Exchange-traded products	16,393	0	0	0	0
Options	0	0	0	0	0
Other (f.i.: Futures)	16,393		0	0	0
Credit derivatives	**337,752**	**0**	**-2,409**	**2,106**	**-7,106**
OTC products	337,752	0	-2,409	2,106	-7,106
Credit default options	0	0	0	0	0
Other (f.i.: Credit Default Swaps)	337,752	0	-2,409	2,106	-7,106
Exchange-traded products	0	0	0	0	0
Options	0	0	0	0	0
Other	0		0	0	0
Commodity contracts	**6,893**	**0**	**0**	**0**	**0**
OTC products	0	0	0	0	0
Options	0	0	0	0	0
Other (f.i.: Commodity swaps)	0		0	0	0
Exchange-traded products	6,893	0	0	0	0
Options	0	0	0	0	0
Other (f.i.: Futures)	6,893		0	0	0
Other	**1,331,768**	**0**	**1,819**	**14,770**	**-16,494**
OTC products	1,331,768	0	1,819	14,770	-16,494
Options	145,000	0	0	0	0
Other (f.i.: Inflation swaps)	1,186,768		1,819	14,770	-16,494
Exchange-traded products	0	0	0	0	0
Options	0	0	0	0	0
Other	0		0	0	0
Total	**347,998,971**	**6,317,141**	**-100,550**	**6,188,032**	**-6,567,422**
thereof external/internal deals					
external deals	315,867,037	6,083,900	25,226	5,250,716	-5,630,105
internal deals	32,131,934	233,242	-125,776	937,316	-937,316
thereof OTC/Exchange-traded products					
OTC products	346,846,459	6,279,108	-99,667	6,186,621	-6,565,128
Exchange-traded products	1,152,512	38,033	-883	1,411	-2,294
thereof trading book/banking book					
Trading Book	309,680,555	6,285,531	-35,437	5,431,262	-5,355,074
Banking Book	38,318,416	31,610	-65,112	756,770	-1,212,347
thereof hedges	34,788,798	31,610	-63,341	746,703	-1,203,577

Book values are represented in the following balance sheet items:

in EUR or in EUR thousand	Dec 25	thereof internal trades	Dec 24	thereof internal trades
A12 Other assets	2,033,172,979.41	493,610,051.00	2,292,805	587,321
A14 Prepayments and accrued income	7,875,157.00	7,619,062.92	9,313	9,047
P04 Other liabilities	2,202,751,129.58	685,048,014.64	2,241,584	640,343
P05 Accruals and deferred income	132,398,714.13	51,028,817.84	152,276	79,523
P06 Provisions	12,390,248.16	120,288.85	8,808	2,278

Embedded derivatives

	Dec 25			Dec 24		
	Notional amount	Fair value		Notional amount	Fair value	
in EUR or in EUR thousand		Positive	Negative		Positive	Negative
Securities related business	1,039,146,776.61	38,593,392.55	-83,765,507.96	1,407,331	81,007	-85,635
Credit derivatives	5,260,000.00	112,052.45	-233,608.51	32,695	474	-821
Other	297,162,000.00	4,143,120.49	-4,640,741.64	297,162	4,788	-5,110
Total	**1,341,568,776.61**	**42,848,565.49**	**-88,639,858.11**	**1,737,188**	**86,270**	**-91,567**

Embedded derivatives are reported together with the underlying liability in accordance with AFRAC Statement 15 (2023), as the embedded derivatives are fully hedged. Therefore, the table does not include any book values.

Improved internal reports enabled simpler identification of embedded derivatives. The amounts of the comparative period 2024 have been adjusted accordingly.

Fixed assets instruments

In the following table the figures are displayed without contractual interest accruals.

in EUR or in EUR thousand	Carrying amount	Positive fair value	Hidden losses	Hidden reserves
Dec 25				
Treasury bills	8,346,640,044.14	7,802,674,467.58	-543,965,576.56	
	6,710,745,442.11	6,771,115,495.26		60,370,053.15
Loans and advances to credit institutions	714,732,677.37	702,674,348.60	-12,058,328.77	
	1,558,734,302.38	1,581,056,394.98		22,322,092.60
Loans and advances to customers	36,352,854.67	36,011,090.95	-341,763.72	
	481,105,363.33	483,267,170.43		2,161,807.10
Debt securities	1,388,998,903.71	1,317,947,828.22	-71,051,075.49	
	994,469,523.33	1,006,879,430.31		12,409,906.98
Shares and other variable-yield securities	267,677,091.86	267,639,736.91	-37,354.95	
	1,104,576,674.19	1,155,395,673.00		50,818,998.81
Financial instruments carried as fixed assets	**10,754,401,571.75**	**10,126,947,472.26**	**-627,454,099.49**	
	10,849,631,305.34	**10,997,714,163.98**		**148,082,858.64**
Dec 24				
Treasury bills	7,675,715	7,120,833	-554,882	
	5,452,061	5,542,225		90,164
Loans and advances to credit institutions	636,337	622,244	-14,092	
	1,512,952	1,534,130		21,178
Loans and advances to customers	131,436	129,938	-1,498	
	416,122	417,764		1,642
Debt securities	1,969,332	1,865,876	-103,456	
	2,086,222	2,125,321		39,099
Shares and other variable-yield securities	532,975	532,914	-61	
	866,514	907,313		40,799
Financial instruments carried as fixed assets	**10,945,794**	**10,271,806**	**-673,989**	
	10,333,872	**10,526,753**		**192,881**

Fixed assets were not written down because the impairments are not expected to be permanent. Analyses in this regard showed that there were no credit rating related impairments in the reporting period. Interest induced impairments are not realized because there is an ability and intention to hold these securities until maturity. Fair value is the amount that could be obtained in an active market through the sale of a financial instrument, or correspondingly the amount that would be payable for its purchase. If market prices were available, these are used to determine fair value. In the absence of market prices, valuation models, in particular the present value method, were used.

27. Market value for securities in inactive markets

Erste Group Bank AG calculates theoretical prices for securities in an inactive market. A market is assumed to be inactive when prices for the relevant securities are formed only sporadically, there is only small-volume trading or no current prices are available.

Of securities traded on stock exchanges and valued at market price, theoretical prices were used for the following volumes. The values shown in the following tables do not include contractual accrued interest.

in EUR or in EUR thousand	Dec 25	Dec 24
Carrying amount of securities not marked on the basis of market prices	684,623,549.92	781,107
Fair value on the basis of the price in the inactive market	684,987,240.33	759,656
Difference	**363,690.41**	**-21,451**

The last available rates are used as rates for inactive markets. The decrease in the difference compared to the prior year is predominantly attributable to the liquidation of a zero-coupon bond. In 2025, this instrument only contributed EUR 12,638.95 to the difference (prior year: EUR 22,134 thousand).

28. Reclassification in securities positions

There were no reclassifications of securities positions to current financial assets in 2025.

29. Hedging transactions

Erste Group Bank AG uses interest rate swaps, cross currency swaps, credit derivatives and options in order to hedge against the market risk (interest-change risk and price risk) from balance sheet assets (bonds) with a notional of EUR 3,984,489,361.70 (prior year: EUR 4,379,160 thousand) and liabilities (own issues) with a notional of EUR 30,399,306,527.47 (prior year: EUR 28,901,062 thousand) on an individual basis.

Derivatives are used as specified by the hedging strategy in accordance with the Commercial Code (UGB) to hedge the fair value or the variable future cash flow of underlying transactions and thereby reducing the interest rate risk of Erste Group Bank AG to the level defined under the interest risk strategy.

Erste Group Bank AG uses interest rate swaps to hedge the interest rate risk of the variable future cash flows from the ECB deposit facility with a notional of EUR 1,800,000,000.00 (prior year: EUR 1,500,000 thousand).

A discrepancy between the notional of the hedging instrument and the hedged item results from the different treatment of transactions with notional in foreign currency and the volume determination of structured transactions.

in EUR	Dec 25	Dec 24	Change
Fair value hedge			
Positive market value fair value hedge	562,270,506.29	612,018,992.15	-49,748,485.86
Negative market value fair value hedge	-922,517,536.84	-1,063,946,379.70	141,428,842.86
Cash flow hedge			
Positive market value cash flow hedge	4,029,261.24	5,765,145.19	-1,735,883.95
Negative market value cash flow hedge	-876,804.56	0.00	-876,804.56
Total			
Total positive market values	566,299,767.53	617,784,137.34	-51,484,369.81
Total negative market values	-923,394,341.40	-1,063,946,379.70	140,552,038.30

The table above represents the proportion of the fair value (Dirty Price) of derivatives in a hedging relationship that were not recognized in the balance sheet (prior to netting). As of 31 December 2025, fair value hedges with maturity up to 2053 and cash flow hedges with maturity up to 2027 were held.

The Commercial Code hedging efficiency measurement is carried out for Erste Group Bank AG for the year 2025 in form of a critical term match and for cash flow hedges within the framework of a regression test, prospectively and retrospectivly.

30. Consideration of CVA/DVA in derivative valuation

Credit value adjustments (CVA) for counterparty default risks and debt value adjustments (DVA) for own credit risk are applied for all OTC derivatives. No CVA was recognized for counterparties fully backed by credit support annex – agreements (CSA). The CVA adjustment depends on the expected positive exposure and the counterparty's credit worthiness. DVA is determined by the expected negative exposure and by the credit quality of Erste Group Bank AG. The calculation of expected exposure is based on a model that relies on replicated options and on a Monte Carlo simulation, respectively, the probability of default is based on market information.

For portfolios that are marked-to-market, a CVA in the amount of EUR 5,314,370.33 (prior year: EUR 8,355 thousand) and a DVA EUR 9,143,152.97 (prior year: EUR 7,004 thousand), were respectively recognized. For the banking book portfolio as in prior years, no CVA (prior year: EUR 0 thousand) was recognized, since hedging transactions are carried out via a central counterparty whereby trades are collateralized.

31. Risk provisions

The development of risk provisions for loans and advances and similar financial instruments to credit institutions, for loans and advances and similar financial instruments to customers as well as for contingent liabilities, is as follows:

in EUR or in EUR thousand	1-12 25	1-12 24
Opening balance	**232,199,566.64**	**238,088**
Allocations / Releases (-)	12,662,067.60	15,199
Use	-75,070,448.64	-22,062
Reclassification		0
Exchange rate changes	-1,077,271.59	975
Closing balance	**168,713,914.01**	**232,200**

32. Contingent liabilities

Within the off-balance item contingent liabilities in the amount of EUR 13,214,805,914.56 (prior year: EUR 12,627,167 thousand) necessary provisions were deducted. The largest part of the amount totalling EUR 7,142,746,894.06 (prior year: EUR 6,503,158 thousand) relates to liabilities and guarantees from collateralization. This amount also includes comfort letters in the amount of EUR 332,091,997.60 (prior year: EUR 335,052 thousand). A large part of this sum totaling EUR 239,685,743.75 (prior year: EUR 242,404 thousand) was issued by Erste Group Bank AG in 2015 for affiliated companies in case they do not meet their rent payment obligations for the Erste Campus. Moreover, this item also includes credit derivatives in the amount of EUR 8,000,000.00 (prior year: EUR 59,950 thousand).

In this chapter the contingent liabilities of the cross-guarantee scheme are included. The contingent liability of the cross-guarantee scheme relates to the reciprocal obligation of the liable members to provide financial support for savings banks in financial difficulties or, in the event of distress, to ensure the timely fulfilment of certain monetary claims of customers against another liable member. A case of distress is the opening of bankruptcy proceedings against a member of the cross-guarantee system. With regard to the abolition of the extended deposit guarantee of the cross-guarantee system, please refer to chapter *General information*.

33. Credit risk

There is credit risk in the amount of EUR 21,403,585,015.16 (prior year: EUR 19,781,994 thousand) primarily for loan and guarantee commitments which have not yet been exercised. These amounts are net of the appropriate provisions.

34. Gross income – regional breakdown

Gross income of Erste Group Bank AG was broken down as follows (according to the location of branches):

	1-12 25			1-12 24		
in EUR or in EUR thousand	Domestic	Abroad	Total	Domestic	Abroad	Total
Interest and similar income	5,436,038,446.08	1,171,331,775.72	6,607,370,221.80	7,123,529	1,631,024	8,754,553
Income from securities and participating interests	2,706,130,404.79	0.00	2,706,130,404.79	1,978,455	0	1,978,455
Fee and commission income	268,830,055.00	777.04	268,830,832.04	234,150	9	234,159
Net profit or loss on financial operations	81,184,612.69	-200,760,915.65	-119,576,302.96	68,895	-33,458	35,436
Other operating income	139,929,076.04	666,169.00	140,595,245.04	163,082	4,050	167,132
Gross income	**8,632,112,594.60**	**971,237,806.11**	**9,603,350,400.71**	**9,568,111**	**1,601,625**	**11,169,736**

35. Income from participating interests and shares in affiliated companies

The balance sheet item income from participating interests and shares in affiliated companies includes EUR 649,517,568.55 (prior year: EUR 477,287 thousand) and the balance sheet item extraordinary income includes EUR 4,198,599.95 (prior year: EUR 1,000 thousand) from group members, which are subsidiaries belonging to the fiscal group of Erste Group Bank AG within the framework of the group taxation regulations which came into power in 2005.

36. Other operating income

Other operating income of EUR 140,595,245.04 (prior year: EUR 167,132 thousand) includes income from personnel and other administrative expenses reimbursed to group members in the amount of EUR 100,225,737.95 (prior year: EUR 95,061 thousand), rental income in the amount of EUR 11,830,675.62 (prior year: EUR 10,936 thousand), income from the release of pension provisions in the amount of EUR 9,337,163.45 (prior year: EUR 6,044 thousand) and fees for early prepaid loans in the amount EUR 1,533,695.55 (prior year: EUR 45,310 thousand).

37. Personnel expenses

In terms of personnel expenses, the position expenses for severance payments and payments to severance-payment funds included expenses for severance payments in the amount of EUR 1,803,040.13 (prior year: EUR 1,791 thousand).

Expenses for pensions are accounted for as follows:
- For defined pension payments in the amount of EUR 9,337,163.45 as income from the release of pension provisions included in the other operating income position (prior year: EUR 6,044 thousand) and interest expenses in the amount of EUR 7,073,367.19 (prior year: 7,574 thousand) in the position interest and similiar expense.
- Current pension fund contributions in the amount of EUR 9,205,293.22 (prior year: EUR 10,305 thousand) also as personnel costs.

38. Other administrative expenses

Other administrative expenses include fees paid for auditing and tax advisory services. The table below lists the fees or charges, including value added tax, charged by the external auditors (Sparkassen-Prüfungsverband and PwC Wirtschaftsprüfung GmbH):

in EUR or in EUR thousand	1-12 25	1-12 24
Fees charged for auditing the financial statements	4,497,185.84	4,132
Fees charged for audit-related services	2,219,321.89	2,516
Fees charged for tax advisory services	0.00	0
Fees charged for other services	167,587.37	387
Total	**6,884,095.10**	**7,036**

As statutory auditors, Sparkassen-Prüfungsverband (auditing agency) provided auditing services for affiliated companies of Erste Group Bank AG in the amount of EUR 7,404,196.00 (prior year: EUR 7,725 thousand). Other advisory services were charged to other affiliated companies in the amount of EUR 175,143.00 (prior year: EUR 139 thousand). The amount charged for other services for affiliated companies came up to EUR 36,106.00 (prior year: EUR 48 thousand).

PwC Wirtschaftsprüfung GmbH provided auditing services for affiliated companies of Erste Group Bank AG in the amount of EUR 839,329.00 (prior year: EUR 734 thousand). Other advisory services were charged to other affiliated companies in the amount of EUR 280,740.00 (prior year: EUR 268 thousand).

39. Other operating expenses

Other operating expenses in the amount of EUR 19,943,280.21 (prior year: EUR 31,713 thousand) mainly comprise expenses for credit derivatives to hedge loans of Erste Group (securitizations at the group level, which are presented as derivatives at the individual level, since the hedged assets are not on the balance sheet of Erste Group Bank AG) in the amount of EUR 10,289,643.98 (previous year: EUR 0 thousand) and expenses for the Operational Risk Insurance Program in the amount of EUR 6,048,321.78 (prior year: EUR 6,186 thousand). In the prior year also expenses for the provision for interbank VAT exemption in the amount of EUR 14,519 thousand were included.

40. Value adjustments as well as results from purchases and sales in respect of participating interests and shares in affiliated Companies

In 2025, the balance from value adjustments as well as results from sales of participating interests and shares in affiliated companies results in a write-up of EUR 367,414,387.72 (prior year: EUR 575,211 thousand). This amount is largely attributable to the write-up of Banca Comercială Română S.A. in the amount of EUR 353,400,000.00 (prior year: EUR 289,700 thousand) and of Prva stavebna sporitelna, a.s. in the amount of EUR 22,400,000.00 (prior year: EUR 2,100 thousand). In the prior year also write-up of Erste Bank Hungary Zrt. of EUR 267,384 thousand as well as of Erste Group Immorent GmbH of EUR 25,600 thousand were included.

For group members (subsidiaries that are considered a tax group with Erste Group Bank AG under the group taxation regulations of 2005) write-down requirements in the amount of EUR 10,862,693.00 (prior year: EUR 13,241 thousand) and write-ups amounting to EUR 4,534,136.60 (prior year: EUR 31,722 thousand) are included in this item. As in the prior year, no group members were sold affecting results in the reporting year.

41. Taxes on profit or loss

The item taxes on profit or loss shows expense amounting to EUR 11,963,482.46 (prior year: EUR 2,494 thousand). This includes income in the amount of EUR 180,164,730.93 (prior year: EUR 196,158 thousand) from the current tax allocation, an expense of EUR 1,594,851.56 (prior year: income EUR 3,967 thousand) from the retroactive accounting of prior years according to section 9 Corporate Tax Act on group taxation, as well as an expense of EUR 14,691,279.26 (prior year: EUR 159,790 thousand) from deferred tax assets. For current corporate income tax to Austrian tax authority, an expense amounting to EUR 157,457,100.57 (prior year: EUR 52,687 thousand) was recorded, as well as an aperiodic corporate income tax expense of EUR 10,231,460.68 (prior year: income EUR 18,894 thousand).

Since 2005, Erste Group Bank AG and its main domestic subsidiaries have formed a tax group in accordance with section 9 Corporate Tax Act, with Erste Group Bank AG as parent company of the group. Group and tax equalisation agreements were concluded with all affiliated companies. Under these agreements, affiliated companies allocate amounts equivalent to the corporation tax on taxable profits to Erste Group Bank AG. Since tax losses from prior years are recorded and offset against their current tax liability by the affiliated companies themselves, there is no obligation to make tax allocation payments to Erste Group Bank AG. Moreover, Erste Group Bank AG undertakes to make compensatory payments for any tax losses utilized up to that point to any affiliated company leaving the Group.

Foreign income taxes and other foreign income related taxes are expenses of EUR 4,797,987.41 (prior year: EUR 4,219 thousand).

The company is fully consolidated in the consolidated financial statements of Erste Group and is therefore subject to the provisions of the MinBestG. In accordance with Section 198 Paragraph 10 Clause 3 Item 4 of the Austrian Commercial Code (UGB), no deferred taxes resulting from the application of the MinBestG or a comparable foreign law were recognized. The MinBestG increased the company's current income tax expense by EUR 2,622,548.75 (prior year: EUR 1,705 thousand). Group companies from Serbia and Bosnia-Herzegovina have not achieved the required minimum taxation of 15%. These countries have not yet passed a national minimum taxation law, so Austria, as the headquarters of the parent company, is subject to taxation in this regard. The tax expense is proportionally distributed to the relevant companies. Future tax burdens from the MinBestG or comparable foreign laws depend in particular on the earnings situation of foreign group companies.

42. Other taxes

The balance sheet item other taxes not shown under item 18 in the amount of EUR 92,360,005.99 (prior year: EUR 26,775 thousand) includes mainly the bank levy in the amount of EUR 91,990,608.26 (prior year: EUR 26,686 thousand).

43. Branches on a consolidated basis

Business Areas	Commercial lending to foreign banks, leasing companies and sovereign debtors		Institutional sales-business
Branches	New York	Hong Kong	Berlin, Stuttgart
Country of domicile	USA	China	Germany
Dec 25			
Net interest income in EUR	40,198,691.34	-34,353,848.56	-11,124.68
Operating result in EUR	40,111,727.67	-31,245,966.07	8,092.14
Headcount / as of reporting date	23	24	13
Profit or loss from ordinary activities in EUR	27,628,780.74	-39,483,131.23	-4,661,147.23
Taxes on income in EUR	-4,065,070.39	-1,219,568.14	-145,696.28
Public benefits received	none	none	none
Dec 24			
Net interest income in EUR	70,562	-15,308	-16
Operating result in EUR	74,224	-12,072	-16
Headcount / as of reporting date	23	24	13
Profit or loss from ordinary activities in EUR	62,988	-19,875	-4,356
Taxes on income in EUR	-1,837	-2,609	-34
Public benefits received	none	none	none

The consolidated negative result before tax of Hong Kong branch is due to internal trades with Vienna headquarter for the purpose of refinancing and hedging. These trades are to be eliminated for the presentation of the table. The overall unconsolidated branch result is positive.

44. Return on assets

Profit for the year after tax before changes in reserves expressed in proportion to the average total assets was at balance sheet date 2.6% in 2025 (prior year: 2.3%).

45. Events after balance sheet date

In May 2025, Erste Group Bank AG and Banco Santander S.A. entered into an agreement under which Erste Group Bank AG 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 Bank AG 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 Bank AG'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. 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 Bank AG considers that the 49.00% stake in Santander Bank Polska constitutes a controlling interest, despite not representing a majority of the voting rights. Erste Bank Polska S.A. and Santander TFI will be reported under item 8. Shares in affiliated companies, in accordance with the provisions of the Austrian Commercial Code (UGB) and the Austrian Banking Act (BWG).

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.

BOARD MEMBERS AND EMPLOYEES

The average number of employees at Erste Group Bank AG (weighted, excluding employees on leave and Management Board members) was 2,025 during the financial year 2025 (previous year: 2,006).

In 2025, 84 employees (previous year: 109) worked at other companies against reimbursement of expenses. The reimbursement costs of EUR 15,036,176.11 (previous year: EUR 25,822 thousand) are included in other operating income.

Overview remuneration of Management and Supervisory Board members

The following table displays the total remuneration of the Management Board and the Supervisory Board. The expenses were recognised on an accrued basis. The amounts indicated correspond to the expected payments on the balance sheet date and can deviate from those amounts, which are actually paid out.

The distribution of remuneration to active members of the Management and Supervisory Board is as follows:

	1-12 25			1-12 24		
in EUR or in EUR thousand	Management Board	Supervisory Board	Total	Management Board	Supervisory Board	Total
Short-term benefits	7,940,058.09	2,257,212.33	10,197,270.42	8,251	2,157	10,409
Other long-term benefits	1,114,191.84	0.00	1,114,191.84	1,848	0	1,848
Post-employment benefits	1,356,971.01	0.00	1,356,971.01	1,354	0	1,354
Share-based payments	2,876,709.80	0.00	2,876,709.80	4,588	0	4,588
Total	**13,287,930.74**	**2,257,212.33**	**15,545,143.07**	**16,042**	**2,157**	**18,199**

Neither in 2025 nor in the previous year, Erste Group Bank AG granted loans directly to members of the board or Supervisory Board. Remuneration paid to board members, who left during this financial year, is reported as active board members. The members of the Management Board of Erste Group Bank AG were granted a total compensation of 0.4% (previous year: 0.5%) related to Erste Group's total personnel expenses for their activities in the financial year. Total remuneration of EUR 1,978,581.42 (previous year: EUR 2,811 thousand) was granted to former board members and their surviving dependents in the financial year 2025 and 30,684 (previous year: 40,607) share equivalents were awarded.

SHORT-TERM BENEFITS

This category includes salaries, payments in kind, social security contributions and other short-term benefits. These also include variable remuneration components, which are paid in cash within a year. The Supervisory Board remuneration indicated includes Supervisory Board remuneration, attendance fees and remuneration for serving on the boards of affiliated companies.

POST-EMPLOYMENT BENEFITS

The members of the Management Board participate in the defined contribution pension plan of Erste Group Bank AG according to the same principles as the employees of the Group (see *Notes 16. Provisions*). Termination benefits primarily include contributions paid to pension funds and employee provision funds.

OTHER LONG-TERM BENEFITS

These primarily include variable remuneration components, which are paid in cash only after a year and distributed over several years. Moreover, expenses for provisions for jubilee benefits (see *Notes 16. Provisions*) are presented in this category.

SHARE-BASED PAYMENTS

This category includes expenses for share-based variable compensation components.

Supervisory board members

The Supervisory Board consists of at least three and a maximum of fourteen members elected in the annual general meeting. Unless the annual general meeting has determined a shorter term of the mandate for individual, several or all Supervisory Board members on the occasion of their appointment, the term of office of the members of the Supervisory Board ends at the close of the annual general meeting that resolves on the approvals of their actions for the fourth financial business year following their election; re-election is permitted. In addition, membership of the Supervisory Board ceases upon death, revocation, resignation or in the event of a defined impediment. Revocation requires a majority of three quarters of valid votes cast and a majority of three-quarters of the registered capital represented at the time of the resolution.

BREAKDOWN OF SUPERVISORY BOARD REMUNERATION

Pursuant to the decision passed at the annual general meeting of 22. May 2024, the Supervisory Board adopted in its constituent meeting the following yearly remuneration structure for the financial year 2023 and the following years:

in EUR	Allowance per person
Chairman	240,000.00
1st Vice Chairman	110,000.00
2nd Vice Chairman	90,000.00
Member	75,000.00

In addition, the chairmen of the risk and the audit committee each receive further annual compensation of EUR 24,000.00, the chairman of the IT committee of EUR 18,000.00 and the chairmen of the remuneration, strategy and sustainability committee each of EUR 15,000.00. The chairman of the nomination committee receives an annual compensation of EUR 12,000.00. If there is no personal identity between the financial expert and the chairperson of the audit committee, the former also receives an additional annual remuneration of EUR 20,000.00.

The additional attendance fee to be paid to the members of the Supervisory Board was set at EUR 1,200.00 per meeting of the Supervisory Board or one of its committees.

Erste Group Bank AG did not conclude other legal transactions with its members of the Supervisory Board.

Transactions and shares held by Management Board and Supervisory Board members

The tables below provide information on Erste Group Bank AG shares held by Management Board and Supervisory Board members as well as transactions carried out with Erste Group Bank AG shares (numbers of shares). Erste Group Bank AG shares held by Management Board and Supervisory Board members, whose office term began or ended during the financial year, as at the date of inception or termination of their term in office were recognised as additions or disposals.

Members of the Management Board	Dec 24	Additions	Disposals	Dec 25
Peter Bosek (Chairman)	10,351	1,097		11,448
Ingo Bleier	11,574	3,638		15,212
Stefan Dörfler	15,215	3,695		18,910
Alexandra Habeler-Drabek	11,922	3,583		15,505
Maurizio Poletto	8,187	3,583		11,770

Supervisory Board members did not receive any options on Erste Group Bank AG shares for exercising their mandate.

Members of the Supervisory Board	Dec 24	Additions	Disposals	Dec 25
Christine Catasta	0			0
Henrietta Egerth-Stadlhuber	0			0
Alois Flatz	0			0
Martin Grießer	222	29		251
Markus Haag	426	24		450
Gottfried Haber (since 21.05.2025)	0			0
Regina Haberhauer	396	24		420
Jakob Hofstädter	701	63		764
Marion Khüny	0			0
Mariana Kühnel (until 24.03.2025)	0			0
Caroline Kuhnert	0			0
Elisabeth Krainer-Senger-Weiss	1,592	3,183		4,775
Barbara Pichler	742	39		781
Friedrich Rödler (until 21.05.2025)	3,802		3,802	0
Friedrich Santner	0			0
Michael Schuster	30			30
Walter Schuster	0			0
Gabriele Semmelrock-Werzer (since 21.05.2025)	0	42		42
Christiane Tusek	0			0
Karin Zeisel	122	29		151

For further details on shares held by Supervisory Board refer to the published “Director’s Dealings” of Erste Group Bank AG.

Persons related to Management Board or Supervisory Board members held 1,696 pieces (previous year: 1,690) of Erste Group Bank AG shares as of 31 December 2025.

Share-based payments

The total expense recognised during the reporting period arising from share-based payment transactions amounts to EUR 19,859,879.31 (previous year: EUR 18,555 thousand), thereof EUR 3,843,960.63 (previous year: EUR 5,939 thousand) relates to equity-settled sharebased payment transactions. At the end of the reporting period, the provision arising from share-based payment transactions amounts to EUR 34,970,323.92 (previous year: EUR 26,387 thousand). The intrinsic value of the provision is EUR 40,065,836.46 (previous year: EUR 38,421 thousand).

SHARE-BASED PAYMENT FOR THE MANAGEMENT BOARD OF ERSTE GROUP BANK AG

The share-based remuneration plan for the executive 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 this Supervisory Board resolution and is transferred to the participant’s securities deposit after 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 (Long Term Incentive Plan). 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 will be determined by the Supervisory Board. The final number of PSUs corresponds to the number of shares, which is transferred to the participant’s securities deposit after a retention period of another year.

The shares and PSUs granted are equity-settled share-based payments that vest by the end of the performance year. The share-based payments are recognized at the fair value of the shares or PSUs at the grant date, i.e., the date when the parties on both sides have a common understanding of all the terms and conditions. The determination of the grant date requires the judgment of all circumstances. As the Supervisory Board has significant discretionary powers in connection with the assessment of performance in the performance year, the grant date is the date of the Supervisory Board's resolution 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 (previous year: 20,630 shares and 30,945 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 2,390,784.26 (previous year: EUR 2,943 thousand). In 2025 personnel expenses of EUR 2,132,712.32 (previous year: EUR 3,547 thousand) and a corresponding reserve for share-based remuneration was recognised.

Phantom shares program

Erste Group Bank AG awards 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 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 AFRAC 3.

The estimated fair value of variable compensation for share equivalents is recognised in profit or loss. The provision 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. 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 Bank AG on the balance sheet date and the dividend payments expected until payment.

For 2025 it is expected that 56,833 (previous year: 90,987) share equivalents with a fair value of EUR 5,563,068.99 (previous year: EUR 5,000 thousand) will be granted to eligible employees. The total expense recognised in the reporting period for the phantom share program amounts to EUR 16,015,918.68 (previous year: EUR 12,616 thousand).

EMPLOYEE SHARE PROGRAMS

The WeShare by Erste Group-Participation program and the WeShare by Erste Group-Investment Plus program are equity-settled sharebased 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 to employees of Erste Group Bank AG, is 20,619 (previous year: 35,696). Personnel expenses in the amount of EUR 1,395,938.05 (previous year: EUR 1,596 thousand) 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 7,913 (previous year: 34,696). Based on the number of entitled employees, personnel expenses in the amount of EUR 315,310.26 (previous year: EUR 796 thousand) were recorded and a corresponding reserve in retained earnings was created.

Severance payments and pensions

The income for severance payments and pensions for members of the Management Board and managers amounted to EUR 777,381.33 (previous year: income EUR 5,228 thousand). Expenses for severance payments and pensions for other employees amounted to EUR 6,250,991.88 (previous year: EUR 14,837 thousand). Expenses for surviving dependents and pensioners are included in the reported amounts. In accordance with section 239 (2) Commercial Code, statements regarding members of the Management and Supervisory Board are disclosed separately in section *Management Bodies of Erste Group Bank AG*.

APPROPRIATION OF PROFIT

At the annual general meeting, the board will suggest that a dividend in the amount of EUR 0.75 per share (prior year: EUR 3.00 per share) be paid to the shareholders from the total net retained earnings. The amount blocked according to section 235 (1) Commercial Code is EUR 0.00 (prior year: EUR 0 thousand).

MANAGEMENT BODIES OF ERSTE GROUP BANK AG IN 2025

Supervisory Board

Position	Name	Year of birth	Occupation	Date of initial appointment	Expiration date of current period
Chair (since May 21, 2025)	Gottfried Haber	1972	University professor	21 May 2025	AGM 2029
Chair (until May 21, 2025)	Friedrich Rödler	1950	Auditor and tax advisor	4 May 2004	AGM 2025
1st Vice Chair	Elisabeth Krainer-Senger-Weiss	1972	Lawyer	21 May 2014	AGM 2027
2nd Vice Chair	Christine Catasta	1958	Auditor and tax advisor	1 July 2022	AGM 2026
Member	Henrietta Egerth-Stadlhuber	1971	Managing Director	26 June 2019	AGM 2026
Member	Alois Flatz	1966	Investor	18 May 2022	AGM 2029
Member	Marion Khüny	1969	Consultant	17 May 2017	AGM 2026
Member	Mariana Kühnel	1983	Deputy secretary general, Austrian Federal Economic Chamber	18 May 2022	24 March 2025
Member	Caroline Kuhnert	1963	Executive Board Member (Banking), ret.	1 August 2024	AGM 2027
Member	Friedrich Santner	1960	Entrepreneur	10 November 2020	AGM 2027
Member	Michael Schuster	1980	Investor	19 May 2021	AGM 2028
Member	Walter Schuster	1955	Consultant	22 May 2024	AGM 2027
Member	Gabriele Semmelrock-Werzer	1958	Executive Board Member (Banking), ret.	21 May 2025	AGM 2029
Member	Christiane Tusek	1975	Vice director of finance and entrepreneurship	12 May 2023	AGM 2026
Delegated by the employees' council					
Member	Martin Grießer	1969	-	26 June 2019	until further notice
Member	Markus Haag	1980	-	21 November 2011	until further notice
Member	Regina Haberhauer	1965	-	12 May 2015	until further notice
Member	Jakob Hofstädter	1962	-	8 May 2024	until further notice
Member	Barbara Pichler	1969	-	9 August 2008	until further notice
Member	Karin Zeisel	1961	-	9 August 2008	until further notice

Representatives of the supervisory authority

Name	Position
Bartsch Wolfgang	State Commissioner
Kremser Michael	Deputy State Commissioner
BINDER GRÖSSWANG Rechtsanwälte GmbH	Deputy trustee under the Mortgage Bank Act (Pfandbriefgesetz)

Management Board

Management Board Members	Year of birth	Date of initial appointment	Expiration date of current period
Peter Bosek (Chairman)	1968	1. July 2024	30. June 2027
Ingo Bleier	1970	1. July 2019	30. June 2026
Stefan Dörfler	1971	1. July 2019	31. December 2027
Alexandra Habeler-Drabek	1970	1. July 2019	31. December 2027
Maurizio Poletto	1973	1. January 2021	31. December 2027

Vienna, 25. February 2026

Management Board

Peter Bosek e.h.
Chairman

Ingo Bleier e.h.
Member

Stefan Dörfler e.h.
Member

Alexandra Habeler-Drabek e.h.
Member

Maurizio Poletto e.h.
Member

Management Report

ECONOMIC ENVIRONMENT AND BUSINESS DEVELOPMENT

Economic environment

From an economic point of view 2025 was mainly characterised by higher trade barriers, elevated policy uncertainty, stricter immigration policies, rising AI (Artificial Intelligence)-related investments and continued regional conflicts. Inflation levels declined further during the year although with significant regional divergence. On the monetary condition side, most of the world's major central banks continued to gradually loosen their respective policy stance and further cut their policy rates. The global economy proved more resilient than expected which was mainly due to front loaded imports in the first half of the year and reorganised supply chains to redirect trade flows. Economic growth rates varied significantly among advanced and emerging economies with the latter significantly supported by China and India. Overall, the global economy achieved a growth rate of 3.3%.

Among advanced economies, the United States again outperformed the Euro Zone and Japan. While higher imports tariffs, measures to curb immigration, the record long government shutdown, and policy uncertainty negatively impacted economic growth in the US, these effects were counterbalanced by solid consumption, an accommodative fiscal and monetary policy as well as strong AI-related investments. Inflation bottomed out in April 2025 then rising again at moderate levels. In response to the weakening labour market the US Federal Reserve (Fed) resumed monetary policy easing and decreased the federal funds rate in three steps, the first one in September, from 4.5% to 3.75%. The Fed also announced at its December meeting that it would start to buy short-term government bonds. The initial amount was set at a monthly rate of USD 40 billion. The US government deficit slightly decreased. Overall, the US economy grew by 2.1% in 2025.

In Europe economic growth was supported by resilient labour markets, decreasing inflation, and a more favourable interest rate environment. In addition, policy support from the Recovery and Resilience Facility and other EU funding cushioned the effect of tighter fiscal policy in several EU member states. Strong demand for services was supportive and important tourism destinations such as Croatia and Spain benefited. Spain in particular recorded well above-average growth benefiting from successful reforms and the country's strong service sector. Germany, Europe's largest economy, on the other hand, remained relatively weak. The euro appreciated against the US dollar and other major currencies. Average inflation in the euro area hovered around the 2% target of the European Central Bank (ECB), which cut the key policy rate from 3.00% to 2.00% in four steps during the year. The unemployment rate stabilised at low levels in most European countries. Overall, the growth rate of the European Union stood at 1.5% in 2025.

Austria's economic performance was slightly better than originally expected and after two years of recession the country's economy resumed with modest growth in 2025. Economic growth was mainly driven by increased consumption, government spending, and a stabilisation of investment activity. Private consumption growth was supported by real income gains of the previous years. Exports, on the other hand, dampened economic growth particularly against the backdrop of the weak performance of Germany, Austria's main trading partner. Non-residential construction recovered in 2025. Industrial production showed signs of recovery. Tourism again performed well and contributed to economic growth. The agricultural sector, although not a major contributor to GDP, also performed well. Overall, the Austrian economy underperformed the European Union average and grew by 0.4% in 2025.

Inflation increased during the year with average inflation in Austria amounting to 3.6%, above the euro zone average of 2.1%. Service and energy prices remained among the main inflation drivers. Food prices and industrial goods prices also came in higher than expected. Austria's labour market remained relatively stable throughout the year with the unemployment rate increasing slightly to 5.5%. Despite the fiscal consolidation measures adopted for the year the general government deficit increased further. The general government debt in relation to GDP increased.

Central and Eastern European economies experienced solid economic growth in 2025 driven mainly by household consumption on robust labour markets, easing inflation and, in most cases, higher real wages. Investment activity was fuelled by Next Generation European Union funds. Deterioration of foreign demand was most pronounced in countries with a high dependency on Germany's economy, such as Slovakia or Hungary. Romania's economy underperformed the CEE average as well. The economies of Croatia and Poland posted the highest growth dynamics. Croatia benefitted from its booming tourism sector and was again one of the best performing economies in the region. The Czech Republic also performed well. Consumer sentiment gradually recovered across all CEE countries except Romania where fiscal consolidation affected households. Overall, CEE economies achieved GDP growth rates ranging from 0.4% in Hungary to 3.6% in Poland in 2025.

Labour markets remained very strong in Central and Eastern Europe with the Czech Republic again posting one of the lowest unemployment rates among the European Union countries. Inflation, on the other hand, increased in most CEE countries driven mainly by higher food and energy prices. Romania's inflation was the highest in the European Union as the country eliminated the cap on electricity prices and increased value-added taxes in the course of the year. The Czech and Polish central banks further cut their interest rates throughout the year while the Hungarian, Romanian and Serbian central banks kept their policy rates unchanged. In Slovakia and Croatia ECB policy rates apply. While most CEE currencies were relatively stable during the year the Hungarian forint appreciated against the euro. Windfall taxes, special banking levies, and financial transaction taxes were introduced or increased in a number of CEE countries.

Analysis of the business performance

NOTES ON THE BALANCE SHEET DEVELOPMENT

The **balance sheet total** as of 31 December 2025 decreased by 10.7% from EUR 108.1 billion to EUR 96.5 billion compared to the end of 2024. The individual items developed as follows:

Due to increased overnight balances in euros held at the Austrian National Bank the item **cash in hand, balances with central banks** increased by 41.7% from EUR 6.9 billion to EUR 9.8 billion. The 10.9% growth in **public-sector debt instruments** to EUR 17.9 billion (previous year: EUR 16.1 billion) resulted primarily from the purchase of euro-denominated bonds, eligible for refinancing with central banks, issued by the Republic of Austria and the European Union. The 23.4% decline in item **loans and advances to credit institutions** from EUR 32.4 billion in the previous year to EUR 24.8 billion is attributable to lower foreign volumes in repurchase agreements and interbank lending transactions abroad, as well as to sales of unlisted foreign bonds from the trading portfolio in foreign currency. Since new lending transactions with foreign customers in euros more than offset the sales of foreign public sector bonds in foreign currency from the trading portfolio, the item **loans and advances to customers** increased by 2.5% year-on-year to EUR 24.3 billion (previous year: EUR 23.7 billion). The decisive factor for the 68.2% decrease of the item **debt securities and other fixed-income securities** from EUR 14.0 billion to EUR 4.4 billion was the reduction in repurchased own issues, which due to delisting no longer had to be carried on the balance sheet. Primarily due to the write-up of Banca Comerciala Romana SA, the carrying amounts of the items **participating interests** and **shares in affiliated companies** increased by 4.9% from EUR 10.0 billion to EUR 10.4 billion as of 31 December 2025. The item **other assets** of EUR 2.7 billion (previous year: EUR 2.9 billion) decreased by 7.3%, mainly due to the 11.3% decline in receivables from derivative products, which now account for 76.0% (previous year: 79.4%) of the item.

The reduction of the item **liabilities to credit institutions** by 14.2% to EUR 30.5 billion (previous year: EUR 35.6 billion) is primarily attributable to lower volumes of genuine repurchase agreements with foreign banks in euros. The main reason for the 17.5% decrease in the item **liabilities to customers** from EUR 10.7 billion to EUR 8.8 billion were lower term deposits from other foreign financial clients. Due to the delisting of euro-denominated mortgage bonds and municipal bonds the item **securitized liabilities** decreased by 19.9% to EUR 31.2 billion (previous year: EUR 38.9 billion). As a result of the doubling of liabilities from short positions, mainly in Austrian government bonds, to EUR 1.2 billion (previous year: EUR 0.6 billion), the item **other liabilities** rose by 20.2% to EUR 3.7 billion (previous year: EUR 3.1 billion). Since the scheduled redemptions more than compensated for by new issues, the items **supplementary** and **additional Tier 1 capital** increased by 11.8% to EUR 8.3 billion (previous year: EUR 7.4 billion).

After applying the deductions and filters stipulated in the Capital Requirements Regulation (CRR), **Tier 1 capital** (CET1 and AT1) amounted to EUR 16.0 billion (previous year: EUR 12.1 billion) and **Common Equity Tier 1 capital** (CET1) to EUR 12.5 billion (previous year: EUR 9.4 billion). The **eligible own funds** of Erste Group Bank AG pursuant to Part 2 of EU Regulation No. 575/2013 (primarily Tier 1 and Tier 2 capital) amounted to EUR 20.0 billion as of 31 December 2025 (previous year: EUR 15.9 billion). The **Common Equity Tier 1** (CET1) **ratio** was 31.7% (previous year: 23.0%) and the **total capital ratio** was 50.9% (previous year: 38.9%).

DETAILS ON EARNINGS

Since the significantly lower interest expenses from derivatives trading for hedging its own issues (fair value hedges) more than compensated for the reduced interest income from bond and lending activities, Erste Group Bank AG's **net interest income** improved by 55.5% to EUR 317.8 million (previous year: EUR 204.4 million). The 36.8% increase in **income from securities and participating interests** to EUR 2,706.1 million (previous year: EUR 1,978.5 million) was primarily attributable to higher dividend payouts from Ceska sporitelna, a.s., Erste & Steiermärkische Bank d.d., and Erste Bank der oesterreichischen Sparkassen AG – all affiliated companies. Particularly due to higher returns from capital market financing, which more than offset the costs of hedging Erste Group Bank AG's loans (financial guarantees for securitizations), the balance of **commission income and expenses** increased by 12.1% from EUR 51.3 million in the previous year to EUR 57.5 million in fiscal year 2025. **Net profit or loss on financial operations** reversed from EUR 35.4 million profit in the previous year to EUR 119.6 million loss in 2025, which was attributable to FX derivatives (primarily for hedging investments). Realizations from early loan terminations were significantly lower in 2025, resulting in a 15.9% decrease in **other operating income** to EUR 140.6 million (previous year: EUR 167.1 million).

Overall, this resulted in a 27.3% improvement in **operating income** to EUR 3,102.4 million in 2025 (previous year: EUR 2,436.6 million).

Staff costs include fixed and variable salary costs, statutory contributions, costs from long-term social security provisions, and pension fund contributions. Overall, staff costs increased by 1.9% to EUR 331.7 million (previous year: EUR 325.6 million) because of the measurement of phantom shares due to the higher Erste Bank share price.

The number of employees at Erste Group Bank AG (weighted by level of employment) decreased by 3.3% primarily due to the clarification of the term "on leave," compared to 31 December 2024 and was as follows compared to the previous year:

	Dec 25	Dec 24
Domestic	**1,985.0**	**2,052.7**
Foreign branches	**59.0**	**60.0**
New York	22.0	23.0
Hong Kong	24.0	24.0
Berlin, Stuttgart	13.0	13.0
Total	**2,044.0**	**2,112.7**
thereof maternity/paternity leave	47.6	106.2

Mainly due to increased IT and consulting costs **other administrative expenses** rose by 9.4% to EUR 354.1 million (previous year: EUR 323.6 million). **Depreciation and amortization of tangible and intangible fixed assets** remained at the previous year's level of EUR 13.6 million. Although expenses for credit derivatives used to hedge loans within the Erste Group (securitizations) amounting to EUR 10.3 million were incurred for the first time in fiscal year 2025, **other operating expenses** decreased by 37.1% to EUR 19.9 million (previous year: EUR 31.7 million), as no provisions were allocated in connection with the VAT interbank exemption pursuant to sec. 6 (1) no. 28 of the Austrian VAT Act. Consequently **operating expenses** increased by 3.6% to EUR 719.3 million (previous year: EUR 694.4 million).

After deducting total operating expenses from operating income, the **operating result** for fiscal year 2025 amounted to EUR 2,383.1 million (previous year: EUR 1,742.2 million). The cost/income ratio (operating expenses as a percentage of operating income) was significantly lower at 23.2% compared to the previous year's figure of 28.5%.

Like in the previous year, Erste Group Bank AG reported a **net allocation of loan loss provisions** (including write-downs on loans netted with income from receipts on write-off loans) of EUR 9.8 million (previous year: EUR 10.5 million), which was due to the continued tense geopolitical situation. The result from **securities held as current assets** (valuation and realizations) as well as from the items income and value adjustments on **participations and securities held as financial fixed assets** amounted to a positive EUR 434.2 million in 2025 (previous year: EUR 701.5 million). In the reporting year especially valuation of participations – mainly the write-up of Banca Comercială Română S.A. – with EUR 367.3 million (previous year: EUR 574.9 million), the valuation of the non-fixed interest Additional Tier 1 bonds issued by subsidiaries at EUR 17.5 million (previous year: EUR 153.2 million) and the sale of long-term bonds held as fixed assets at EUR 34.9 million (previous year: loss EUR 27.4 million) improved the result.

Consequently, the **result from ordinary activities** in 2025 was positive at EUR 2,807.5 million (previous year: EUR 2,433.3 million).

Since Erste Group Bank AG received profit distributions - not resulting from operating income - **extraordinary income** amounted to EUR 4.4 million in the 2025 financial year (previous year: EUR 1.6 million). In 2025, Erste Group Bank AG generated a taxable profit – as in the previous year – which was only partially offset against existing tax loss carryforwards. Consequently **taxes on profit or loss** for 2025 resulted in an expense of EUR 12.0 million (previous year: EUR 2.5 million). Because of the additional special payment of EUR 55.1 million due for 2025 as part of the bank levy **other taxes** increased to EUR 92.4 million in 2025 (previous year: EUR 26.8 million).

After considering the **changes in reserves**, which resulted in a net allocation (see *Notes 18. Subscribed capital and reserves* for details) of EUR 2,399.7 million (previous year: EUR 1,177.6 million), both **net profit for the year after distribution on capital** and **net profit for the year** amounted to EUR 307.9 million (previous year: EUR 1,228.0 million and EUR 1,231.5 million respectively).

Branches

Erste Group Bank AG maintains branches in New York, Hong Kong and Germany (Berlin and Stuttgart) that provide commercial lending to foreign banks, leasing companies and sovereign debtors as well as institutional sales. For further quantitative information, please refer to the notes, *point 43*.

ANTICIPATED DEVELOPMENT AND RISKS OF BUSINESS

Long-term growth trends in Central and Eastern Europe

In line with growing economic performances disposable income have risen significantly in recent decades compared to Western Europe. In addition, most countries of Central and Eastern Europe have labour markets that are considerably more flexible. These advantages are complemented by, on average, highly competitive export industries that benefit from wage costs that are low relative to workforce productivity and from investor-friendly tax and welfare systems.

A comparison of per capita private debt levels in Central and Eastern Europe with those of Western economies reveals the gap that exists between these markets. Private debt levels and particularly household debt, are substantially lower than in the advanced economies. Erste Group Bank AG firmly believes that credit expansion accompanied by economic growth in this region will prove to be a lasting trend.

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

Customer banking in Central and Eastern Europe

The basis of Erste Group's banking business are essentially the business segments of retail business, corporate business and the capital markets business.

RETAIL BUSINESS

Erste Group's key business is the retail business, covering the entire spectrum from lending, deposit and investment products to current accounts and credit cards. Erste Group's core competence in retail banking has historical roots. In 1819, wealthy Viennese citizens donated funds to establish Erste Group's predecessor, the first savings bank in Central Europe. It was their aim to bring basic banking services such as safe savings accounts and mortgage loans to wide sections of the population. Today, the bank serves over 16 million customers in its markets and operates nearly 1,800 branches. Wealthy private clients, trusts and foundations are served by the bank's private banking staff and benefit from services that are tailored to the needs of this target group.

In addition, the bank uses and promotes digital distribution channels such as internet and mobile banking not only to meet the increasing importance of digital banking, but also to actively shape the digital future. George, Erste Group's digital platform, is already available in six core markets: Austria, the Czech Republic, Slovakia, Romania, Croatia and Hungary. The roll-out in Serbia already started after year-end 2025 and will be completed in 2026.

Retail banking is attractive to Erste Group for a number of reasons: It offers a compelling business case that is built on market leadership, an attractive risk-reward profile and the principle of self-funding. In addition, it benefits from a comprehensive range of products that are simple and easy to understand and provide substantial cross-selling potential. Erste Group takes advantage of these factors in all core markets and makes best use of its resulting position of strength by pursuing a hybrid business model. Erste Group's integrated-channel approach integrates the various sales and communication channels. Customers decide on how, when and where they do their banking business. Contact centers serve as interfaces between digital banking and traditional branch business. These contact centers offer advice and sales, thus going far beyond the traditional help desk function.

In addition to the expansion of digital sales channels, the branch network remains an important component of the business strategy. Only a retail bank that offers modern digital services and operates an extensive distribution network is able to offer tailor-made solutions and fund loans in local currency mainly from deposits made in the same currency. In short, Erste Group's retail banking model supports sustainable and deposit-funded growth even in economically more challenging times. Another positive factor is the diversification of the retail business across countries that are at differing stages of economic development, which is the case across the seven banking markets in which Erste Group has a direct presence.

CORPORATE BUSINESS

The second main business line, which contributes significantly to Erste Group's earnings, is business with small and medium-sized enterprises, regional and multi-national groups, commercial real estate and public sector companies. Erste Group's corporate strategy is based on a universal service approach, following an organic growth strategy aimed at increasing the number of primary clients and share of wallet across all corporate sub-segments.

Erste Group strives to be the bank of choice for outstanding service, encompassing financial health and sustainable business practices. Based on the specific needs of its clients, Erste Group serves small and medium-sized enterprises through local branches or dedicated commercial centers, while larger and multinational groups are supported by specialized Large Corporates, Commercial Real Estate, or Public Sector units. In addition, the Group maintains a focused approach to large multinational clients, which are served centrally from the Holding through Group Large Corporates or related specialized units. Digital channels are also gaining increasing importance for corporate clients, particularly within the small and medium-sized enterprise segment.

The outlined approach enables Erste Group to integrate its industry-specific and product expertise with a strong understanding of regional needs and preferences, supported by the combined experience of local and central customer relationship managers as well as modern data supported technology and intelligence .

CAPITAL MARKETS BUSINESS

Client-driven capital markets activities are also part of the comprehensive portfolio of products and services that Erste Group offers to its retail and corporate customers. The strategic significance of the bank's centrally governed and locally rooted capital markets operations consists in supporting all other business areas in their dealings with the capital markets and, hence, in providing the bank's customers with professional access to the financial markets. Erste Group, therefore, views its capital markets business as a link between financial markets and its customers. As a key capital markets player in the region, Erste Group also performs important functions such as market making, capital market research and product structuring.

The capital markets business serves the needs of Erste Group's retail and corporate customers, as well as those of banks and non-bank financial institutions. On account of Erste Group's strong network in the eastern part of the European Union, the bank has a thorough understanding of local markets and customer needs. In Erste Group's capital markets business, too, the bank concentrates on core markets of the Retail, SME, Large corporate, Corporate Real Estate and Public Sector business.

For institutional customers, specialized teams have been established in Germany and Poland, as well as in Hong Kong and New York, that offer these customers a tailor-made range of products.

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

Customer Experience Index

As a profit-driven enterprise, Erste Group has a strong interest in its customers' future behaviour and loyalty to the bank. The CXI is an index that measures such loyalty and is derived from the evaluation of satisfaction ratings, referrals, readiness to switch to another bank, customer effort score and the repurchase rate of the main customers of the individual banks

It thus reflects all conscious and unconscious experiences and decisions that Erste Group's customers make with its bank in the courses of their lives and that have an impact on the Group's customers' relations with Erste Group.

MEASURING CUSTOMER SATISFACTION

The Customer Experience Index (CXI) is determined by Group Customer Experience, which is part of Group Brand Management & Communications, which in turn reports to the CEO. In the retail segment, a representative survey called the Banking Market Monitor is carried out on a quarterly basis. 2,400 telephone interviews (with customers and non-customers) are conducted annually across Erste Group's markets. In the corporate customer segment, an extensive survey with at least 1,500 companies per country is carried out once a year. These analyses are conducted by an external market research institute and provide data for a performance comparison both within Erste Group and with its most important competitors. Based on these surveys, Erste Group's customer relations are rated in five categories (advocate, loyal, simply satisfied, non-engaged and dissatisfied) and successful improvement of customer service is measured using the CXI (Customer Experience Index).

Based on these categories Erste Group calculates the CXI as follows:
% advocates + % loyal customers + 0.5 x% simply satisfied -% non-engaged - % dissatisfied. The CXI rating therefore ranges on a scale from -100 to +100. This value is put in relation to the Top 3 competitors in each country and in each segment and is used to identify the strengths and weaknesses of the local banks as compared to the market leaders.

	% Dissatisfied Satisfaction 0–4	% Not engaged Satisfaction 5–6	% Simply satisfied Satisfaction 7–10	% Loyal Simply satisfied and Repurchase 9–10 Bank change 0–1	% Advocates Loyal and Recommendation 10 Effort 10
Vs. competition	Clear competitive disadvantage	Competitive disadvantage	No advantage or disadvantage	Clear competitive advantage	Clear competitive advantage
Likely behavior	Likely to change bank as soon as they can	Likely to look for better offers and change bank	Leave easily even for slightly better offer	Likely to repurchase even pays some price premium	Likely to recommend to friends and family
Target	Optimize		Neutral	Maximize	

The CXI is of great relevance for Erste Group as it is also used as input in the bonus assessment for members of the Management Board of Erste Group, local banks and all employees. Targets for bonus evaluation purposes are set jointly by Group People & Culture, Group Customer Experience and relevant business lines.

DETAILED RESULTS

The table shows the relative difference to the Top 3 competitors in the market and the ranking of the bank in the respective market:

Differences in relation to the top 3 competitors

	PI		Micro		SME		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Erste Group	6.0	2.4	0.4	-0.9	3.9	2.9	4.8	1.9
Erste Bank Oesterreich	16.9	18.6	1.3	3.2	3.7	-2.0	11.9	12.0
Erste Bank Hungary	16.1	1.5	4.9	2.2	1.8	0.0	11.7	1.3
Česká spořitelna	-2.0	-2.3	-11.5	-15.0	4.4	0.9	-2.5	-3.7
Slovenská sporiteľňa	4.5	1.0	6.3	6.1	4.2	4.7	4.6	1.8
Banca Comercială Română	5.5	-0.4	1.8	1.5	1.5	1.6	4.3	0.3
Erste Bank Croatia	12.9	13.2	11.0	6.8	10.1	9.3	12.0	11.1
Erste Bank Serbia	7.4	4.1	-2.4	-3.0	2.7	-0.8	4.7	2.1

number 1 in the respective market

In 2025, the Erste Group once again succeeded in maintaining – or even improving – the excellent customer satisfaction levels achieved in the previous year.

CXI Privates (PI)

In the segment of private customers not only Erste Bank Oesterreich and Erste Bank Croatia achieved the best values in their respective countries this year, but also Erste Bank Hungary, Erste Bank Serbia, and Banca Comercială Română.
Compared to the Top 3 competitors, Erste Bank Hungary, Erste Bank Serbia, Slovenská sporiteľňa, and Banca Comercială Română were able to improve their results, while the other banks remained stable.

CXI Micro segment

In the Micro segment, the subsidiary Slovenská sporiteľňa, Banca Comercială Română, and Erste Bank Croatia succeeded in taking the leading position in their respective banking markets. Compared to the Top 3 competitors, Česká spořitelna and Erste Bank Croatia improved their performance, while the development of all other banks remained stable.

CXI SME segment

In the SME segment, Česká spořitelna, Slovenská sporiteľňa, Banca Comercială Română, Erste Bank Croatia, and Erste Bank Serbia demonstrated leading performance in their respective markets.The development in this segment was generally stable to positive in all markets when compared to the Top 3 competitors. Erste Bank Oesterreich, Česká spořitelna, and Erste Bank Serbia showed positive developments.

Erste Group's strategy

Erste Group has devised a comprehensive and forward-looking strategy to secure its position as a leading financial institution in the eastern part of the EU while addressing the challenges of rapidly changing market dynamics. Erste Group's strategy addresses significant global developments, including economic shifts, demographic changes, technological advancements, geopolitical fragmentation and climate change, to ensure sustainable growth and resilience even in the event of a different future.

The political landscape in Europe and globally is changing rapidly, with rising populism, sentiments and measures hostile to the European idea and potential political interventions in such forms as tariffs and new or expanded taxes posing challenges to some or all of the bank's core markets and to Europe more broadly. These challenges increase pressure on the continent's politicians, often leading to more interventionist policies and a distancing from the norms and practices that have so far shaped the EU. Monitoring and appropriately responding to these developments on both global and CEE-specific levels is crucial for a large publicly-listed firm with a prominent presence across the region.

Technological advancements, including AI, virtual/augmented reality, tokenized finance and quantum technology, are evolving quickly. For Erste Group, data science and AI are expected to impact business operations and customer interactions, further enabling high-quality and highly individualized digital advice and driving the demand for such advice on the part of the bank's clients.

The continuing convergence potential of CEE countries with the EU-27 remains a core principle of the bank's business model. However, rising wages and the end of cheap energy in Europe present growth challenges for the CEE economies, necessitating adaptations to their long-term growth strategy.

The demographic shifts apparent across Europe will also impact the bank's core markets, leading to shrinking workforces, intensifying competition for talent and increasing wage pressures. Addressing these challenges through digitalization and AI to improve workforce productivity is essential. Against the backdrop of ageing populations, Erste Group's mission to provide access to financial health across all age groups and customer segments takes on even more importance.

Environmental risks are also becoming increasingly significant. Projections indicate that five of the top ten global risks in the next decade are likely to be environmental, such as extreme weather events and biodiversity loss. Erste Group is dedicated to sustainability and aims to support social inclusion and is actively taking steps to support the net-zero transition being pursued by its customers and region.

Erste Group's strategy centers on five overarching objectives, designed to drive sustainable growth, improve customer experience and strengthen operational excellence. These objectives emphasize the need for transformation, innovation and efficiency while integrating principles of sustainability to ensure the bank remains competitive and relevant in a rapidly changing financial landscape.

BUILDING A DISTINCTIVE BRAND IDENTITY

At the heart of Erste Group's strategic goals is the creation of a unique and highly recognizable brand identity that resonates across its markets. Erste Group seeks to differentiate itself from competition in the financial sector that is increasingly becoming commoditized. This involves positioning Erste Group as more than just a bank, focusing instead on being a trusted partner that understands and meets the needs of its customers at every stage of their financial journey.

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

PROVIDING EVERYONE WITH ACCESS TO FINANCIAL EXPERTISE AND FINANCIAL ADVICE

Erste Group proactively empowers every customer to improve their financial health. Modern technologies, particularly artificial intelligence (AI) are at the core of Erste Group's strategic objective to provide everyone with access to financial advice. The bank aims to make high-quality financial expertise accessible to a much broader customer base by applying AI and data-driven solutions. This represents a significant shift from traditional models, where personalized financial advice was often limited only to higher-income clients.

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

Through these efforts, Erste Group aims to bridge the gap between technology and personal service, creating a seamless, hybrid advisory model that enhances the customer experience. Erste Group is also committed to integrate sustainability and ESG principles and to improve financial literacy across its markets as a means of fostering informed decision-making on the part of its clients.

DRIVING EFFICIENCY THROUGH DIGITIZATION

A critical element of Erste Group's transformation is its commitment to comprehensive digitalization. The bank plans to digitalize all key processes across its operations, from customer-facing interactions to internal workflows, creating a more efficient and agile organization. This focus on end-to-end digital solutions will not only enhance the speed and convenience of banking for customers but also deliver significant cost savings and reduce operational risk through lowering the share of manual processes and improving operational efficiency.

Digitalization efforts range from streamlining customer journeys, enabling seamless interactions through platforms such as Erste Group's flagship digital banking platform George, to digitalizing internal functions.

This ensures that customers can manage their banking needs independently while receiving a premium, user-friendly digital experience. By making banking faster, more intuitive and more accessible, Erste Group can free up resources, allowing employees to dedicate more time to high-value activities. This is essential for providing high-quality advisory services.

INNOVATIVE FINANCIAL HEALTH PROPOSITIONS

As part of its strategic focus, Erste Group is committed to developing innovative financial products and services that address the evolving needs of its customers. This includes broadening the bank's product offering in areas such as wealth management, as well as introducing insurance and pension schemes designed to improve customers' financial health and resilience. By aligning its product portfolio with the priorities of its customers, Erste Group ensures that it remains relevant in an increasingly competitive market.

By delivering value-driven and innovative solutions, Erste Group is positioning itself as a partner that genuinely cares about the prosperity of its clients.

EXPANDING THROUGH ORGANIC AND INORGANIC GROWTH

Erste Group continues to capitalize on the substantial growth potential within the CEE banking sector by advancing both its organic expansion initiatives and its long-term strategy of targeted inorganic growth. With a focus on strengthening its presence in existing markets and broadening its regional footprint, the Group has now taken a significant step toward consolidating its position as a leading financial institution in Central and Eastern Europe through its successful entry into Poland — the region's largest and fastest-growing economy, characterized by strong fundamentals and an underpenetrated banking sector.

A major milestone in this strategic expansion was the acquisition of Santander Bank Polska S.A. ('SPL Bank'). The transaction agreement was signed on 5 May 2025 and successfully closed on 9 January 2026, marking Erste Group's formal entry into the Polish market. The acquisition includes a 49% stake in SPL Bank as well as a 50% stake in Santander Towarzystwo Funduszy Inwestycyjnych S.A. ('TFI'- asset manager, further 50% are held directy by SPL Bank), both purchased from Banco Santander S.A., Spain. With the transaction now completed, Erste Group is positioned to accelerate operational integration and leverage the substantial opportunities offered by this new market.

Strategic mergers and acquisitions such as this one enable Erste Group to scale its operations more effectively, diversify its customer base, and unlock synergies across the Group's regional network. These advantages — combined with the Group's solid financial foundation — ensure that Erste Group remains well equipped to pursue high-value opportunities that align with its long-term strategic direction.

The rationale behind the acquisition is firmly anchored in Erste Group's objective to establish a meaningful and sustainable scale in each of its core markets. Poland's economic resilience, market size, and attractive growth dynamics make it a natural and strategically compelling extension of Erste Group's presence in the CEE region. With the acquisition now finalized and stepping into the integration phase, Erste Group is poised to deepen its regional influence and reinforce its growth trajectory in one of Europe's most promising banking markets.

SUSTAINABILITY AS A STRATEGIC DRIVER

Sustainability is an integral part of Erste Group's long-term vision to ensure future success by taking into account environmental, social and governance (ESG) factors. Erste Group's sustainability strategy is based on two main pillars: supporting the green transition and promoting social inclusion.

The Group supports the green transition in the CEE region by promoting a sustainable real estate sector and financing emission reductions in the energy sector, in line with Erste Group's net zero ambition. Erste Group offers sustainable financing, sustainable investment funds and advisory services to help businesses and private clients reduce their environmental footprint and positions itself as a preferred partner for sustainability-oriented clients.
Erste Group assists its corporate customers with ESG topics by facilitating their green transition. To align the retail business with the ESG strategy, Erste Group offers products and services that promote decarbonization aiming to enhance both financial health and environmental sustainability. These products are aimed at not only providing financial security, but also empowering customers to achieve their long-term goals.

Internally, Erste Group is reducing its carbon footprint by optimizing energy use and adopting environmentally friendly practices.

Social responsibility is embedded in Erste Group's DNA, with initiatives aimed at reducing inequality, increasing financial access and supporting community development. The bank also focuses on governance, ensuring transparency, ethical decision-making and accountability.

Innovation is key in this sphere too, with advanced technologies like AI and data analytics enhancing sustainability solutions. Erste Group's holistic approach to sustainability aligns its business goals with ESG principles, ensuring inclusive, responsible growth. This strategy combines customer-centric initiatives, technological innovation, operational efficiency and sustainable growth, positioning Erste Group as a trusted financial institution in the CEE region.
For more details regarding strategy please refer to the chapters '*SBM-1 - Strategy, Business model and value chain' in the sustainability statement*' and '*E1 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model*'.

Outlook statement

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

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

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

Consequently, taking into account organic underlying growth as well as the contribution from Erste Bank Polska including extraordinary effects from its first-time consolidation, Erste Group in its now eight core markets, in 2026, targets net interest income in excess of EUR 11 billion, fee income of approx. EUR 4 billion and operating expenses of about EUR 7 billion. Consequently, the cost/income ratio is projected to improve to about 45%. Risk costs are expected in the range of 25-30 basis points of average gross customer loans, as risk costs tend to be somewhat higher in Poland than in other CEE markets. This expectation is adjusted for the EUR 300 million one-off ECL provision mentioned above. Reported net profit for the combined entity is forecast somewhat below EUR 4 billion, net profit adjusted for extraordinary items related to first time consolidation of Erste Bank Polska is projected at somewhat above EUR 4 billion.

First-time consolidation of Erste Bank Polska is expected to result in a CET 1-ratio drawdown of approximately 460 basis points, and consequently, lead to a dip in the CET 1-ratio in the first quarter of 2026, albeit from a historic record level of 19.3% at the end of 2025. Thereafter, in line with the projected strong profit performance, the CET1 ratio is expected to increase in 2026, providing renewed capital return and/or M&A flexibility. Due to the full internal funding of the Erste Bank Polska acquisition, which required higher profit retention in 2025, Erste Group management will propose a reduced dividend payment of EUR 0.75 per share to the annual general meeting. This equals a payout ratio from 2025 net profit after deduction of AT1-dividends of 9.1%, in line with the 2025 dividend policy of limiting the payout ratio to 10%, announced at the time of acquisition.

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

Risk Management

RISK PROFIL OF ERSTE GROUP BANK AG

In light of the business strategy of Erste Group Bank AG, besides participation risk, the main risks included credit risk, market risk, interest-change risk in the banking book, liquidity risk and non-financial risks. In addition, a risk materiality assessment is undertaken on an annual basis. It is ensured that all relevant material risks are covered by Erste Group Bank AG's control and risk management framework. This entails a set of different tools and governance to ensure adequate oversight of the overall risk profile and sound execution of the risk strategy, including appropriate monitoring and escalation of issues that could materially impact the risk profile of the group.

PARTICIPATION RISK

Participation risk refers to the risk of potential value losses from providing equity, as current-value write-offs, capital losses from sales, omissions of dividends or decline of hidden reserves as well liability risks from letters of comfort or capital payment commitments. The majority of direct and indirect participations are fully consolidated in the group balance sheet and thus these risks are recorded ascertained. Consequently, potential risks of investments are usually covered by other types of risks and correspondingly considered in their monitoring and control methods.

The participations entered into by Erste Group Bank AG took place in line with the strategic objective to invest in retail banking whereby own experience and expertise could be contributed. In order to participate more in growth markets, geographic diversification was increased by investing in central and eastern European states. In order to reduce the political, legal and economic risks, the management focuses on countries within the EU or on potential EU candidate countries.

RISK MANAGEMENT, INCLUDING RISK MANAGEMENT OBJECTIVES AND -METHODS RELATED TO THE USE OF FINANCIAL INSTRUMENTS

In 2025, geopolitical developments continued to be a key observation factor for management. The ongoing international (military) conflicts – in particular the Russian war of aggression against Ukraine and the unstable security situation in the Middle East – did not have a direct impact on Erste Group Bank AG in the year under review, as the institution is not represented by local companies in these regions. However, indirect effects, such as increased volatility on the financial markets, the effects of sanctions or the potential occurrence of deposit insurance or resolution cases, cannot be ruled out. At the end of the fourth year of the Russia-Ukraine war, Europe still does not have a fully stress-resilient energy supply. Electricity and gas prices continue to be traded at a geopolitical risk premium, which puts energy-intensive companies in particular at a competitive disadvantage from an international perspective. In addition, the sharp rise in wage costs in recent years has weighed on the overall economic situation. Additionally, the United States' increasingly restrictive customs and trade policy since President Donald Trump took office has led to new tensions in the international movement of goods and additional volatility in the financial markets. These protectionist tendencies can also have an indirect impact on the European economy and put an additional strain on global supply chains.

The special risks of the lending business are taken into account to an appropriate extent by the recognition of risk provisions (value adjustments for off-balance sheet credit transactions and provisions for off-balance sheet credit transactions). Details on this are presented in the notes to the financial statement, section Notes on Accounting and measurement methods, “Impairment for credit risks”.

Due to the multiple crises in recent years and the different effects on economic development, Erste Group Bank AG applied a collective assessment of the significant increase in credit risk (stage overlays) at the end of December 2025 in addition to the standard valuation of forward-looking information. This led to a shift to Stage 2 based on predefined portfolio characteristics. This procedure was agreed in the savings bank sector and approved by the respective management bodies of Erste Group Bank AG. Exceptions to the collective assessment of the significant increase in credit risk were necessary when specificities were identified and properly documented as to why they behaved differently from the rest of the portfolio.

Certain industrial sectors are vulnerable to the distortions of the current environment, which has been marked by geopolitical and macroeconomic shocks. Persistently high inflation and the reduction in disposable income continued to dampen private consumption. At the same time, the great global uncertainty and high refinancing costs led to a negative impact on investments and industrial activity. While some industries proved resilient, others continued to face high inventories, ongoing supply chain issues, cost inflation and an additional drop in demand. This development has not yet been fully reflected in the financial data of customers, which is why a further deterioration of ratings is expected. Moreover, the policy changes introduced by the new US administration have further increased complexity in an already challenging global economy in a state of multiple crises.

Therefore, the rules for stage overlays (industry overlays) were defined as a combination of industries with a high risk profile (according to the industry strategy) or medium risk profile and a hold/decrease strategy as well as one-year default probabilities according to UGB/IFRS. Exceptions to this are permissible on the basis of an individual review and documentation.

The measurement of credit risk for the impacts of climate change is carried out on the one hand via the LGD models, where the climate risk is indirectly reflected via the collateral value, and on the other hand ESG factors are taken into account when assessing the soft facts in the corporate rating models. In addition, as of December 31, 2025, no collective assessment of the significant increase in credit risk (stage overlays) is considered necessary.

For credit risk, the most important risk category, Erste Group Bank AG applies the internal ratings-based (IRB) approach according to the Capital Requirements Regulation (CRR) and adopts this approach also for the assessment of economic capital requirements according to Pillar 2. Furthermore, all methods and processes affiliated with and necessary for this approach are applied. At Erste Group Bank AG, all essential internal models are validated annually and revised if necessary, whereby both observations made by the supervisory authorities and foreseeable future amendments to the legal requirements are taken into consideration.

The market risks in the trading book are backed by equity capital own funds on the basis of an internal model. In order to hedge the market risk from balance sheet assets (bonds, repurchase agreements on the asset side) and liabilities (own issues), the bank uses interest swaps, currency swaps, credit derivatives and options as hedging instruments in micro-hedge relationships. Together with the hedged underlying transaction, these hedging instruments are recorded in the balance sheet as a valuation unit based on section 201 Commercial Code (UGB).

Value at risk values (confidence level 99%, equally weighted market data, holding period 1 day)

in EUR or in EUR thousand	Total	Interest	Credit spread	Currency	Shares	Commodity	Volatility
Dec 25							
Erste Group Bank AG	**53,946,005.83**	**42,390,742.14**	**35,279,025.40**	**740,458.38**	**1,246,321.00**	**333,009.94**	**593,278.19**
Banking Book	51,351,408.08	40,185,944.14	35,279,025.40	0.00	0.00	0.00	0.00
Trading Book	2,594,597.75	2,204,798.00	0.00	740,458.38	1,246,321.00	333,009.94	593,278.19
Dec 24							
Erste Group Bank AG	**54,709**	**52,561**	**8,309**	**639**	**1,049**	**197**	**648**
Banking Book	51,060	49,233	8,309	0	0	0	0
Trading Book	3,649	3,328	0	639	1,049	197	648

VaR figure for Banking Book remained stable where lower investments on asset side were offset by credit spread risk increase. 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).

The requirements for the generation of valuation units are fulfilled by the fair value hedge accounting processes which are applied at Erste Group Bank AG. Details on these processes are presented in the notes to the financial statement, *note 29*.

The operational risk own funds requirements are calculated under the Standardised Measurement Approach with the Business Indicator Component.

In order to provide a comprehensive overview of current and future risk and the cover pools of the Bank, the bank's risk-bearing capacity is determined by the Internal Capital Adequacy Assessment Process (ICAAP). The risk-bearing capacity provides regular updates on the risk profile and capital adequacy, forming the basis for defining and implementing any measures that may be necessary.

Erste Group Bank AG defines its risk strategy and risk appetite within the framework of the annual strategic planning process, during which adequate orientation of the risk, capital and results and earnings targets is ensured. Strategic limits and principles are defined for all types of risk on the basis of the RAS in the risk strategy. These limits and principles support the implementation of medium and long-term risk decisions. Risk Management governance ensures the comprehensive overview of all risk decisions and the proper execution of the risk strategy. Risk-reducing measures are carried out as part of the ordinary risk management process in order to make sure that the Group acts in accordance with the defined risk appetite.

Statements concerning value adjustments for credit risks can be found in the Notes, *note 31* and concerning off-balance sheet risk items in the Notes, *note 32* of this financial statement. Litigations are dealt with in the Notes in section *General Information* (Ongoing legal cases).

RESEARCH AND DEVELOPMENT

Erste Group Bank AG ´s business purpose is to provide banking services. The production process of a bank is therefore not connected with research and development in an industrial sense. However, development work impacts permanently the current business of the bank.

Digitalisation in Erste Group

Digitalisation and innovative technologies have fundamentally transformed the banking sector, with change unfolding at an ever faster pace. Digital technologies reshape not only consumer expectations. Erste Group is convinced that digital banking will further gain in relevance and will be essential for sustainable economic success in the long term and is therefore committed to digital innovation. Intra-group interdisciplinary teams are developing innovative solutions with the goal of offering everyone access to financial literacy and financial advice and helping the bank's customers to strengthen their financial health in a sustainable manner.

The centre-piece of Erste Group's digital strategy is the digital platform George, designed to provide customers access to personalised products of Erste Group. APIs support a wide range of co-operation arrangements with fintechs, start-ups and even across industries and can therefore help to open up new markets and attract new customers. George is available to retail customers in Austria, the Czech Republic, Slovakia, Romania, Croatia and Hungary.The roll-out in Serbia already started after year-end 2025 and will be completed in 2026. At present, George is being actively used by more than eleven million customers. The portfolio of digitally available products and services is being constantly expanded. Customers can activate applications via plug-ins and use them to manage their finances.

George Business was developed to provide excellent digital banking to corporate customers as well. It was implemented in Austria in 2022, in Romania in 2023, and in the Czech Republic in 2025. The roll-out in Slovakia will be completed in 2026. It is the aim to offer all customer segments across the group an outstanding digital user experience on a single platform.

Digital innovation such as artificial intelligence (AI) and deep customer data analysis are the key to success. Erste Group's holistic approach combines the broadening of financial expertise through the use of modern technologies ('AI-supported digital advisory') with the digitalisation of all relevant bank processes. One App for the account, cards, savings, loan and securities account.

REPORTING ON MATERIAL CHARACTERISTICS OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM WITH REGARD TO THE ACCOUNTING PROCESS

Internal Control System Framework Requirements

The internal control system (ICS) is an essential element of the corporate governance system of Erste Group Bank AG contributing to the safeguarding of shareholders' investments and company's assets. Erste Group Bank AG's ICS plays a key role in identifying risks associated with the respective internal processes.

The ICS Policy provides the framework conditions for the internal control system at Erste Group Bank AG. It defines current standards concerning general tasks and responsibilities as well as minimum criteria for ICS documentation. In Erste Group Bank AG, a top down, risk oriented, decentralised ICS approach is applied, designed based on the local process map, which promotes adequacy by focusing on all material risks. This means, that all material risks identified must be mitigated by key controls which are involved in the ICS process. The following criteria are applied for an adequate ICS:

- Completeness: The process landscape as well as policies and procedures issued within the Group Policy Framework ensure that all identified risks and potential risk scenarios are considered, regulated and managed, aiming to set up a comprehensive and integrated control environment throughout the entity. All material risks must be covered with key controls, to demonstrate the importance at local level.
- Effectiveness and traceability: The functionality of key controls are regularly checked, the optimal control environment is reviewed and challenged during monitoring activity of risk appetite/tolerance.
- Comprehensibility: The process landscape together with local policies and procedures constitute documentation of identified key controls, which ensures that relevant employees are aware of all key controls and their role in the internal control process is transparent and accountable within the entire local entity.

The risk profile, which includes the current and target situation, is monitored by each individual risk function unit and is illustrated in the framework of the consolidated risk reporting (GRR) for the management or relevant Risk Committee.

Control environment

The control environment provides the framework for the introduction, implementation and monitoring of IKS principles, procedures and measures. The Management Board of Erste Group Bank AG is responsible for the establishment, structure and application of an appropriate internal control and risk management system that meets the company's needs in its group accounting procedures.

The Code of Conduct provides orientation for all employees of Erste Group Bank AG, defines mandatory rules for day-to-day business life, describes the corporate values, affirms the obligation to act responsibly as a company and ensures compliance with legal provisions and internal guidelines (compliance).

The awareness of potential compliance issues and a sustainable risk culture enable risks to be identified quickly and well-considered decision-making when dealing with existing regulations. The main component of the risk culture are internal guidelines and, above all, open communication in order to create the broadest possible awareness of all employees for all risks that Erste Group Bank AG is confronted with.

Accounting AT, which is part of Group Accounting, coordinates and verify the final accounts' compilation for Erste Group Bank AG. The assignment of powers, the process description and the necessary control procedures are defined in the operating instructions.

Risk assessment and controls measures

The main risk in the financial reporting procedures is that errors or deliberate action (fraud) prevent facts from adequately reflecting the company's financial position and performance. This is the case if the data provided in the financial statements and notes is materially deviating from the correct figures, i.e. whenever, alone or in aggregate, they could influence the decisions made by the users of financial statements. Such a decision may incur serious damage, such as financial loss, the imposition of sanctions by the banking supervisor or reputational harm.

The relevant units are obliged to comply with the accounting and measurement principles that are applicable for capturing, posting and accounting transactions and laid out in the operating instructions relating to the UGB and in the IFRS Accounting Manual. The basic components of the internal control system (ICS) at Erste Group Bank AG are:

- controlling as a permanent financial/business analysis (e.g. comparison of target and actual data between accounting and controlling) and control of the company and/or individual corporate divisions.
- systemic, automatic control systems and measures in the formal procedure and structure, e.g. programmed controls during data processing.
- principles of functional separation and checks performed by a second person (the four-eye principle).
- Integrated Disclosure Management Tool ensures high audit readiness through clear documentation ("Single Source of truth").

The areas of responsibility assigned to the individual positions are documented and are continuously updated. Special attention is paid to a functioning deputy regulation in order not to jeopardize the ability to meet deadlines if one person is absent. The annual financial statements including the management report are reviewed by the audit committee of the Supervisory Board and are also presented to the Supervisory Board for approval. It is published on the electronic announcement and information platform of the Federal Government (elektronische Verlautbarungs- und Informationsplattform des Bundes (EVI)) and finally filed with the Commercial Register.

Information and Communication

In accordance with Austrian Commercial Code (UGB)/Austrian Banking Act (BWG), the final accounts are prepared in a standardized format and in compliance with the control measures described above. Before being passed on to the Audit Committee of the Supervisory Board, the financial statements to be published are submitted to the managers and CFO for approval. During the year the UGB-result is presented to the responsible board member (CFO) on a quarterly basis.

Reporting is almost fully automated, based on source systems and automated interfaces and guarantees up-to-date data for controlling, segment reporting and other analyses. Accounting information is derived from the same data source and is reconciled monthly for reporting purposes. Close collaboration between accounting and controlling permits continual target/actual comparisons for control and reconciliation purposes.

In addition, when introducing new core banking systems and implementing new products, accounting is in contact with the relevant departments in order to provide information at an early stage on accounting-specific aspects and implications for new product launches.

Monitoring

In order to monitor and at the same time support strong governance and risk management, Erste Group Bank AG applies three lines of defence to review the structures and processes that enable the achievement of the objectives for their effectiveness.

The first line of defence includes the business lines in which the department heads are responsible for monitoring including internal controls of their business areas. This line is in constant dialogue with the business areas and reports on planned, actual and expected results in connection with the goals of the organisation as well as on risks.

The role of the second line of defence is covered by specific areas of expertise, in addition to providing expertise, support, monitoring and risk management tasks. At Erste Group Bank AG, these activities are carried out by the departments Risk Management, BWG Compliance, WAG Compliance, Anti Money Laundering Prevention, Group Data and Reporting Governance and Group Security. Above all, the departments should support the business lines in the control steps, validate the actual controls, bring state-of-the-art practices into the organisation and cover tasks related to risk management.

The third line of defence is responsible for providing independent and objective assurance and advice on the adequacy and effectiveness of governance and risk management. Internal Audit is in charge of auditing and evaluating all areas of the bank based on risk-oriented audit areas (according to the annual audit plan as approved by the Management Board and reported to the Audit Committee). The main focus of audit reviews is to monitor the completeness and functionality of the internal control system. Internal Audit has the duty of reporting its findings to the group's Management Board, Supervisory Board and Audit Committee several times within one year.

Internal Audit is according to section 42 Austrian Banking Act (BWG) a control body that is directly subordinate to the Management Board. Its sole purpose is to comprehensively verify the lawfulness, propriety and expediency of the banking business and banking operation on an on-going basis. The mandate of Internal Audit is therefore to support the Management Board in its efforts to secure the bank's assets and promote economic and operational performance and thus in the Management Board's pursuit of its business and operating policy. The activities of Internal Audit are governed in particular by the currently applicable Rules of Procedure, which were drawn up under the authority of all Management Board members and approved as well as implemented by them. The Rules of Procedure are reviewed on a regular basis and whenever required and adapted should the need arise.

HOLDINGS, PURCHASE AND SALE OF OWN SHARES

The presentation of own shares as of trade date follows the disclosure requirements in accordance with the Austrian Stock Corporation Act (AktG).

Holdings of own shares

Number of shares	Dec 25	Dec 24
Erste Group Bank AG	-106,551	-257,675
Affiliates	551,329	761,329
thereof pledged	0	0

As of 31 December 2025, other liabilities include a short position in Erste Group Bank AG shares amounting to 106,551 units (prior year: 257,675 units), which is covered by securities lending deals.

From the purchase and sale of its own shares in the long portfolio Erste Group Bank AG realized selling gains in course of securities trading in the amount of EUR 138,932.15 (previous year: EUR 19 thousand) which were recognized in the committed capital reserve and selling losses - recorded in other reserves - in course of the employee share program in the amount of EUR 694,411.60 (previous year: gains of EUR 148 thousand recognized in the committed capital reserve) respectively.

Purchase of own shares

	Erste Group Bank AG				Affiliates of Erste Group Bank AG			
	Number of shares	Par value of the share capital EUR	Purchase price in EUR	Purpose of transaction	Number of shares	Par value of the share capital EUR	Purchase price in EUR	Purpose of transaction
January	186,435	372,870.00	11,268,449.09	trading				
February	224,829	449,658.00	14,599,157.96	trading				
March	326,721	653,442.00	21,719,944.33	trading				
March	23,253	46,506.00	1,587,536.50	employee share programm				
April	398,793	797,586.00	23,360,058.01	trading				
May	116,459	232,918.00	7,974,434.22	trading				
May	22,000	44,000.00	1,553,700.00	employee share programm				
June	94,700	189,400.00	6,718,246.00	trading				
June	432,000	864,000.00	30,744,729.80	employee share programm				
July	49,155	98,310.00	3,736,778.76	trading				
August	79,466	158,932.00	6,703,999.81	trading				
September	178,594	357,188.00	14,881,965.11	trading				

October	54,412	108,824.00	4,585,848.87	trading			
November	48,650	97,300.00	4,387,379.24	trading			
December	155,854	311,708.00	15,489,804.14	trading			
Total	**2,391,321**	**4,782,642.00**	**169,312,031.84**		**0**	**0.00**	**0.00**

The purpose of securities trading was in particular 'market making' and hedging positions in the Austrian Stock Exchange Index (ATX).

For further details on the employee share program, please refer to chapter *Share-based payments.*

Sale of own shares

	Erste Group Bank AG			Affiliates of Erste Group Bank AG		
	Number of shares	Par value of the share capital EUR	Selling price in EUR	Number of shares	Par value of the share capital EUR	Selling price in EUR
January	158,249	316,498.00	9,597,718.87			
February	249,493	498,986.00	16,173,528.51			
March	173,905	347,810.00	11,559,512.63	210,000	420,000.00	14,204,400.00
April	361,592	723,184.00	21,738,088.85			
May	208,165	416,330.00	13,855,029.18			
June	719,873	1,439,746.00	50,527,831.12			
July	73,956	147,912.00	5,651,398.90			
August	57,357	114,714.00	4,830,231.21			
September	64,945	129,890.00	5,390,716.24			
October	65,251	130,502.00	5,584,049.15			
November	53,637	107,274.00	4,881,028.00			
December	53,774	107,548.00	5,321,544.56			
Total	**2,240,197**	**4,480,394.00**	**155,110,677.22**	**210,000**	**420,000.00**	**14,204,400.00**

CAPITAL, SHARE, VOTING AND CONTROL RIGHTS AND ASSOCIATED AGREEMENTS

The mandatory disclosure requirements of Section 243a (1) UGB are met as follows:

Capital structure and class of shares (No 1)

Subscribed capital on 31 December 2025 was EUR 821,028,768.00 (prior year: EUR 821,029 thousand), represented by 410,514,384 voting bearer shares (ordinary shares). For additional information reference is made to the *Note 18 Subscribed capital and reserves* respectively section *General Information* regarding details to the cross-guarantee scheme (Haftungsverbund).

Restrictions of voting rights and of the transfer of shares (No 2)

The Articles of Association do not contain any restrictions affecting voting rights or the transfer of shares.

In shareholder agreements ERSTE Stiftung - which, together with its syndicate partners, held 25.52% capital shares as at 31 December 2025 (previous year: 25.41%) agreed the following: concerning the appointment of the members of the Supervisory Board the partners are obliged to vote as required by ERSTE Stiftung. The partners can dispose of shares according to a predefined sale procedure and can purchase shares only within the quotas agreed with ERSTE Stiftung (of a maximum of 3% per calendar year); with this regulation an unwanted creeping-in according to takeover law shall be prevented. In addition, the partners have committed themselves not to make a hostile takeover bid, nor to participate in a hostile takeover bid nor to act together with a hostile bidder in any other way.

Direct or indirect shareholdings amounting at least 10% (No 3)

Apart from ERSTE Foundation, the Management Board is not aware of any other direct or indirect shareholdings that amount to at least 10%. For additional information please refer to the notes to the financial statements *Note 20 Major Shareholders*

Special rights of control associated with holding shares (No 4)

There are no shareholders with special control rights.

Voting rights control in the case of capital participation of employees (No 5)

The voting rights of shares held by Erste Mitarbeiterbeteiligung Privatstiftung in trust or by proxy for the employees of employer companies participating in employee share programs according to section 4d (5) (1) Income Tax Act (EStG) are exercised by the Board of Directors of Erste Mitarbeiterbeteiligung Privatstiftung. The members of the Board of Directors are appointed and dismissed by the Advisory Board through resolution with simple majority, whereby the delegation rights of Erste Group Bank AG as well as the existing statutory employee representatives of Erste Group Bank AG and Erste Bank der oesterreichischen Sparkassen AG shall be taken into account. A further member of the Board of Directors to be appointed by the Advisory Board shall be a former member of the Management Board or a former (freelance) employee of an employer company pursuant to section 4d (5) (1) Income Tax Act (EStG). The Advisory Board of Erste Mitarbeiterbeteiligung Privatstiftung consists of up to five members.

Special control rights, bodies and amendments of the articles of association (No 6)

This concerns:

_ Art. 15.1 of the Articles of Association, which provides that ERSTE Stiftung will be granted the right to nominate up to one third of the members of the Supervisory Board to be elected by the shareholders' meeting, as long as ERSTE Stiftung is liable for all present and future liabilities of the company in the case of its insolvency pursuant to Section 92 (9) Banking Act,

_ Art. 15.4 of the Articles of Association, which provides that a three-quarter majority of valid votes cast and a three-quarter majority of the subscribed capital represented at the meeting considering the proposal are required to pass a motion for removal of Supervisory Board members and

_ Art. 19.9 of the Articles of Association, which provides that amendments to the Articles of Association, in so far as they do not alter the business purpose, may be passed by simple majority of votes cast and simple majority of the subscribed capital represented at the shareholders meeting considering the amendment. Where higher majority votes are required by individual provisions of the Articles of Association, these provisions can only be amended with the same higher majority vote. Moreover, amendments to Art. 19.9 require a three-quarter majority of the votes cast and a three-quarter majority of the subscribed capital represented at the meeting considering the proposal.

Powers of the Management Board to issue and repurchase shares (No 7)

As per decision of the General Meeting of 21 May 2025:

_ The Management Board is entitled to purchase up to 10% of the share capital in own shares for the purpose of securities trading according to section 65 (1) (7) Austrian Stock Corporation Act (AktG). However, the trading volume of shares acquired may not exceed 5% of the share capital at the end of each day. The consideration may not be more than 50% below or above the closing price of the share on the Vienna Stock Exchange on the last trading day prior to the acquisition. This authorization is valid for a period of 30 months from the date of the resolution, i.e. until 21 November 2027.

_ The Management Board is entitled, pursuant to section 65 (1) (8) as well as (1a) and (1b) Stock Corporation Act and for a period of 30 months from the date of the resolution, i.e. until 21 November 2027, to acquire own shares in the amount of up to 10% of the share capital, subject to approval by the Supervisory Board and without any further resolution of the General Meeting at a lowest consideration of EUR 2.00 per share and a highest consideration not exceeding 50% above the average Vienna Stock Exchange price, weighted according to trading volumes, of the last 20 trading days prior to the respective acquisition of the shares; in the case of a public offer, the cut-off date for the end of the calculation period shall be the day on which the intention to make a public offer is announced (sec 5 (2) and (3) Austrian Takeover Act [ÜbG]). The acquisition may, at the discretion of the Management Board and with the consent of the Supervisory Board, be effected on the stock exchange or by means of a public offer or in any other legally permissible and expedient manner, in particular also off the stock exchange and/or from individual shareholders and excluding the pro rata tender right (reverse subscription right). The authorization may be exercised in whole or in part or in several partial amounts and in pursuit of one or more purposes by the Company, its affiliated companies (sec. 189a (8) Commercial Code [UGB]) or for their account by third parties. Pursuant to section 65 (1b) Stock Corporation Act, the Management Board is authorized for a period of five years from the date of the resolution, i.e. until 21 May 2030, with the consent of the Supervisory Board, to sell or dispose the company's own shares, also in a way other than via the stock exchange or by means of a public offer for any legally permissible purpose, to determine the terms and conditions of the sale and to decide on the exclusion of the shareholders' subscription rights. These authorizations include the sale of own shares in particular for the following purposes: (i) in order to be able to sell the shares for a consideration other than cash, provided that this serves the purpose of acquiring (also indirectly) companies, businesses, parts of businesses, shares in one or more companies domestically or abroad; (ii) to transfer shares free of charge or at a reduced price to employees, executives and members of the Management Board of the Company or of an affiliated company (sec 189a (8) Commercial Code [UGB]) or of any other company within the

meaning of sec 4d (5) (1) Austrian Income Tax Act (EStG), as well as to Erste Mitarbeiterbeteiligung Privatstiftung and its beneficiaries; and (iii) to resell own shares with partial or full exclusion of the subscription rights in any manner permitted by law, including over-the-counter. The authorizations in this resolution may be exercised once or several times, in whole or in part, individually or jointly.
_ The Management Board is authorized to redeem shares without further resolution at the General Meeting with the approval of the Supervisory Board.

All sales and purchases were carried out as authorized at the General Meeting.

According to section 8.3 of the Articles of Association, the Management Board is authorized to issue until 18 May 2027, with the consent of the Supervisory Board, convertible bonds (including Contingent Convertible Bonds according to section 26 Austrian Banking Act), which have the conversion or subscription right for shares of the Company, observing or excluding the subscription rights of the shareholders. The terms and conditions may, in addition or instead of a conversion or subscription right, also provide for the mandatory conversion at the end of the term or at any other time. The issuance of convertible bonds is limited to the extent that all conversion or subscription rights and in case of a mandatory conversion stipulated in the terms and conditions, the mandatory conversion, are covered by conditional capital. Section 5.3 shall apply to the issue of convertible bonds without subscription rights. The issue amount, the terms and conditions of the issue of the convertible bonds and the exclusion of the subscription rights for the shareholders will be determined by the Management Board with the consent of the Supervisory Board.

Significant agreements which become effective, are amended or are rendered ineffective when there is a change in the control of the company and their effects (No 8)

CROSS-GUARANTEE SCHEME AGREEMENT

The agreement in principle of the cross-guarantee scheme (Haftungsverbund) provides for the possibility of early cancellation for good cause. Good cause, allowing the respective other contracting parties to cancel the agreement, is deemed to exist if:
_ one contracting party grossly harms the duties resulting from the present agreement,
_ the ownership structure of a party to the contract changes in such a way – particularly by transfer or capital increase – that one or more third parties from outside the savings bank sector directly and/or indirectly gain a majority of the equity capital or voting rights in the contracting party or
_ one contracting party resigns from the savings bank sector irrespective of the reason.

The cross-guarantee scheme's agreement in principle and supplementary agreements expire if and as soon as any entity that is not a member of the savings bank sector association acquires more than 25% of the voting power or equity capital of Erste Group Bank AG in any manner whatsoever and a member savings bank notifies the cross-guarantee scheme's steering company and Erste Group Bank AG by registered letter within twelve weeks from the change of control that it intends to withdraw from the cross-guarantee scheme.

DIRECTORS & OFFICERS-INSURANCE

In the event that any of the following transactions or processes occur during the term of the insurance policy (each constituting a 'change in control') in respect of the insured:
_ the insured ceases to exist as a result of a merger or consolidation, unless the merger or consolidation occurs between two insured parties, or
_ another company, person or group of companies or persons acting in consent, who are not insured parties, acquire more than 50% of the insured's outstanding equity or more than 50% of its voting power (resulting in the right to control the voting power represented by the shares and the right to appoint the Management Board members of the insured),

then the insurance cover under this policy remains in full force and effect for claims relating to unlawful acts committed or alleged to have been committed before this change in control took effect. However, no insurance cover is provided for claims relating to unlawful acts committed or allegedly committed after that time (unless the insured and insurer agree otherwise). The premium for this insurance cover is deemed to be completely earned.

In the event that a subsidiary ceases to be a subsidiary during the insurance period, the insurance cover under this policy shall remain in full force and effect for that entity for the remainder of the insurance period or (if applicable) until the end of the extended discovery period, but only in respect of claims brought against an insured in relation to unlawful acts committed or alleged to have been committed by the insured during the existence of this entity as a subsidiary. No insurance cover is provided for claims brought against an insured in relation to unlawful acts committed or allegedly committed after this entity ceased to exist.

COOPERATION BETWEEN ERSTE GROUP BANK AG AND VIENNA INSURANCE GROUP (VIG)

Erste Group Bank AG and Vienna Insurance Group AG Wiener Versicherung Gruppe (VIG) are parties to a general distribution agreement (the Agreement) concerning the framework of the cooperation of Erste Group and VIG in Austria and CEE with respect to bank and insurance products. Originally concluded in 2008 (between Erste Bank der österreichischen Sparkassen AG and Vienna Insurance Group der WIENER STÄDTISCHE Versicherung AG), the Agreement was renewed and extended in 2018 until the end of 2033. The objective for the renewal and extension in particular was to adapt the Agreement to the corporate restructuring of the original parties, to amend some commercial parameters and to align the Agreement with recent developments in the legal framework. Already in the original Agreement the parties stipulated that both parties have the right to terminate the Agreement in case of a change of control of one of the parties. In case of change of control of Erste Group Bank AG, VIG has the right to terminate the Agreement. In case of change of control of VIG, Erste Group Bank AG has the reciprocal right. A change of control is defined, with respect to Erste Group Bank AG, as the acquisition of Erste Group Bank AG by any person/entity other than DIE ERSTE österreichische Spar-Casse Privatstiftung or Austrian savings banks of 50% plus one share of Erste Group Bank AG's shares or voting rights. In respect to VIG, the aforementioned provisions apply analogously, except for share purchases by Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group.

Apart from this regulation on the termination of the Agreement, the parties agreed in the renewal and extension of the Agreement for an additional termination for cause if based on new legal or regulatory provisions, the continuation of the Agreement is unreasonable for each or both of the parties.

Erste Group Bank AG and VIG are furthermore parties to an asset management agreement, pursuant to which Erste Group undertakes to manage certain parts of VIG's and its group companies' securities assets. In case of a change of control (as described above), each party has the termination right. The asset management agreement has been renewed and extended until 2033 concurrently with the renewal and extension of the Agreement outlined above.

Indemnification agreements (No 9)

In the event of a public takeover offer, there are no compensation agreements between Erste Group Bank AG and its Executive Board and Supervisory Board members or employees.

NON-FINANCIAL REPORTING

Non-financial reporting for Erste Group Bank AG pursuant to Section 243b of the Commercial Code (UGB) is integrated in the group management report and published in the annual report of Erste Group. The annual report is published on the website at *www.erstegroup.com/ir*.

EVENTS AFTER BALANCE SHEET DATE

For events of particular importance that occurred after the end of the fiscal year, please refer to the *notes 45*.

GLOSSARY

CEE (Central and Eastern Europe)

English abbreviation also commonly used in German applied to the economic area of Central and Eastern Europe. Includes the new EU member states from expansion in 2004 and 2007 as well as the successor states to Yugoslavia and the Soviet Union and Albania.

Cost-Income Ratio

Operating expenses as a % of the operating income.

Common Equity Tier 1 Capital Ratio

Common Equity Tier 1 capital (CET1) according to Art 50 CRR expressed in % of the total risk amount according to Art 92 (3) CRR.

Erste Group Bank AG

Erste Group Bank AG as individual company.

Erste Group

Erste Group as group of affiliated companies.

Forbearance

Concessions to the debtor due to financial difficulties.

Operating Expenses

Sum of general administrative expenses, value adjustments in respect of assets items 9 and 10 as well as other operating expenses.

Operating Income

Sum of net interest income, net commissions income, income from securities and participating interests, net profit or loss on financial operations and other operating income.

Operating Result

Operating income less operating expenses.

Return on Assets

Profit for the year after tax before changes in reserves expressed in proportion to the average total assets as of the reporting date of the previous year and the reporting year.

Return on Tangible Equity (ROTE)

Results from profit or loss for the year after tax before changes in reserves divided by the average equity adjusted for intangible assets. The average is calculated on the basis of quarterly final values.

Risk Appetite Statement (RAS)

The RAS is a strategic explanation that describes the maximum risk that a company is prepared to take to achieve its goals.

Tier 1 Capital Ratio

Tier 1 Capital according to Art 25 CRR in % of the total risk amount according to Art 92 (3) CRR.

Total Capital Ratio

The total eligible own capital according to Art 72 CRR expressed in % of the total risk amount according to Art 92 (3) CRR.

Vienna, 25. February 2026

Management Board

Peter Bosek e.h.
Chairman

Ingo Bleier e.h.
Member

Stefan Dörfler e.h.
Member

Alexandra Habeler-Drabek e.h.
Member

Maurizio Poletto e.h.
Member

We draw attention to the fact that the English translation of this auditor's report according to Section 274 of the Austrian Company Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

AUDITOR'S REPORT

REPORT ON THE FINANCIAL STATEMENTS

AUDIT OPINION

The Sparkassen-Prüfungsverband (Prüfungsstelle) and PwC Wirtschaftsprüfung GmbH, Vienna, – hereinafter referred to as "we" – have audited the financial statements of Erste Group Bank AG, Vienna, which comprise the balance sheet as at December 31, 2025, the income statement for the fiscal year then ended, and the notes.

In our opinion, the accompanying financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as at December 31, 2025, and of its financial performance for the fiscal year then ended in accordance with the Austrian Company Code and the special legal requirements.

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 Financial Statements" section of our report.

We are independent of the Company 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 financial statements of the fiscal year. These matters were addressed in the context of our audit of the 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

(1) REVERSAL OF IMPAIRMENT - BANCA COMERCIALĂ ROMÂNĂ S.A.

Description
Erste Group Bank AG, Vienna, is the main shareholder of Banca Comercială Română SA, Bucharest, ("BCR") with a stake of 99,89%. The acquisition costs of BCR amount to EUR 4.611,4 Mio. The carrying amount of the shares in BCR (hereinafter referred to as the "investment") as of December 31, 2025, amounts to EUR 4,025.5 million after the reversal of impairment of EUR 353.4 million made in the financial year 2025. The reversal of impairment of this investment largely depends on the expectations regarding BCR's economic development and on the assumptions and parameters used in the valuation.

To assess the recoverability or possible reversal of previous impairments of the existing carrying amount of investments, impairment tests are performed annually.

In determining the fair value using a discounted cash flow model, the calculation of future distributable profits is based on the planned and by management and supervisory board of BCR approved forecast results (budgets) for the years 2026 to 2030, taking into account compliance with regulatory capital requirements. The fair value was determined using different budget scenarios (base and downside), which were weighted according to their expected probabilities of occurrence.

Due to
_ management's discretion in determining future scenarios incorporated into the budgets and in calculating future planned results
_ the complexity of the models and interdependent assumptions, as well as the associated audit effort, and
_ the monetary volume of the reversal of impairment

we have identified this area as a key audit matter.

Audit Approach
In order to assess the appropriateness of the carrying amount of Erste Group Bank AG's investment in BCR as of December 31, 2025, we have with the support of internal valuation experts with the necessary industry knowledge

_ evaluated the summary of the planning data in the two budget scenarios (base and downside) that were used as a basis for the calculation of the appraised value, and
  - assessed the steps taken to ensure the mathematical accuracy of the planning data.
  - analyzed the key assumptions in the business plan and
    - verified the plausibility of the derivation of key value drivers, such as the assumptions for the growth of interest-bearing assets, the net interest income and for the cost-income-ratio (using benchmarking),
    - verified the plausibility of compliance with regulatory capital requirements based on capital ratios and bank specific minimum ratios,
    - compared the macroeconomic assumptions used for the future with independent economic forecasts,
    - reviewed the planning accuracy for past planning periods by comparing plan vs. actual values.
  - critically assessed probability weighting of the two scenarios.

_ challenged the appropriateness of the cost of equity used to discount the resulting expected dividend by developing our own estimate of the base interest rate, the beta factor, the market risk premium, the country risk premium and the inflation differential.
_ compared, by using samples, if the target figures and parameters used in the valuation model concur with the approved budget figures as well as with the evaluated parameters of the valuation model. Here, our focus was in particular on the assumptions on the perpetual annuity (most notably on the growth rate and retention).
_ evaluated, the valuation models used with regard to their technical and mathematical accuracy to determine whether the valuation method applied is consistent with the business model of the participating interest.
_ reconciled the determined appreciation with the posted reversal of impairment, ensuring that the historic acquisition cost principle is observed.
_ evaluated the appropriateness and accuracy of the representations and explanations in the notes.

Reference to related disclosures

We refer to the comments made by management in the notes under the heading “Notes on accounting and measurement methods” and item 40 of the “Notes to the balance sheet and income statement.”

(2) 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. The calculation of impairments is carried out in line with the AFRAC 14 (June 2021) by using the IFRS 9 model in the Austrian Company Code (UGB).

For loans and advances to customers in the amount of EUR 24.3 billion, measured at amortized cost, Erste Group Bank AG has recognized credit loss allowances in the amount of EUR 0.2 billion as at 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. There are country-specific and forward-looking features both with regard to products and economic environment that are relevant to the respective loss estimate resulting in heightened complexity of models and input factors. The uncertainties 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 and in-model adjustments (overlays).

Details on the methodology are presented in management’s disclosures under item “Impairment for credit risks”.

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, incl. determination and definition of weights for future macroeconomic scenarios,

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 whether forward-looking information integrated into the estimates is appropriate and reasonable. 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 on the determination of expected credit losses and the design of the models used for this purpose, please refer to the management commentary in the notes under the section "notes on accounting and measurement methods," sub-section "impairment for credit risks".

OTHER INFORMATION

Management is responsible for other information. Other information comprises any information included in the annual report, but does not include the financial statements, the management report and the auditor's report.

We obtained the corporate governance report in accordance with Section 243c UGB and the non-financial statement in accordance with Section 243b UGB as part of the group management report 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 financial statements does not cover other information and we will not express any form of assurance thereon.

In connection with our audit of the 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 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 FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Austrian Company Code and the special legal requirements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 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 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 controls 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 Company's internal controls.

_ 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 Company'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 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 Company to cease to continue as a going concern.

_ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 is to be audited as to whether it is consistent with the financial statements and as to whether the management report was prepared in accordance with the applicable legal requirements. In relation to the non-financial statement contained 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 significant discrepancies with the annual financial statement or with our knowledge gained during the audit, or otherwise appears to be misrepresented.

Management is responsible for the preparation of the management report 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.

OPINION

In our opinion, the management report for the Company was prepared in accordance with the applicable legal requirements, includes accurate statement pursuant to Section 243a UGB and is consistent with the financial statements.

STATEMENT

Based on the findings during the audit of the financial statements and the obtained understanding concerning the Company and its circumstances no material misstatements in the management report 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), the Sparkassen-Prüfungsverband (Prüfungsstelle) is the statutory auditor of Erste Group Bank AG, Vienna.

At the annual 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 annual 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 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 financial statements and the management report are identical with the German audited version. This audit opinion is only applicable to the German and complete financial statements with the management report. For deviating versions, the provisions of Section 281 (2) UGB apply.

Statements of all members of the Management Board

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Vienna, 25. February 2026

Management Board

Peter Bosek e.h.
Chairman

Ingo Bleier e.h.
Member

Stefan Dörfler e.h.
Member

Alexandra Habeler-Drabek e.h.
Member

Maurizio Poletto e.h.
Member

Your notes

www.erstegroup.com