

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

- **Corporate loans** went up by 9.7% relative to the end of 2022 and amounted to 122.36 billion dinars; **corporate deposits** rose by 10.8% to 105.04 billion dinars.
- **Loans to individuals and micro clients** recorded a slight decline by 1.4% relative to the end of 2022 and amounted to 109.12 billion dinars; **deposits** of individuals and micro clients increased by 5.2% to reach 138.99 billion dinars.
- **Net interest income** is higher by 44.1% in comparison to the same period last year and amounted to 10.64 billion dinars. **Net income** in respect of **fees and commissions** was by 7.3% higher and amounted to 2.61 billion dinars.
- **Net result** amounted to 4.47 billion dinars at the end of Q3 2023, owing to the strong growth of operating income.
- **Total assets** recorded a growth by 2.0%, from 352 billion dinars at the end of 2022 to 360 billion dinars at the end of Q3 2023.
- **NPL** ratio amounted to 2.9% at the end of Q3 2023.

"In the third quarter, we record the continuation of positive business trends in all segments, thanks to the trust of our clients and the exceptional commitment of our employees. The almost double-digit growth of loans granted to legal entities is a confirmation that we have found a good balance between the needs of the clients and what we can offer. The growth of deposits, on the other hand, is a reflection of trust, and it motivates us to provide an even stronger support to our clients every day. By this I do not refer only to financial support, but also to our advisory role, which is crucial when it comes to the financial health of our clients," said Jasna Terzić, CEO of Erste Banka a.d. Novi Sad.

At the end of Q3 2023, total loans to individuals and micro clients dropped slightly by 1.4% relative to the end of the previous year and amounted to 109.12 billion dinars. In comparison with the end of 2022, total deposits of individuals and micro clients increased by 5.2% to reach 138,99 billion dinars.

At the end of Q3 2023, total corporate loans went up by 9.7% relative to the end of 2022 and amounted to 122.36 billion dinars. Corporate deposits also recorded a change – they are higher by 10.8% relative to the end of 2022, amounting to 105.04 billion dinars.

In terms of the operating result, at the end of Q3 2023, the Bank achieved by 34.6% higher operating income relative to the same period of the previous year, generated by a growth of volume and overall business, while operating expenses went up by 21.2% due to the expenses related to the migration to the new core banking system. Compared to the same period of 2022, when the Bank recorded 3.85 billion dinars of operating result, the Bank's operating profit increased by 55.8% to reach 5.99 billion dinars at the end of Q3 2023.

At the end of Q3 2023, net interest income amounted to 10.64 billion dinars, which is by 44.1% more than in the same period last year, when it amounted to 7.38 billion dinars. Net income in respect of fees and commissions was by 7.3% higher and amounted to 2.61 billion dinars, while at the end of the same period last year, it amounted to 2.44 billion dinars.

At the end of Q3 2023, total net result amounted to 4.47 billion dinars, which is by 133.2% better result relative to the same period of 2022, when it amounted to 1.92 billion dinars. NPL ratio at the end of Q3 2023 amounted to 2.9%.

The number of users of digital distribution channels at the end of Q3 2023 is by 2.9% higher than at the end of 2022, so now Erste Bank has about 160 thousand active internet and mobile banking users. Erste Bank network comprises 87 business units at the end of Q3 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)	30.09.2023	30.09.2022	Change compared to the end of previous year
Net interest income	10,637,156	7,380,462	44.1%
Net income/expenditures in respect of financial assets impairment	-1,212,985	-1,893,221	-35.9%
Net income in respect of fees and commissions	2,614,112	2,436,257	7.3%

Net trading and fair value result	117,704	93,965	25.3%
General administrative and other costs	-7,395,689	-6,099,728	21.2%
Other	66,186	67,864	-2.5%
Pre-tax profit	4,826,484	1,985,599	143.1%
Corporate income tax	-348,493	-83,808	315.8%
Gain/loss from deferred taxes	-3,958	16,620	-123.8%
Profit after tax	4,474,033	1,918,411	133.2%

Operating income	13,388,325	9,946,918	34.6%
Operating expenses	-7,395,689	-6,099,728	21.2%
Operating result	5,992,636	3,847,190	55.8%

BALANCE SHEET

Erste Bank a.d. Novi Sad (in RSD thousand)	30.09.2023	31.12.2022	Change compared to the end of previous year
ASSETS			
Cash and balances with the Central Bank	55,311,304	54,676,263	1.2%
Securities	54,082,458	61,515,643	-12.1%
Loans and advances to banks and other credit institutions	13,799,307	10,346,771	33.4%
Loans and advances to clients	226,600,394	217,007,877	4.4%
Property, plant and equipment	3,181,657	3,153,067	0.9%
Other assets	6,665,692	5,761,137	15.7%
Total assets	359,640,812	352,460,758	2.0%
LIABILITIES AND EQUITY			
Deposits and other financial liabilities due to banks, other financial organizations and the Central Bank	33,909,573	68,822,072	-50.7%
Deposits and other financial liabilities due to other clients	264,941,990	227,765,769	16.3%
Equity	47,133,612	42,404,464	11.2%
Other liabilities	13,655,637	13,468,453	1.4%
Total liabilities and equity	359,640,812	352,460,758	2.0%