

Erste Bank a.d. Novi Sad: Continuation of Positive Business Trends from the Previous Year

- **Loans to retail and micro clients** have recorded a slight decline in relation to the end of 2022 and amount to 110.15 billion dinars; **deposits** of individuals and micro clients have increased by 1.9% to 134.71 billion dinars.
- **Corporate loans** have increased by 3.1% relative to the end of 2022 to reach 115 billion dinars; **corporate deposits** have risen by 6.5% to 101 billion dinars.
- **Net interest income** has gone up by 35.1% relative to the same period of the previous year and amounts to 3.21 billion dinars, while **net fee and commission income** has gone up to 0.81 billion dinars.
- **Net result** amounts to 1.92 billion dinars at the end of Q1 2023, up by 57.9% relative to the same period of 2022, owing to the strong growth in operating income.
- **Total assets** have increased from 352 billion dinars at the end of 2022 to 363 billion dinars.
- **Capital adequacy** is 20.12%.
- **NPL** ratio is 2.5% at the end of Q1 2023.

"For us, it is particularly important that we have achieved a continuously good and stable result in the quarter before the transition to the new information system, which awaits us during the Labor Day holidays. We are excited to enter a new chapter of our Bank's development in order to continue to grow with the market, constantly improving products and services and making them as accessible as possible through all available traditional and digital channels. In the first quarter of 2023, we retained the first position on the market according to the user experience index, which is actually the fifth quarter in a row that we have been recording the best result,"* said **Jasna Terzić, CEO of Erste Bank a.d. Novi Sad.**

*Source: Banking Market Monitor Research for Q4 2022 – Q1 2023; conducted by IMAS, an Austria-based market research agency

At the end of Q1 2023, total loans to retail and micro clients have slightly declined by 0.5% relative to the end of the previous year, and amount to 110.15 billion dinars. In comparison with the end of 2022, total deposits of retail and micro clients have increased by 1.9% to 134.71 billion dinars.

At the end of Q1 2023, total corporate loans have grown by 3.1% and amount to 115 billion dinars. Corporate deposits are higher by 6.5% relative to the end of 2022, and amount to 101 billion dinars.

In terms of operating results, at the end of Q1 2023, the Bank recorded by 27.3% higher operating income relative to the same period of the previous year, while operating expenses went up by 4.8%. In relation to the same period of 2022, the Bank's operating result increased by 70.7% to reach 1.85 billion dinars, while at the end of the same period of 2022, the Bank recorded an operating result of 1.08 billion dinars.

At the end of Q1 2023, net interest income amounted to 3.21 billion dinars, which is by 35.1% more than in the same period of the previous year, when it was 2.38 billion dinars. Net fee and commission income is by 7.1% higher and amounts to 0.81 billion dinars, while at the end of the same period of the previous year, it amounted to 0.75 billion dinars.

At the end of Q1 2023, total net result amounted to 1.92 billion dinars, up by 57.9% relative to the same period of 2022, when the net result amounted to 1.21 billion dinars. At the end of Q1 2023 NPL ratio is at 2.5%.

At the end of Q1 2023, the number of digital distribution channel users is by 0.6% higher than at the end of 2022, so now Erste Bank Serbia has about 157 thousand active internet and mobile banking users. Erste Bank Serbia network comprised 87 units at the end of Q1 2023.

OUTLOOK

Erste Bank a.d. Novi Sad continues to provide comprehensive support to the Serbian citizens and businesses in implementing their financial needs and goals. Business principles involving a focus on continuous improvement of customer service, as well as the constant enhancement of internal organization and efficiency, will continue to be the basis of the Bank's operation in the future.

NOTE 1: The published results are in line with the Law on Accounting and the adopted Decision on Chart of Accounts and Contents of Accounts in Bank Chart of Accounts (Official Gazette of RS, no. 71/2014) and the Decision on Forms and Content of Items in Bank Financial Statements (Official Gazette of RS, no. 71/2014) which came into force on 31 December 2014.

NOTE 2: The published results of individual members of Erste Group are not directly comparable with published Erste Group results by segment. Due to consolidation effects at the Erste Group level, because of which certain Erste Bank a.d. Novi Sad transactions with the members of Erste Group are eliminated, and due to the distribution of certain allocated capital costs, the consolidated results of Erste Bank a.d. Novi Sad at the Erste Group level differ from the results the Bank achieved and reported at the local level.

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INCOME STATEMENT

Erste Bank a.d. Novi Sad (in RSD thousand)	31.03.2023	31.03.2022	Change compared to the same period of the previous year
Net interest income	3,213,244	2,379,158	35.1%
Net income/expense on financial asset impairment	21,919	115,983	-81.1%
Net fee and commission income	806,931	753,343	7.1%
Net trading and fair value result	52,167	42,285	23.4%
General administrative costs	-2,183,247	-2,083,704	4.8%
Other	7,206	7,592	-5.1%
Pre-tax profit	1,918,220	1,214,657	57.9%
Corporate income tax	0	0	0.0%
Gain/loss from deferred taxes	0	0	n/a
Profit after tax	1,918,220	1,214,657	57.9%
Operating income	4,032,715	3,167,419	27.3%
Operating expenses	-2,183,247	-2,083,704	4.8%
Operating result	1,849,468	1,083,715	70.7%

BALANCE SHEET

Erste Bank a.d. Novi Sad (in RSD thousand)	31.03.2023	31.12.2022	Change compared to the end of the previous year
ASSETS			
Cash and balances with the Central Bank	46,713,222	54,676,263	-14.6%
Securities	61,811,185	61,515,643	0.5%
Loans and advances to banks and other credit institutions	26,265,462	10,346,771	153.9%
Loans and advances to clients	219,176,409	217,007,877	1.0%
Property, plant and equipment	3,230,821	3,153,067	2.5%
Other assets	5,965,025	5,761,137	3.5%
Total assets	363,162,124	352,460,758	3.0%
LIABILITIES AND EQUITY			
Deposits and other financial liabilities due to banks, other financial organizations and the Central Bank	68,402,373	68,822,072	-0.6%
Deposits and other financial liabilities due to other clients	237,198,465	227,765,769	4.1%
Equity	44,503,377	42,404,464	4.9%
Other liabilities	13,057,909	13,468,453	-3.0%
Total liabilities and equity	363,162,124	352,460,758	3.0%