

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

- **Loans to individuals and micro customers** declined slightly, by 0.8% relative to the end of 2022, and amount to 109.82 billion dinars at the end of Q2 2023; **deposits** of individuals and micro customers increased by 2.6% to 135.68 billion dinars.
- **Corporate loans** went up by 5.6% relative to the end of 2022 and amount to 117.83 billion dinars; **corporate deposits** rose by 8.4% to 102.81 billion dinars.
- **Net interest income** increased by 42.8% relative to the same period of the previous year to 6.87 billion dinars while **net fee and commission income** went up by 8.0% to 1.72 billion dinars.
- **Net result** amounts to 3.22 billion dinars at the end of Q2 2023, up by 86.0% relative to the same period of 2022 owing to the strong growth of the operating result.
- **Total assets** increased by 2.8%, from 352 billion dinars at the end of 2022 to 362 billion dinars.
- **NPL** ratio is 2.6% at the end of Q2 2023.

"For us, it is particularly important that the continuously good and stable result we recorded was in the quarter during the transition to our new information system. Having entered a new chapter of our Bank's development, we will continue to grow together with the market, constantly improving our products and services so that we could provide comprehensive support to our clients in achieving their financial needs and goals. In other words, the implementation of the new IT system is the basis for our Bank's complete digital transformation in the coming period. Outstanding client experience remains our strategic goal, and through digitalization we will strive to maximize and improve the availability of our products and services, while at the same time optimizing all processes", said **Jasna Terzić, CEO of Erste Bank a.d. Novi Sad.**

At the end of Q2 2023, total loans to individuals and micro customers slightly declined, by 0.8% relative to the end of the previous year, and amount to 109.82 billion dinars. In comparison with the end of 2022, total deposits of individuals and micro customers increased slightly by 2.6% to 135.68 billion dinars.

At the end of Q2 2023, total corporate loans went up by 5.6% relative to the end of 2022 and amount to 117.83 billion. Corporate deposits also record a change – they are higher by 8.4% relative to the end of 2022, amounting to 102.81 billion dinars.

In terms of its operating results, at the end of Q2 2023, the Bank recorded 33.2% more operating income relative to the same period of the previous year, generated by growth of volumes and total business, while operating expenses went up by 14.8% due to the costs of investment in replacing the IT banking system.

Relative to the same period of 2022, the Bank's operating profit increased by 66.7% to 3.85 billion dinars, while at the end of the same period of 2022, the Bank recorded the operating result of 2.31 billion dinars.

At the end of Q2 2023, net interest income amounted to 6.87 billion dinars, which is by 42.8% more than in the same period of the previous year, when this income was 4.81 billion dinars. Net fee and commission income is by 8.0% higher and amounts to 1.72 billion dinars, while at the end of the same period of the previous year, it amounted to 1.60 billion dinars.

At the end of Q2 2023, total net result amounted to 3.22 billion dinars, which is by 86.0% better result relative to the same period of 2022, when the net result amounted to 1.73 billion dinars. At the end of Q2 2023 the NPL ratio is 2.6%.

At the end of Q2 2023, the number of clients using digital channels is by 0.2% higher than at the end of 2022, so now Erste Bank Serbia has about 156 thousand active internet and mobile banking users. Erste Bank network comprises 87 units at the end of Q2 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.*

For more info please contact:

Erste Bank | Communications Department, Milutina Milankovića 3a,
11070 Novi Beograd
Zlata Lukić, mob: 060 8747554, e-mail: zlata.lukic@erstebank.rs

INCOME STATEMENT

Erste Bank a.d. Novi Sad (in RSD thousand)	30.06.2023	30.06.2022	Change compared to the same period of the previous year
Net interest income	6,866,179	4,807,518	42.8%
Net income/expense on financial asset impairment	-414,797	-477,751	-13.2%
Net fee and commission income	1,723,180	1,595,604	8.0%
Net trading and fair value result	64,656	62,678	3.2%
General administrative costs	-4,812,139	-4,193,317	14.8%
Other	58,957	60,467	-2.5%
Pre-tax profit	3,486,036	1,855,199	87.9%
Corporate income tax	-257,901	-170,383	51.4%
Gain/loss from deferred taxes	-10,326	44,894	-123.0%
Profit after tax	3,217,809	1,729,710	86.0%
Operating income	8,666,139	6,505,920	33.2%
Operating expenses	-4,812,139	-4,193,317	14.8%
Operating result	3,854,000	2,312,603	66.7%

BALANCE SHEET

Erste Bank a.d. Novi Sad (in RSD thousand)	30.06.2023	31.12.2022	Change compared to the end of the previous year
ASSETS			
Cash and balances with the Central Bank	39,702,612	54,676,263	-27.4%
Securities	67,489,433	61,515,643	9.7%
Loans and advances to banks and other credit institutions	22,379,350	10,346,771	116.3%
Loans and advances to clients	223,064,343	217,007,877	2.8%
Property, plant and equipment	3,137,489	3,153,067	-0.5%
Other assets	6,693,508	5,761,137	16.2%
Total assets	362,466,735	352,460,758	2.8%
LIABILITIES AND EQUITY			
Deposits and other financial liabilities due to banks, other financial organizations and the Central Bank	64,527,177	68,822,072	-6.2%
Deposits and other financial liabilities due to other clients	238,821,131	227,765,769	4.9%
Equity	45,857,532	42,404,464	8.1%
Other liabilities	13,260,895	13,468,453	-1.5%
Total liabilities and equity	362,466,735	352,460,758	2.8%