



# Financial Results FY 2022



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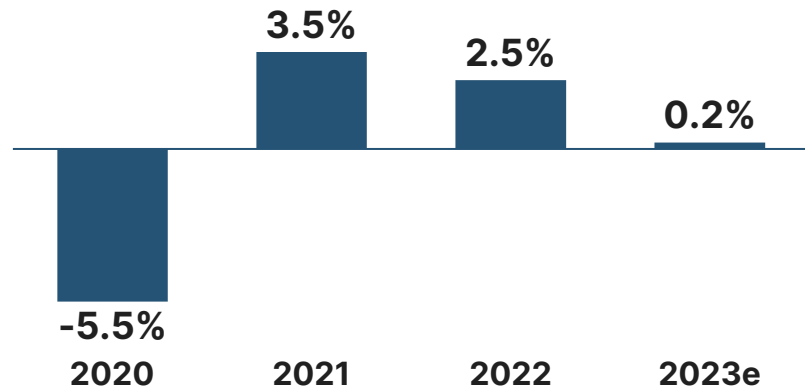
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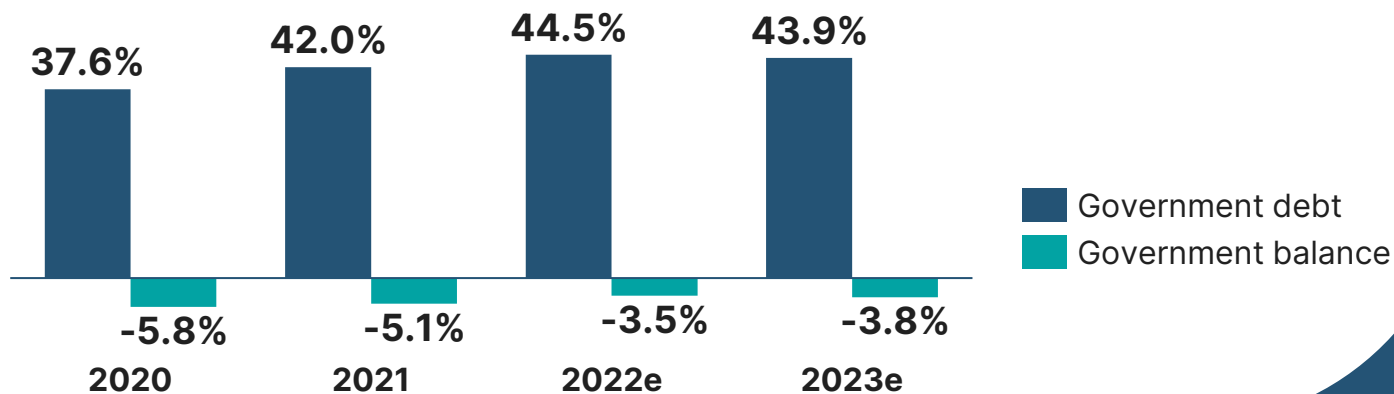
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# Macroeconomic Developments

## Real GDP Growth y/y



## General Government Debt and Government Balance (share of GDP)

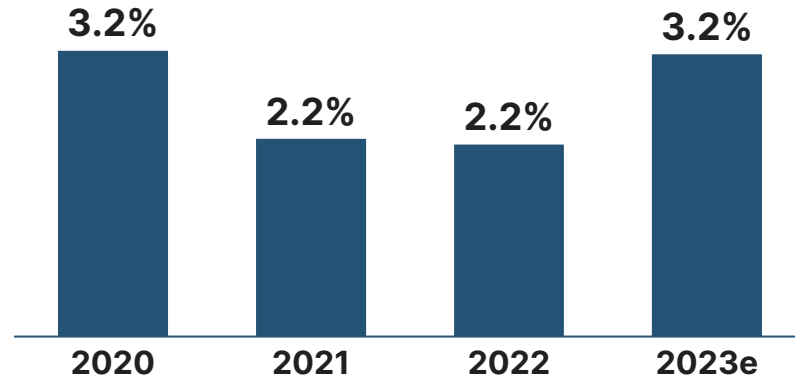


- In 2022, the Czech economy grew by 2.5% and thus demonstrated its solid resilience to external shocks, as previous estimates had implied much worse economic development due to negative impacts of the war in the Ukraine and high energy prices
- However, the economy was in a mild technical recession in the second half of 2022, with GDP falling by 0.2% q/q in Q3 and 0.3% q/q in Q4. Mainly the subdued household consumption was behind the decline
- ČS expects GDP growth to slow down significantly in 2023, as an expected decrease in households consumption will be accompanied by cooling external demand. However, from H2 2023 thereafter, economic developments are expected to gradually improve, due to both domestic and foreign demand recovery
- The war in the Ukraine and high energy prices have been resulting in high government expenditures. Thus, deficits of the government sector will be decreasing only gradually and ČS expects them to reach -3.5% and -3.8% in 2022 and 2023, respectively

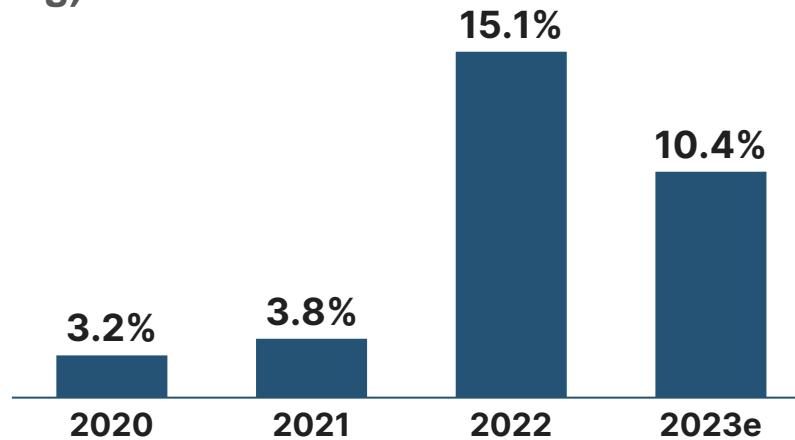
Note: Source for historic figures is the Czech Statistical Office (ČSÚ). Figures for forthcoming years are ČS forecasts  
Mid-term outlook available in the Appendix

# Macroeconomic Developments

## Unemployment Rate (eop)



## Customer Price Inflation (avg)

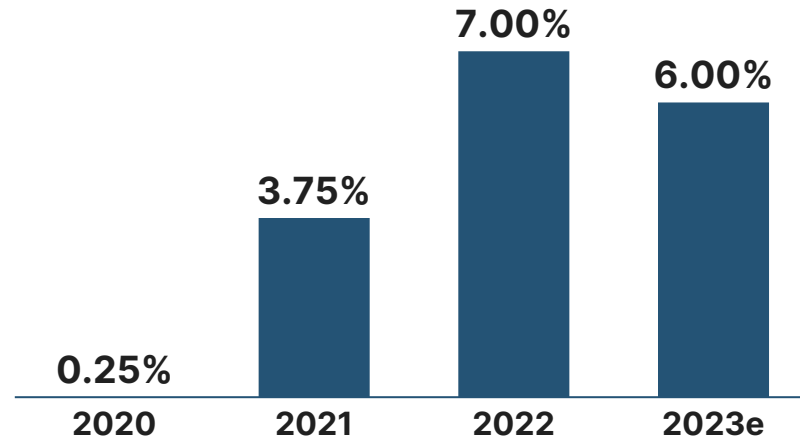


- General unemployment rate (ILO) arrived at 2.2% in December, and thus remains very low. During 2023, ČS expects unemployment to be slightly increasing and exceed 3%, mainly due to decreased domestic demand, high energy prices and global economy worsening
- However, the labour market has been worsening since 2022, as real wages have been falling due to high inflation figures. In Q3 2022, average real wage growth came in at -10.5% y/y. ČS expects real wages to stay negative during the majority of 2023. From Q4 2023, real wages should start to rise again
- Headline CPI inflation reached 17.5% in January 2023, and thus a fear of a possibility of 20% inflation did not fulfil. An increase in energy and food prices became the most important pro-inflationary factors. On the other hand, domestic inflationary pressures have been weakening, due to subdued households consumption
- From February 2023, ČS expects inflation to be gradually weakening. Base effects and lower demand will stand behind it. For the whole year, average inflation could reach 10.4%, as it is expected to jump below 10% during the third quarter

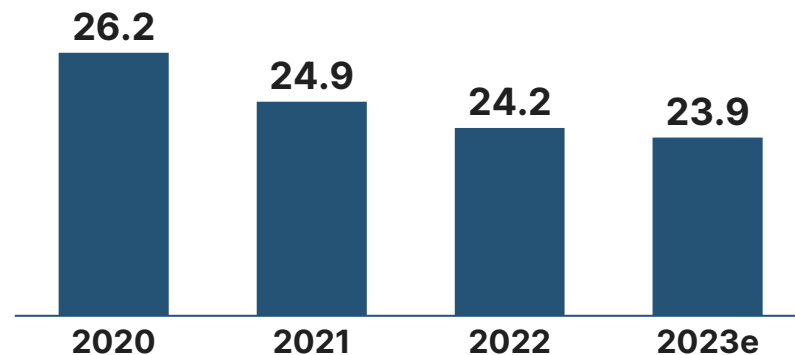
Note: Source for historic figures is the Czech Statistical Office (ČSÚ). Figures for forthcoming years are ČS forecasts  
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# Macroeconomic Developments

## ČNB Repo (eop)



## EUR/CZK (eop)



- Given sound pro-inflationary pressures, the key rate of the ČNB arrived at 7.00% in June 2022. Since then, the ČNB has kept it stable as domestic inflationary pressures gradually weaken
- ČS expects rate stability during H1 2023, as inflation will stay high despite its gradual slowdown. The first rate cut could occur in the second half of 2023. In this respect, ČS expects September. Although data would show a need to cut the rate earlier, the ČNB communicates its preference to carry the first cut later
- The koruna recently strengthened below the EUR/CZK 24.0 level, when the improved sentiment on the markets acted in this direction. This was related to better than previously expected data and a decrease in concerns about the energy situation for the winter
- ČS expects that the koruna could correct slightly in the first half of 2023, however, together with the gradual economic recovery in the second half of the year, it would return to the levels where it is currently



# Summary & Business Highlights

*“Despite all the challenges that 2022 brought, Česká spořitelna confirmed its resilience and stability and managed to provide strong support to households, companies and the public sector. For example, we have extended the Moneyback discount programme, joined the Merciful Summer campaign and last, but not least, provided direct support to Ukrainian refugees. We also managed to expand our offer of digital solutions and other innovations, which has been appreciated by an increasing number of our clients.*

*Thanks to our proactive approach and emphasis on strengthening clients’ financial health, we saw solid growth across our main product categories, which was reflected in Česká spořitelna’s profitability. Moreover, we improved our capital position by successful bond issuances and thus we are ready to further contribute to stronger and sustainable society.”*



Ivan Vondra, CFO



# Key Indicators

**Net profit**

**CZK 20.2 bn**  
(+42.2% y/y)

**Total capital ratio**

**20.2%**  
(-3.6 pp y/y)

**Return on equity**

**15.2%**  
(+5.4 pp y/y)

**Cost/income ratio**

**42.8%**  
(-5.4 pp y/y)

**Operating result**

**CZK 28.5 bn**  
(+30.0% y/y)

**Loan/deposit ratio**

**72.7%**  
(+2.0 pp y/y)

# Česká spořitelna Supports Stronger and Sustainable Society

Česká spořitelna has formulated a purpose-driven strategy based on Erste 2030 vision – to transform itself from a traditional bank to a “Financial Health Company” guiding Czech individuals and companies to financial health through a differentiating personalized advisory concept scaled to millions of clients. Major focus is placed on sustainability, seen as a noble purpose as well as substantial growth opportunity

## Customized advisory with the support of digital solutions will lead to:

- Increasing affordability of housing
- Guiding Czech companies through the “green transformation” by inspiring, advising, financing and connecting them
- Guiding Czech companies towards a higher added value products and services

## Česká spořitelna has formulated four strategic commitments toward its customers:

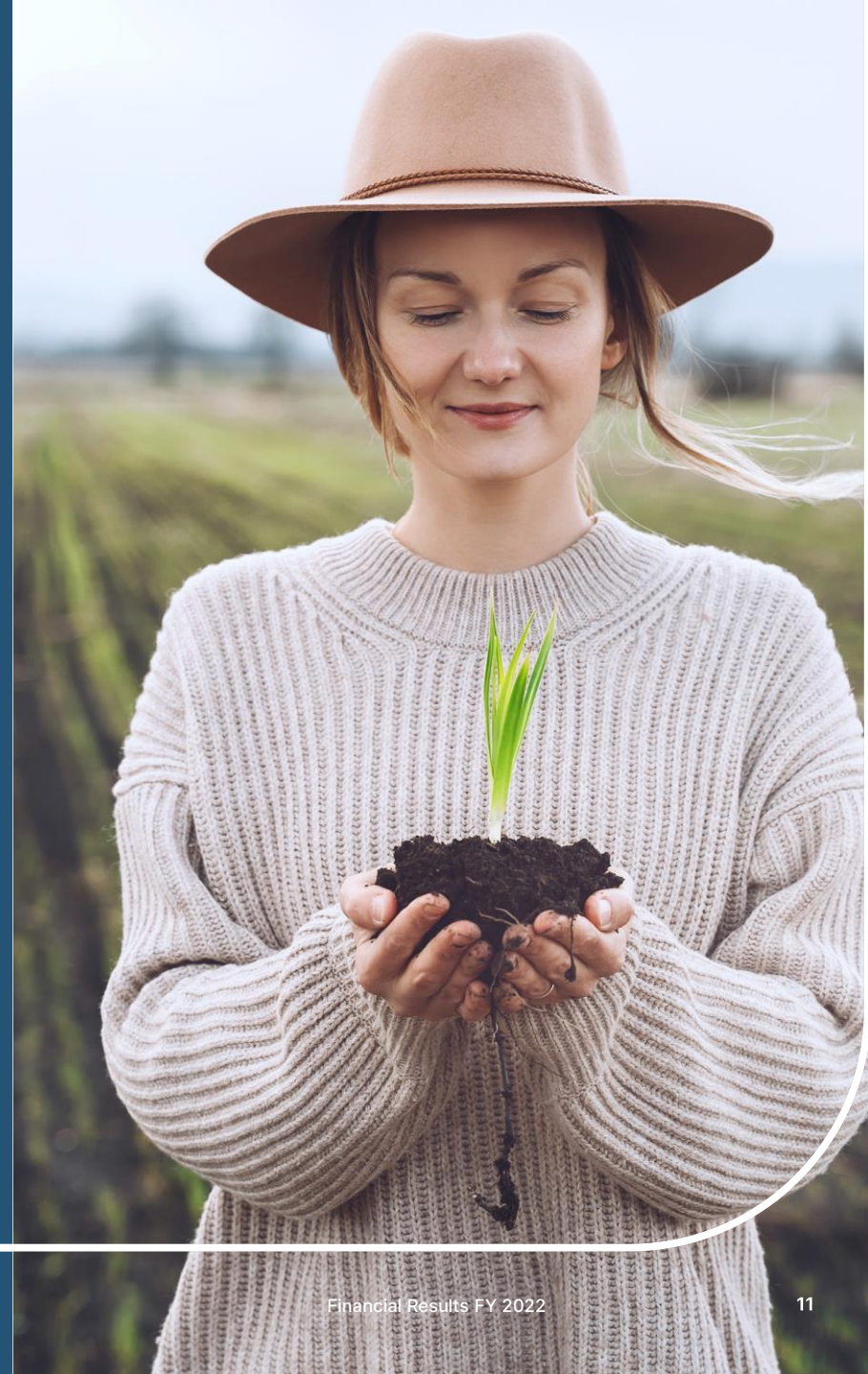
- By 2025, ČS will help all clients build a financial reserve for unexpected expenses
- By 2025, ČS will help one million clients save for retirement
- By 2025, ČS will make quality financial education available to all children in the Czech Republic
- By 2025, ČS will provide Czech companies with CZK 50 billion to increase their competitiveness and retain jobs

# ČS Cares about Sustainability

Since its establishment in 1825, Česká spořitelna has played a significant role in shaping Czech society and strengthening the country's prosperity. The Bank perceives this role as a key priority. It is also clear that future growth and prosperity must be based on sustainability. Česká spořitelna wants to lead by example and also assist clients in transforming their own activities for long-term sustainability

## From Words to Deeds:

- Česká spořitelna launched a new website focused exclusively on ESG
- In June 2022, Česká spořitelna received an award for Green Market Pioneer in the Czech Republic in 2021 within the 7<sup>th</sup> Climate Bonds Awards. The Bank earned recognition for its EUR 500 m senior non-preferred green bonds issued last fall. Proceeds will be allocated to eligible renewable energy and green buildings
- Česká spořitelna has been introducing new “green” products for clients. After three new ESG mutual funds, the Bank has come up with a Mortgage for the Future and Renovation Loan for the Future. The cheaper mortgage is available for a purchase of energy efficient housing
- Česká spořitelna Financial Group (FSČS) has expanded with a new subsidiary Dostupné bydlení (Affordable Housing). The new company will co-operate with municipalities on the development of new affordable apartments that will be rented to people working in selected professions in social infrastructure
- Česká spořitelna defined an Environmental, Social and Governance (ESG) risk policy as its basic framework for identifying and managing sustainability related goals and risks. The Bank also implemented assessment of ESG risk for new loan origination according to EBA Guidelines on loan origination and monitoring





# Business Highlights – Retail Banking

## Help in Crisis

The number of registrations to the Moneyback discount programme reached the 940,000 mark. Since the launch of the programme in July 2020, clients have received a total reward of over CZK 500 million for card payments in shops and online.

During the 2<sup>nd</sup> wave of the Merciful Summer debt relief campaign, Česká spořitelna waived CZK 51 million to 210 clients

## Energy Loans

Česká spořitelna offered clients a discounted special-purpose loan to finance energy bills. In addition, the Bank returned 3% of each instalment to the clients' savings accounts to help them build up financial reserves

## Digital Advisory

Česká spořitelna further developed its concept based on personalized digital advisory. In 2022, 1,400 clients opted for an online advisory session. The Financial Health app has become a popular working tool for bankers and clients alike. 915,000 clients experienced digital advisory with the Financial Health app during 2022 and they rated it very positively

## Acquisition

Česká spořitelna signed an agreement for purchase of loan portfolio of **Sberbank CZ**, a.s. in liquidation. Finalization of the transaction is expected during the first half of 2023





# Business Highlights – Corporate Banking

## Support to Sustainable Business

Česká spořitelna continued in supporting sustainable and ecological business solutions.

Within the ESG strategy, Česká spořitelna managed to include seven small hydropower plants into the portfolio of funded projects during Q4 2022.

In another example, Česká spořitelna provided financing to Strojírny Brno for the construction of four small hydropower plants in Laos

## Infrastructure Financing

Česká spořitelna provided the Innofreight Group with financing for the acquisition of a new multimodal terminal in the Moravian-Silesian region. The financing supported building of infrastructure for the development of combined transport, where freight transport is mostly carried out by rail and the share of road transport is minimal. The transaction represents the Bank's further contribution to the financing of green assets

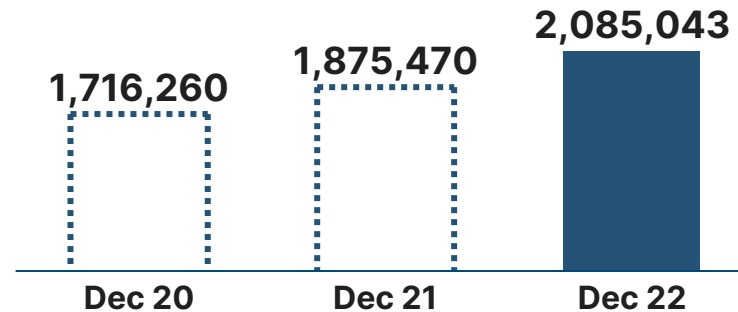
## Grants

The subsidiary Erste Grantika Advisory had prepared more than 200 applications for subsidies for the purchase of photovoltaic panels and batteries for energy storage within the framework of the National Renewal Plan. During 2022, Grantika helped clients to process projects with a total investment of over CZK 1 billion and enabled them to obtain grants totalling almost CZK 400 million

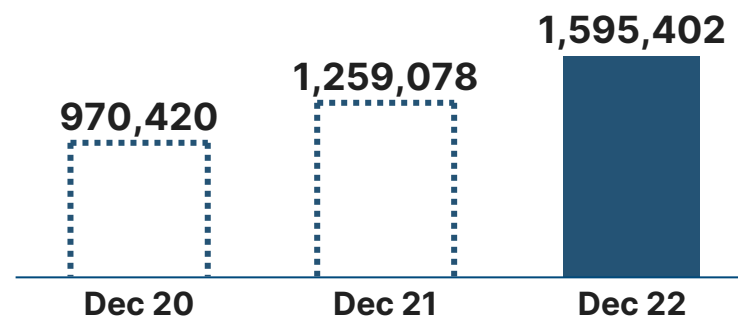


# ČS Digital Story

## Number of Active Unique Users of George



## Number of Active Unique Users of Mobile George



### George

Česká spořitelna's state-of-the-art digital platform George has expanded its investment interface. Among the new features that George accommodates are:

- Online opening of an investment account and trading with mutual funds (both one-off and regular)
- Trading shares on stock exchanges in the Czech Republic, Poland, Germany, Austria, France, Great Britain, Japan and the United States
- Trading with certificates and ETFs

### Bank ID

- The use of BankID further expanded in Q4 2022, after three health insurance companies had agreed to use BankID as an identification method
- By the end of 2022, Česká spořitelna's BankID had been used by 697 thousand active users who had made more than 5 million verifications via their BankID when registering to e-government services. Also, Česká spořitelna's BankID had been used by 218 thousand business companies

# Selected Awards

## Golden Crown 2022 (Zlatá koruna)

- Mortgages – Česká spořitelna's mortgage triumphed for the fifth time in a row
- Virtual George payment card – the winner in the "Payment Cards" category
- Money Alphabet by ČS – educational programme triumphed for the second consecutive time



## Bank of the Year 2022

- The Banker of the Year Award was presented to Tomáš Salomon, Chairman of the Board of Directors of Česká spořitelna
- Česká spořitelna triumphed in the Private Bank of the Year category
- ČS ranked third in the following categories: Bank of the Year 2022, Corporate Banking, Customers' Bank

## Top Employer

- In the TOP Employers survey, Česká spořitelna became the number one and the first career choice of university students in the field of Banking and Investment

## Top Taxpayer

- Česká spořitelna has received an award from the Ministry of Finance and the General Financial Directorate for the largest corporate taxpayers in the Czech Republic. In 2021, ČS was the second largest corporate taxpayer in the Czech Republic

## Customer Centricity World Series Awards 2022

- Česká spořitelna won the prestigious global Customer Centricity World Series Awards 2022 - in the Customer Experience Team category

## European Customer Centricity Awards 2022

- Česká spořitelna won the first place for its comprehensive approach to helping Ukrainian refugees and people who have remained in Ukraine

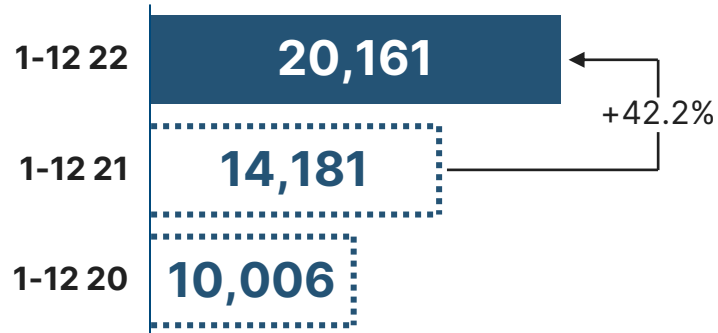


# Financial Performance

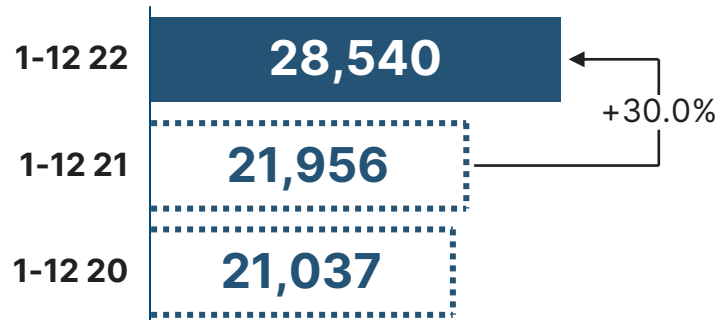


# Main Indicators

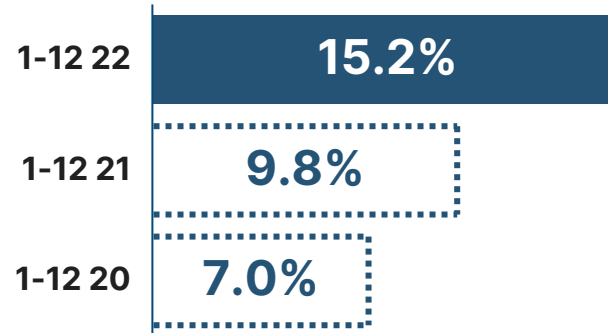
## Net profit (CZK m)



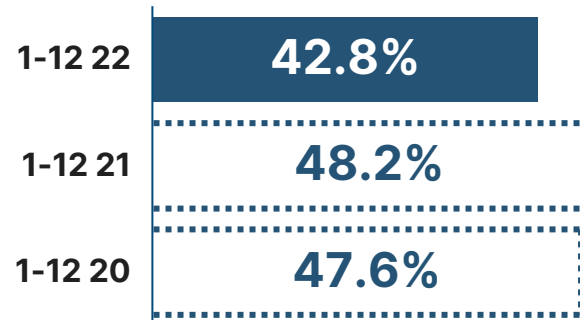
## Operating result (CZK m)



## ROE

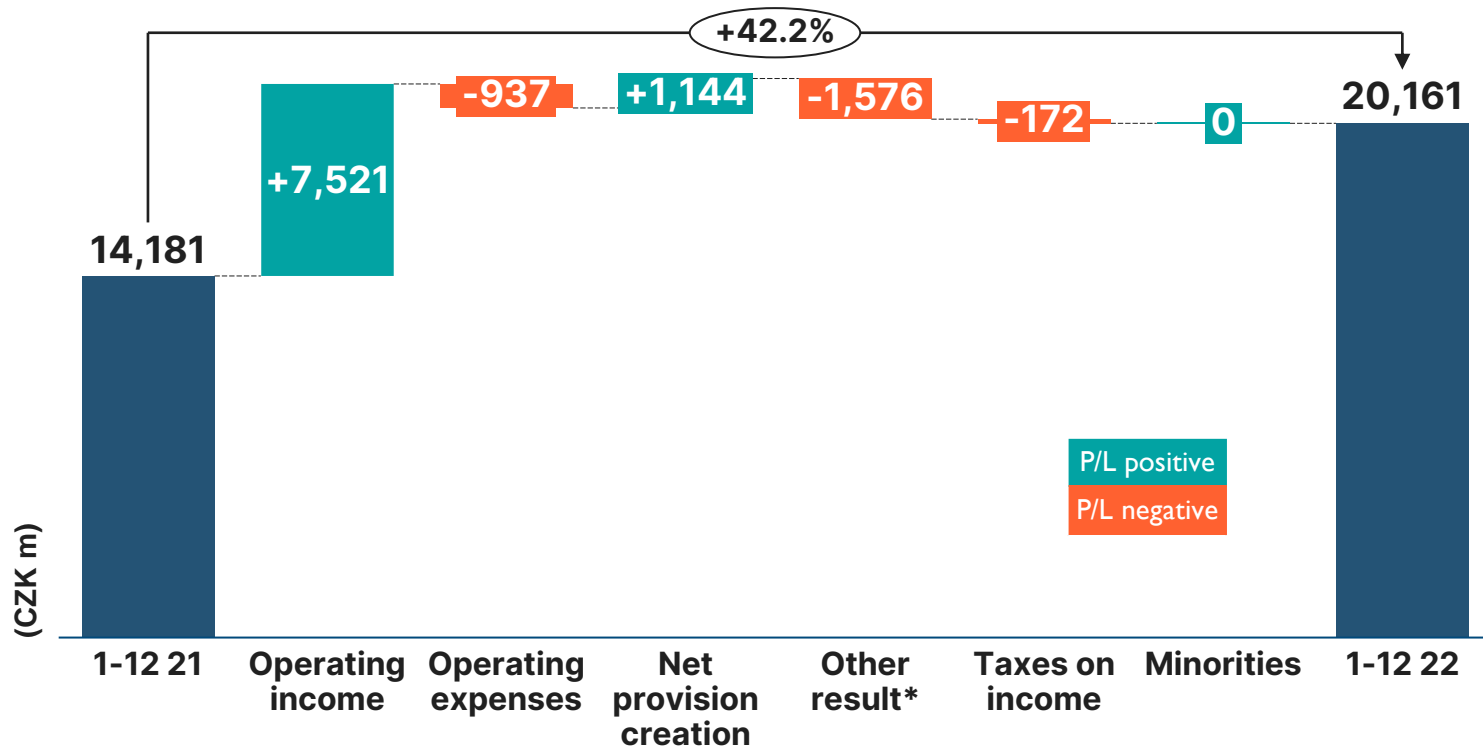


## Cost/income ratio



- Net profit increased by 42.2% y/y to CZK 20.2 bn, driven by considerably higher operating result reflecting business growth and overall post-COVID development
- ROE grew to 15.2% (+5.4 pp y/y)
- Operating result rose by 30.0% y/y (or CZK 6.6 bn)
  - Operating income was up by 17.8% y/y, attributed to increase in net interest income (+18.1% y/y), net fee and commission income (+3.5% y/y) and net trading result (+115.9% y/y)
  - Operating expenses (+4.6% y/y) were well below the inflation rate, driven mainly by personnel expenses and other administrative expenses
- Cost/income ratio significantly improved to 42.8% (-5.4 pp y/y)

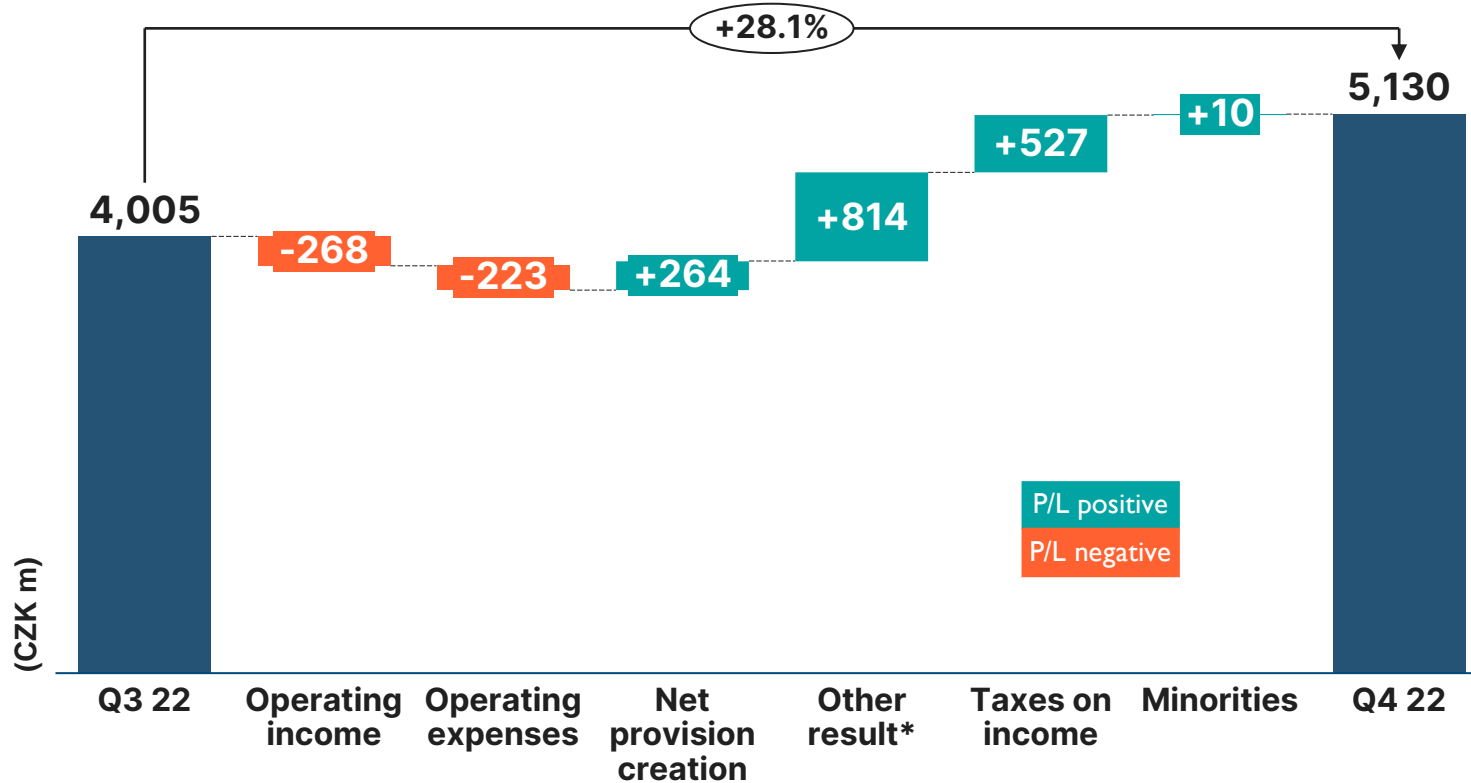
# Net Profit – Y/Y



- Operating income went up by 17.8% y/y, impacted by business growth and high interest rates environment. Net trading result more than doubled, driven by higher client business and overall post-COVID development
- Operating expenses rose by 4.6% y/y attributed to increase in personnel expenses and other administrative expenses
- Lower creation of risk provision reflected positive development of portfolio quality while keeping prudent approach to potential impacts of current geopolitical risks
- Decrease in other result\* attributed mainly to sale of bonds in 2022

\* Includes Gains/losses from derecognition of financial instruments not measured at FV through profit or loss and Other operating result

# Net Profit – Q/Q

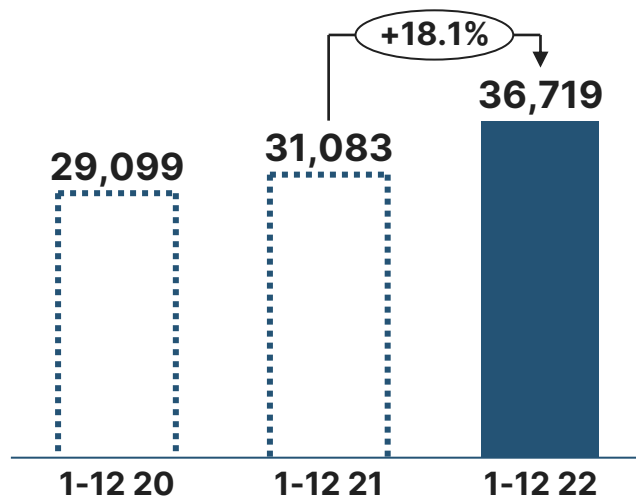


- Operating income in Q4 2022 decreased by 2.2% q/q attributed mainly to net trading result (-15.7%) and losses from financial instruments measured at FVPL
- Operating expenses increased by 4.2% q/q driven mainly by higher other administrative expenses (+18.8% q/q) and depreciation (+7.6% q/q)
- Development of net provision caused by lower net provision creation in Q4 2022, reflecting excellent portfolio quality and ČS's approach to potential impacts of current geopolitical risks
- Increase in other result\* attributed mainly to impairment of buildings in Q3 2022 and gain from sale of a building in Q4 2022

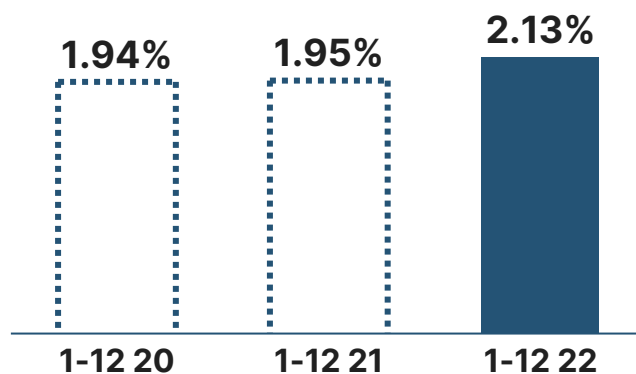
\* Includes Gains/losses from derecognition of financial instruments not measured at FV through profit or loss and Other operating result

# Net Interest Income

## Net Interest Income (CZK m)



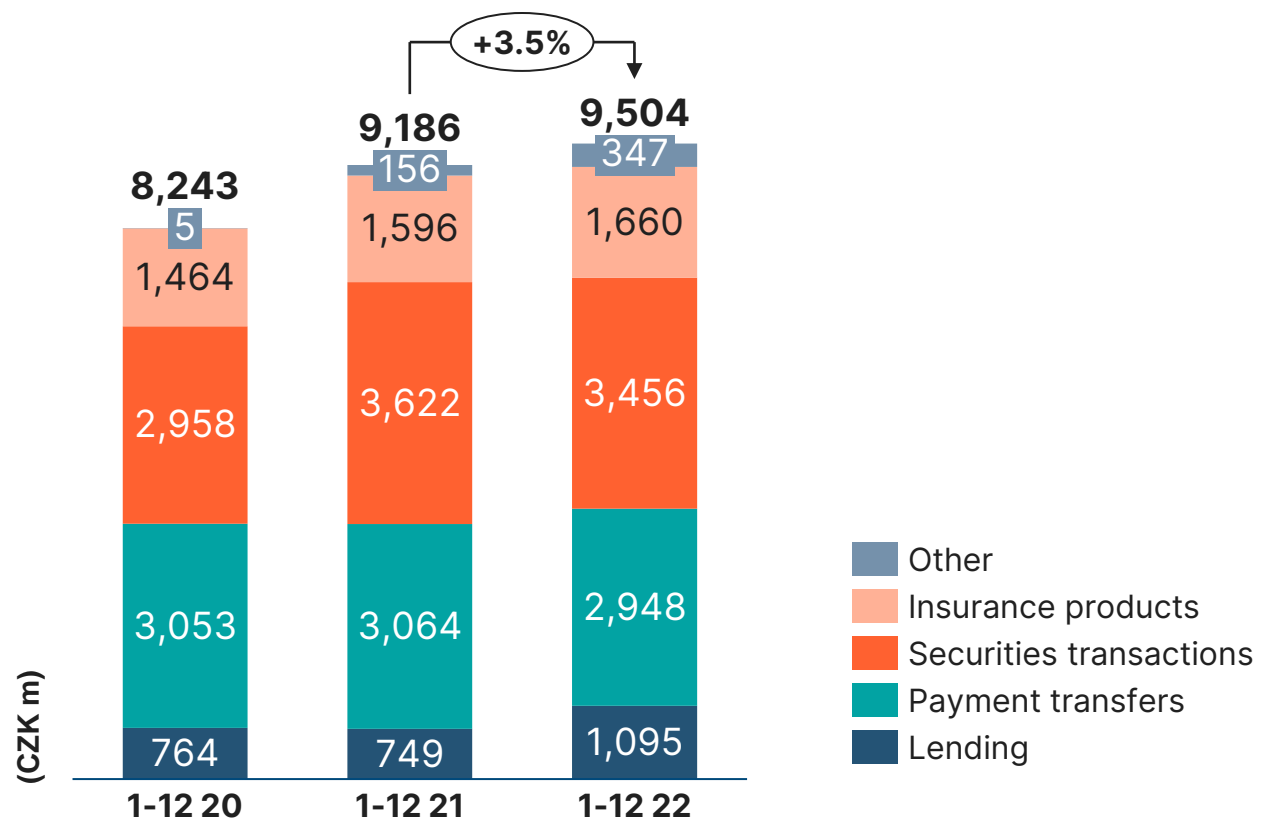
## Net Interest Margin



- Net interest income rose by 18.1% (or CZK 5.6 bn) in comparison with FY 2021, which was affected mainly by
  - Growth of customer loans and deposits
  - Investments into debt securities
  - High interest rates environment reflected on both loan and deposit side
- Net interest margin reached 2.13% in FY 2022 which was driven mainly by
  - Positive impact of high interest rates environment in loan book, partly offset by increase in interest rates on deposits
  - Development of balance sheet structure

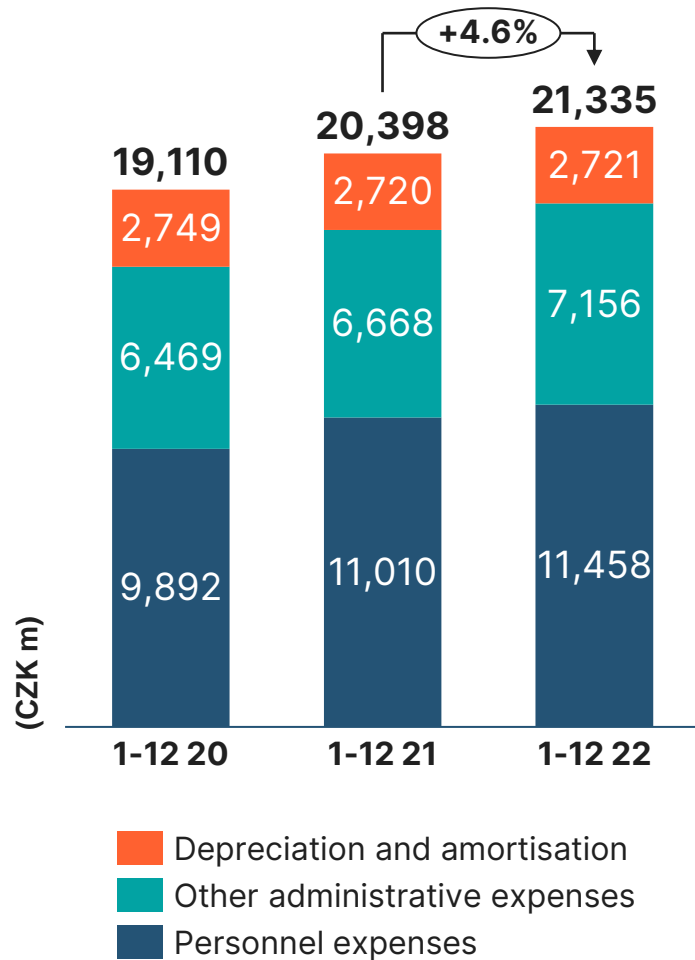


# Net Fee and Commission Income

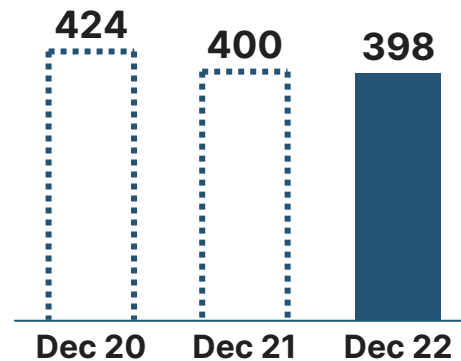


- Despite volatility on financial markets, net fee and commission income went up by 3.5% y/y in FY 2022 caused by both retail and corporate
  - Decrease in payment transfers reflected Moneyback programme and support for Ukrainian refugees, which was partly offset by higher interchange fees
  - Securities transactions slightly declined due to low market performance effect
  - Lending fees and insurance products supported by business development

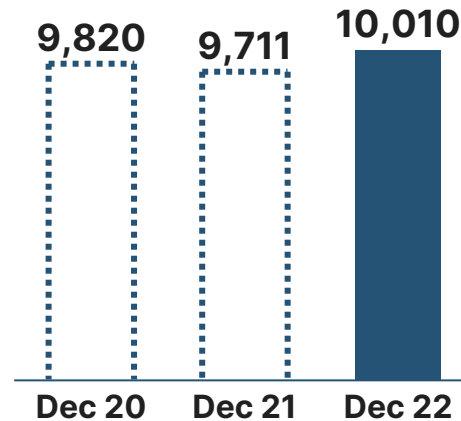
# Operating Expenses



## Number of Branches\*



## Number of Employees (eop)



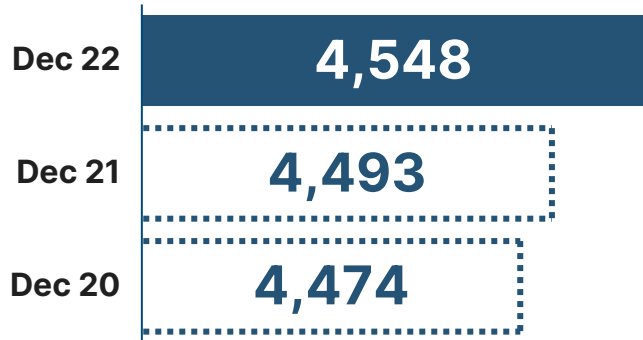
- Operating expenses stayed well below the inflation rate in FY 2022 and rose by 4.6% y/y attributed mainly to increase in personnel expenses and other administrative expenses
- Personnel expenses grew by 4.1% y/y driven mainly by impact of salary increase and employee share programme
- Other administrative expenses up by 7.3% y/y due to higher costs of property management, marketing, business operation, consultancy and personnel related costs. Furthermore, affected by increase in contribution into Deposit Insurance Fund in 2022 (CZK +52 m y/y)
- Depreciation remained stable y/y

\* Since H1 2022 number of physical branches, previous data restated

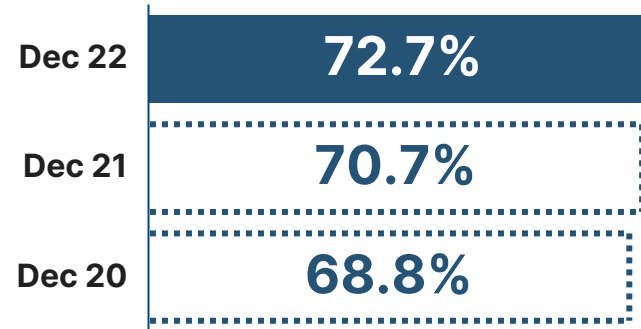
# Business Performance

# Main Indicators

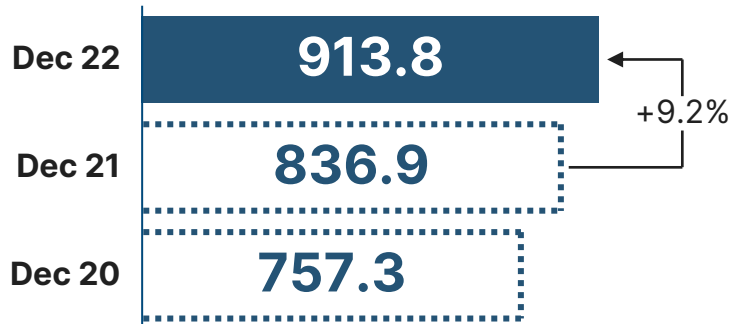
## Number of clients (ths)



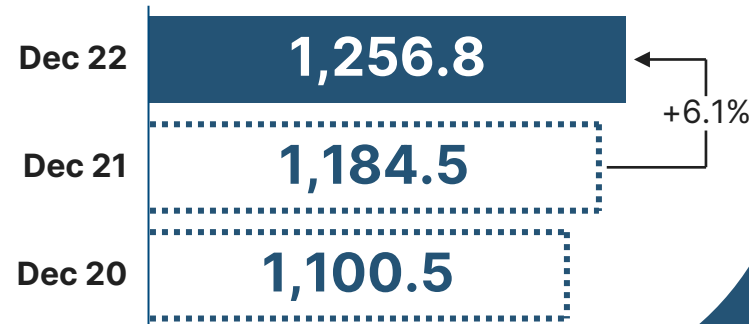
## Loan\*/deposit\*\* ratio



## Loans\* (CZK bn)

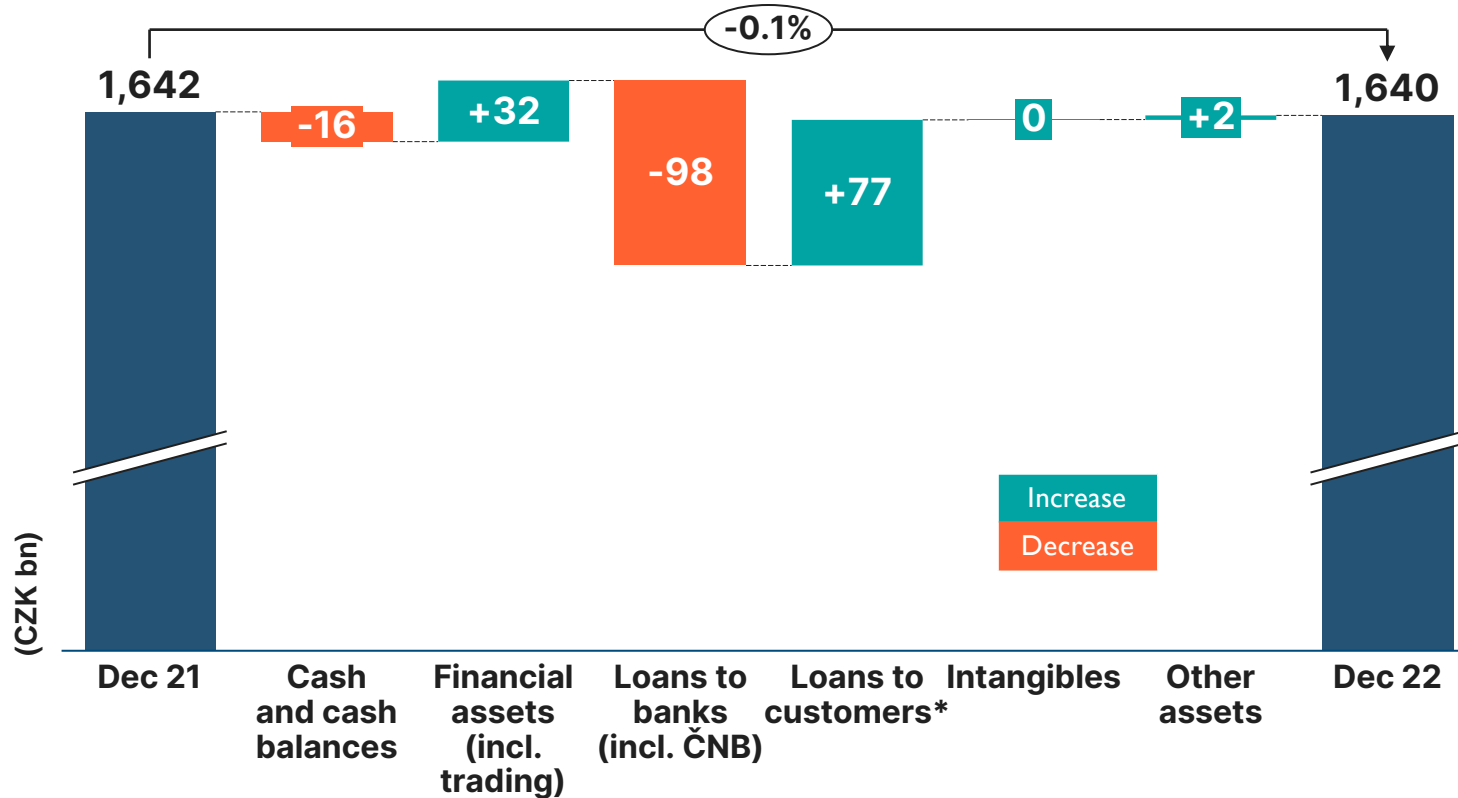


## Deposits\*\* (CZK bn)



- Number of clients rose by 55 ths y/y
- Group net customer loans increased by 9.2% y/y, driven mainly by private mortgages, large corporates, SMEs and real estate
- Total group customer deposits grew by 6.1% y/y due to increase in both retail and corporate area
- Loan/deposit ratio at 72.7% (from 70.7% in December 2021)

# Balance Sheet – Assets YTD

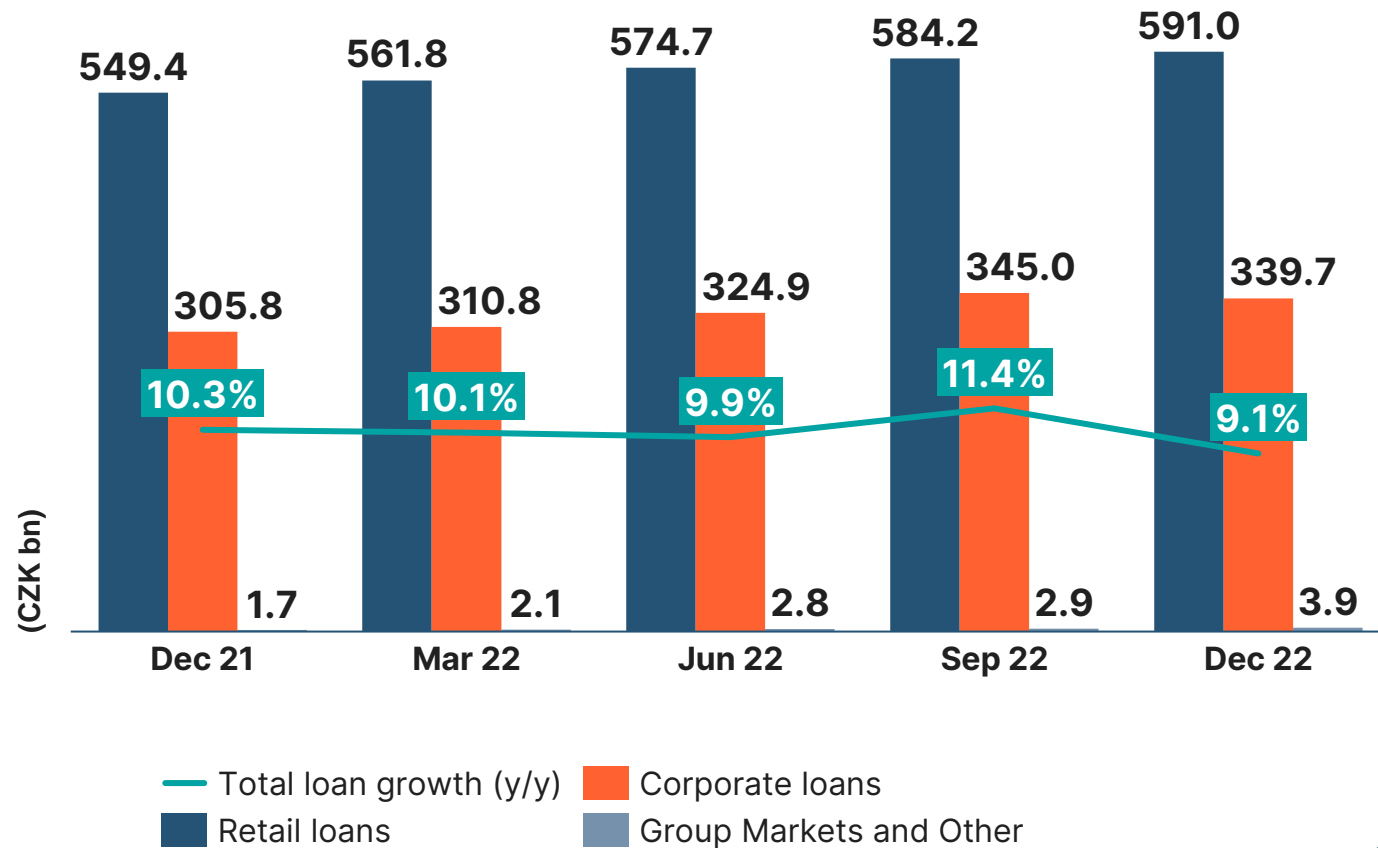


\* Includes loans and advances at amortised cost, loans and advances at FV through profit or loss, finance lease receivables and trade and other receivables

- The assets development affected mainly by growth of loans to customers which was more than offset by decline of loans to banks
- Net customer loans\* increased by 9.2% in FY 2022 thanks to both retail and corporate lending
- Loans to banks, attributed to reverse repo operations with ČNB, decreased by 26.7% (or CZK 97.7 bn) driven mainly by lower intragroup placement
- Growth of financial assets caused by higher investments into Czech government bonds



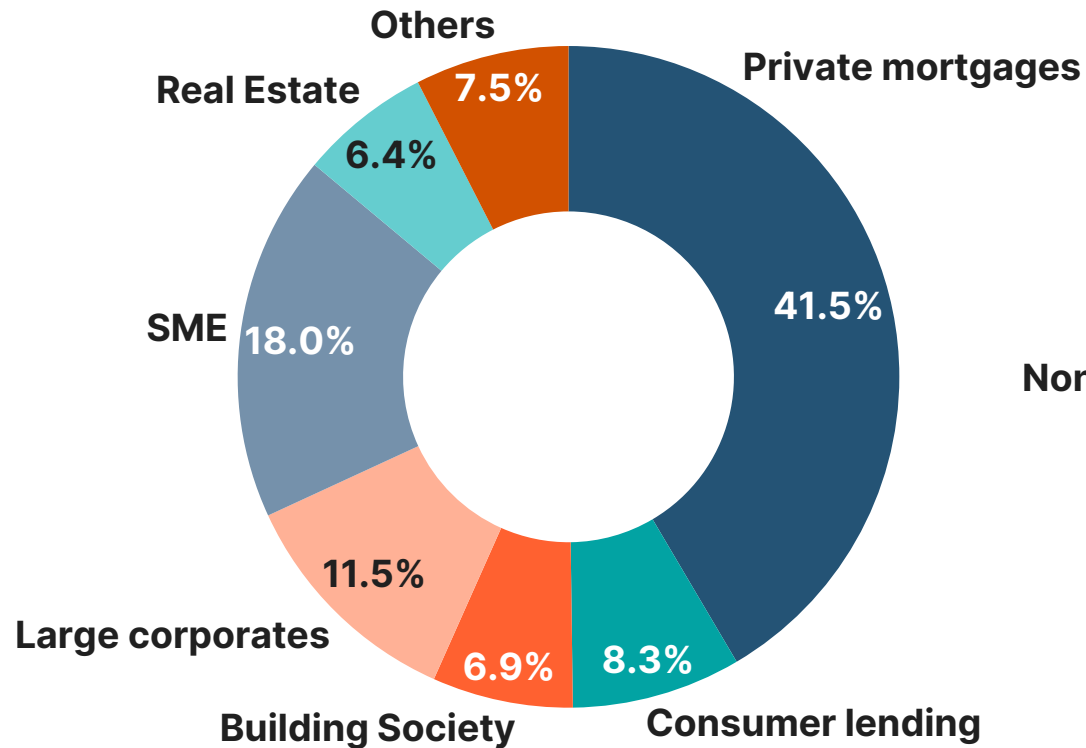
# ČS Group Gross Loan Portfolio



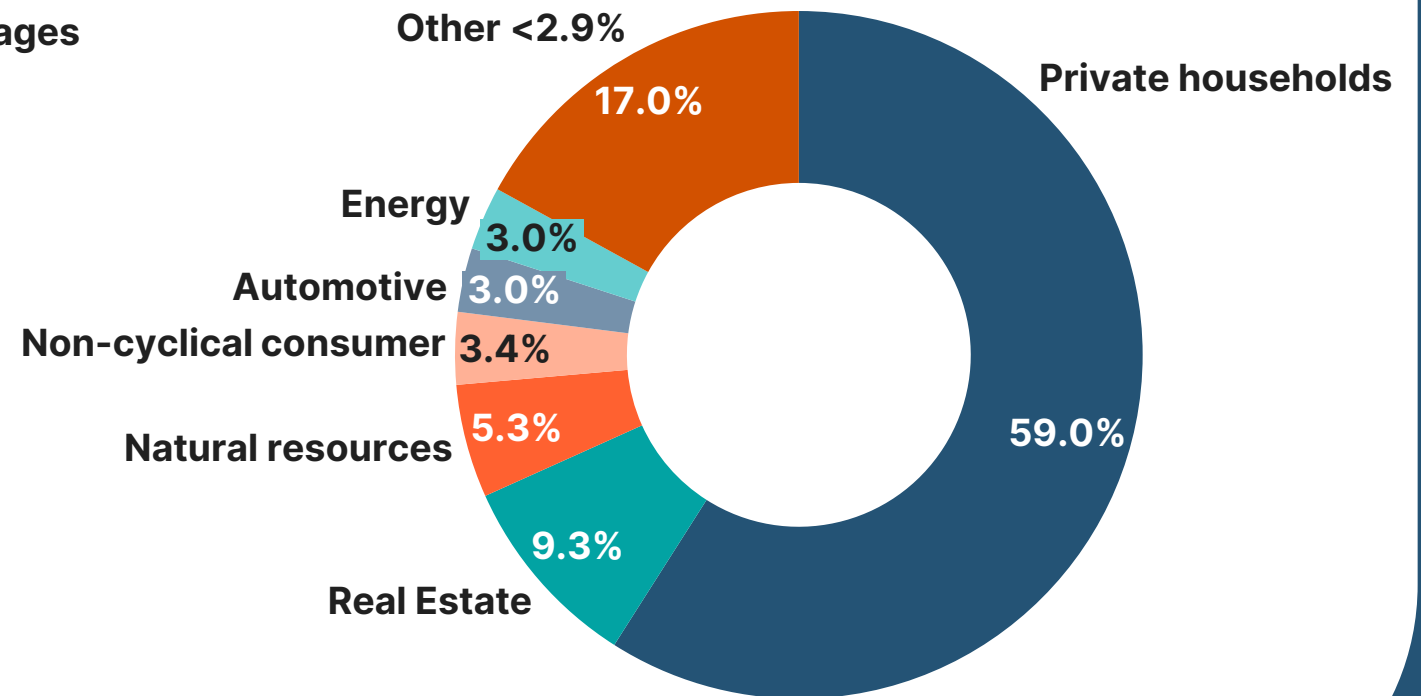
- ČS Group gross loan portfolio increased by 9.1% y/y driven by both retail and corporate loans
- Loans to retail clients rose by 7.6% y/y
  - Private mortgages +8.9%
  - Building Society (SSČS) +13.6%
  - Consumer lending +3.5%
- Loans to Corporate added 11.1% y/y (+12.8% y/y excluding FX impact)
  - Increase in Large Corporate +11.6%
  - SME +10.7%
  - Real Estate +15.9%
  - Subsidiaries grew by +14.9%

# ČS Group Gross Loan Portfolio

## Gross Loan Portfolio by Customer Segment

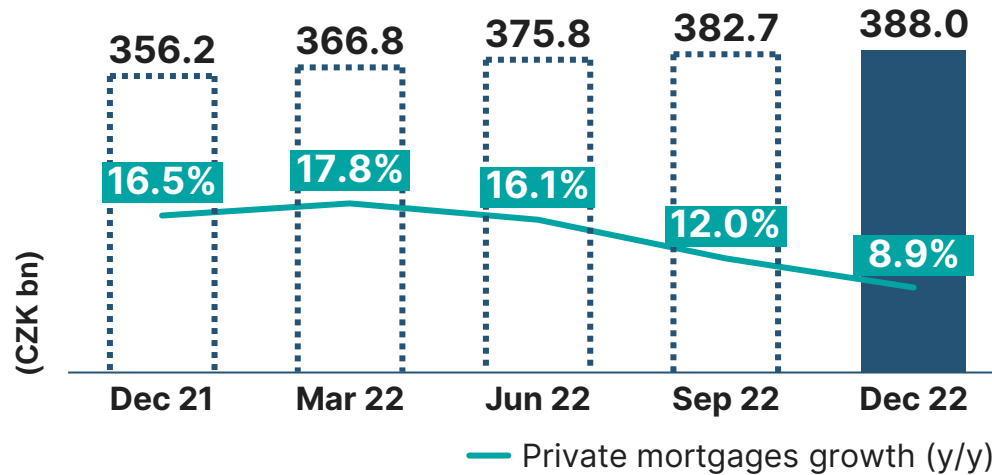


## Industry Split of Gross Loan Portfolio

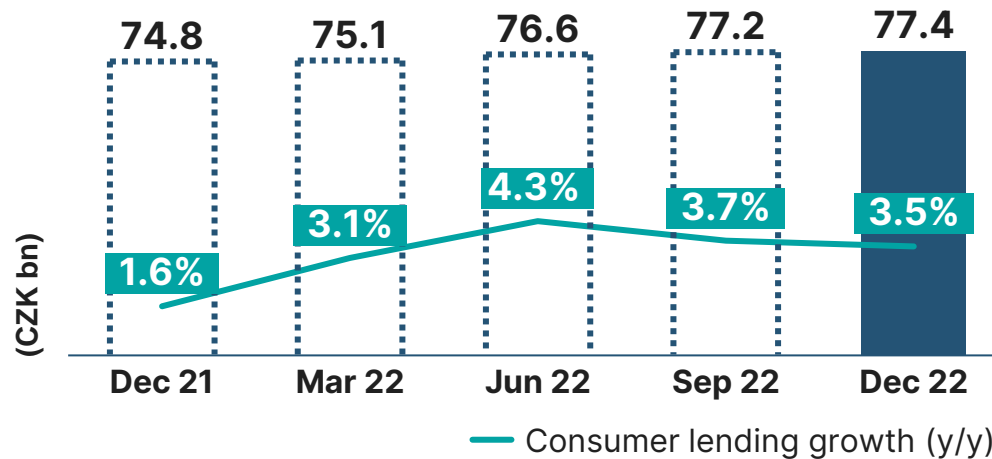


# Mortgages and Consumer Lending

## Mortgages

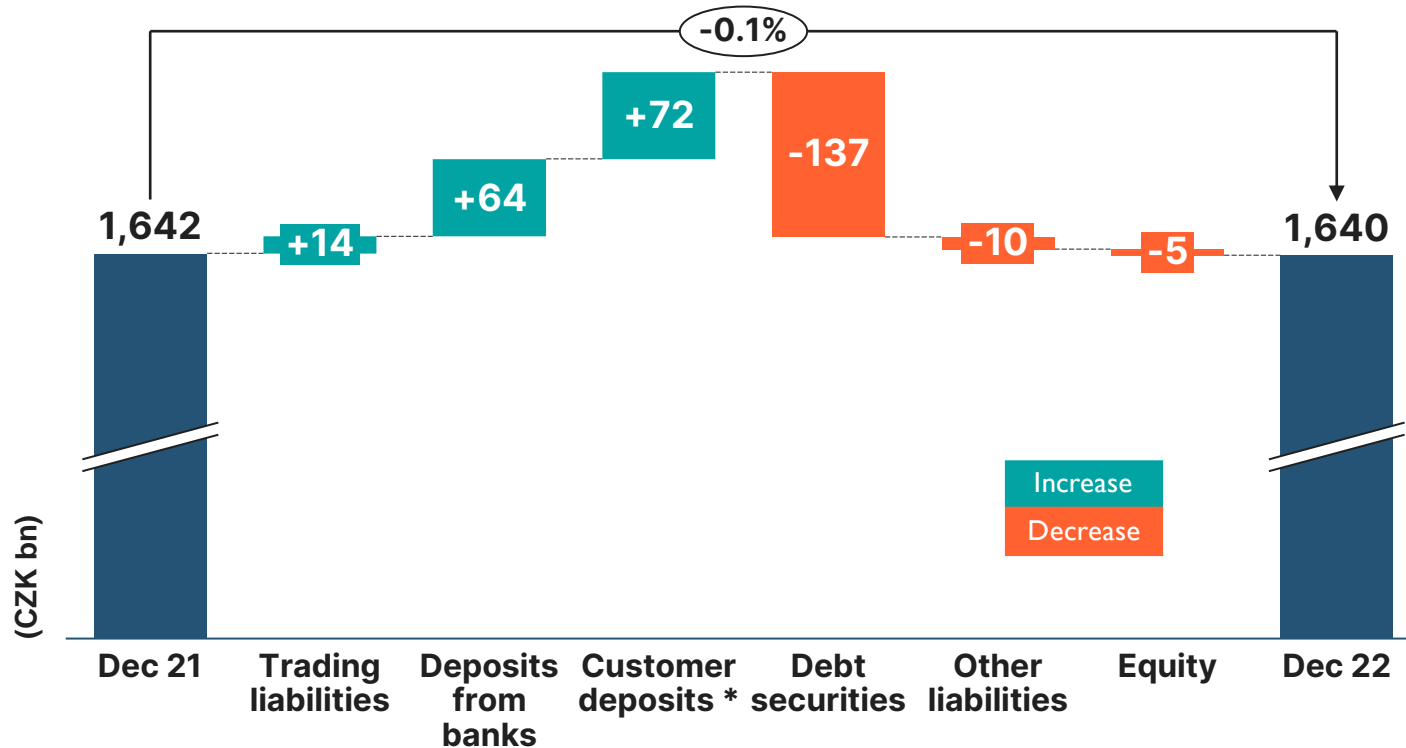


## Consumer Lending\*



- Volume of private mortgages grew by 8.9% y/y
  - Gradual utilization of high volumes of loans contracted in 2021. New sales in 2022 declined significantly following rapid growth of interest rates
  - Average maturity of new loans stable at 27.5 years, average volume at CZK 3.0 m
  - Underwriting policy unchanged, LTV gradually declining due to a rise of real estate values (whole portfolio at 53.0%, new loans at 62.8%)
  
- Consumer lending\* added 3.5% y/y
  - Growth rate slowdown driven by prudent behavior of households when high inflation decreases real wages. Furthermore, new sales influenced by higher interest rates

# Balance Sheet – Liabilities YTD



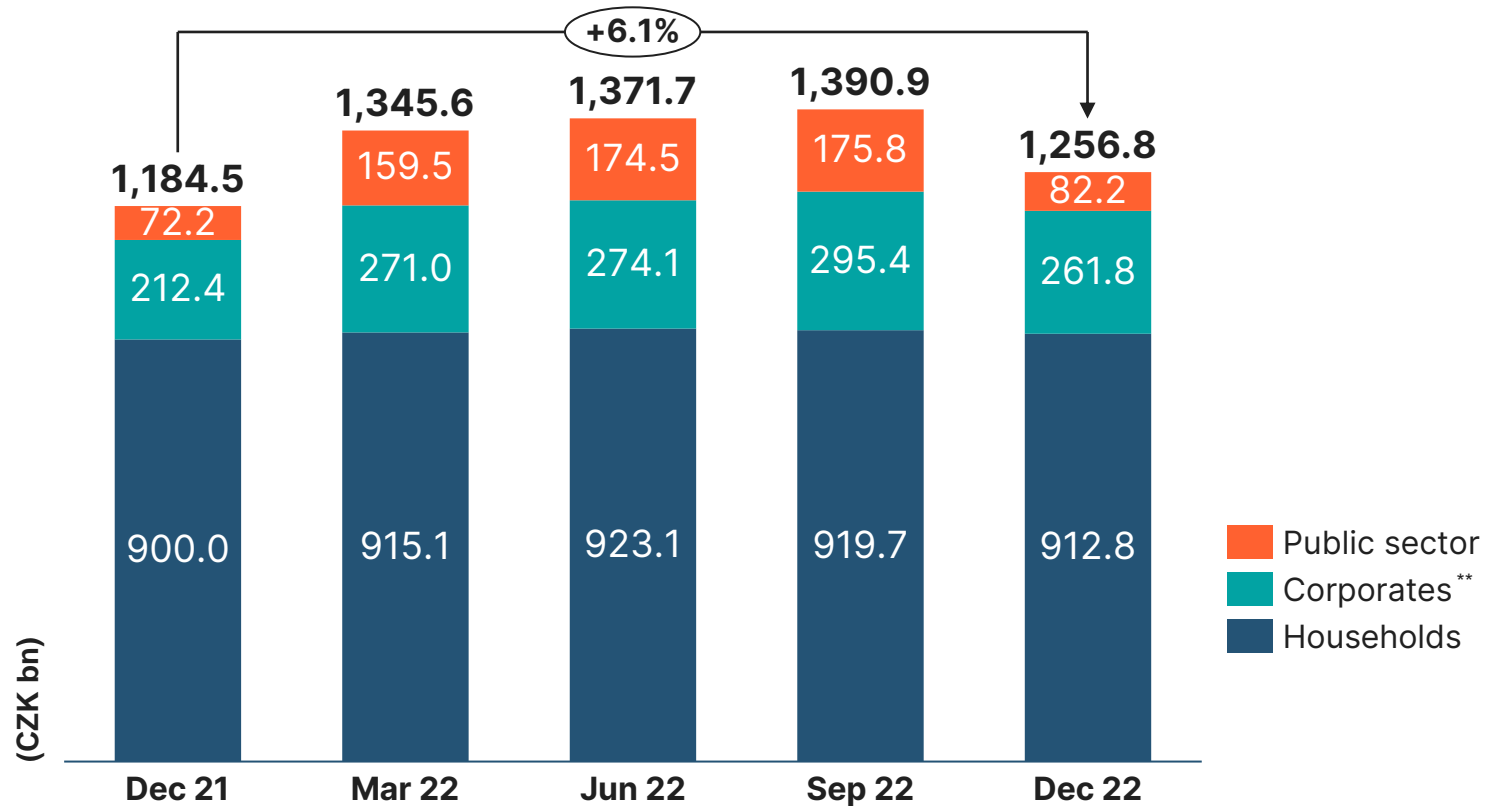
- The main driver of development on liability side of balance sheet was growth of customer deposits accompanied by deposits from banks, which were offset by decline of debt securities
- Group customer deposits\* grew by 6.1% in FY 2022 attributed to all sectors (mainly corporate\*\* sector)
- Increase in deposits from banks (credit institutions) was more than offset by decrease in debt securities, reflecting changes in short-term intragroup liquidity steering

\* Includes deposits from customers at amortised cost and deposits from customers at FV through profit or loss; previous figures restated

\*\* Includes deposits of non-financial corporations and deposits of other financial corporations



# ČS Group Customer Deposits

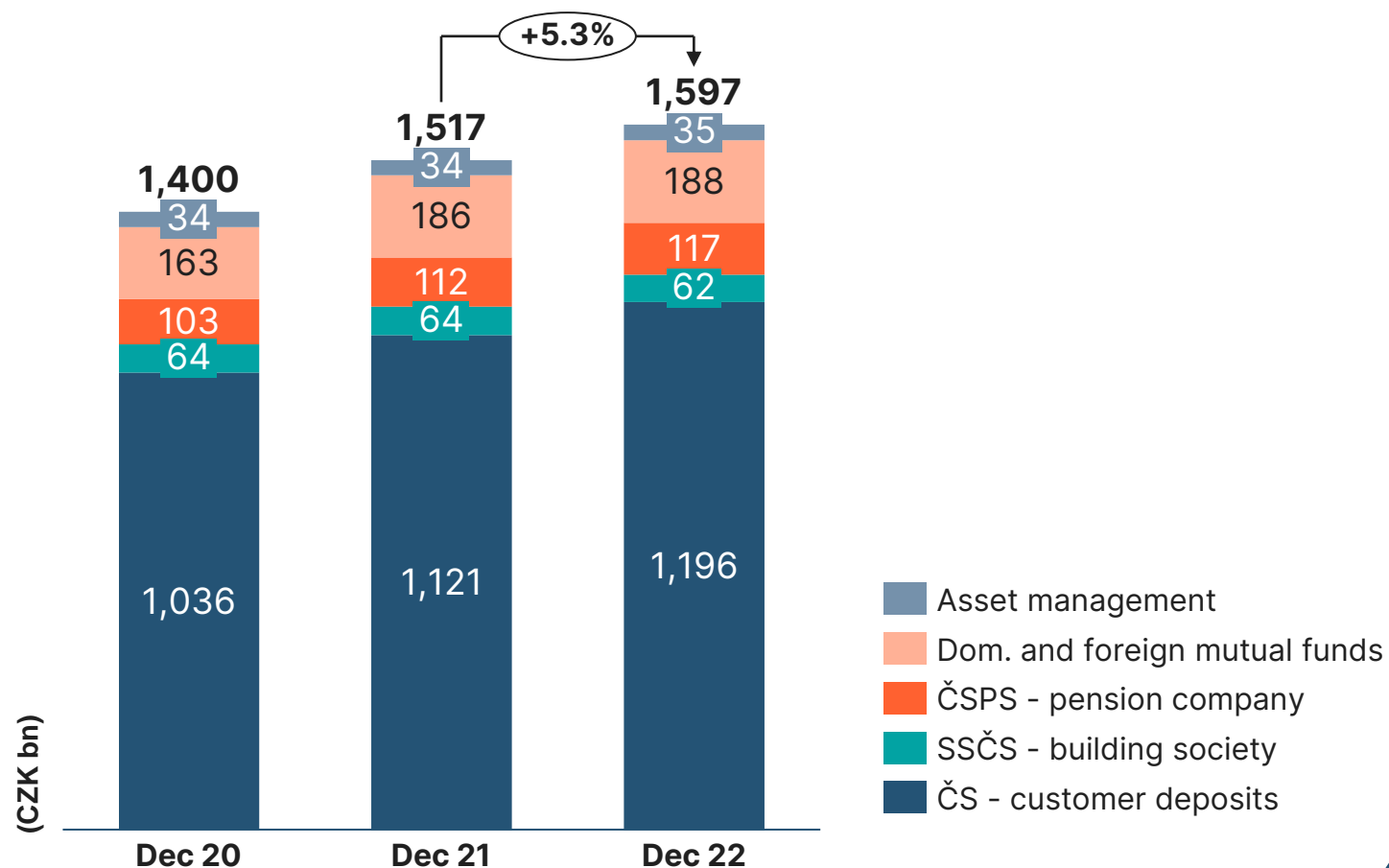


- Customer deposits continued in growth y/y in all segments; total group customer deposits\* increased by 6.1% compared to December 2021
  - Households deposits grew by 1.4% y/y
  - Corporates\*\* rose by 23.3% y/y
  - Public sector deposits increased by 13.9% y/y
- Change in deposits structure towards deposits with higher interest rates
- Q/Q decline of corporates and public sector deposits affected by seasonal development of short-term operations

\* Includes deposits from customers at amortised cost and deposits from customers at FV through profit or loss

\*\* Includes deposits of non-financial corporations and deposits of other financial corporations

# Clients' Funds under Management

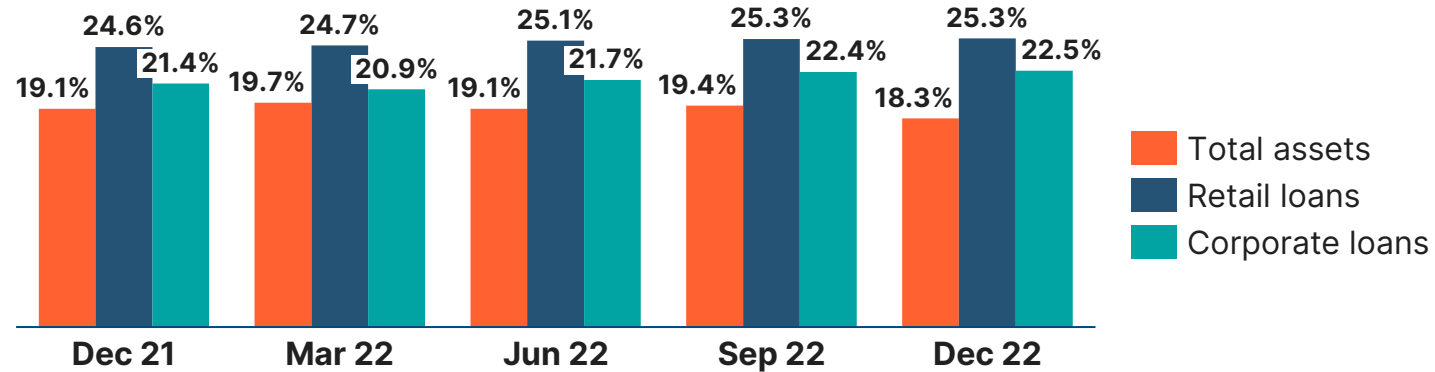


- Funds under management rose by 5.3% y/y mainly due to ČS parent bank customer deposits
- ČS parent bank customer deposits grew by 6.7% y/y, excl. repo operations by 4.8% y/y
  - Rise driven by increase in all sectors
- Growth rate of clients' funds under management influenced by clients' needs to cover higher cost of living

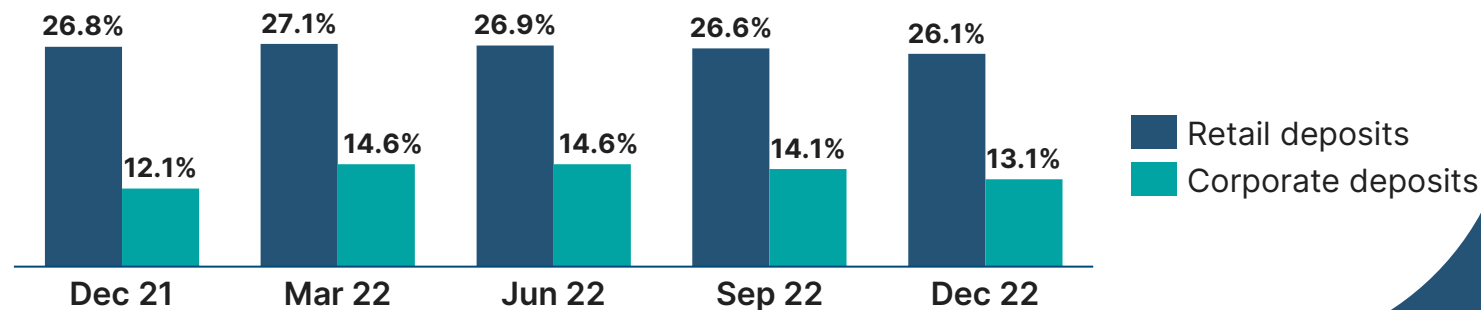
Note: New reporting methodology applied since FY 2021; previous data restated

# ČS 's Market Shares (December 2022)

## Assets



## Liabilities



- Number of customers at 4.5 m
- Total assets market share of 18%
- Total loans market share of 23%
- Private mortgages
  - New business market share of 29%
  - Outstanding portfolio market share of 28%
- Consumer loans (incl. credit cards) market share of 25%
- Total deposits market share of 21%
  - 26% in retail deposits
  - 13% in corporate deposits
- Mutual funds with market share of 25%

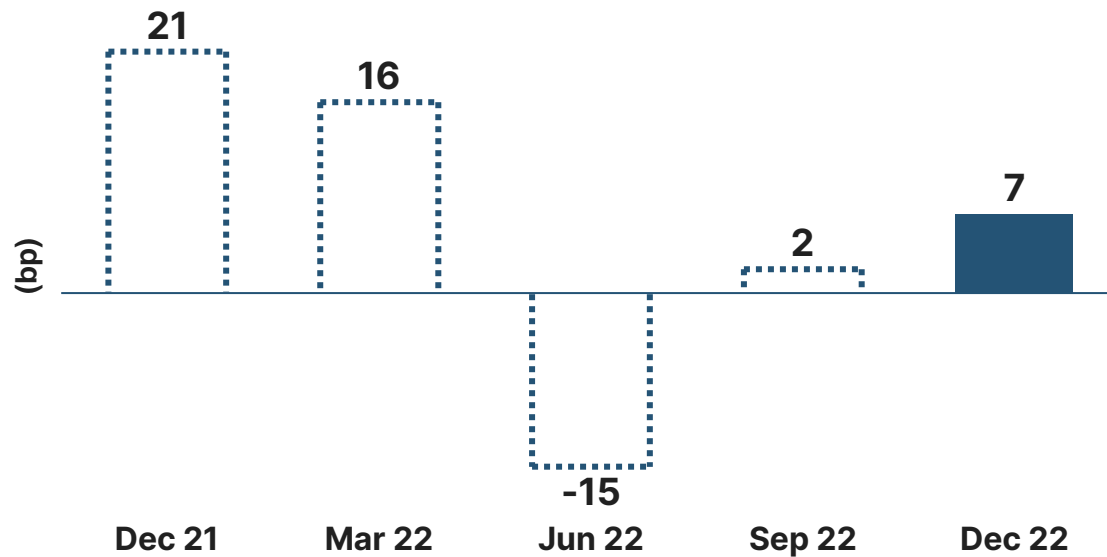
Note: Market figures affected by Sberbank liquidation

# Risk & Capital Position



# ČS Group Risk Costs

Risk Costs Development (YTD)

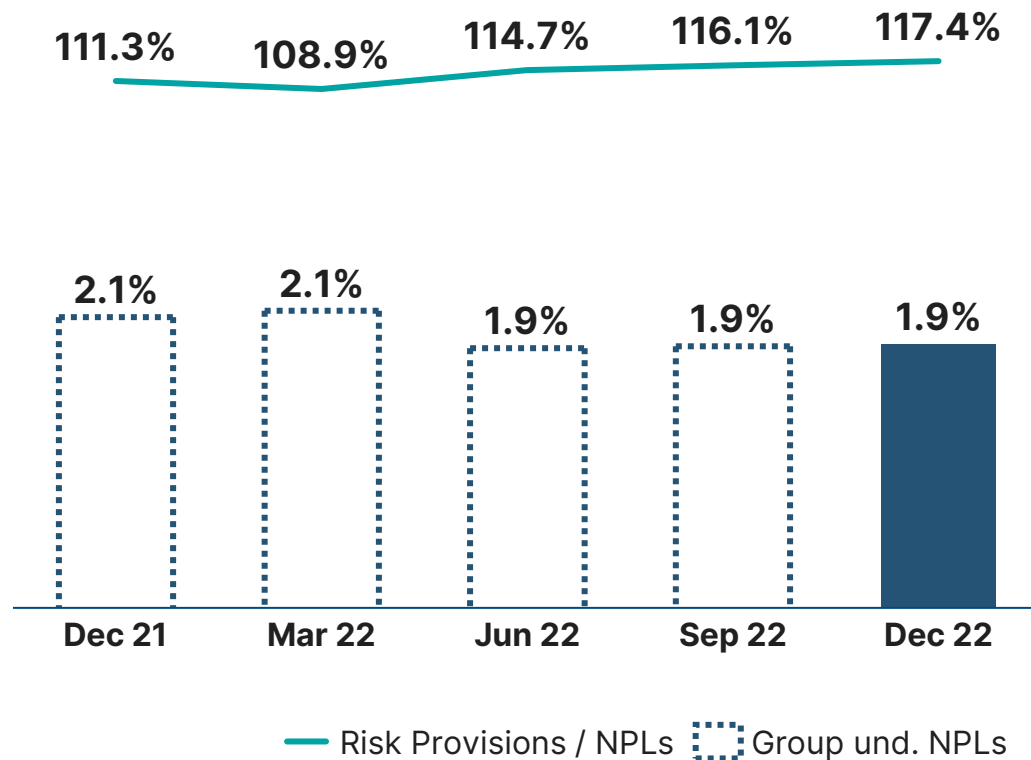


- Excellent quality of loan portfolio kept provision creation at very low level
- Stable development in retail portfolio quality held risk costs in release mode
- Corporate showed provision creation due to several defaults in SME, partly offset by releases in Large Corporate

Note: Risk costs calculated as annualized credit risk provision creation YTD to customer loans

# ČS Group Asset Quality

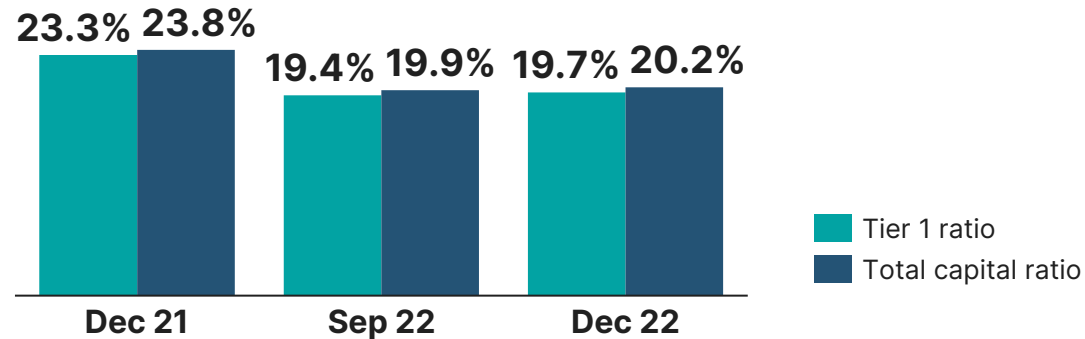
## NPL Ratio and NPL Coverage



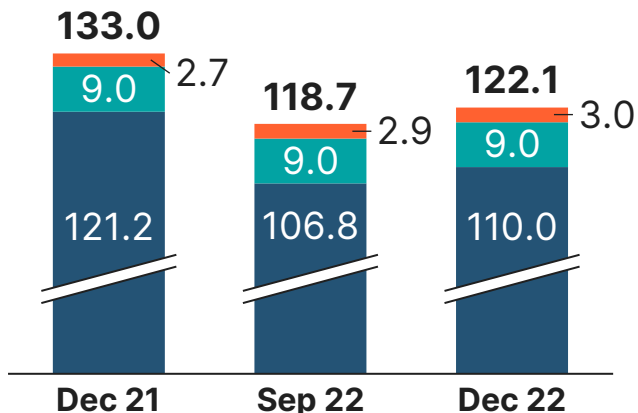
- Group NPL share stable at 1.9%
  - Quality remained unchanged as new defaults were more than offset by recoveries, namely in retail
  - Provision coverage stable at 117% and total coverage (provisions+collateral to NPL) also remained high at 148%

# ČS Group Capital Position

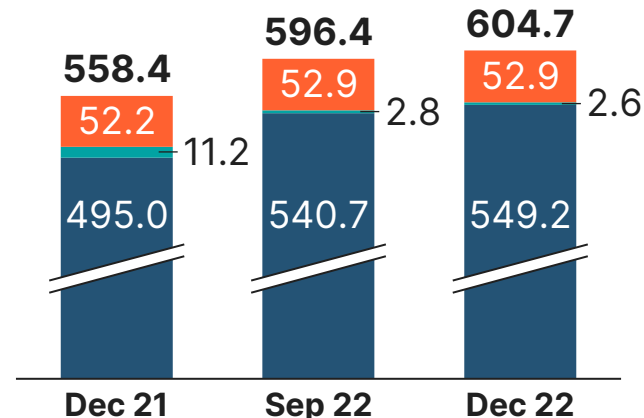
## Capital Ratios



## Regulatory Capital (CZK bn)



## Risk Exposure (CZK bn)



■ Tier 2 capital    ■ CET 1 capital  
■ Additional Tier 1

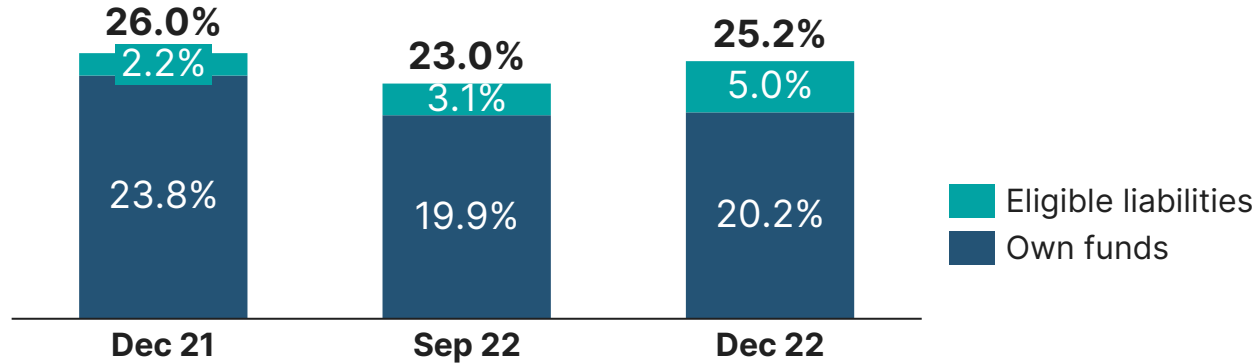
■ Operational risk    ■ Credit risk  
■ Market risk

- Total capital ratio at 20.2%, Tier 1 ratio at 19.7%
- Year-on-year decrease in capital ratios driven mainly by increase in risk exposures and paid out dividends
- Capital adequacy remained significantly above regulatory requirement of 15.7% as at December 2022 (increase in 2023 in counter-cyclical buffer and SREP requirements will be met from capital surplus)

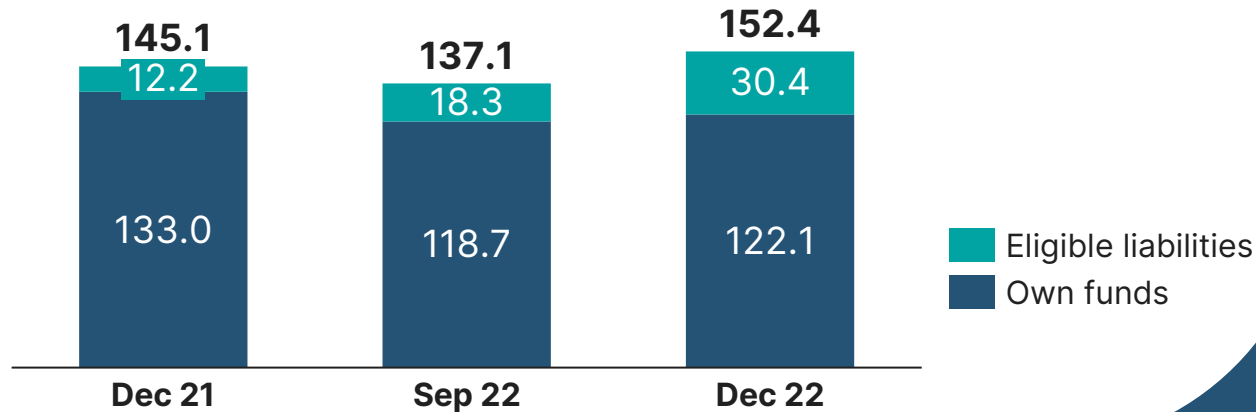
- Total risk exposure increased by 8.3% y/y driven by growth of credit risk (+10.9% y/y)
- Growth of risk exposures reflects new loan volumes, mostly in corporate segment

# ČS Group MREL Position

## MREL Ratio



## Own Funds and Eligible Liabilities (CZK bn)



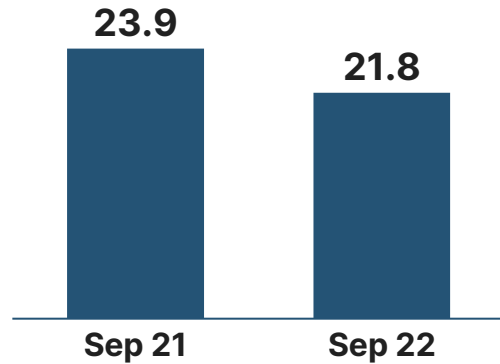
- Regulatory update
  - MREL ratio at 25.2%
  - Well above interim regulatory requirement of 20.1% (ČNB MREL requirement of 14.1% applicable from 1<sup>st</sup> January 2022 + combined buffer requirement 6.0% as of YE 22)
  - Final regulatory MREL requirement of 18.8% (excluding CBR) effective from 1<sup>st</sup> January 2024
  - ČS has a full subordination requirement for MREL
  
- Market development
  - Y/Y increase in eligible liabilities driven by new issuances of senior non-preferred bonds for institutional investors (CZK 6 bn of 5NC4 on domestic market at 7.41% in June 2022 and EUR 500 m of 3NC2 on international market at 6.69% in November 2022)
  - Y/Y decrease in own funds due to extraordinary dividend payout in April 2022 (distribution of 2019-20 profits retained due to COVID-related restrictions)
  - Market volatility and excessive spreads for CEE issuers attributed to elevated geopolitical risks
  - Plan to continue with international bond issuances in 2023 to comply with MREL build-up plan



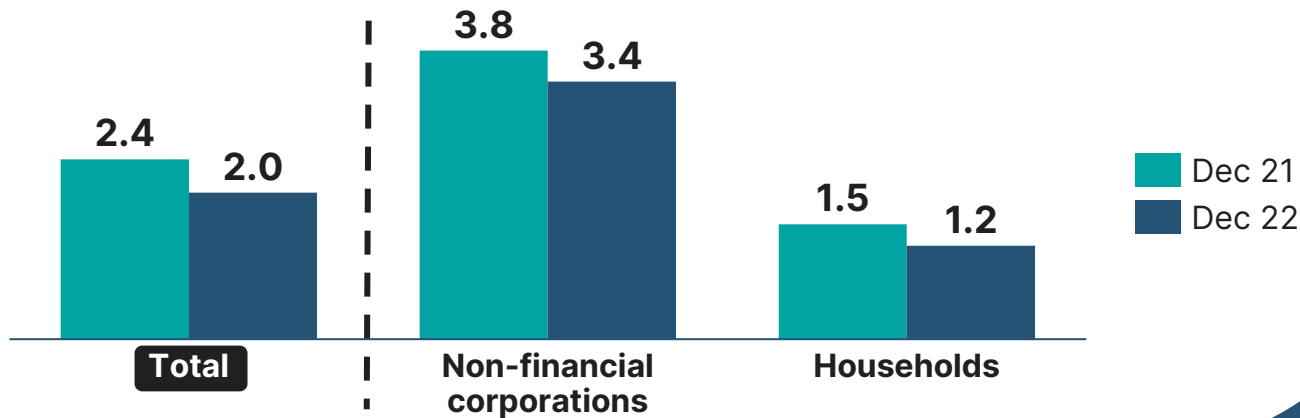
# Appendix

# Czech Banking Market I.

Total Capital Ratio of Czech Banks (%)



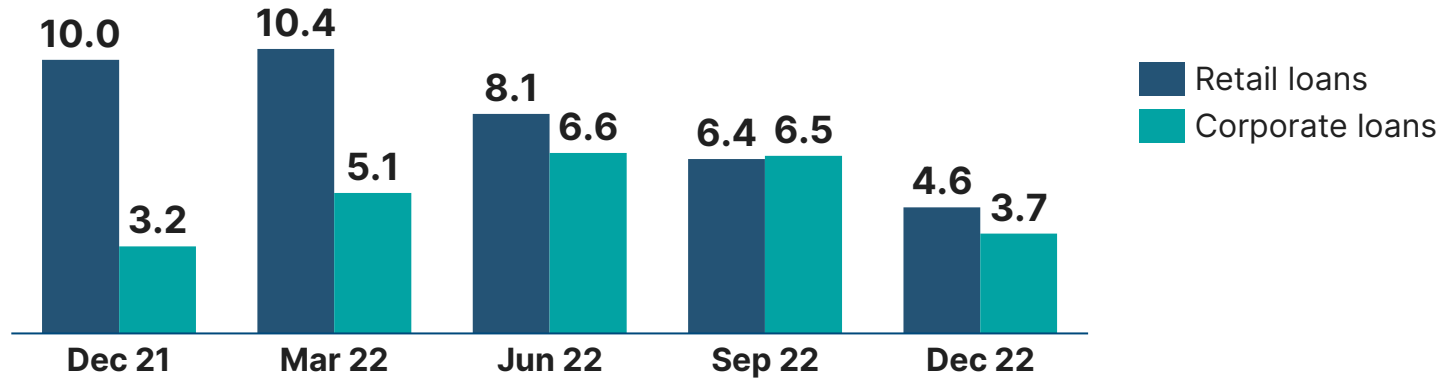
Non-performing Loan Ratios (%)



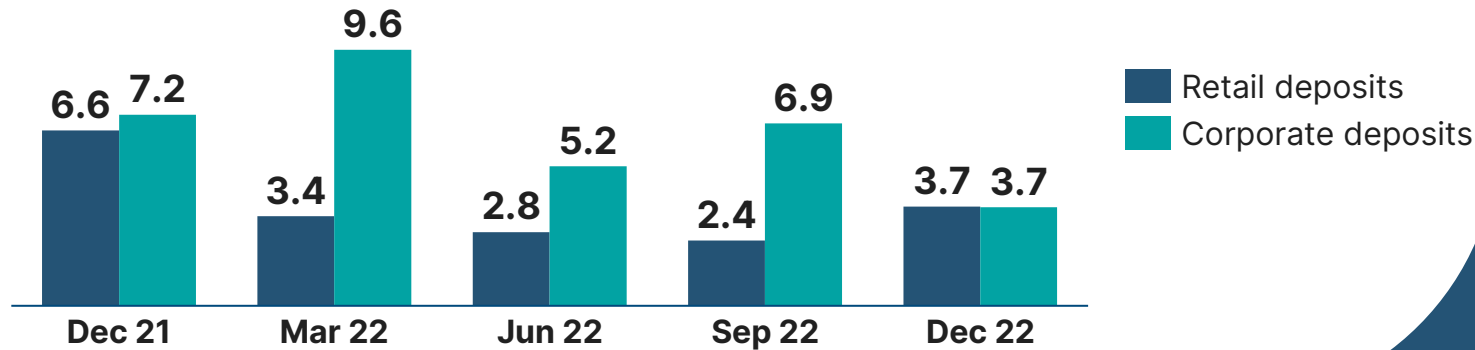
- The Czech banking sector is resilient against the economic impact of Russian invasion to the Ukraine thanks to the sector's high capital adequacy (21.8% at the end of Q3 2022), robust profitability over the previous years and low exposure to both countries
- Latest ČNB stress tests (July 2022) confirmed resilience of the banking sector against even strongly negative shocks thanks to its strong capital position
- The counter-cyclical capital buffer rate for exposures of Czech banks will rise from the current 2.0% to 2.5% effective from 1<sup>st</sup> April 2023
- At the beginning of the summer 2021, the share of non-performing loans (NPL ratio) started to fall again in both the household and corporate sector thanks to a post-pandemic recovery of most of the economy
- The NPL ratio for the corporate sector has been hovering just under 3.5% since the summer 2022, which is well below the average (5.4%) since 2005. For the household sector, the December 2022 figure (1.2%) meant the new historical minimum
- NPL figures may worsen due to the consequences of high energy prices, but ČS does not expect this effect to be dramatic (partly as a result of price caps on gas and power introduced by Czech government from January 2023)

# Czech Banking Market II.

Retail and Corporate Loans (y/y growth %)



Retail and Corporate Deposits (y/y growth %)



- Total client loans rose by 5.8% y/y in December 2022. The growth of corporate loans reached 3.7%. Retail loans growth slowed down to 4.6% on the back of very weak demand for mortgages
- In 2023, ČS expects client loans to rise by 3.6% y/y. Over recent months, demand for housing loans eased below pre-COVID volumes while consumer credit does not seem to suffer despite pressure on households' spending due to high energy prices. A revival of loans to corporates on the back of after-pandemic macroeconomic boom has slowed down, likely hindered by an invasion-generated uncertainty
- In December 2022, y/y growth of client deposits reached 6.5%. Growth of retail deposits increased to 3.7% while corporate deposits growth descended to the same pace (3.7%). Public sector deposits saw a vivid growth of 22.5%
- For 2023, ČS expects total client deposits to rise by 5.1% y/y. Both firms and households will continue facing high energy costs while the fiscal policy's effort to follow a path of gradual restriction will be hindered by measures to help the private sector cope with high and rising prices

# Income Statement (CZK m)

	2021	2022	Change	Change
Net interest income	31,083	36,719	18.1%	5,636
Net fee and commission income	9,186	9,504	3.5%	318
Dividend income	167	68	-59.3%	-99
Net trading result	1,732	3,739	>100%	2,007
Gains/losses from financial instruments measured at FV through profit or loss	-103	-438	>100%	-335
Rental and other income	289	283	-2.1%	-6
General administrative expenses	-20,398	-21,335	4.6%	-937
Gains/losses from derecognition of financial instruments not measured at FV through profit or loss	-242	-1,854	>100%	-1,612
Impairment result from financial instruments	-1,780	-636	-64.3%	1,144
Other operating result	-1,705	-1,669	-2.1%	36
Pre-tax result from continuing operations	18,229	24,381	33.7%	6,152
Taxes on income	-4,021	-4,193	4.3%	-172
Net result attributable to non-controlling interests	27	27	0.0%	0
<b>Net result attributable to owners of the parent</b>	<b>14,181</b>	<b>20,161</b>	<b>42.2%</b>	<b>5,980</b>
Operating income	42,354	49,875	17.8%	7,521
Operating expenses	-20,398	-21,335	4.6%	-937
<b>Operating result</b>	<b>21,956</b>	<b>28,540</b>	<b>30.0%</b>	<b>6,584</b>

# Income Statement – Quarterly Development (CZK m)

	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Change	Change
Net interest income	8,819	9,266	9,195	9,143	9,116	-0.3%	-26
Net fee and commission income	2,295	2,517	2,327	2,272	2,389	5.1%	117
Dividend income	0	0	65	3	0	-100.0%	-3
Net trading result	109	994	782	1,065	898	-15.7%	-167
Gains/losses from financial instruments measured at FV through profit or loss	37	41	41	-175	-345	97.1%	-169
Rental and other income	108	12	131	80	60	-25.0%	-20
General administrative expenses	-5,583	-5,333	-5,207	-5,286	-5,509	4.2%	-223
Gains/losses from derecognition of financial instruments not measured at FV through profit or loss	-248	-1	-723	-1,022	-110	-89.2%	912
Impairment result from financial instruments	-452	-359	1,035	-788	-524	-33.5%	264
Other operating result	-725	-977	-74	-261	-358	37.2%	-98
Pre-tax result from continuing operations	4,360	6,160	7,572	5,030	5,619	11.7%	588
Taxes on income	-957	-1,210	-1,488	-1,011	-484	-52.1%	527
Net result attributable to non-controlling interests	21	-14	22	14	5	-64.3%	-10
<b>Net result attributable to owners of the parent</b>	<b>3,382</b>	<b>4,964</b>	<b>6,063</b>	<b>4,005</b>	<b>5,130</b>	<b>28.1%</b>	<b>1,125</b>
Operating income	11,367	12,830	12,540	12,387	12,119	-2.2%	-268
Operating expenses	-5,583	-5,333	-5,207	-5,286	-5,509	4.2%	-223
<b>Operating result</b>	<b>5,784</b>	<b>7,497</b>	<b>7,333</b>	<b>7,101</b>	<b>6,610</b>	<b>-6.9%</b>	<b>-492</b>



# Balance Sheet (CZK m)

Assets	Dec 21	Dec 22	Change	Change
Cash and cash balances	37,472	21,870	-41.6%	-15,602
Financial assets held for trading	15,561	28,009	80.0%	12,448
Non-trading financial assets at FV through profit or loss	2,511	3,331	32.7%	820
thereof Loans and advances to banks	744	1,383	85.9%	639
thereof Loans and advances to customers	0	19	-	19
Financial assets at FV through other comprehensive income	31,132	48,434	55.6%	17,302
Financial assets at amortised cost	1,512,348	1,495,014	-1.1%	-17,334
Debt securities	325,514	327,805	0.7%	2,291
Loans and advances to banks	364,994	266,675	-26.9%	-98,319
Loans and advances to customers	821,840	900,534	9.6%	78,694
Finance lease receivables	1,083	1,474	36.1%	391
Hedge accounting derivatives	597	3,218	>100%	2,621
Property, equipment and right-of-use assets	12,201	12,031	-1.4%	-170
Investment property	2,221	1,803	-18.8%	-418
Intangible assets	6,301	6,417	1.8%	116
Trade and other receivables	14,025	11,821	-15.7%	-2,204
Other assets	6,288	6,515	3.6%	227
<b>Total assets</b>	<b>1,641,741</b>	<b>1,639,938</b>	<b>-0.1%</b>	<b>-1,803</b>

# Balance Sheet (CZK m)

Liabilities and equity	Dec 21	Dec 22	Change	Change
Financial liabilities held for trading	15,392	29,597	92.3%	14,205
Financial liabilities at fair value through profit or loss	10,653	31,331	>100%	20,678
thereof Deposits from customers	10,653	31,331	>100%	20,678
Financial liabilities at amortised cost	1,455,056	1,421,830	-2.3%	-33,226
Deposits from banks	49,695	113,541	>100%	63,846
Deposits from customers	1,173,890	1,225,464	4.4%	51,574
Debt securities issued	213,357	76,657	-64.1%	-136,700
Other financial liabilities	18,114	6,168	-65.9%	-11,946
Lease liabilities	3,121	3,475	11.3%	354
Hedge accounting derivatives	4,718	5,870	24.4%	1,152
Provisions	3,655	3,406	-6.8%	-249
Other liabilities	5,950	6,718	12.9%	768
<b>Total equity</b>	<b>143,196</b>	<b>137,711</b>	<b>-3.8%</b>	<b>-5,485</b>
Equity attributable to non-controlling interests	452	479	6.0%	27
Equity attributable to owners of the parent	142,744	137,232	-3.9%	-5,512
<b>Total liabilities and equity</b>	<b>1,641,741</b>	<b>1,639,938</b>	<b>-0.1%</b>	<b>-1,803</b>

# Group Customer Loans

in CZK m, IFRS	31/12/2021		31/12/2022		YTY change	
	Outstand.	Share	Outstand.	Share	Outstand.	Rate
<b>RETAIL</b>	<b>549,402</b>	<b>64.1%</b>	<b>590,969</b>	<b>63.2%</b>	<b>41,568</b>	<b>7.6%</b>
Mortgages	356,159	41.6%	387,997	41.5%	31,838	8.9%
Consumer lending	74,784	8.7%	77,374	8.3%	2,590	3.5%
Small business	61,441	7.2%	60,976	6.5%	-465	-0.8%
Retail subsidiaries	57,017	6.7%	64,622	6.9%	7,605	13.3%
<b>CORPORATE</b>	<b>305,829</b>	<b>35.7%</b>	<b>339,739</b>	<b>36.3%</b>	<b>33,910</b>	<b>11.1%</b>
Large corporates	95,950	11.2%	107,044	11.5%	11,094	11.6%
SME	96,485	11.3%	106,815	11.4%	10,330	10.7%
Real estate	51,671	6.0%	59,863	6.4%	8,192	15.9%
Public sector	28,145	3.3%	27,435	2.9%	-711	-2.5%
Corporate subsidiaries	33,577	3.9%	38,581	4.1%	5,004	14.9%
<b>GROUP MARKETS</b>	<b>3,677</b>	<b>0.4%</b>	<b>6,314</b>	<b>0.7%</b>	<b>2,638</b>	<b>71.8%</b>
<b>OTHER</b>	<b>-2,017</b>	<b>-0.2%</b>	<b>-2,365</b>	<b>-0.3%</b>	<b>-347</b>	<b>17.2%</b>
<b>ČS GROUP GROSS LOANS TO CUSTOMERS</b>	<b>856,889</b>	<b>100.0%</b>	<b>934,657</b>	<b>100.0%</b>	<b>77,768</b>	<b>9.1%</b>

Note: Retail subsidiaries include mainly SSČS (Building Society) and Corporate subsidiaries include mainly Leasing ČS and Factoring ČS

# Ratings

## ČS – Status as at 23<sup>rd</sup> February 2023

Rating Agency	Long-term	Short-term	Viability	Outlook	Latest actions
<b>Fitch</b>	A	FI	a	stable	01/11/2021
<b>Moody's</b>	A1	Prime - I		stable	21/11/2018
<b>Standard &amp; Poor's</b>	A	A-I		negative	09/12/2022

## Erste Group Bank – Status as at 23<sup>rd</sup> February 2023

Rating Agency	Long-term	Short-term	Viability	Outlook	Latest actions
<b>Fitch</b>	A	FI	a	stable	27/10/2021
<b>Moody's</b>	A2	Prime - I		stable	29/10/2020
<b>Standard &amp; Poor's</b>	A+	A-I		stable	16/12/2021

- Latest rating actions - ČS:
  - Fitch upgraded long-term rating to A (from A-) and viability rating to a (from a-) on 22<sup>nd</sup> January 2019, outlook was changed to stable from negative on 1<sup>st</sup> November 2021
  - Moody's improved long-term rating of ČS to A1 (from A2) on 21<sup>st</sup> November 2018 and simultaneously revised the outlook from positive to stable
  - Rating agency Standard & Poor's upgraded all ČS ratings on 16<sup>th</sup> March 2017, outlook was revised from positive to negative on 9<sup>th</sup> December 2022

# Macroeconomic Figures

	2017	2018	2019	2020	2021	2022	2023e	2024e
Population (avg, m)	10.6	10.6	10.7	10.7	10.5	10.5*	10.5	10.6
GDP/capita (EUR thsd)	18.3	19.9	21.2	20.2	22.7	26.3*	28.7	30.4
Real GDP growth	5.3	3.2	3.0	-5.5	3.5	2.5	0.2	3.2
Consumer price inflation (avg)	2.4	2.2	2.8	3.2	3.8	15.1	10.4	2.4
Unemployment rate (eop)	2.4	2.3	2.0	3.2	2.2	2.2	3.2	2.8
Current account balance (share of GDP)	1.5	0.4	0.3	2.0	-0.8	-5.6*	-0.5	1.0
General government balance (share of GDP)	1.5	0.9	0.3	-5.8	-5.1	-3.5*	-3.8	-2.8
Public debt (share of GDP)	34.2	32.0	30.0	37.6	42.0	44.5*	43.9	45.0
Short term interest rate (3 months, eop)	0.8	2.0	2.2	0.4	4.1	7.3	6.1	3.3
EUR FX rate (eop)	25.5	25.7	25.4	26.2	24.9	24.2	23.9	23.7
2W repo rate (% eop)	0.50	1.75	2.00	0.25	3.75	7.00	6.00	3.25

\* Figures for 2022 are not available yet. Stated data are ČS estimates



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