

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

- **Loans to individuals and micro clients** record a slight growth by 2.4% relative to the end of 2023, and amount to 111.91 billion dinars at the end of Q2 2024; **deposits** of individuals and micro clients increased by 8.1% to 157.01 billion dinars.
- **Corporate loans** went up by 1.6% relative to the end of 2023 and amount to 125.58 billion dinars; **corporate deposits** rose by 0.5% to 109.73 billion dinars.
- **Net interest income** increased by 15.8% relative to the same period of the previous year and amounts to 7.95 billion dinars at the end of Q2 2024.
- **Total assets** increased from 379 billion dinars at the end of 2023 to 392 billion dinars at the end of Q2 2024.
- **NPL ratio** is 2.6% at the end of Q2 2024.

"Although the movements of macroeconomic indicators are still uncertain, at the end of the second quarter of 2024 we continue to record positive business trends, first of all the growth of loans and deposits in all segments. What also confirms that our business is stable is the very low NPL ratio, as a result of our prudent approach to risk management. The achieved results reflect the exceptional dedication and engagement of our team, as well as the trust of our clients, with whom we are building long-term partnerships", said **Jasna Terzić, CEO of Erste Bank a.d. Novi Sad.**

At the end of Q2 2024, total loans to individuals and micro clients slightly increased by 2.4% relative to the end of the previous year, and amount to 111.91 billion dinars. Compared to the end of 2023, total deposits of individuals and micro clients increased by 8.1% to 157.01 billion dinars.

At the end of Q2 2024, total corporate loans went up by 1.6% and amount to 125.58 billion dinars. Corporate deposits are higher by 0.5% relative to the end of 2023 and amount to 109.73 billion dinars.

In terms of operating result, at the end of Q2 2024, the Bank recorded a 19% higher operating income relative to the same period of the previous year, and a decline in operating expenses by 0.7%. In comparison with the same period of 2023, the Bank's operating result increased by 43.6% to 5.53 billion dinars.

At the end of Q2 2024, net interest income amounts to 7.95 billion dinars, which is by 15.8% more than in the same period of the previous year, when this income was 6.87 billion dinars. Net fee and commission income is by 28.1% higher and amounts to 2.21 billion dinars.

At the end of Q2 2024, total net result amounts to 4.35 billion dinars, which is by 35% better result relative to the same period of 2023, when the net result amounted to 3.22 billion dinars. At the end of Q2 2024 the NPL ratio is 2.6%.

At the end of Q2 2024, the number of clients using digital channels is by 4.8% higher than at the end of 2023, so now Erste Bank Serbia has about 176 thousand active internet and mobile banking users. Erste Bank Serbia network comprises 88 units at the end of Q2 2024.

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)	30.06.2024	30.06.2023	Change compared to the same period of the previous year
Net interest income	7,953,886	6,866,179	15.8%
Net income/expense on financial asset impairment	-727,814	-414,797	75.5%
Net fee and commission income	2,207,994	1,723,180	28.1%
Net trading and fair value result	75,960	64,656	17.5%
General administrative costs	-4,777,420	-4,812,139	-0.7%
Other	72,044	58,957	22.2%
Pre-tax profit	4,804,650	3,486,036	37.8%
Corporate income tax	-460,869	-257,901	78.7%
Gain/loss from deferred taxes	1,286	-10,326	-112.5%
Profit after tax	4,345,067	3,217,809	35.0%
Operating income	10,309,884	8,666,139	19.0%
Operating expenses	-4,777,420	-4,812,139	-0.7%
Operating result	5,532,464	3,854,000	43.6%

BALANCE SHEET

Erste Bank a.d. Novi Sad (in RSD thousand)	30.06.2024	31.12.2023	Change compared to the end of the previous year
ASSETS			
Cash and balances with the Central Bank	48,318,503	55,298,173	-12.6%
Securities	61,208,653	58,729,325	4.2%
Loans and advances to banks and other credit institutions	41,875,563	27,521,065	52.2%
Loans and advances to clients	231,174,417	227,402,294	1.7%
Property, plant and equipment	3,166,259	3,261,083	-2.9%
Other assets	6,743,869	7,024,956	-4.0%
Total assets	392,487,264	379,236,896	3.5%
LIABILITIES AND EQUITY			
Deposits and other financial liabilities due to banks, other financial organizations and the Central Bank	53,388,726	60,166,726	-11.3%
Deposits and other financial liabilities due to other clients	271,072,562	255,444,374	6.1%
Equity	52,687,189	48,245,487	9.2%
Other liabilities	15,338,787	15,380,309	-0.3%
Total liabilities and equity	392,487,264	379,236,896	3.5%