

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

- **Corporate loans** rose by 10.8% relative to the end of 2022 to reach 123.57 billion dinars; **corporate deposits** rose by 15.1% to reach 109.13 billion dinars at the end of 2023.
- **Loans to individuals and micro clients** slightly declined by 1.3% relative to the end of 2022 and amounted to 109.24 billion dinars; **deposits** of individuals and micro clients rose by 9.8% to 145.21 billion dinars at the end of 2023.
- **Net interest income** went up by 43.4% relative to the end of 2022, and amounted to 14.62 billion dinars, while **net fee and commission income** went up by 8.5% to 3.64 billion dinars at the end of 2023.
- **Net result** at the end of 2023 amounted to 5.55 billion dinars.
- **Total assets** increased by 7.6%, from 352 billion dinars at the end of 2022, to 379 billion dinars at the end of 2023.
- **NPL ratio** at the end of 2023 was 2.8%.

"The past year was quite challenging, but I am happy to say that, thanks to the unwavering commitment of our employees and the trust of our clients, we have managed to overcome all obstacles. This is evidenced by the increase in loans and deposits in almost all business segments, as well as the total assets, which are higher by 7.6 percent compared to the year before. Despite the changing macroeconomic circumstances, our strategic commitment to being a stable support for our clients at every step of their financial journey has been key not only in preserving but also improving our results. We will continue to innovate and improve our products and services as a key partner in achieving the financial stability and financial health of our clients," said **Jasna Terzić, CEO of Erste Bank a.d. Novi Sad.**

At the end of 2023, total loans to individuals and micro clients slightly declined by 1.3% relative to the end of 2022 and amounted to 109.24 billion dinars. In comparison with the end of 2022, total deposits of individuals and micro clients increased by 9.8% to reach 145.21 billion dinars at the end of 2023.

At the end of 2023, total corporate loans amounted to 123.57 billion dinars, up by 10.8% relative to the end of the year before. Corporate deposits increased as well, having recorded a growth by 15.1% relative to the end of 2022 and amounting to 109.13 billion dinars at the end of 2023.

In terms of operating results, at the end of 2023 the Bank recorded by 34.5% higher operating income relative to the same period of the year before, generated by the growth of volume, market rates and overall business, while operating expenses went up by 14%, due to the cost of investments in the new IT operating system. In relation to the same period of 2022, the Bank's

operating profit recorded a 71.6% increase and amounted to 8.34 billion dinars, while at the end of the same period in 2022, the Bank recorded the operating result of 4.86 billion dinars.

At the end of 2023, net interest income amounted to 14.62 billion dinars, which is by 43.3% more than in the same period of the year before, when it amounted to 10.2 billion dinars. Net fee and commission income was by 8.5% higher and amounted to 3.64 billion dinars at the end of 2023, relative to 3.35 billion dinars at the end of 2022.

At the end of 2023, total net result amounted to 5.55 billion dinars. Total assets increased by 7.6%, from 352 billion dinars at the end of 2022, to 379 billion dinars at the end of 2023.

NPL ratio at the end of 2023 amounted to 2.8%.

At the end of 2023, the number of digital distribution channel users was by 7.8% higher than at the end of 2022, so now Erste Bank Serbia has around 168 thousand active digital users. EBS network comprised 87 business units at the end of 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)	31.12.2023	31.12.2022	Change compared to the same period of previous year
Net interest income	14,624,102	10,203,986	43.3%
Net income/expense on financial asset impairment	-2,423,969	-2,536,923	-4.5%
Net fee and commission income	3,636,261	3,350,024	8.5%
Net trading and fair value result	90,243	100,303	-10.0%
General administrative costs	-10,040,510	-8,807,387	14.0%
Other	73,460	75,093	-2.2%
Pre-tax profit	5,959,586	2,385,096	149.9%
Corporate income tax	-394,675	-26,338	1398.5%
Gain/loss from deferred taxes	-17,837	-14,386	24.0%
Profit after tax	5,547,074	2,344,372	136.6%
Operating income	18,377,232	13,665,932	34.5%
Operating expenses	-10,040,510	-8,807,387	14.0%
Operating result	8,336,722	4,858,545	71.6%

BALANCE SHEET

Erste Bank a.d. Novi Sad (in RSD thousand)	31.12.2023	31.12.2022	Change compared to the end of previous year
ASSETS			
Cash and balances with the Central Bank	55,298,173	54,676,263	1.1%
Securities	58,729,325	61,515,643	-4.5%
Loans and advances to banks and other credit institutions	27,521,065	10,346,771	166.0%
Loans and advances to clients	227,402,294	217,007,877	4.8%
Property, plant and equipment	3,261,083	3,153,067	3.4%
Other assets	7,024,956	5,761,137	21.9%
Total assets	379,236,896	352,460,758	7.6%
LIABILITIES AND EQUITY			
Deposits and other financial liabilities due to banks, other financial organizations and the Central Bank	60,166,726	68,822,072	-12.6%
Deposits and other financial liabilities due to other clients	255,444,374	227,765,769	12.2%
Equity	48,245,487	42,404,464	13.8%
Other liabilities	15,380,309	13,468,453	14.2%
Total liabilities and equity	379,236,896	352,460,758	7.6%