

# **Slovenská sporiteľňa, a.s.**

**Interim consolidated financial statements  
prepared in accordance with International Financial Reporting Standards  
IAS 34 Interim Financial Reporting  
as adopted by the European Union  
for the half of the year ended 30 June 2023**

**(Translated version, original version in Slovak)**

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## Interim Consolidated Statement of Income

for the half of the year ended 30 June 2023

EUR ths.	Notes	2022	2023
Net interest income	2	213,333	256,401
Interest income		211,930	339,370
Other similar income		15,076	19,587
Interest expenses		(9,122)	(77,156)
Other similar expenses		(4,551)	(25,400)
Net fee and commission income	3	93,804	100,718
Fee and commission income		105,278	108,676
Fee and commission expenses		(11,474)	(7,958)
Dividend income	4	543	542
Net trading result	5	8,353	10,997
Gains/losses from financial instruments measured at fair value through profit or loss		651	1,512
Net result from equity method investments		749	529
Rental income from investment properties & other operating leases	6	171	217
Personnel expenses	7	(76,286)	(86,664)
Other administrative expenses	7	(61,285)	(57,243)
Depreciation and amortisation	7	(17,503)	(17,377)
Gains/losses from derecognition of financial assets measured at amortised cost		1	2
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss		(238)	(141)
Impairment result from financial instruments	8	(24,861)	(22,479)
Other operating result	9	(7,342)	(7,060)
Levies on banking activities		(5,894)	(4,447)
<b>Pre-tax result from continuing operations</b>		<b>130,090</b>	<b>179,954</b>
Taxes on income	10	(30,270)	(40,260)
<b>Net result for the period</b>		<b>99,820</b>	<b>139,694</b>
<b>Net result attributable to non-controlling interests</b>		<b>(21)</b>	<b>(115)</b>
<b>Net result attributable to owners of the parent</b>		<b>99,841</b>	<b>139,809</b>

## Earnings per share

Earnings per share constitute net profit/loss for the year attributable to owners of the parent divided by the average number of ordinary shares outstanding. Diluted earnings per share represent the maximum potential dilution (through an increase in the average number of shares) that would occur if all subscription and conversion rights granted were exercised (also see Note 31 Total equity). As in the previous year no subscription and conversion rights were outstanding during the financial year. Diluted earnings per share were equal to the basic earnings per share.

		2022	2023
Net result attributable to owners of the parent	EUR ths.	99,841	139,809
Number of outstanding shares	pcs.	212,000	212,000
<b>Basic and diluted earnings per share</b>	<b>EUR</b>	<b>471</b>	<b>659</b>

The notes on pages 6 to 61 are an integral part of these interim consolidated financial statements.

## Interim Consolidated Statement of Comprehensive Income

for the half of the year ended 30 June 2023

EUR ths.	2022	2023
<b>Net result for the period</b>	<b>99,820</b>	<b>139,694</b>
<b>Other comprehensive income</b>		
<b>Items that may not be reclassified to profit or loss</b>	<b>36</b>	<b>(1)</b>
Fair value reserve of equity instruments	46	(1)
Deferred taxes relating to items that may not be reclassified	(10)	-
<b>Items that may be reclassified to profit or loss</b>	<b>46</b>	<b>154</b>
Currency reserve	46	154
Gains/losses during the period	46	154
<b>Total other comprehensive income</b>	<b>82</b>	<b>153</b>
<b>Total comprehensive income</b>	<b>99,902</b>	<b>139,847</b>
<b>Total comprehensive income attributable to non-controlling interests</b>	<b>(21)</b>	<b>(115)</b>
<b>Total comprehensive income attributable to owners of the parent</b>	<b>99,923</b>	<b>139,962</b>

The notes on pages 6 to 61 are an integral part of these interim consolidated financial statements.

## Interim Consolidated Statement of Financial Position

as at 30 June 2023

EUR ths.	Notes	31.12.2022	30.06.2023
<b>Assets</b>			
Cash and cash balances	11	1,254,543	1,690,666
Financial assets held for trading	15	77,139	76,573
Derivatives		77,139	76,573
Non-trading financial assets at fair value through profit or loss	16	17,206	18,564
Equity instruments		9,694	11,612
Debt securities		7,512	6,952
Financial assets at amortised cost	12	21,644,120	22,145,052
Pledged as collateral		3,914,418	4,579,009
Debt securities		4,154,899	4,097,977
Loans and advances to banks		26	30,552
Loans and advances to customers		17,489,195	18,016,523
Finance lease receivables	Leases	284,500	320,902
Hedge accounting derivatives	18	16,879	15,963
Property and equipment, right-of-use assets		146,058	144,467
Investment properties		1,453	1,376
Intangible assets		17,868	16,191
Investments in associates and joint ventures	32, 33	33,720	35,204
Current tax assets		115	6
Deferred tax assets		71,493	72,160
Trade and other receivables	13	155,573	157,092
Other assets	27	25,555	51,119
<b>Total assets</b>		<b>23,746,222</b>	<b>24,745,335</b>
<b>Liabilities and Equity</b>			
Financial liabilities held for trading	15	73,533	73,206
Derivatives		73,533	73,206
Financial liabilities at amortised cost	14	21,189,679	22,096,861
Deposits from banks		1,173,628	1,291,118
Deposits from customers		16,912,755	17,023,802
Debt securities issued		2,989,506	3,623,252
Other financial liabilities		113,790	158,689
Lease liabilities		21,197	23,261
Hedge accounting derivatives	18	103,266	104,943
Provisions	29	38,972	34,964
Current tax liabilities		7,392	8,128
Other liabilities	28	131,902	99,269
Equity		2,180,281	2,304,703
Equity attributable to non-controlling interests		1,806	1,691
Equity attributable to owners of the parent	31	2,178,475	2,303,012
Subscribed capital		212,000	212,000
Additional equity instruments		380,000	480,000
Retained earnings and other reserves		1,586,475	1,611,012
<b>Total liabilities and equity</b>		<b>23,746,222</b>	<b>24,745,335</b>

The notes on pages 6 to 61 are an integral part of these interim consolidated financial statements.

## Interim Consolidated Statement of Changes in Equity

for the half of the year ended 30 June 2023

	Retained earnings and other funds				Fair value reserve	Currency reserve	Remeasurement of defined benefit pension liabilities	Additional equity instruments	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
	Subscribed capital	Legal reserve fund	Other funds	Retained earnings							
EUR ths.											
As of 01.01.2023	212,000	79,795	39,104	1,467,619	24	887	(954)	380,000	2,178,475	1,806	2,180,281
Dividends paid / Distribution for Investment certificate	-	-	-	(115,456)	-	-	-	-	(115,456)	-	(115,456)
Capital increases	-	-	-	-	-	-	-	100,000	100,000	-	100,000
Other changes	-	-	-	31	-	-	-	-	31	-	31
Total comprehensive income	-	-	-	139,809	(1)	154	-	-	139,962	(115)	139,847
Net result for the period	-	-	-	139,809	-	-	-	-	139,809	(115)	139,694
Other comprehensive income	-	-	-	-	(1)	154	-	-	153	-	153
Change in fair value reserve	-	-	-	-	(1)	-	-	-	(1)	-	(1)
Change in currency reserve	-	-	-	-	-	154	-	-	154	-	154
As of 30.06.2023	212,000	79,795	39,104	1,492,003	23	1,041	(954)	480,000	2,303,012	1,691	2,304,703

	Subscribed capital	Retained earnings and other funds			Fair value reserve	Currency reserve	Remeasurement of defined benefit pension liabilities	Additional equity instruments	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
		Legal reserve fund	Other funds	Retained earnings							
EUR ths.											
As of 01.01.2022	212,000	79,795	39,104	1,338,886	(11)	595	(1,750)	380,000	2,048,619	1,918	2,050,537
Dividends paid / Distribution for Investment certificate	-	-	-	(105,682)	-	-	-	-	(105,682)	-	(105,682)
Other changes	-	-	-	26	-	-	-	-	26	-	26
Total comprehensive income	-	-	-	99,841	36	46	-	-	99,923	(21)	99,902
Net result for the period	-	-	-	99,841	-	-	-	-	99,841	(21)	99,820
Other comprehensive income	-	-	-	-	36	46	-	-	82	-	82
Change in fair value reserve	-	-	-	-	36	-	-	-	36	-	36
Change in currency reserve	-	-	-	-	-	46	-	-	46	-	46
As of 30.06.2022	212,000	79,795	39,104	1,333,071	25	641	(1,750)	380,000	2,042,886	1,897	2,044,783

The notes on pages 6 to 61 are an integral part of these interim consolidated financial statements.

## Interim Consolidated Statement of Cash Flows

for the half of the year ended 30 June 2023

EUR ths.	2022	2023
<b>Net result for the period</b>	<b>99,820</b>	<b>139,693</b>
Non-cash adjustments for items in net profit/loss for the year		
Net allocation of credit loss allowances and other provisions	15,793	11,810
Depreciation, amortisation, impairment and reversal of impairment of assets	17,301	17,254
Gains/(losses) from measurement and derecognition of financial assets and financial liabilities	18	298
Accrued interest, amortisation of discount and premium	132,279	665,414
Fair value adjust - hedging	(59,252)	10,344
Other adjustments	(2,805)	(1,913)
<b>Cash flows from operations before changes in operating assets and liabilities</b>		
Financial assets held for trading	(4,201)	566
Non-trading financial assets at fair value through profit or loss		
Equity instruments	(1,912)	(1,918)
Debt securities	(543)	560
Financial assets at amortised cost		
Debt securities	(114,622)	44,938
Loans and advances to banks	30,093	(30,641)
Loans and advances to customers	(1,087,897)	(547,449)
Finance lease receivables	(19,970)	(36,402)
Hedge accounting derivatives	9,893	916
Trade and other receivables	(32,038)	(1,519)
Other assets from operating activities	(8,241)	(25,393)
Financial liabilities held for trading	3,394	(327)
Financial liabilities measured at amortised cost		
Deposits from banks	23,936	117,490
Deposits from customers	329,678	104,150
Other financial liabilities	110,653	44,899
Hedge accounting derivatives	20,054	1,677
Provisions	9,915	6,660
Other liabilities from operating activities	(16,059)	(31,959)
<b>Cash flow from operating activities</b>	<b>(544,713)</b>	<b>489,148</b>
Dividends received from associates and other investments	1,086	542
Purchase of share in associates and joint ventures	(65)	(772)
Purchase of intangible assets, property and equipment	(12,131)	(12,927)
Proceeds from sale of intangible assets, property and equipment	1,438	525
<b>Cash flow from investing activities</b>	<b>(9,672)</b>	<b>(12,632)</b>
Dividends paid	(105,682)	(115,454)
AT1 certificate - issue	-	100,000
Issue of the bonds	545,000	(9,128)
Repayment of the bonds	(70,946)	(8,683)
Lease liabilities	(6,735)	(7,427)
<b>Cash flow from financing activities</b>	<b>361,637</b>	<b>(40,692)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>2,907,420</b>	<b>1,254,543</b>
Cash flows from operating activities	(544,713)	489,148
Cash flow from investing activities	(9,672)	(12,632)
Cash flow from financing activities	361,637	(40,692)
Effect of foreign exchange rate changes on cash and cash equivalents	182	300
<b>Cash and cash equivalents at end of period</b>	<b>2,714,854</b>	<b>1,690,667</b>
<b>Cash flows related to taxes, interest and dividends (included in cash flow from operating activities)</b>	<b>304,413</b>	<b>883,603</b>
Payments for taxes on income	(34,723)	(40,753)
Interest paid	(1,526)	570,955
Interest received	339,576	352,860
Dividends received	1,086	542

Cash and cash equivalents are equal to the amount in the statement of financial position line item 'Cash and cash balances'.

The notes on pages 6 to 61 are an integral part of these interim consolidated financial statements.

## Notes to the Interim Consolidated Financial Statements

### General information

The group of Slovenská sporiteľňa, a.s. (hereinafter referred to as 'the Group') consists of the parent company Slovenská sporiteľňa, a.s., (hereinafter referred to as 'the Bank') with its registered office at Tomášikova 48, 832 37 Bratislava, Slovak Republic and subsidiaries. The Bank was incorporated as a joint stock company on 15 March 1994 and registered in the Commercial Register on 1 April 1994. The identification number of the Bank is 00 151 653. The tax identification number of the Bank is 2020411536.

The Bank is a universal bank offering a wide range of banking and financial services to commercial, financial and private customers, principally in the Slovak Republic.

The Bank's sole shareholder is Erste Group Bank AG, which has its registered office at Am Belvedere 1, 1100 Vienna, and which is the ultimate 100% parent company of the Bank. Information on the shareholding structure of the ultimate parent company is disclosed in the 2022 financial statements of Erste Group Bank AG or up-to-date information is available on its homepage.

The Board of Directors of the Bank had five members as at 30 June 2023:  
Ing. Peter Krutil (chairman), Ing. Pavel Cetkovský (member), RNDr. Milan Hain, PhD. (member), Mgr. Ing. Norbert Hovančák (member) and Mgr. Juraj Barta, CFA (member).

The chairman of the Board of Directors is also the Chief Executive Officer (CEO) of the Bank. Other members of the Board of Directors are the deputies of the Chief Executive Officer.

The Supervisory Board of the Bank had six members as at 30 June 2023:  
David O'Mahony (chairman), Mag. Jan Homan (vice-chairman), Paul Formanko, MBA (member), JUDr. Vazil Hudák (member), Mgr. Alena Adamcová (member) and Juraj Futák (member).

The Group is subject to various regulatory requirements of local, Slovak regulatory bodies defined by Slovak legislation as well as European regulatory bodies defined by EU legislation.

The Bank is under direct supervision of the European Central Bank within a Single Supervision Mechanism.

These interim consolidated financial statements are statements of the Bank and its subsidiaries (the Group) that are disclosed in note 32.

## Significant accounting policies

### a) Basis of preparation

The interim consolidated financial statements of the Group for the half of the year ended 30 June 2023 and the related comparative information were prepared in compliance with applicable International Financial Reporting Standards (IFRS) as adopted by the European Union on the basis of IAS Regulation (EC) No. 1606/2002.

The principal accounting policies applied in the preparation of these interim consolidated financial statements are set out in respective parts of these statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Measurement bases or bases used in the financial statements (like amortised cost, fair value, etc.) are set out in respective parts of these statements.

These interim consolidated financial statements have been prepared on the basis that the Group will be able to continue as a going concern for the foreseeable future.

The Group is subject to regulatory restrictions on capital distributions stemming from the EU-wide capital requirements regulations applicable to all credit institutions based in the EU. The Group does not have any other significant restrictions on its ability to access or use the assets and settle the liabilities of the Group. Also, the owners of non-controlling interests in Group subsidiaries do not have rights that can restrict the Group's ability to access or use the assets and settle the liabilities of the Group.

Except as otherwise indicated, all amounts are stated in thousands of EUR ('EUR ths.'). The tables in this report may contain rounding differences.

These interim consolidated financial statements do not contain full information and disclosures as required in the complete set of financial statements as at year end and should be read in combination with consolidated financial statements for the previous accounting period. The consolidated financial statements for the year ended 31 December 2022 were signed and authorized for issue by the Board of Directors of the Bank on 27 February 2023 and are available at its registered office or on the web page.

The comparative amounts presented in these consolidated financial statements are those presented in the consolidated statement of financial positions as at 31 December 2022 and the consolidated statement of profit or loss and the consolidated statement of other comprehensive income for the half of the year ended 30 June 2022.

These interim consolidated financial statements are not audited.

### b) Accounting and measurement methods

#### Foreign currency translation

The interim consolidated financial statements are presented in Euro, which is the functional currency of the Bank. The functional currency is the currency of the primary business environment in which an entity operates. Each entity in the Group determines its own functional currency, and items included in the financial statements of each entity are measured using that functional currency. At the date of the issue of these interim consolidated financial statements the Group includes only Holding Card Service s.r.o. as a company for which functional currency is not Euro, but Czech crowns. This entity is consolidated at equity in to the Group financial statements.

For foreign currency translation, exchange rates quoted by the central banks in each country are used. For the Group with the Euro as functional currency, these are the European Central Bank reference rates.

### c) Accounting judgements, assumptions and estimates

The interim consolidated financial statements contain amounts that have been determined on the basis of judgements and by the use of estimates and assumptions. The estimates and assumptions used are based on historical experience and other factors, such as planning as well as expectations and forecasts of future events that are

currently deemed to be reasonable. As a consequence of the uncertainty associated with these assumptions and estimates, actual results could in future periods lead to adjustments in the carrying amounts of the related assets or liabilities. The most significant uses of judgements, assumptions and estimates are described in the notes of the respective assets and liabilities and relate in particular to:

- SPPI assessment of financial instruments (Chapter Financial instruments – Significant accounting policies)
- Business model assessment of financial instruments (Chapter Financial instruments – Significant accounting policies)
- Fair value of financial instruments (Note 17 Fair value of financial instruments)
- Impairment of financial instruments (Chapter Financial instruments – Significant accounting policies, Note 23 Credit risk)

The evolving Russia-Ukraine conflict, the energy crisis, inflation and interest rates developments brought additional factors of uncertainties for Group's financial performance and position. In 2021 until the last quarter of 2022 such additional uncertainties resulted from the Covid-19 pandemic. The potential effects include impacts mainly on expected credit losses and operational income. The Group follows the developments closely and recognises the effects in the financial statements as a reasonable information supporting their recognition is available.

#### **d) Application of amended and new IFRS/IAS**

The accounting policies adopted are consistent with those used in the previous financial year except for standards and interpretations that became effective for financial years beginning after 1 January 2023. In the first half year of 2023 there were no new standards or amendments to standards that had a material effect on these condensed interim consolidated financial statements.

## **Performance / Return**

### **1. Segment reporting**

The segment reporting of the Group is based on IFRS 8 Operating Segments, which adopts the management approach. Accordingly, segment information is prepared on the basis of internal management reporting that is regularly reviewed by the chief operating decision maker to assess the performance of the segments and make decisions regarding the allocation of resources. Within the Group the function of the chief operating decision maker is executed by the Board of Directors. In addition, the Group's segment reporting follows the standards of the Erste Group issued for the purpose to unify presentation, measurement and steering of the Group.

During the first half of the year of 2023 there were no changes in the methodology of segment reporting in comparison with annual consolidated financial statements. For the complete set of disclosures related to segment reporting these interim consolidated financial statements should be read in combination with consolidated financial statements for the previous year in note 1.

**Slovenská sporiteľňa, a.s.**  
Interim consolidated financial statements

Business Segments	Retail		Corporates		Group markets		Asset Liability Management, Local Corporate Center and Free Capital		Total	
EUR ths.	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Net interest income	121,172	201,789	49,543	68,758	1,589	4,751	41,029	(18,897)	213,333	256,401
Net fee and commission income	75,449	78,501	12,712	16,578	6,983	7,492	(1,340)	(1,853)	93,804	100,718
Dividend income	-	-	-	-	-	-	543	542	543	542
Net trading result	2,640	2,409	2,663	3,408	2,589	2,650	461	2,530	8,353	10,997
Gains/losses from financial instruments at FVPL	-	-	-	-	-	-	651	1,512	651	1,512
Net result from equity method investments	749	-	-	-	-	-	-	529	749	529
Rental income from investment properties & other operating leases	-	-	-	-	-	-	171	217	171	217
General administrative expenses	(129,925)	(131,137)	(20,326)	(27,863)	(2,732)	(2,625)	(2,091)	341	(155,074)	(161,284)
Gains/losses from derecognition of financial assets at AC	-	-	-	-	-	-	1	2	1	2
Other gains/losses from derecognition of financial instruments not at FVPL	-	-	-	-	-	-	(238)	(141)	(238)	(141)
Impairment result from financial instruments	(5,776)	(11,501)	(18,892)	(11,107)	8	(31)	(201)	160	(24,861)	(22,479)
Other operating result	(505)	(363)	(1,094)	(11)	(133)	(90)	(5,610)	(6,596)	(7,342)	(7,060)
Levies on banking activities	(503)	(364)	(543)	(342)	(136)	(90)	(4,712)	(3,651)	(5,894)	(4,447)
<b>Pre-tax result from continuing operations</b>	<b>63,804</b>	<b>139,698</b>	<b>24,606</b>	<b>49,763</b>	<b>8,304</b>	<b>12,147</b>	<b>33,376</b>	<b>(21,654)</b>	<b>130,090</b>	<b>179,954</b>
Taxes on income	(13,242)	(29,336)	(5,167)	(10,459)	(1,744)	(2,551)	(10,117)	2,086	(30,270)	(40,260)
<b>Net result for the period</b>	<b>50,562</b>	<b>110,362</b>	<b>19,439</b>	<b>39,304</b>	<b>6,560</b>	<b>9,596</b>	<b>23,259</b>	<b>(19,568)</b>	<b>99,820</b>	<b>139,694</b>
<b>Net result attributable to non-controlling interests</b>	-	-	-	-	-	-	(21)	(115)	(21)	(115)
<b>Net result attributable to owners of the parent</b>	<b>50,562</b>	<b>110,362</b>	<b>19,439</b>	<b>39,304</b>	<b>6,560</b>	<b>9,596</b>	<b>23,280</b>	<b>(19,453)</b>	<b>99,841</b>	<b>139,809</b>
Operating income	200,009	282,701	64,919	88,744	11,161	14,893	41,515	(15,422)	317,604	370,916
Operating expenses	(129,925)	(131,137)	(20,326)	(27,863)	(2,732)	(2,625)	(2,091)	341	(155,074)	(161,284)
<b>Operating result</b>	<b>70,084</b>	<b>151,564</b>	<b>44,593</b>	<b>60,881</b>	<b>8,429</b>	<b>12,268</b>	<b>39,424</b>	<b>(15,081)</b>	<b>162,530</b>	<b>209,632</b>
Risk-weighted assets (credit risk, eop)*	3,954,506	3,574,357	4,448,394	6,175,688	2,392	2,072	241,212	300,200	8,646,504	10,052,317
Average allocated capital**	521,988	487,822	479,455	525,934	6,021	7,304	428,690	462,170	1,436,154	1,483,230
Cost/income ratio	64.96%	46.39%	31.31%	31.40%	24.48%	17.62%	5.04%	2.21%	48.83%	43.48%
Return on allocated capital	9.69%	22.62%	4.05%	7.47%	108.96%	131.38%	5.43%	-4.21%	6.95%	9.41%
Total assets (eop)	12,145,593	12,136,133	4,981,142	6,474,101	100,233	105,406	6,813,538	6,029,695	24,040,506	24,745,335
Total liabilities excluding equity (eop)	13,845,811	13,080,764	1,787,593	2,830,491	474,122	801,823	5,888,197	5,727,554	21,995,723	22,440,632
<b>Impairments</b>	<b>(5,776)</b>	<b>(11,501)</b>	<b>(18,892)</b>	<b>(11,107)</b>	<b>8</b>	<b>(31)</b>	<b>(201)</b>	<b>160</b>	<b>(24,861)</b>	<b>(22,479)</b>
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	(5,809)	(11,724)	(18,481)	(15,271)	8	(31)	(201)	160	(24,483)	(26,866)
Net impairment loss on commitments and guarantees given	33	223	(411)	4,164	-	-	-	-	(378)	4,387

\* Credit RWA (eop) after intercompany transactions according to Pillar 1, calculated by Erste Group for the purpose of segment report and management purposes (without subsidiaries Credit RWA)

\*\* Average allocated capital is calculated based on Erste Group controlling methodology.

## 2. Net interest income

EUR ths.	2022	2023
Financial assets at AC	211,930	339,370
Demand deposits	4	24,857
Loans and advances	168,136	265,842
Debt securities	43,790	48,671
<b>Interest income</b>	<b>211,930</b>	<b>339,370</b>
Non-trading financial assets at FVPL	12	12
Financial assets HfT	6,714	14,586
Hedge accounting derivatives, interest rate risk	(3,776)	1,117
Other assets	2,447	3,862
Negative interest from financial liabilities	9,679	10
<b>Other similar income</b>	<b>15,076</b>	<b>19,587</b>
<b>Interest and other similar income</b>	<b>227,006</b>	<b>358,957</b>
Financial liabilities at AC	(9,122)	(77,156)
Deposits	(1,779)	(42,229)
Debt securities in issue	(7,343)	(34,927)
<b>Interest expenses</b>	<b>(9,122)</b>	<b>(77,156)</b>
Financial liabilities HfT	(5,708)	(13,659)
Hedge accounting derivatives, interest rate risk	4,963	(11,844)
Other liabilities	(53)	103
Negative interest from financial assets	(3,753)	-
<b>Other similar expenses</b>	<b>(4,551)</b>	<b>(25,400)</b>
<b>Interest and other similar expenses</b>	<b>(13,673)</b>	<b>(102,556)</b>
<b>Net interest income</b>	<b>213,333</b>	<b>256,401</b>

An amount of EUR 3.8 million (30.06.2022: EUR 3.2 million) relating to impaired financial assets is included in interest income.

The amounts disclosed in the line items 'Negative interest from financial liabilities' and 'Negative interest from financial assets' relate to the interbank business, deposits and refinancing with central banks only.

Interest income from hedging instruments relates to the hedged items presented in the line item 'Financial assets at AC'. Interest expense from hedging instruments relates to the hedged items presented in the line item 'Financial liabilities at AC'.

### 3. Net fee and commission income

EUR ths.	2022		2023	
	Income	Expenses	Income	Expenses
Securities	3,073	(781)	2,657	(543)
Issues	64	-	567	-
Transfer orders	732	(659)	255	(519)
Other	2,277	(122)	1,835	(24)
Custody	2,075	(760)	2,140	(937)
Collective investment	82	-	-	-
Other	1,993	-	2,140	(937)
Payment services	55,663	(4,811)	56,829	(4,256)
Card business	25,088	(3,135)	26,373	(2,374)
Other	30,575	(1,676)	30,456	(1,882)
Customer resources distributed but not managed	32,506	(199)	34,250	(61)
Collective investment	11,487	-	11,309	-
Insurance products (as agent)	21,013	(199)	22,939	(61)
Other	6	-	2	-
Lending Business	11,320	(3,158)	12,117	(614)
Guarantees given, guarantees received	2,681	(5)	2,763	(5)
Loan commitments given, loan commitments received	1,953	-	1,897	-
Other lending business	6,686	(3,153)	7,457	(609)
Other	648	(1,765)	683	(1,547)
IC consolidation differences	(7)	-	-	-
<b>Total fee and commission income and expenses</b>	<b>105,278</b>	<b>(11,474)</b>	<b>108,676</b>	<b>(7,958)</b>
<b>Net fee and commission income</b>	<b>93,804</b>		<b>100,718</b>	

Collective investment in the line 'Customer resources distributed but not managed' and custody fees relate to fees earned by the Group on trust and other investment activities in which the Group holds or invests assets on behalf of its customers and amount to EUR 14,092.3 million (30.06.2022: EUR 12,588.8 million).

### 4. Dividend income

EUR ths.	2022	2023
<b>Dividend income</b>		
Non-trading financial assets at fair value through profit or loss	543	542
<b>Dividend income</b>	<b>543</b>	<b>542</b>

Dividend income is recognised when the right to receive the payment is established. This line item includes dividends from all shares and other equity investments, i.e. from those that are held for trading, non-trading equity instruments at fair value through profit or loss and at fair value through other comprehensive income.

### 5. Net trading result

EUR ths.	2022	2023
Securities trading	2,241	2,242
Derivatives trading	6,557	8,470
Result from hedge accounting	(445)	285
<b>Net trading result</b>	<b>8,353</b>	<b>10,997</b>

The line item 'Securities trading' includes net gains from the Erste Group Bank AG's market positions attributable to the Group.

## 6. Rental income from investment properties & other operating leases

Rental income from investment properties and other operating leases is recognised on a straight-line basis over the lease term. Operating expenses for investment properties are reported in line item 'Other operating result'. For further details we refer to Note 9 Other operating result.

Rental income is generated from rented premises classified as investment properties.

EUR ths.	2022	2023
Investment properties	153	193
Other operating leases	18	24
<b>Rental income from investment properties &amp; other operating leases</b>	<b>171</b>	<b>217</b>

## 7. General administrative expenses

EUR ths.	2022	2023
<b>Personnel expenses</b>	<b>(76,286)</b>	<b>(86,664)</b>
Wages and salaries	(55,334)	(61,559)
Compulsory social security	(19,360)	(22,000)
Other personnel expenses	(1,592)	(3,105)
<b>Other administrative expenses</b>	<b>(61,285)</b>	<b>(57,243)</b>
Deposit insurance contribution	(9,857)	(2,394)
IT expenses	(26,094)	(26,254)
Expenses for office premises	(7,444)	(8,985)
Office operating and administrative expenses	(5,818)	(5,376)
Advertising/marketing	(7,358)	(6,011)
Legal and consulting costs	(2,219)	(2,661)
Sundry administrative expenses	(2,495)	(5,562)
<b>Depreciation and amortisation</b>	<b>(17,503)</b>	<b>(17,377)</b>
Software and other intangible assets	(3,927)	(3,400)
Owner occupied real estate	(8,913)	(9,172)
Investment properties	(102)	(113)
Office furniture and equipment and sundry property and equipment	(4,561)	(4,692)
<b>General administrative expenses</b>	<b>(155,074)</b>	<b>(161,284)</b>

### Personnel expenses

As at 30 June 2023 the Group had 3,566 employees, thereof five members of the Board of Directors. As at 31 December 2022 the Group had 3,585 employees, thereof five members of the Board of Directors.

## 8. Impairment result from financial instruments

EUR ths.	2022	2023
Financial assets at AC	(24,319)	(25,652)
Net allocation to credit loss allowances	(23,486)	(24,676)
Direct write-offs	(951)	(1,092)
Recoveries recorded directly to the income statement	118	116
Finance lease receivables	(164)	(1,214)
Net allocation to credit loss allowances	(170)	(1,235)
Recoveries recorded directly to the income statement	6	21
Credit loss allowances for loan commitments and financial guarantees given	(378)	4,387
<b>Impairment result from financial instruments</b>	<b>(24,861)</b>	<b>(22,479)</b>

## 9. Other operating result

EUR ths.	2022	2023
<b>Other operating expenses</b>	<b>(19,291)</b>	<b>(24,335)</b>
Allocation to other provisions	(9,897)	(16,195)
Levies on banking activities	(5,894)	(4,447)
Recovery and resolution fund contributions	(5,894)	(4,447)
Other taxes	(181)	(171)
Other	(3,319)	(3,522)
<b>Other operating income</b>	<b>11,949</b>	<b>17,275</b>
Release of other provisions	9,262	15,659
Result from properties/movables/other intangible assets other than goodwill	854	47
Result from other operating expenses/income	1,833	1,569
<b>Other operating result</b>	<b>(7,342)</b>	<b>(7,060)</b>

### Levies on banking activities

The Bank is obliged to pay a contribution to Recovery and resolution fund that is disclosed in accordance with IFRIC 21. Disclosed amounts as of 30 June 2023 represents the yearly contribution.

## 10. Taxes on income

For the purposes of the interim consolidated financial statements the Bank accounts for estimate of current income tax, which is based on simplified calculation and statutory tax rate of 21%.

## Financial instruments – Significant accounting policies

During the first half of the year of 2023 there were no changes in the significant accounting policies in comparison with annual consolidated financial statements. For the complete set of disclosures related to significant accounting policies these interim consolidated financial statements should be read in combination with consolidated financial statements for the previous year in chapter 'Financial instruments - Significant accounting policies'.

## Financial instruments held at amortised cost

### 11. Cash and cash balances

A part of 'Cash balances at central banks' represents the mandatory minimum reserve requirement deposits which amounted to EUR 166.0 million (2022: EUR 179.5 million) at the reporting date. The mandatory minimum reserve requirement is calculated from defined statement of financial position items and has to be fulfilled in average through an extended period of time. Therefore, the mandatory minimum reserve requirement deposits are not subject to any restraints.

EUR ths.	31.12.2022	30.06.2023
Cash on hand	339,594	359,223
Cash balances at central banks	899,436	1,306,081
Other demand deposits at credit institutions	15,513	25,362
<b>Cash and cash balances</b>	<b>1,254,543</b>	<b>1,690,666</b>

### 12. Financial assets at amortised cost

#### Debt securities

##### Gross carrying amounts and credit loss allowances per impairment buckets

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As of 30.06.2023											
General governments	3,629,131	-	-	-	3,629,131	(527)	-	-	-	(527)	3,628,604
Credit institutions	346,499	-	-	-	346,499	(282)	-	-	-	(282)	346,217
Other financial corporations	521	25,409	-	-	25,930	(9)	(547)	-	-	(556)	25,374
Non-financial corporations	75,133	23,188	-	-	98,321	(61)	(478)	-	-	(539)	97,782
Total	4,051,284	48,597	-	-	4,099,881	(879)	(1,025)	-	-	(1,904)	4,097,977

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As of 31.12.2022											
General governments	3,734,543	-	-	-	3,734,543	(539)	-	-	-	(539)	3,734,004
Credit institutions	296,446	-	-	-	296,446	(247)	-	-	-	(247)	296,199
Other financial corporations	514	25,316	-	-	25,830	(2)	(582)	-	-	(584)	25,246
Non-financial corporations	76,545	23,439	-	-	99,984	(62)	(472)	-	-	(534)	99,450
Total	4,108,048	48,755	-	-	4,156,803	(850)	(1,054)	-	-	(1,904)	4,154,899

## Movement in credit loss allowances

EUR ths.	1.1.2023	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	30.06.2023
Stage 1	(850)	(65)	60	-	(24)	-	(879)
Stage 2	(1,054)	-	-	-	28	-	(1,025)
Stage 3	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-
<b>Total</b>	<b>(1,904)</b>	<b>(65)</b>	<b>60</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>(1,904)</b>

EUR ths.	1.1.2022	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	31.12.2022
Stage 1	(762)	(109)	10	-	11	-	(850)
Stage 2	(474)	-	-	(524)	(55)	-	(1,054)
Stage 3	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-
<b>Total</b>	<b>(1,236)</b>	<b>(109)</b>	<b>10</b>	<b>(524)</b>	<b>(44)</b>	<b>-</b>	<b>(1,904)</b>

## Loans and advances to banks

### Gross carrying amounts and credit loss allowances per impairment buckets

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As of 30.06.2023											
Credit institutions	30,599	4	-	-	30,603	(51)	-	-	-	(51)	30,552
Total	30,599	4	-	-	30,603	(51)	-	-	-	(51)	30,552

There are no purchased or originated credit-impaired (POCI) AC loans and advances to banks at 30 June 2023.

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
	As of 31.12.2022										
Credit institutions	24	2	-	-	26	-	-	-	-	-	26
Total	24	2	-	-	26	-	-	-	-	-	26

There are no purchased or originated credit-impaired (POCI) AC loans and advances to banks at 31 December 2022.

### Movement in credit loss allowances

EUR ths.	1.1.2023	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	30.06.2023
Stage 1	-	(51)	-	-	-	-	(51)
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>(51)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(51)</b>

EUR ths.	1.1.2022	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	31.12.2022
Stage 1	(42)	-	-	-	42	-	-
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-
Total	(42)	-	-	-	42	-	-

## Loans and advances to customers

### Gross carrying amounts and credit loss allowances per impairment buckets

The following table represents gross carrying amounts and credit loss allowances per impairment buckets by sector of loans and advances to customers.

	Gross carrying amount					Credit loss allowances					Carrying amount
EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As of 30.06.2023											
General governments	362,548	2,221	-	-	364,769	(717)	(48)	-	-	(765)	364,004
Other financial corporations	272,581	19,465	129	11	292,186	(442)	(194)	(100)	(1)	(737)	291,449
Non-financial corporations	2,845,881	1,892,337	76,152	105,389	4,919,759	(12,694)	(80,257)	(45,259)	(33,212)	(171,422)	4,748,337
Households	12,120,840	466,816	209,158	5,158	12,801,972	(27,597)	(39,120)	(120,104)	(2,418)	(189,239)	12,612,733
Total	15,601,850	2,380,839	285,439	110,558	18,378,686	(41,450)	(119,619)	(165,463)	(35,631)	(362,163)	18,016,523

The amounts represent the maximum exposure to credit risk. As at 30 June 2023 the Group had no reverse repo agreements.

As at 30 June 2023, 15 largest customers accounted for 5.8% of the gross loan portfolio amounting to EUR 1,051.0 million.

EUR ths. As of 31.12.2022	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
General governments	336,663	601	-	-	337,264	(524)	(19)	-	-	(543)	336,721
Other financial corporations	135,211	86,621	127	21	221,980	(240)	(842)	(91)	(1)	(1,174)	220,806
Non-financial corporations	2,997,109	1,672,489	67,864	94,960	4,832,422	(14,110)	(71,822)	(42,428)	(29,358)	(157,718)	4,674,704
Households	11,762,305	470,091	202,752	4,428	12,439,576	(27,756)	(36,573)	(116,176)	(2,107)	(182,612)	12,256,964
Total	15,231,288	2,229,802	270,743	99,409	17,831,242	(42,630)	(109,256)	(158,695)	(31,466)	(342,047)	17,489,195

The amounts represent the maximum exposure to credit risk. As at 31 December 2022 the Bank had no reverse repo agreements.

As at 31 December 2022, 15 largest customers accounted for 5.5% of the gross loan portfolio amounting to EUR 970.0 million.

## Movement in credit loss allowances

The following table represents movement in credit loss allowances by sector of loans and advances to customers.

EUR ths.	1.1.2023	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	30.06.2023
<b>Stage 1</b>	<b>(42,630)</b>	<b>(19,649)</b>	<b>345</b>	<b>15,262</b>	<b>5,214</b>	<b>8</b>	<b>(41,450)</b>
General governments	(524)	(143)	1	2	(53)	-	(717)
Other financial corporations	(240)	(134)	-	3,812	(3,880)	-	(442)
Non-financial corporations	(14,110)	(13,142)	54	3,104	11,399	1	(12,694)
Households	(27,756)	(6,230)	290	8,344	(2,252)	7	(27,597)
<b>Stage 2</b>	<b>(109,256)</b>	<b>(533)</b>	<b>95</b>	<b>(25,387)</b>	<b>15,338</b>	<b>124</b>	<b>(119,619)</b>
General governments	(19)	-	-	(145)	116	-	(48)
Other financial corporations	(842)	-	-	(50)	698	-	(194)
Non-financial corporations	(71,822)	(384)	28	(12,568)	4,475	14	(80,257)
Households	(36,573)	(149)	67	(12,624)	10,049	110	(39,120)
<b>Stage 3</b>	<b>(158,695)</b>	<b>(57)</b>	<b>5,792</b>	<b>(3,915)</b>	<b>(11,064)</b>	<b>2,476</b>	<b>(165,463)</b>
Other financial corporations	(91)	-	-	-	(9)	-	(100)
Non-financial corporations	(42,428)	(39)	538	(653)	(2,804)	127	(45,259)
Households	(116,176)	(18)	5,254	(3,262)	(8,251)	2,349	(120,104)
<b>POCI</b>	<b>(31,466)</b>	<b>-</b>	<b>94</b>	<b>-</b>	<b>(4,436)</b>	<b>177</b>	<b>(35,631)</b>
Other financial corporations	(1)	-	-	-	-	-	(1)
Non-financial corporations	(29,358)	-	4	-	(3,875)	17	(33,212)
Households	(2,107)	-	90	-	(561)	160	(2,418)
<b>Total</b>	<b>(342,047)</b>	<b>(20,239)</b>	<b>6,326</b>	<b>(14,040)</b>	<b>5,052</b>	<b>2,785</b>	<b>(362,163)</b>

EUR ths.	1.1.2022	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	31.12.2022
<b>Stage 1</b>	<b>(39,859)</b>	<b>(37,325)</b>	<b>1,013</b>	<b>22,362</b>	<b>11,006</b>	<b>173</b>	<b>(42,630)</b>
General governments	(411)	(399)	-	41	245	-	(524)
Other financial corporations	(318)	(2,354)	-	851	1,581	-	(240)
Non-financial corporations	(13,821)	(25,550)	200	10,446	14,609	6	(14,110)
Households	(25,309)	(9,022)	813	11,024	(5,429)	167	(27,756)
<b>Stage 2</b>	<b>(110,711)</b>	<b>(1,473)</b>	<b>418</b>	<b>(42,068)</b>	<b>44,137</b>	<b>441</b>	<b>(109,256)</b>
General governments	(16)	-	-	(54)	51	-	(19)
Other financial corporations	(2,609)	-	-	(412)	2,179	-	(842)
Non-financial corporations	(70,895)	(1,132)	301	(27,161)	27,040	25	(71,822)
Households	(37,191)	(341)	117	(14,441)	14,867	416	(36,573)
<b>Stage 3</b>	<b>(157,658)</b>	<b>(608)</b>	<b>16,572</b>	<b>(6,018)</b>	<b>(21,484)</b>	<b>10,501</b>	<b>(158,695)</b>
Other financial corporations	(36)	-	8	(1)	(62)	-	(91)
Non-financial corporations	(36,292)	(566)	4,443	(980)	(10,033)	1,000	(42,428)
Households	(121,330)	(42)	12,121	(5,037)	(11,389)	9,501	(116,176)
<b>POCI</b>	<b>(21,920)</b>	<b>-</b>	<b>215</b>	<b>-</b>	<b>(10,335)</b>	<b>574</b>	<b>(31,466)</b>
Other financial corporations	(1)	-	-	-	-	-	(1)
Non-financial corporations	(20,169)	-	49	-	(9,313)	75	(29,358)
Households	(1,750)	-	166	-	(1,022)	499	(2,107)
<b>Total</b>	<b>(330,148)</b>	<b>(39,406)</b>	<b>18,218</b>	<b>(25,724)</b>	<b>23,324</b>	<b>11,689</b>	<b>(342,047)</b>

## Transfers of gross carrying amount between stages

EUR ths.	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3		POCI	
	To Stage 2 from Stage 1	To Stage 1 from Stage 2	To Stage 3 from Stage 2	To Stage 2 from Stage 3	To Stage 3 from Stage 1	To Stage 1 from Stage 3	To Defaulted from Non-Defaulted	To Non-Defaulted from Defaulted
<b>As of 30.06.2023</b>								
General governments	1,831	511	-	-	-	-	-	-
Other financial corporations	553	34,982	-	-	-	-	-	-
Non-financial corporations	456,576	93,593	8,774	435	4,001	1,416	747	-
Households	177,290	122,355	29,073	7,536	14,003	5,874	624	16
<b>Total</b>	<b>636,250</b>	<b>251,441</b>	<b>37,847</b>	<b>7,971</b>	<b>18,004</b>	<b>7,290</b>	<b>1,371</b>	<b>16</b>
<b>As of 31.12.2022</b>								
General governments	421	278	-	-	-	-	-	-
Other financial corporations	103,020	6,580	94	-	2	-	-	-
Non-financial corporations	923,843	497,209	22,654	1,022	9,857	879	-	-
Households	207,288	127,987	44,721	10,672	27,860	11,628	-	-
<b>Total</b>	<b>1,234,572</b>	<b>632,054</b>	<b>67,469</b>	<b>11,694</b>	<b>37,719</b>	<b>12,507</b>	<b>-</b>	<b>-</b>

## 13. Trade and other receivables

The trade and other receivables comprise receivables from factoring transactions and other trade receivables.

## Gross carrying amounts and credit loss allowances per impairment buckets

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As of 30.06.2023											
General governments	4,243	-	-	-	4,243	(1)	-	-	-	(1)	4,242
Credit institutions	3,524	-	-	-	3,524	-	-	-	-	-	3,524
Other financial corporations	2,486	-	-	-	2,486	(13)	-	-	-	(13)	2,473
Non-financial corporations	143,327	4,622	4,203	530	152,682	(605)	(799)	(4,034)	(440)	(5,878)	146,804
Households	49	-	-	-	49	-	-	-	-	-	49
Total	153,629	4,622	4,203	530	162,984	(619)	(799)	(4,034)	(440)	(5,892)	157,092

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As of 31.12.2022											
General governments	1,823	-	-	-	1,823	-	-	-	-	-	1,823
Credit institutions	4,582	-	-	-	4,582	-	-	-	-	-	4,582
Other financial corporations	2,222	-	-	-	2,222	(23)	-	-	-	(23)	2,199
Non-financial corporations	143,757	3,858	4,938	752	153,305	(603)	(957)	(4,379)	(468)	(6,407)	146,898
Households	71	-	-	-	71	-	-	-	-	-	71
Total	152,455	3,858	4,938	752	162,003	(626)	(957)	(4,379)	(468)	(6,430)	155,573

## Movement in credit loss allowances

	1.1.2023	Additions	Other changes in credit risk (net)	Transfers between stages	30.06.2023
<b>Stage 1</b>	<b>(626)</b>	<b>(867)</b>	<b>874</b>	<b>-</b>	<b>(619)</b>
General governments	-	(1)	-	-	(1)
Other financial corporations	(23)	(13)	23	-	(13)
Non-financial corporations	(603)	(853)	851	-	(605)
<b>Stage 2</b>	<b>(957)</b>	<b>-</b>	<b>182</b>	<b>(24)</b>	<b>(799)</b>
Non-financial corporations	(957)	-	182	(24)	(799)
<b>Stage 3</b>	<b>(4,379)</b>	<b>-</b>	<b>365</b>	<b>(20)</b>	<b>(4,034)</b>
Non-financial corporations	(4,379)	-	365	(20)	(4,034)
<b>POCI</b>	<b>(468)</b>	<b>-</b>	<b>28</b>	<b>-</b>	<b>(440)</b>
Non-financial corporations	(468)	-	28	-	(440)
<b>Total</b>	<b>(6,430)</b>	<b>(867)</b>	<b>1,449</b>	<b>(44)</b>	<b>(5,892)</b>

EUR ths.	1.1.2022	Additions	Derecognitions	Other changes in credit risk (net)	Transfers between stages	31.12.2022
<b>Stage 1</b>	<b>(1,838)</b>	<b>(685)</b>	<b>102</b>	<b>1,795</b>	<b>-</b>	<b>(626)</b>
General governments	(1)	-	-	1	-	-
Other financial corporations	(48)	(23)	-	48	-	(23)
Non-financial corporations	(1,789)	(662)	102	1,746	-	(603)
<b>Stage 2</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>(18)</b>	<b>(936)</b>	<b>(957)</b>
Non-financial corporations	(3)	-	-	(18)	(936)	(957)
<b>Stage 3</b>	<b>(4,747)</b>	<b>-</b>	<b>-</b>	<b>515</b>	<b>(147)</b>	<b>(4,379)</b>
Non-financial corporations	(4,747)	-	-	515	(147)	(4,379)
<b>POCI</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(468)</b>	<b>-</b>	<b>(468)</b>
Non-financial corporations	-	-	-	(468)	-	(468)
<b>Total</b>	<b>(6,588)</b>	<b>(685)</b>	<b>102</b>	<b>1,824</b>	<b>(1,083)</b>	<b>(6,430)</b>

## Transfers of gross carrying amount between impairment stages

EUR ths.	31.12.2022	30.06.2023
<b>Transfers between Stage 1 and Stage 2</b>	<b>3,141</b>	<b>2,162</b>
To Stage 2 from Stage 1	3,141	2,162
<b>Transfers between Stage 2 and Stage 3</b>	<b>220</b>	<b>-</b>
To Stage 3 from Stage 2	220	-
<b>Transfers between Stage 1 and Stage 3</b>	<b>623</b>	<b>128</b>
To Stage 3 from Stage 1	623	128

## 14. Financial liabilities at amortised costs

### Deposits from banks

EUR ths.	31.12.2022	30.06.2023
Overnight deposits	4,411	13,483
Term deposits	1,169,217	1,209,137
Repurchase agreements	-	68,498
<b>Deposits from banks</b>	<b>1,173,628</b>	<b>1,291,118</b>

Financial liabilities stemming from the TLTRO programme of the ECB are presented under 'Term deposits. The Group assessed an appropriate accounting treatment of the TLTRO. The conclusion was that such instruments do not qualify as below-market interest rate loans and therefore are not related to IAS 20 government grants accounting. The

reason was that the TLTRO is considered as a separate market organised by the ECB as part of its monetary policy. As a result, the IFRS 9 amortised cost accounting treatment applies.

The carrying amount of the TLTRO III liabilities was EUR 1,009.2 million at the end of June 2023 (2022: EUR 999.7 million). In first half of the year of 2023 the interest expense recognised for TLTRO III was EUR 9.5 million (30.6.2022: was recognised the negative interest expense for the TLTRO III in amount of EUR 3.5 million). Details for respective tranches and collateral information is disclosed in note 20 Collaterals.

## Deposits from customers

EUR ths.	31.12.2022	30.06.2023
<b>Overnight deposits</b>	<b>11,201,963</b>	<b>10,661,517</b>
Non-savings deposits	11,201,963	10,661,517
General governments	161,181	174,049
Other financial corporations	298,745	215,640
Non-financial corporations	2,284,692	2,035,357
Households	8,457,345	8,236,471
<b>Term deposits</b>	<b>5,710,792</b>	<b>6,362,285</b>
Deposits with agreed maturity	1,756,184	2,487,810
Non-savings deposits	1,756,184	2,487,810
General governments	345,458	593,281
Other financial corporations	408,914	510,416
Non-financial corporations	459,027	610,978
Households	542,785	773,135
Deposits redeemable at notice	3,954,608	3,874,475
Households	3,954,608	3,874,475
<b>Deposits from customers</b>	<b>16,912,755</b>	<b>17,023,802</b>
General governments	506,639	767,330
Other financial corporations	707,659	726,056
Non-financial corporations	2,743,719	2,646,335
Households	12,954,738	12,884,081

## Debt securities issued

EUR ths.	31.12.2022	30.06.2023
Subordinated debt securities issues	22,134	22,441
Senior non-preferred bonds	30,687	30,869
Other debt securities issued	2,936,685	3,569,942
Bonds	879,930	1,007,559
Mortgage covered bonds	2,056,755	2,562,383
<b>Debt securities issued</b>	<b>2,989,506</b>	<b>3,623,252</b>

## Subordinated debt securities issued

The subordinated debt securities issued listed in the following table do not include embedded derivatives, which should be separated and disclosed under the statement of financial position line item 'Financial liabilities held for trading'.

The interest rate shown below represents actual interest expense of the Group.

EUR ths.	Issue Date	Maturity Date	Interest Rate	Number of securities	Nominal	Currency	2022	2023
Subordinated Bonds	November 2011	November 2023	4.58%	4,250	1,000	EUR	6,353	6,491
Subordinated Bonds	September 2018	September 2028	2.88%	33	100,000	EUR	3,326	3,374
Subordinated Bonds	September 2018	September 2028	4.99%	33	100,000	EUR	3,335	3,347
Subordinated Bonds	November 2018	November 2028	2.45%	91	100,000	EUR	9,120	9,229
<b>Total</b>							<b>22,134</b>	<b>22,441</b>

## Senior non-preferred bonds

In February 2020 the Group issued senior non-preferred bonds in the number of 300 securities with the notional value of EUR 0.1 million, interest rate 4.24% and maturity date in February 2026 in the total amount of EUR 30.9 million as at 30 June 2023 (2022: EUR 30.7 million).

## Other debt securities issued

All securities listed in the following table are issued in book-entry form as bearer or registered securities with annual or semi annual coupon payments. Their transferability is not limited. There are no pre-emptive rights, exchange rights or early redemption rights related to these securities. The bonds are traded on the Bratislava Stock Exchange.

The stated interest rate corresponds with the actual interest costs of the Group.

EUR ths.	Issue Date	Maturity Date	Interest Rate	Number of securities	Nominal	Currency	2022	2023
Senior Unsecured Bonds	June 2019	December 2025	0.60%	5,572	1,000	EUR	5,473	5,467
Covered Bonds	June 2019	June 2026	0.13%	5,000	100,000	EUR	472,138	473,319
Senior Unsecured Bonds	February 2020	February 2024	0.00%	170	100,000	EUR	17,000	17,000
Senior Unsecured Bonds	March 2020	March 2025	0.00%	53	2,000,000	CZK	4,282	4,375
Senior Unsecured Bonds	June 2020	June 2025	0.80%	4,930	1,000	EUR	4,788	4,769
Senior Unsecured Bonds	June 2020	June 2023	-	4,947	1,000	EUR	4,939	-
Senior Unsecured Bonds	June 2020	June 2025	0.63%	45	100,000	EUR	4,507	4,494
Senior Unsecured Bonds	August 2020	August 2023	0.35%	4,907	1,000	EUR	4,875	4,873
Senior Unsecured Bonds	October 2020	October 2025	0.25%	1,000	100,000	EUR	99,708	99,895
Senior Unsecured Bonds	March 2021	March 2027	4.24%	1,000	100,000	EUR	102,513	103,006
Senior Unsecured Bonds	June 2021	June 2024	0.60%	1,299	1,000	USD	1,222	1,196
Senior Unsecured Bonds	June 2021	June 2028	0.38%	1,302	100,000	EUR	152,572	152,437
Covered Bonds	July 2007	July 2027	4.95%	250	66,388	EUR	18,144	18,297
Covered Bonds	January 2013	January 2025	3.10%	87	50,000	EUR	4,411	4,411
Covered Bonds	June 2013	June 2028	3.00%	132	50,000	EUR	6,615	6,614
Covered Bonds	February 2014	February 2029	2.80%	97	50,000	EUR	4,899	4,898
Covered Bonds	August 2015	August 2025	1.38%	100	100,000	EUR	10,035	10,107
Covered Bonds	March 2016	March 2026	1.00%	90	100,000	EUR	9,036	8,996
Covered Bonds	March 2017	March 2025	0.75%	1,000	100,000	EUR	100,521	100,164
Senior Unsecured Bonds	November 2017	November 2027	1.38%	44	100,000	EUR	4,404	4,434
Senior Unsecured Bonds	February 2018	February 2023	-	8,878	1,000	EUR	8,648	-
Senior Unsecured Bonds	February 2018	February 2023	-	3,583	1,000	USD	3,264	-
Senior Unsecured Bonds	March 2018	March 2023	-	9,309	1,000	EUR	9,120	-
Senior Unsecured Bonds	June 2018	June 2024	0.75%	4,608	1,000	EUR	4,446	4,429
Senior Unsecured Bonds	August 2018	August 2024	0.70%	4,621	1,000	EUR	4,494	4,509
Covered Bonds	August 2018	August 2025	0.63%	2,500	100,000	EUR	233,245	234,640
Senior Unsecured Bonds	September 2018	September 2024	0.70%	4,530	1,000	EUR	4,427	4,417
Senior Unsecured Bonds	November 2018	November 2024	0.75%	4,699	1,000	EUR	4,662	4,543
Senior Unsecured Bonds	December 2018	December 2024	0.75%	4,794	1,000	EUR	4,575	4,562
Covered Bonds	December 2018	December 2024	0.50%	2,500	100,000	EUR	235,947	237,910
Senior Unsecured Bonds	February 2019	February 2025	0.70%	9,490	1,000	EUR	9,172	9,062
Senior Unsecured Bonds	March 2019	March 2025	0.00%	100	50,000	EUR	4,925	4,942
Covered Bonds	April 2022	April 2027	1.13%	5,000	100,000	EUR	459,330	457,416
Senior Unsecured Bonds	May 2022	May 2026	2.00%	19,831	1,000	EUR	20,219	19,878
Senior Unsecured Bonds	June 2022	June 2025	2.70%	29,882	1,000	EUR	30,220	29,776
Senior Unsecured Bonds	July 2022	December 2029	5.00%	285	200,000	USD	50,144	49,013
Senior Unsecured Bonds	September 2022	September 2025	3.00%	62,067	1,000	EUR	40,263	62,615
Covered Bonds	October 2022	April 2028	3.50%	5,000	100,000	EUR	502,435	500,821
Senior Unsecured Bonds	October 2022	April 2026	3.30%	49,883	1,000	EUR	50,276	50,162
Senior Unsecured Bonds	October 2022	October 2025	4.35%	4,995	1,000	USD	4,723	4,731

The table continues on the following page.

EUR ths.	Issue Date	Maturity Date	Interest Rate	Number of securities	Nominal	Currency	2022	2023
Senior Unsecured Bonds	October 2022	October 2034	4.88%	210	100,000	EUR	21,612	22,367
Senior Unsecured Bonds	October 2022	October 2025	4.63%	250	100,000	EUR	25,145	25,730
Senior Unsecured Bonds	October 2022	October 2025	3.90%	50	100,000	EUR	5,036	5,133
Senior Unsecured Bonds	November 2022	November 2025	4.50%	3,759	1,000	USD	3,540	3,551
Senior Unsecured Bonds	November 2022	November 2024	3.50%	49,863	1,000	EUR	50,142	50,878
Senior Unsecured Bonds	November 2022	May 2026	4.97%	1,130	100,000	EUR	113,522	113,761
Covered Bonds	January 2023	January 2026	3.25%	5,000	100,000	EUR	-	504,790
Senior Unsecured Bonds	February 2023	February 2026	3.75%	74,783	1,000	EUR	-	75,800
Senior Unsecured Bonds	February 2023	February 2025	4.45%	5,000	1,000	USD	-	4,669
Senior Unsecured Bonds	June 2023	June 2026	4.50%	1,000	50,000	EUR	-	50,011
Senior Unsecured Bonds	July 2021	July 2031	0.15%	1	1,000	EUR	1,072	1,074
<b>Total</b>							<b>2,936,685</b>	<b>3,569,942</b>

In June 2022 the Group issued retained covered bond in the value of 500 mil. EUR with an interest rate of 2.00% and maturity of 6 years, which was not placed in the market and according to IFRS, it is therefore not possible to recognize this bond in the statement of financial position. Subsequently this covered bond was used as collateral for obtaining term deposit from TLTRO III. See also note 20 Collaterals.

## Other financial liabilities

As at 30 June 2023 other financial liabilities in amount of EUR 158.7 million (2022: EUR 113.8 million) represent unpaired payments from other banks.

## Financial instruments at fair value through profit or loss

### 15. Derivative financial instruments

	31.12.2022			30.06.2023		
	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
<b>Derivatives held in the trading book</b>	<b>2,911,586</b>	<b>77,139</b>	<b>73,533</b>	<b>2,961,408</b>	<b>76,573</b>	<b>73,206</b>
Interest rate derivatives	2,434,047	50,717	48,613	2,531,023	46,099	44,042
Foreign exchange	477,539	26,422	24,920	430,385	30,474	29,164
<b>Total gross amounts</b>	<b>2,911,586</b>	<b>77,139</b>	<b>73,533</b>	<b>2,961,408</b>	<b>76,573</b>	<b>73,206</b>

The Group disclosed derivative instruments in the banking book that are used for economical hedging of financial instruments on asset or liability side and are not designated as hedge accounting.

### 16. Non-trading financial assets at fair value through profit or loss

EUR ths.	31.12.2022		30.06.2023	
	Designated at fair value	Mandatorily at fair value	Designated at fair value	Mandatorily at fair value
Equity instruments	-	9,694	-	11,612
Debt securities	-	7,512	-	6,952
Other financial corporations	-	7,512	-	6,952
<b>Non-trading financial assets at fair value through profit or loss</b>		<b>17,206</b>		<b>18,564</b>

## Financial instruments – other disclosure matters

### 17. Fair value of financial instruments

During the first half of the year of 2023 there were no changes in the methodology of fair value of financial instruments in comparison with annual consolidated financial statements. For the complete set of disclosures related to fair value this interim consolidated financial statements should be read in combination with consolidated financial statements for the previous year in note 18.

#### Classification of financial instruments carried at fair value by levels of the fair value hierarchy

	Quoted market prices in active markets	Marked to model based on observable market data	Marked to model based on non- observable inputs	Total	Quoted market prices in active markets	Marked to model based on observable market data	Marked to model based on non- observable inputs	Total
EUR ths.	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
31.12.2022					30.06.2023			
Assets								
Financial assets HfT	-	77,139	-	77,139	-	76,573	-	76,573
Derivatives	-	77,139	-	77,139	-	76,573	-	76,573
Non-trading financial assets at FVPL	960	-	16,246	17,206	-	-	18,563	18,563
Equity instruments	-	-	9,694	9,694	-	-	11,611	11,611
Debt securities	960	-	6,552	7,512	-	-	6,952	6,952
Hedge accounting derivatives	-	16,879	-	16,879	-	15,963	-	15,963
Total assets	960	94,018	16,246	111,224	-	92,536	18,563	111,099
Liabilities								
Financial liabilities HfT	-	73,533	-	73,533	-	73,206	-	73,206
Derivatives	-	73,533	-	73,533	-	73,206	-	73,206
Hedge accounting derivatives	-	103,266	-	103,266	-	104,943	-	104,943
Total liabilities	-	176,799	-	176,799	-	178,149	-	178,149

#### Reclassification between Level 1 and Level 2 based on balance sheet positions and instruments

Transfers into and out of Level 1 and Level 2 are mainly due to changes in the market activity and consequently in the observability of valuation parameters. In 2023, the transfers were insignificant as well as in 2022.

#### Movements in Level 3

#### Development of fair value of financial instruments in Level 3

EUR ths.	01.01.2023	Gain/loss in profit or loss	Purchases	30.06.2023
<b>Assets</b>				
Non-trading financial assets at FVPL	16,246	1,676	641	18,563
Equity instruments	9,694	1,670	247	11,611
Debt securities	6,552	6	394	6,952
<b>Total assets</b>	<b>16,246</b>	<b>1,676</b>	<b>641</b>	<b>18,563</b>

  

EUR ths.	01.01.2022	Gain/loss in profit or loss	Purchases	30.06.2022
<b>Assets</b>				
Non-trading financial assets at FVPL	15,068	1,068	1,999	16,681
Equity instruments	7,155	1,130	894	9,179
Debt securities	7,913	(62)	1,105	7,502
<b>Total assets</b>	<b>15,068</b>	<b>1,068</b>	<b>1,999</b>	<b>16,681</b>

Transfers into and out of Level 3 mainly result from changes in valuation models with observable or non-observable parameters.

### Gains/losses in profit or loss on Level 3 instruments held at the end of the reporting period

EUR ths.	30.06.2022	30.06.2023
<b>Assets</b>		
Non-trading financial assets at FVPL	1,036	1,676
Equity instruments	1,130	1,670
Debt securities	(94)	6
<b>Total assets</b>	<b>1,036</b>	<b>1,676</b>

### Financial instruments not carried at fair value with fair value disclosed in the notes

EUR ths.	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>30.06.2023</b>					
<b>Assets</b>					
Cash and cash balances	1,690,666	1,690,666	359,223	1,331,443	-
Financial assets at AC	22,145,052	21,789,166	3,447,148	332,715	18,009,303
Loans and advances to banks	30,552	30,553	-	-	30,553
Loans and advances to customers	18,016,523	17,955,858	-	-	17,955,858
of which: Lending for house purchase	10,512,097	10,562,400	-	-	10,562,400
of which: Credit for consumption	1,467,393	1,466,460	-	-	1,466,460
of which: Corporate loans and others	6,037,033	5,926,998	-	-	5,926,998
Debt securities	4,097,977	3,802,755	3,447,148	332,715	22,892
Finance lease receivables	320,902	307,751	-	-	307,751
Trade and other receivables	157,092	153,534	-	-	153,534
<b>Liabilities</b>					
Financial liabilities at AC	22,096,861	21,714,065	1,443,389	576,002	19,694,674
Deposits from banks	1,291,118	1,292,148	-	-	1,292,148
Deposits from customers	17,023,802	16,744,210	-	-	16,744,210
Debt securities in issue	3,623,252	3,519,018	1,443,389	576,002	1,499,627
Other financial liabilities	158,689	158,689	-	-	158,689
<b>31.12.2022</b>					
<b>Assets</b>					
Cash and cash balances	1,254,543	1,254,543	339,594	914,949	-
Financial assets at AC	21,644,120	21,191,973	3,516,465	298,552	17,376,956
Loans and advances to banks	26	26	-	-	26
Loans and advances to customers	17,489,195	17,333,791	-	-	17,333,791
of which: Lending for house purchase	10,237,101	10,195,492	-	-	10,195,492
of which: Credit for consumption	1,402,684	1,391,450	-	-	1,391,450
of which: Corporate loans and others	5,849,410	5,746,849	-	-	5,746,849
Debt securities	4,154,899	3,858,156	3,516,465	298,552	43,139
Finance lease receivables	284,500	266,208	-	-	266,208
Trade and other receivables	155,573	153,971	-	-	153,971
<b>Liabilities</b>					
Financial liabilities at AC	21,189,679	20,847,160	502,219	1,896,632	18,448,309
Deposits from banks	1,173,628	1,170,748	-	-	1,170,748
Deposits from customers	16,912,755	16,655,294	-	-	16,655,294
Debt securities in issue	2,989,506	2,907,328	502,219	1,896,632	508,477
Other financial liabilities	113,790	113,790	-	-	113,790

## 18. Hedge accounting

### Notional amounts of hedged items

EUR ths.	Type of hedged items	Notional amount	
		31.12.2022	30.06.2023
<b>Fair value hedges</b>		<b>1,969,962</b>	<b>1,928,978</b>
Assets	Bonds at AC	331,224	291,224
Liabilities	Issued bonds	1,638,738	1,637,754

### Hedging instruments

The hedging instruments are presented in the line 'Hedge accounting derivatives' in the statement of financial position.

EUR ths.	Carrying amount		Change in FV for the period used for calculating hedge ineffectiveness	Notional
	Assets	Liabilities		
<b>30.06.2023</b>				
<b>Fair value hedges</b>	<b>15,963</b>	<b>104,943</b>	<b>2,129</b>	<b>1,928,978</b>
Interest rate risk	15,963	104,943	2,129	1,928,978
<b>Total gross amounts</b>	<b>15,963</b>	<b>104,943</b>	<b>2,129</b>	<b>1,928,978</b>
<b>Total</b>	<b>15,963</b>	<b>104,943</b>	<b>2,129</b>	<b>1,928,978</b>
<b>31.12.2022</b>				
<b>Fair value hedges</b>	<b>16,879</b>	<b>103,266</b>	<b>(73,419)</b>	<b>1,969,961</b>
Interest rate risk	16,879	103,266	(73,419)	1,969,961
<b>Total gross amounts</b>	<b>16,879</b>	<b>103,266</b>	<b>(73,419)</b>	<b>1,969,961</b>
<b>Total</b>	<b>16,879</b>	<b>103,266</b>	<b>(73,419)</b>	<b>1,969,961</b>

### Hedged items in fair value hedges

EUR ths.	Carrying amount	Hedge adjustments	
		included in the carrying amount	Thereof: for the period used for recognition of hedge ineffectiveness
<b>30.06.2023</b>			
<b>Financial assets at AC</b>	<b>287,074</b>	<b>(15,760)</b>	<b>84</b>
Interest rate risk	287,074	(15,760)	84
<b>Financial liabilities at AC</b>	<b>(1,541,038)</b>	<b>99,519</b>	<b>(1,928)</b>
Interest rate risk	(1,541,038)	99,519	(1,928)
<b>31.12.2022</b>			
<b>Financial assets at AC</b>	<b>328,278</b>	<b>(15,845)</b>	<b>(41,852)</b>
Interest rate risk	328,278	(15,845)	(41,852)
<b>Financial liabilities at AC</b>	<b>(1,540,228)</b>	<b>101,448</b>	<b>116,201</b>
Interest rate risk	(1,540,228)	101,448	116,201

### Fair value hedge of assets

As at 30 June 2023 the Group held in portfolio of financial assets at amortised cost fixed rate bonds denominated in EUR with nominal value of EUR 291.2 million (2022: EUR 331.2 million). As the purchases of these bonds increased exposure to interest rate risk in the period from five to fifteen years, the Group entered into interest rate swap deals in order to hedge the changes of fair value caused by changes of risk-free interest rates, paying fixed and receiving floating rates.

During the first half of the year 2023 the hedges were effective in hedging fair value exposure to interest rate movements. During the period the Group recognised a net loss on the hedging instruments in the amount of EUR 0.1 million (2022: net gain EUR 26.8 million). On the other hand, a net gain on the hedged item attributable to the hedged risk amounted to EUR 0.1 million (2022: net loss EUR 26.7 million).

### Fair value hedge of liabilities

The Group uses hedging to secure its issued fixed rate covered bonds (former mortgage bonds). The list of bonds is disclosed in the note 14 Financial liabilities at amortised cost. As at 30 June 2023 the Group holds covered bonds in total nominal value of EUR 1,637.8 million (2022: EUR 1,638.7 million).

During the first half of the year 2023 the hedges were effective in hedging fair value exposure to interest rate movements. During the period the Group recognised a net gain on the hedging instruments in the amount of EUR 2.2 million (2022: net loss EUR 59.8 million). On the other hand, a net loss on the hedged item attributable to the hedged risk amounted to EUR 1.9 million (2022: net gain EUR 59.3 million).

## 19. Transfers of financial assets – repurchase transactions and securities lending

EUR ths.	31.12.2022		30.06.2023	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
<b>Repurchase agreements</b>	-	-	70,882	68,498
Financial assets at AC	-	-	70,882	68,498
<b>Total</b>	-	-	70,882	68,498

The following table shows fair values of the transferred assets and associated liabilities for repo transactions with an existing recourse right only on the transferred assets:

EUR ths.	31.12.2022			30.06.2023		
	Fair value of transferred assets	Fair value of associated liabilities	Net position	Fair value of transferred assets	Fair value of associated liabilities	Net position
Financial assets at AC	-	-	-	68,608	66,999	1,608
<b>Total</b>	-	-	-	68,608	66,999	1,608

## 20. Collaterals

### Carrying amount of financial assets pledged as collaterals

EUR ths.	31.12.2022	30.06.2023
Financial assets at AC	3,914,419	4,579,009
<b>Total</b>	3,914,419	4,579,009

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	Carrying amount of transferred assets					Carrying amount of associated liabilities		
	Total	Repurchase agreements	Assets pledged for derivatives	Assets pledged for covered bonds	Other transferred assets	Total	Repurchase agreements	Other associated liabilities
<b>EUR ths.</b>								
<b>As of 30.06.2023</b>								
Financial assets at amortised cost								
Debt securities	<b>598,206</b>	70,882	91,980	50,855	384,489	<b>567,933</b>	68,498	499,435
Loans and advances to customers	<b>3,980,803</b>	-	-	2,863,348	1,117,455	<b>3,207,494</b>	-	3,207,494
<b>Assets pledged as collateral</b>	<b>4,579,009</b>	<b>70,882</b>	<b>91,980</b>	<b>2,914,203</b>	<b>1,501,944</b>	<b>3,775,427</b>	<b>68,498</b>	<b>3,706,929</b>

	Carrying amount of transferred assets					Carrying amount of associated liabilities		
	Total	Repurchase agreements	Assets pledged for derivatives	Assets pledged for covered bonds	Other transferred assets	Total	Repurchase agreements	Other associated liabilities
<b>EUR ths.</b>								
<b>As of 31.12.2022</b>								
Financial assets at amortised cost								
Debt securities	<b>520,107</b>	-	86,080	50,128	383,899	<b>470,127</b>	-	470,127
Loans and advances to customers	<b>3,394,312</b>	-	-	2,283,883	1,110,429	<b>2,711,750</b>	-	2,711,750
<b>Assets pledged as collateral</b>	<b>3,914,419</b>	<b>-</b>	<b>86,080</b>	<b>2,334,011</b>	<b>1,494,328</b>	<b>3,181,877</b>	<b>-</b>	<b>3,181,877</b>

The financial assets pledged as collateral consist of loans and advances to customers, bonds and other interest-bearing securities. Collaterals were pledged as a result of refinancing transactions with the respective National Bank, loans backing issued mortgage bonds and other collateral arrangements.

In March 2021, the Group entered into TLTRO III with central bank in the amount of EUR 1,000 million which was shown within other associated liabilities. At 23 November 2022 the Group partially repaid this tranche in amount of EUR 250 million. The Group has pledged SK government bond (EUR 16.8 million), own retained covered bond (EUR 1.000 million) where mortgage loans are shown as encumbered assets (EUR 1,117 million) as collateral to TLTRO III. The collateral is shown within other transferred assets.

In June 2021, the Group entered into TLTRO III with central bank in the amount of EUR 250 million which is shown within other associated liabilities. The Group has pledged SK government bonds (EUR 360.0 million) as collateral to TLTRO III. The collateral is shown within other transferred assets.

## **Risk and capital management**

### **21. Risk management**

During the first half of the year 2023 there were no changes in the methodology of risk management, accounting and reporting in comparison with annual consolidated financial statements. For the complete set of disclosures related to fair value this interim consolidated financial statements should be read in combination with consolidated financial statements for the previous year in note 22.

### **22. Own funds and capital requirements**

#### **Regulatory requirements**

Since 1 January 2014 the Group has been calculating the regulatory capital and the regulatory capital requirements according to the Capital Requirements Regulation (CRR, Regulation (EU) No. 575/2013) and the Capital Requirement Directive (CRD IV, Directive (EU) 2013/36/EU). CRD was enacted in national legislation in Act on Banks 483/2001.

All requirements as defined in the CRR and technical standards issued by the European Banking Authority (EBA) are fully applied by the Group for regulatory purposes and for the disclosure of regulatory information.

According to information provided internally to key management, the Group fulfilled all regulatory capital requirements during the year 2023 and throughout the year 2022 consisting of Pillar 1 requirement, Pillar 2 requirement and combined buffer requirement.

#### **Accounting principles**

The financial and regulatory figures published by the Group are based on IFRS. Eligible capital components are derived from the statement of financial position and income statement which were prepared in accordance with IFRS. Adjustments to the accounting figures are considered due to the different definitions in the scopes of consolidation.

The unified reporting date of the consolidated financial statements and consolidated regulatory figures of the Group is 31 December of each respective year.

## Regulatory scope of consolidation

### Presentation of the scope of consolidation

The following table shows list of subsidiaries and associates, accounting treatment within the scope of consolidation and classification according to CRR:

Entity Name	The sector of the investee	Structure of the group (relationship)	Accounting treatment IFRS	Accounting treatment CRR scope	Classification acc to Article 4 (27) CRR
LANED a.s.	Non-financial corporations	subsidiary	fully consolidated	fully consolidated	Ancillary service undertaking
Prvá stavebná sporiteľňa, a.s.	Credit institutions	associated company	at equity method	at equity method	Credit institutions
Slovak Banking Credit Bureau, s.r.o.	Non-financial corporations	associated company	at equity method	at equity method	Ancillary service undertaking
Holding Card Service, s.r.o.	Other financial corporation	associated company	at equity method	at equity method	Financial institution
Procurement Services SK, s.r.o.	Non-financial corporations	subsidiary	fully consolidated	not consolidated according to article 19 CRR	Ancillary service undertaking
Monilogi s.r.o.	Non-financial corporations	joint-venture	at equity method	at equity method	Ancillary service undertaking
SLSP Social Finance, s.r.o.	Non-financial corporations	subsidiary	fully consolidated	at equity method	Other than Financial sector entity
Dostupný Domov j.s.a.	Non-financial corporations	associated company of SLSP Social Finance, s.r.o.	at equity method	at equity method	Other than Financial sector entity
SLSP Seed Starter, s.r.o.	Non-financial corporations	subsidiary	fully consolidated	at equity method	Other than Financial sector entity

As of 30 June 2023 the number of companies consolidated pursuant to IFRS was 9. As of 30 June 2023 the number of companies consolidated pursuant to regulatory capital requirements, except those entities which are covered by Art. 19 (1) and (2) CRR) was 8.

Seven entities are part of the regulatory scope of consolidation consolidated at equity method. Five of them are consolidated at equity also in the IFRS scope of consolidation. These entities are Prvá stavebná sporiteľňa, a.s., Slovak Banking Credit Bureau, s.r.o., Holding Card Service, spol. s r.o. Monilogi s.r.o. and Dostupný Domov j.s.a.

### Consolidate own funds

Own funds according to CRR consist of CET1, additional tier 1 (AT1) and tier 2 (T2). In order to determine the capital ratios, each respective capital component – after application of all regulatory deductions and filters – is considered in relation to the total risk amount.

The regulatory minimum capital ratios including the capital buffers as of 30 June 2023 amount to:

- 10.02% for CET1 (CET1 Pillar 1 requirement 4.5%, capital conservation buffer 2.5%, Other Systemic Important Institution (O-SII) buffer 2% and countercyclical capital buffer specific for the bank 1.02%),
- 11.52% for tier 1 capital (sum of CET1 and AT1)
- 13.52% for total own funds.

Capital buffer requirements are set out in Act on Banks 483/2001

- capital conservation buffer Article 33b
- Global Systemic Important Institution (G-SII) Article 33a and Article 33d (5)
- Other Systemic Important Institution (O-SII) buffer Article 33a and Article 33d (6)
- systemic risk buffer Article 33a, Article 33e
- countercyclical buffer Article 33a, Article 33c

In addition to minimum capital ratios and capital buffer requirements, institutions also have to fulfil capital requirements determined in the Supervisory Review and Evaluation Process (SREP).

As a result of the 2021 SREP process performed by the European Central Bank (ECB) the Group applies a Pillar 2 requirement (P2R) of 1.5% as of 30 June 2023. The minimum CET1 ratio of 5.34% encompasses the Pillar 1 minimum requirement of 4.5% and the Pillar 2 requirement of 0.84% (56.25% of 1.5%) as of 30 June 2023.

The regulatory minimum capital ratios including the capital buffers and SREP requirements as of 30 June 2023 amount to:

- a CET1 requirement of 10.86%, (Pillar 1 requirement of 4.5%, combined capital buffers of 5.52% and 56.25% of 1.5% Pillar 2 requirement)
- a T1 requirement of 12.64% (Pillar 1 T1 requirement of 6%, combined capital buffers of 5.52% and 75% of 1.5% Pillar 2 requirement)
- a total own funds requirement of 15.02% (Pillar 1 own funds requirement of 8%, combined capital buffers of 5.52% and 1.5% Pillar 2 requirement).

According to SREP, the Group is expected to meet a Pillar 2 Guidance (P2G) of 1.0%. The Pillar 2 Guidance is not MDA (maximum distributable amount) relevant.

	31.12.2022	30.06.2023
<b>Pillar 1</b>		
Minimum CET1 requirement	4.50%	4.50%
Minimum Tier 1 requirement	6.00%	6.00%
Minimum Own Funds requirements	8.00%	8.00%
<b>Combined buffer requirement (CBR)</b>	<b>5.49%</b>	<b>5.52%</b>
Capital conservation buffer	2.50%	2.50%
Institution-specific countercyclical capital buffer	0.99%	1.02%
Systemic risk buffer (SRB)	0.00%	0.00%
O-SII capital buffer	2.00%	2.00%
Minimum CET 1 requirement (incl. CBR)	9.99%	10.02%
Minimum Tier 1 requirement (incl. CBR)	11.49%	11.52%
Minimum Own Funds requirement (incl. CBR)	13.49%	13.52%
<b>Pillar2</b>		
Minimum CET1 requirement	0.84%	0.84%
Minimum T1 requirement	1.13%	1.13%
Minimum Own Funds requirement	1.50%	1.50%
<b>Total CET1 requirement for Pillar 1 and Pillar 2</b>	<b>10.83%</b>	<b>10.86%</b>
<b>Total Tier 1 requirement for Pillar 1 and Pillar 2</b>	<b>12.62%</b>	<b>12.64%</b>
<b>Total Own Funds requirement for Pillar 1 and Pillar 2</b>	<b>14.99%</b>	<b>15.02%</b>

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The following table shows the structure of own funds according to implementing technical standards EBA with regard to disclosure of own funds requirements for institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (the positions not relevant for the Group were excluded):

in EUR ths.	31.12.2022	30.06.2023
<b>Common equity tier 1 capital (CET1)</b>		
Capital instruments eligible as CET1	212,000	212,000
Retained earnings	1,340,782	1,461,364
Accumulated other comprehensive income	(16)	137
<b>Common equity tier 1 capital (CET1) before regulatory adjustments</b>	<b>1,552,766</b>	<b>1,673,501</b>
Prudential filter: fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	(1,116)	(1,116)
Value adjustments due to the requirements for prudent valuation	(2,811)	(2,352)
Securitisation positions which can alternatively be subject to a 1.250% risk weight	(13,333)	(12,993)
Other intangible assets	(11,294)	(10,941)
Insufficient coverage for non-performing exposures	(35)	(433)
Additional deductions of CET1 Capital due to Article 3 CRR	(349)	-
Development of unaudited risk provisions during the year (EU No 183/2014)	(32,114)	(22,478)
<b>Common equity tier 1 capital (CET1)</b>	<b>1,491,714</b>	<b>1,623,188</b>
<b>Additional tier 1 capital (AT1)</b>		
Capital instruments eligible as AT1	380,000	480,000
<b>Additional tier 1 capital (AT1)</b>	<b>380,000</b>	<b>480,000</b>
<b>Tier 1 capital - total amount of common equity tier 1 (CET1) and additional tier 1 (AT1)</b>	<b>1,871,714</b>	<b>2,103,188</b>
<b>Tier 2 capital (T2)</b>		
Capital instruments and subordinated loans eligible as T2	16,412	15,991
IRB excess of provisions over expected losses eligible	50,596	54,767
T2 instruments of financial sector entities where the institution has a significant investment	(5,247)	(5,250)
<b>Tier 2 capital (T2)</b>	<b>61,761</b>	<b>65,509</b>
<b>Total own funds</b>	<b>1,933,475</b>	<b>2,168,697</b>
<b>Capital requirement</b>	<b>11,136,300</b>	<b>891,343</b>
<b>CET1 capital ratio</b>	<b>14.88%</b>	<b>14.58%</b>
<b>Tier 1 capital ratio</b>	<b>18.67%</b>	<b>18.89%</b>
<b>Total capital ratio</b>	<b>19.29%</b>	<b>19.47%</b>

The Following table shows risk exposure amounts reflecting the structure according to Regulation (EU) No 575/2013:

	31.12.2022		30.06.2023	
EUR ths.	Total risk	Capital requirement	Total risk	Capital requirement
<b>Total Risk Exposure Amount</b>	<b>10,025,185</b>	<b>802,015</b>	<b>11,136,300</b>	<b>890,904</b>
Risk weighted assets (credit risk)	9,228,243	738,259	10,354,651	828,372
Standardised approach	691,963	55,356	900,938	72,075
IRB approach	8,432,745	674,620	9,127,913	730,233
Securitisation positions	103,535	8,283	325,800	26,064
Trading book, foreign FX risk and commodity risk	1,613	129	19,792	1,583
Operational Risk	788,357	63,069	757,010	60,561
Exposure for CVA	6,972	558	4,847	388

The Group uses AMA model for calculation of RWA and capital requirements arising from operational risk. The calculation is performed on ERSTE Group level.

## 23. Credit risk

During the first half of the year 2023 there were no changes in the methodology of accounting and reporting of credit risk in comparison with annual individual financial statements. There has been a methodological change in the credit risk reporting methodology; revocable credit facilities are also included in the credit risk exposure. For the complete set of disclosures related to fair value this interim individual financial statements should be read in combination with individual financial statements for the previous year in note 24.

### Reconciliation between the gross carrying amount and the carrying amount of the separate components of the credit risk exposure

30.06.2023	Gross carrying amount	Credit loss allowances					Net carrying amount
		Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	
Cash and cash balances - other demand deposits	25,362	-	-	-	-	-	25,362
Financial assets at amortised cost	22,509,171	42,380	120,645	165,463	35,631	-	22,145,052
Loans and advances to banks	30,603	51	-	-	-	-	30,552
Loans and advances to customers	18,378,687	41,450	119,620	165,463	35,631	-	18,016,523
of which: Lending for house purchase	10,618,211	17,633	18,628	68,368	1,484	-	10,512,098
of which: Credit for consumption	1,536,284	8,776	15,710	44,351	55	-	1,467,392
of which: Corporate loans and others	6,224,192	15,041	85,282	52,744	34,092	-	6,037,033
Debt securities	4,099,881	879	1,025	-	-	-	4,097,977
Finance lease receivables	325,779	370	1,686	2,720	101	-	320,902
Trade and other receivables	162,983	618	799	4,034	440	-	157,092
Non-trading financial assets at fair value through profit or loss - Debt securities	6,952	-	-	-	-	-	6,952
Financial assets - held for trading	76,573	-	-	-	-	-	76,573
Positive fair value of derivatives - hedge accounting	15,963	-	-	-	-	-	15,963
<b>Total credit risk exposure on-balance</b>	<b>23,122,783</b>	<b>43,368</b>	<b>123,130</b>	<b>172,217</b>	<b>36,172</b>	<b>-</b>	<b>22,747,896</b>
Off-balance sheet	4,733,072	3,937	8,782	1,517	2,264	1,973	4,714,599
<b>Total credit risk exposure</b>	<b>27,855,855</b>	<b>47,305</b>	<b>131,912</b>	<b>173,734</b>	<b>38,436</b>	<b>1,973</b>	<b>27,462,495</b>

Allocation of credit loss allowances is affected by the war in Ukraine. The Bank allocated credit loss allowances for the customers with higher risk profile based on their ratings and in case of corporates, the industry was also used.

31.12.2022	Gross carrying amount	Credit loss allowances					Net carrying amount
		Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	
Cash and cash balances - other demand deposits	15,512	-	-	-	-	-	15,512
Financial assets at amortised cost	21,988,069	43,479	110,310	158,695	31,465	-	21,644,120
Loans and advances to banks	26	-	-	-	-	-	26
Loans and advances to customers	17,831,241	42,629	109,257	158,695	31,465	-	17,489,195
of which: Lending for house purchase	10,342,105	18,578	19,242	66,070	1,114	-	10,237,101
of which: Credit for consumption	1,468,003	8,038	14,493	42,704	84	-	1,402,684
of which: Corporate loans and others	6,021,133	16,013	75,522	49,921	30,267	-	5,849,410
Debt securities	4,156,802	850	1,053	-	-	-	4,154,899
Finance lease receivables	288,141	394	509	2,727	11	-	284,500
Trade and other receivables	162,003	627	956	4,379	468	-	155,573
Non-trading financial assets at fair value through profit or loss - Debt securities	7,512	-	-	-	-	-	7,512
Financial assets - held for trading	77,139	-	-	-	-	-	77,139
Positive fair value of derivatives - hedge accounting	16,879	-	-	-	-	-	16,879
<b>Total credit risk exposure on-balance</b>	<b>22,555,255</b>	<b>44,500</b>	<b>111,775</b>	<b>165,801</b>	<b>31,944</b>	<b>-</b>	<b>22,201,235</b>
Off-balance	4,446,011	4,097	10,437	1,946	4,556	2,304	4,422,671
<b>Total credit risk exposure</b>	<b>27,001,266</b>	<b>48,597</b>	<b>122,212</b>	<b>167,747</b>	<b>36,500</b>	<b>2,304</b>	<b>26,623,906</b>

## Credit risk exposure by counterparty finrep sector and financial instrument

EUR ths.	Central banks	General governments	Credit institutions	Other financial corporations	Non-financial corporations	Households	Total
<b>30.06.2023</b>							
Cash and cash balances - other demand deposits	-	-	25,362	-	-	-	25,362
Financial assets at amortised cost	-	3,993,902	377,102	318,114	5,018,081	12,801,972	22,509,171
Loans and advances to banks	-	-	30,603	-	-	-	30,603
Loans and advances to customers	-	364,770	-	292,185	4,919,760	12,801,972	18,378,687
of which: Lending for house purchase	-	-	-	-	-	10,618,211	10,618,211
of which: Credit for consumption	-	-	-	-	-	1,536,284	1,536,284
of which: Corporate loans and others	-	364,770	-	292,185	4,919,760	647,477	6,224,192
Debt securities	-	3,629,132	346,499	25,929	98,321	-	4,099,881
Finance lease receivables	-	962	-	59,264	263,682	1,871	325,779
Trade and other receivables	-	4,242	3,524	2,486	152,682	49	162,983
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	-	6,952	-	-	6,952
Derivatives - held for trading	-	-	49,364	-	27,196	13	76,573
Positive fair value of derivatives - hedge accounting	-	-	15,963	-	-	-	15,963
<b>Total credit risk exposure on-balance</b>	-	<b>3,999,106</b>	<b>471,315</b>	<b>386,816</b>	<b>5,461,641</b>	<b>12,803,905</b>	<b>23,122,783</b>
Off-balance	-	177,221	32,271	380,905	3,671,478	471,197	4,733,072
<b>Total credit risk exposure</b>	-	<b>4,176,327</b>	<b>503,586</b>	<b>767,721</b>	<b>9,133,119</b>	<b>13,275,102</b>	<b>27,855,855</b>

EUR ths.	Central banks	General governments	Credit institutions	Other financial corporations	Non-financial corporations	Households	Total
<b>31.12.2022</b>							
Cash and cash balances - other demand deposits	-	-	15,512	-	-	-	15,512
Financial assets at amortised cost	-	4,071,806	296,472	247,810	4,932,405	12,439,576	21,988,069
Loans and advances to banks	-	-	26	-	-	-	26
Loans and advances to customers	-	337,264	-	221,980	4,832,421	12,439,576	17,831,241
of which: Lending for house purchase	-	-	-	-	-	10,342,105	10,342,105
of which: Credit for consumption	-	-	-	-	-	1,468,003	1,468,003
of which: Corporate loans and others	-	337,264	-	221,980	4,832,421	629,468	6,021,133
Debt securities	-	3,734,542	296,446	25,830	99,984	-	4,156,802
Finance lease receivables	-	1,063	-	39	284,878	2,161	288,141
Trade and other receivables	-	1,822	4,582	2,222	153,306	71	162,003
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	-	7,512	-	-	7,512
Derivatives - held for trading	-	-	55,079	-	22,055	5	77,139
Positive fair value of derivatives - hedge accounting	-	-	16,879	-	-	-	16,879
<b>Total credit risk exposure on-balance</b>	-	<b>4,074,691</b>	<b>388,524</b>	<b>257,583</b>	<b>5,392,644</b>	<b>12,441,813</b>	<b>22,555,255</b>
Off-balance	-	154,096	34,223	236,387	3,474,900	546,405	4,446,011
<b>Total credit risk exposure</b>	-	<b>4,228,787</b>	<b>422,747</b>	<b>493,970</b>	<b>8,867,544</b>	<b>12,988,218</b>	<b>27,001,266</b>

## Credit risk exposure by financial instrument and risk category

	Credit risk exposure				Gross carrying amount
EUR ths.	Low Risk	Management attention	Substandard	Non-performing	
30.06.2023					
Cash and cash balances - other demand deposits	25,362	-	-	-	25,362
Financial assets at amortised cost	17,592,261	3,373,865	1,247,475	295,570	22,509,171
Loans and advances to banks	30,599	-	4	-	30,603
Loans and advances to customers	13,472,664	3,363,513	1,246,940	295,570	18,378,687
of which: Lending for house purchase	8,546,252	1,452,238	475,462	144,259	10,618,211
of which: Credit for consumption	793,303	475,275	208,651	59,055	1,536,284
of which: Corporate loans and others	4,133,109	1,436,000	562,827	92,256	6,224,192
Debt securities	4,088,998	10,352	531	-	4,099,881
Finance lease receivables	218,393	89,255	13,723	4,408	325,779
Trade and other receivables	68,981	59,400	29,869	4,733	162,983
Non-trading financial assets at fair value through profit or loss - 'Debt securities	6,952	-	-	-	6,952
Derivatives - held for trading	49,882	26,575	116	-	76,573
Positive fair value of derivatives - hedge accounting	15,963	-	-	-	15,963
<b>Total credit risk exposure on-balance</b>	<b>17,977,794</b>	<b>3,549,095</b>	<b>1,291,183</b>	<b>304,711</b>	<b>23,122,783</b>
Off-balance	3,772,099	726,633	223,281	11,059	4,733,072
<b>Total credit risk exposure</b>	<b>21,749,893</b>	<b>4,275,728</b>	<b>1,514,464</b>	<b>315,770</b>	<b>27,855,855</b>

EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
31.12.2022					
Cash and cash balances - other demand deposits	15,512	-	-	-	15,512
Financial assets at amortised cost	17,142,000	3,339,413	1,226,265	280,391	21,988,069
Loans and advances to banks	24	2	-	-	26
Loans and advances to customers	12,985,698	3,338,897	1,226,255	280,391	17,831,241
of which: Lending for house purchase	8,229,618	1,436,628	536,690	139,169	10,342,105
of which: Credit for consumption	767,029	452,945	190,861	57,168	1,468,003
of which: Corporate loans and others	3,989,051	1,449,324	498,704	84,054	6,021,133
Debt securities	4,156,278	514	10	-	4,156,802
Finance lease receivables	124,696	144,577	14,620	4,248	288,141
Trade and other receivables	72,941	42,918	40,454	5,690	162,003
Non-trading financial assets at fair value through profit or loss - 'Debt securities	6,552	960	-	-	7,512
Derivatives - held for trading	55,431	21,694	13	1	77,139
Positive fair value of derivatives - hedge accounting	16,879	-	-	-	16,879
<b>Total credit risk exposure on-balance</b>	<b>17,434,011</b>	<b>3,549,562</b>	<b>1,281,352</b>	<b>290,330</b>	<b>22,555,255</b>
Off-balance	3,069,998	1,072,460	294,955	8,598	4,446,011
<b>Total credit risk exposure</b>	<b>20,504,009</b>	<b>4,622,022</b>	<b>1,576,307</b>	<b>298,928</b>	<b>27,001,266</b>

## Credit risk exposure by financial instrument and IFRS 9 stage

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
<b>30.06.2023</b>						
Cash and cash balances - other demand deposits	25,362	-	-	-	-	25,362
Financial assets at amortised cost	19,683,735	2,429,439	285,438	110,559	-	22,509,171
Loans and advances to banks	30,599	4	-	-	-	30,603
Loans and advances to customers	15,601,851	2,380,839	285,438	110,559	-	18,378,687
of which: Lending for house purchase	10,217,739	255,176	141,773	3,523	-	10,618,211
of which: Credit for consumption	1,317,078	160,038	58,985	183	-	1,536,284
of which: Corporate loans and others	4,067,034	1,965,625	84,680	106,853	-	6,224,192
Debt securities	4,051,285	48,596	-	-	-	4,099,881
Finance lease receivables	261,960	59,410	4,159	250	-	325,779
Trade and other receivables	153,628	4,622	4,203	530	-	162,983
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	-	-	6,952	6,952
Derivatives - held for trading	-	-	-	-	76,573	76,573
Positive fair value of derivatives - hedge accounting	-	-	-	-	15,963	15,963
<b>Total credit risk exposure on-balance</b>	<b>20,124,685</b>	<b>2,493,471</b>	<b>293,800</b>	<b>111,339</b>	<b>99,488</b>	<b>23,122,783</b>
Off-balance	3,177,737	813,060	7,499	28,052	706,724	4,733,072
<b>Total credit risk exposure</b>	<b>23,302,422</b>	<b>3,306,531</b>	<b>301,299</b>	<b>139,391</b>	<b>806,212</b>	<b>27,855,855</b>

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
<b>31.12.2022</b>						
Cash and cash balances - other demand deposits	15,512	-	-	-	-	15,512
Financial assets at amortised cost	19,339,360	2,278,559	270,743	99,407	-	21,988,069
Loans and advances to banks	24	2	-	-	-	26
Loans and advances to customers	15,231,289	2,229,802	270,743	99,407	-	17,831,241
of which: Lending for house purchase	9,917,061	284,914	137,315	2,815	-	10,342,105
of which: Credit for consumption	1,259,115	151,630	57,039	219	-	1,468,003
of which: Corporate loans and others	4,055,113	1,793,258	76,389	96,373	-	6,021,133
Debt securities	4,108,047	48,755	-	-	-	4,156,802
Finance lease receivables	250,629	33,045	4,220	247	-	288,141
Trade and other receivables	152,455	3,858	4,938	752	-	162,003
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	-	-	7,512	7,512
Derivatives - held for trading	-	-	-	-	77,139	77,139
Positive fair value of derivatives - hedge accounting	-	-	-	-	16,879	16,879
<b>Total credit risk exposure on-balance</b>	<b>19,757,956</b>	<b>2,315,462</b>	<b>279,901</b>	<b>100,406</b>	<b>101,530</b>	<b>22,555,255</b>
Off-balance	2,975,192	746,605	5,775	25,736	692,703	4,446,011
<b>Total credit risk exposure</b>	<b>22,733,148</b>	<b>3,062,067</b>	<b>285,676</b>	<b>126,142</b>	<b>794,233</b>	<b>27,001,266</b>

'Not subject to IFRS 9 impairment' means that those statement of financial position items are out of IFRS9 rules.

## Credit risk exposure by industry and financial instrument

30.06.2023	Financial assets at amortised cost								Non-trading financial assets at fair value through profit or loss - Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
EUR ths.	Cash and cash balances - other demand deposits	Loans and advances to banks	Loans and advances to customers			Finance lease receivables	Trade and other receivables					
			of which: Lending for house purchase	of which: Credit for consumption	of which: Corporate loans and others			Debt securities				
I. Natural Resources & Commodities	-	-	-	-	624,628	-	32,516	53,243	-	69	548,156	1,258,612
II. Energy	-	-	-	-	641,130	29,033	9,798	3,720	-	26,553	646,603	1,356,837
III. Construction and building materials	-	-	-	-	403,203	-	21,264	16,922	-	11	952,813	1,394,213
IV. Automotive	-	-	-	-	232,840	-	8,876	11,642	-	-	354,605	607,963
V. Cyclical Consumer Products	-	-	-	-	304,037	-	6,348	14,066	-	105	166,469	491,025
VI. Non-Cyclical Consumer Products	-	-	-	-	399,406	9,201	8,747	18,551	-	29	181,854	617,788
VII. Machinery	-	-	-	-	231,054	-	56,367	20,548	-	-	249,017	556,986
VIII. Transportation	-	-	-	-	511,754	75,134	163,112	7,728	-	3	293,970	1,051,701
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	-	-	-	-	123,031	-	3,960	3,332	-	-	82,161	212,484
X. Healthcare & Services	-	-	-	-	226,071	-	10,519	5,873	-	-	96,710	339,173
XI. Hotels, Gaming & Leisure Industry	-	-	-	-	188,641	-	1,306	593	-	5	29,992	220,537
XII. Real Estate	-	-	-	-	1,319,682	10,352	1,830	757	-	421	282,577	1,615,619
XIII. Public Sector	-	-	-	-	335,288	3,629,131	858	-	-	-	116,086	4,081,363
XIV. Financial Institutions	25,362	30,603	-	-	139,176	347,030	137	6,003	6,952	65,327	297,589	918,179
XV. Private Households	-	-	10,618,211	1,536,284	544,214	-	141	-	-	13	434,415	13,133,278
XVI. Other	-	-	-	-	37	-	-	5	-	-	55	97
Total	25,362	30,603	10,618,211	1,536,284	6,224,192	4,099,881	325,779	162,983	6,952	92,536	4,733,072	27,855,855

**Slovenská sporiteľňa, a.s.**

## Interim consolidated financial statements

31.12.2022		Financial assets at amortised cost							Non-trading financial assets at fair value through profit or loss - Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
	Cash and cash balances - other demand deposits	Loans and advances to banks	Loans and advances to customers			Debt securities	Finance lease receivables	Trade and other receivables				
EUR ths.			of which: Lending for house purchase	of which: Credit for consumption	of which: Corporate loans and others							
I. Natural Resources & Commodities	-	-	-	-	578,917	-	32,594	46,607	-	69	429,642	1,087,829
II. Energy	-	-	-	-	693,161	29,259	9,402	3,020	-	21,648	590,723	1,347,213
III. Construction and building materials	-	-	-	-	343,639	-	18,196	21,550	-	2	931,672	1,315,059
IV. Automotive	-	-	-	-	221,806	-	9,381	9,356	-	-	324,169	564,712
V. Cyclical Consumer Products	-	-	-	-	294,709	-	6,440	12,166	-	29	174,231	487,575
VI. Non-Cyclical Consumer Products	-	-	-	-	395,629	9,356	9,627	16,979	-	7	157,615	589,213
VII. Machinery	-	-	-	-	218,261	-	11,175	21,346	-	11	220,389	471,182
VIII. Transportation	-	-	-	-	469,700	76,544	175,660	9,771	-	-	280,590	1,012,265
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	-	-	-	-	162,561	-	2,768	2,780	-	-	80,151	248,260
X. Healthcare & Services	-	-	-	-	263,295	-	9,256	10,924	-	12	113,800	397,287
XI. Hotels, Gaming & Leisure Industry	-	-	-	-	187,991	-	1,242	222	-	1	28,614	218,070
XII. Real Estate	-	-	-	-	1,210,743	10,131	1,248	478	-	276	248,880	1,471,756
XIII. Public Sector	-	-	-	-	329,844	3,734,543	990	-	-	-	101,766	4,167,143
XIV. Financial Institutions	15,512	26	-	-	116,032	296,969	39	6,804	7,512	71,958	259,375	774,227
XV. Private Households	-	-	10,342,105	1,468,003	534,814	-	123	-	-	5	504,380	12,849,430
XVI. Other	-	-	-	-	31	-	-	-	-	-	14	45
Total	15,512	26	10,342,105	1,468,003	6,021,133	4,156,802	288,141	162,003	7,512	94,018	4,446,011	27,001,266

## Credit risk exposure by industry and risk category

EUR ths.	Low Risk	Management attention	Substandard	Non-performing loans	Total
<b>30.06.2023</b>					
I. Natural Resources & Commodities	832,599	270,275	134,086	21,652	1,258,612
II. Energy	1,089,140	254,108	7,126	6,463	1,356,837
III. Construction and building materials	944,466	305,347	119,982	24,418	1,394,213
IV. Automotive	441,369	118,549	46,844	1,201	607,963
V. Cyclical Consumer Products	208,923	146,770	127,101	8,231	491,025
VI. Non-Cyclical Consumer Products	396,676	153,884	57,823	9,405	617,788
VII. Machinery	329,317	159,599	58,744	9,326	556,986
VIII. Transportation	773,734	235,233	38,118	4,616	1,051,701
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	101,874	92,138	16,591	1,881	212,484
X. Healthcare & Services	177,528	105,593	52,916	3,136	339,173
XI. Hotels, Gaming & Leisure Industry	85,976	87,339	37,181	10,041	220,537
XII. Real Estate	1,322,421	236,026	50,951	6,221	1,615,619
XIII. Public Sector	3,968,131	77,439	35,793	-	4,081,363
XIV. Financial Institutions	892,280	20,402	5,329	168	918,179
XV. Private Households	10,185,416	2,013,006	725,845	209,011	13,133,278
XVI. Other	43	20	34	-	97
<b>Total</b>	<b>21,749,893</b>	<b>4,275,728</b>	<b>1,514,464</b>	<b>315,770</b>	<b>27,855,855</b>

EUR ths.	Low Risk	Management attention	Substandard	Non-performing loans	Total
<b>31.12.2022</b>					
I. Natural Resources & Commodities	588,964	330,250	150,225	18,390	1,087,829
II. Energy	1,077,535	239,978	23,359	6,341	1,347,213
III. Construction and building materials	551,153	616,997	127,998	18,911	1,315,059
IV. Automotive	420,483	130,563	12,198	1,468	564,712
V. Cyclical Consumer Products	247,203	171,331	59,457	9,584	487,575
VI. Non-Cyclical Consumer Products	372,216	147,726	62,047	7,224	589,213
VII. Machinery	275,471	85,006	100,989	9,716	471,182
VIII. Transportation	646,413	314,886	47,400	3,566	1,012,265
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	127,317	92,978	25,624	2,341	248,260
X. Healthcare & Services	196,010	127,166	70,270	3,841	397,287
XI. Hotels, Gaming & Leisure Industry	107,012	69,556	30,459	11,043	218,070
XII. Real Estate	1,175,199	215,305	77,075	4,177	1,471,756
XIII. Public Sector	4,093,542	64,638	8,963	-	4,167,143
XIV. Financial Institutions	749,182	21,606	3,281	158	774,227
XV. Private Households	9,876,285	1,994,024	776,954	202,167	12,849,430
XVI. Other	24	12	8	1	45
<b>Total</b>	<b>20,504,009</b>	<b>4,622,022</b>	<b>1,576,307</b>	<b>298,928</b>	<b>27,001,266</b>

## Credit risk exposure by industry and IFRS9 stage

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
<b>30.06.2023</b>						
I. Natural Resources & Commodities	535,449	667,697	20,038	2,117	33,311	1,258,612
II. Energy	229,719	934,780	6,463	-	185,875	1,356,837
III. Construction and building materials	1,000,874	128,847	22,344	19,710	222,438	1,394,213
IV. Automotive	506,835	52,024	1,146	65	47,893	607,963
V. Cyclical Consumer Products	327,615	139,908	5,433	3,528	14,541	491,025
VI. Non-Cyclical Consumer Products	536,061	49,187	8,897	360	23,283	617,788
VII. Machinery	443,790	55,054	7,830	6,596	43,716	556,986
VIII. Transportation	869,266	79,816	4,306	322	97,991	1,051,701
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	182,058	20,066	1,743	48	8,569	212,484
X. Healthcare & Services	296,425	30,006	2,714	508	9,520	339,173
XI. Hotels, Gaming & Leisure Industry	97,335	96,146	9,229	13,423	4,404	220,537
XII. Real Estate	907,928	613,137	5,748	87,339	1,467	1,615,619
XIII. Public Sector	4,078,145	3,218	-	-	-	4,081,363
XIV. Financial Institutions	803,988	807	167	26	113,191	918,179
XV. Private Households	12,486,837	435,838	205,241	5,349	13	13,133,278
XVI. Other	97	-	-	-	-	97
<b>Total</b>	<b>23,302,422</b>	<b>3,306,531</b>	<b>301,299</b>	<b>139,391</b>	<b>806,212</b>	<b>27,855,855</b>

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
<b>31.12.2022</b>						
I. Natural Resources & Commodities	473,256	552,907	16,647	2,376	42,643	1,087,829
II. Energy	210,531	936,170	6,342	-	194,170	1,347,213
III. Construction and building materials	952,664	128,460	17,398	8,513	208,024	1,315,059
IV. Automotive	461,632	50,532	1,421	59	51,068	564,712
V. Cyclical Consumer Products	385,605	80,865	6,659	3,627	10,819	487,575
VI. Non-Cyclical Consumer Products	502,882	55,948	6,710	817	22,856	589,213
VII. Machinery	370,942	41,556	7,792	6,503	44,389	471,182
VIII. Transportation	880,594	51,449	3,468	99	76,655	1,012,265
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	185,516	52,397	1,858	48	8,441	248,260
X. Healthcare & Services	278,851	110,361	3,311	593	4,171	397,287
XI. Hotels, Gaming & Leisure Industry	96,218	97,844	10,087	12,645	1,276	218,070
XII. Real Estate	927,901	451,715	4,162	86,903	1,075	1,471,756
XIII. Public Sector	4,161,152	600	-	-	5,391	4,167,143
XIV. Financial Institutions	650,571	224	157	25	123,250	774,227
XV. Private Households	12,194,796	451,031	199,664	3,934	5	12,849,430
XVI. Other	37	8	-	-	-	45
<b>Total</b>	<b>22,733,148</b>	<b>3,062,067</b>	<b>285,676</b>	<b>126,142</b>	<b>794,233</b>	<b>27,001,266</b>

**Credit risk exposure by region and financial instrument:**

30.06.2023	Cash and cash balances - other demand deposits	Financial assets at amortised cost					Finance lease receivables	Trade and other receivables	Non-trading financial assets at fair value through profit or loss - Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
EUR ths.		Loans and advances to banks	Loans and advances to customers			Debt securities						
			of which: Lending for house purchase	of which: Credit for consumption	of which: Corporate loans and others							
Slovakia	-	17,317	10,554,171	1,521,692	6,098,048	3,657,483	325,779	109,080	-	27,148	4,397,806	26,708,524
Central and Eastern Europe	13,576	13,286	20,939	8,138	88,608	79,099	-	21,654	-	63,898	253,432	562,630
Austria	13,406	12	3,295	414	20	-	-	4,609	-	63,836	22,082	107,674
Czech Republic	168	13,274	6,027	454	88,399	79,099	-	13,706	-	62	218,955	420,144
Hungary	-	-	70	160	26	-	-	2,682	-	-	10,284	13,222
Croatia	-	-	-	65	1	-	-	-	-	-	727	793
Romania	2	-	693	272	20	-	-	635	-	-	1,118	2,740
Serbia	-	-	10,854	6,773	142	-	-	22	-	-	266	18,057
Other EU	11,720	-	2,008	270	37,025	358,096	-	28,499	3,095	1,490	59,402	501,605
Other industrialised countries	66	-	2,792	125	371	5,203	-	2,123	3,857	-	19,327	33,864
Emerging markets	-	-	38,301	6,059	140	-	-	1,627	-	-	3,105	49,232
Total	25,362	30,603	10,618,211	1,536,284	6,224,192	4,099,881	325,779	162,983	6,952	92,536	4,733,072	27,855,855

31.12.2022	Cash and cash balances - other demand deposits	Financial assets at amortised cost					Finance lease receivables	Trade and other receivables	Non-trading financial assets at fair value through profit or loss - Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
EUR ths.		Loans and advances to banks	Loans and advances to customers			Debt securities						
			of which: Lending for house purchase	of which: Credit for consumption	of which: Corporate loans and others							
Slovakia	-	1	10,286,770	1,458,035	5,935,650	3,769,971	288,141	103,604	960	21,996	4,122,439	25,987,567
Central and Eastern Europe	14,754	22	20,488	5,731	55,027	59,239	-	25,716	-	70,430	252,097	503,504
Austria	14,302	13	3,006	349	17	-	-	5,463	-	70,366	23,674	117,190
Czech Republic	445	9	5,425	359	54,852	59,239	-	15,914	-	64	214,428	350,735
Hungary	6	-	62	133	24	-	-	3,189	-	-	11,702	15,116
Croatia	-	-	-	63	1	-	-	426	-	-	1,031	1,521
Romania	1	-	708	215	16	-	-	694	-	-	1,026	2,660
Serbia	-	-	11,287	4,612	117	-	-	30	-	-	236	16,282
Other EU	549	1	1,970	227	26,211	322,513	-	26,557	3,058	1,592	61,924	444,602
Other industrialised countries	209	-	2,541	140	4,127	5,079	-	4,258	3,494	-	5,717	25,565
Emerging markets	-	2	30,336	3,870	118	-	-	1,868	-	-	3,834	40,028
Total	15,512	26	10,342,105	1,468,003	6,021,133	4,156,802	288,141	162,003	7,512	94,018	4,446,011	27,001,266

## Credit risk exposure by region and risk category

	Credit risk exposure				Gross carrying amount
EUR ths.	Low Risk	Management attention	Substandard	Non-performing	
30.06.2023					
Slovakia	20,828,635	4,134,985	1,435,147	309,757	26,708,524
Central and Eastern Europe	439,035	94,243	24,215	5,137	562,630
Austria	103,693	1,555	2,424	2	107,674
Czech Republic	322,858	79,753	12,860	4,673	420,144
Hungary	2,487	5,513	5,164	58	13,222
Croatia	13	154	601	25	793
Romania	1,422	1,193	63	62	2,740
Serbia	8,562	6,075	3,103	317	18,057
Other EU	429,360	32,291	39,549	405	501,605
Other industrialised countries	26,757	2,190	4,780	137	33,864
Emerging markets	26,106	12,019	10,773	334	49,232
Total	21,749,893	4,275,728	1,514,464	315,770	27,855,855

	Credit risk exposure				Gross carrying amount
EUR ths.	Low Risk	Management attention	Substandard	Non-performing	
31.12.2022					
Slovakia	19,734,676	4,462,014	1,498,449	292,428	25,987,567
Central and Eastern Europe	372,246	97,071	28,416	5,771	503,504
Austria	113,566	1,799	1,824	1	117,190
Czech Republic	243,924	82,289	19,065	5,457	350,735
Hungary	5,579	5,392	4,099	46	15,116
Croatia	22	900	577	22	1,521
Romania	1,386	1,190	33	51	2,660
Serbia	7,769	5,501	2,818	194	16,282
Other EU	358,344	50,632	35,279	347	444,602
Other industrialised countries	15,996	2,710	6,700	159	25,565
Emerging markets	22,747	9,595	7,463	223	40,028
Total	20,504,009	4,622,022	1,576,307	298,928	27,001,266

## Credit risk exposure by region and IFRS 9 stage

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
<b>30.06.2023</b>						
Slovakia	22,351,210	3,250,895	295,901	138,774	671,744	26,708,524
Central and Eastern Europe	401,092	37,217	4,523	616	119,182	562,630
Austria	27,016	426	2	2	80,228	107,674
Czech Republic	342,251	34,667	4,071	602	38,553	420,144
Hungary	11,863	899	54	5	401	13,222
Croatia	741	28	24	-	-	793
Romania	2,660	18	60	2	-	2,740
Serbia	16,561	1,179	312	5	-	18,057
Other EU	488,706	1,245	405	-	11,249	501,605
Other industrialised countries	14,666	15,024	137	-	4,037	33,864
Emerging markets	46,748	2,150	333	1	-	49,232
<b>Total</b>	<b>23,302,422</b>	<b>3,306,531</b>	<b>301,299</b>	<b>139,391</b>	<b>806,212</b>	<b>27,855,855</b>

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EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
<b>31.12.2022</b>						
Slovakia	21,939,664	2,992,039	279,994	125,242	650,628	25,987,567
Central and Eastern Europe	329,888	40,519	4,954	820	127,323	503,504
Austria	27,747	140	1	2	89,300	117,190
Czech Republic	268,212	39,289	4,650	807	37,777	350,735
Hungary	14,789	34	42	5	246	15,116
Croatia	1,499	-	22	-	-	1,521
Romania	2,595	14	49	2	-	2,660
Serbia	15,046	1,042	190	4	-	16,282
Other EU	409,883	22,024	347	79	12,269	444,602
Other industrialised countries	16,814	5,080	158	-	3,513	25,565
Emerging markets	36,899	2,405	223	1	500	40,028
<b>Total</b>	<b>22,733,148</b>	<b>3,062,067</b>	<b>285,676</b>	<b>126,142</b>	<b>794,233</b>	<b>27,001,266</b>

**Credit risk exposure according to impairment view**

<b>30.06.2023</b>									
Non-impaired loans									
EUR ths.	Total past due non impaired	Thereof 1-30 days past due	Thereof 31-60 days past due	Thereof 61-90 days past due	Thereof 91-180 days past due	Thereof more than 180 days past due	Neither past due nor impaired	Impaired loans	Total Credit risk exposure
Cash and cash balances - other demand deposits	-	-	-	-	-	-	25,362	-	25,362
Financial assets at amortised cost	366,617	334,246	22,635	4,778	3,596	1,361	21,846,985	295,570	22,509,171
Loans and advances to banks	27	23	-	1	3	-	30,576	-	30,603
Loans and advances to customers	366,590	334,223	22,635	4,777	3,593	1,361	17,716,528	295,570	18,378,687
of which: Lending for house purchase	117,843	101,765	10,006	2,273	2,732	1,067	10,356,109	144,259	10,618,211
of which: Credit for consumption	49,922	43,717	3,838	1,725	499	143	1,427,307	59,055	1,536,284
of which: Corporate loans and others	198,825	188,741	8,791	779	362	151	5,933,112	92,256	6,224,192
Debt securities	-	-	-	-	-	-	4,099,881	-	4,099,881
Finance lease receivables	2,926	2,803	123	-	-	-	318,445	4,408	325,779
Trade and other receivables	13,683	12,252	818	162	450	-	144,568	4,733	162,983
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	-	-	-	-	6,952	-	6,952
Financial assets - held for trading	-	-	-	-	-	-	76,573	-	76,573
Positive fair value of derivatives	-	-	-	-	-	-	15,963	-	15,963
<b>Total credit risk exposure on-balance</b>	<b>383,226</b>	<b>349,301</b>	<b>23,576</b>	<b>4,940</b>	<b>4,046</b>	<b>1,361</b>	<b>22,434,848</b>	<b>304,711</b>	<b>23,122,783</b>
Off-balance	-	-	-	-	-	-	4,724,269	8,803	4,733,072
<b>Total credit risk exposure</b>	<b>383,226</b>	<b>349,301</b>	<b>23,576</b>	<b>4,940</b>	<b>4,046</b>	<b>1,361</b>	<b>27,159,117</b>	<b>313,514</b>	<b>27,855,855</b>

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31.12.2022	Non-impaired loans							Impaired loans	Total Credit risk exposure
	Total past due non Impaired	Thereof 1-30 days past due	Thereof 31-60 days past due	Thereof 61-90 days past due	Thereof 91-180 days past due	Thereof more than 180 days past due	Neither past due nor Impaired		
Cash and cash balances - other demand deposits	-	-	-	-	-	-	15,512	-	15,512
Financial assets at amortised cost	341,895	317,202	13,312	7,195	2,543	1,642	21,365,783	280,391	21,988,069
Loans and advances to banks	25	25	-	-	-	-	1	-	26
Loans and advances to customers	341,870	317,177	13,312	7,195	2,543	1,642	17,208,980	280,391	17,831,241
of which: Lending for house purchase	109,910	93,774	8,648	4,274	1,933	1,280	10,093,026	139,169	10,342,105
of which: Credit for consumption	48,517	43,075	3,011	1,746	479	206	1,362,318	57,168	1,468,003
of which: Corporate loans and others	183,443	180,328	1,653	1,175	131	156	5,753,636	84,054	6,021,133
Debt securities	-	-	-	-	-	-	4,156,802	-	4,156,802
Finance lease receivables	4,432	3,605	594	228	5	-	279,461	4,248	288,141
Trade and other receivables	14,108	13,405	598	105	-	-	142,204	5,690	162,003
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	-	-	-	-	7,512	-	7,512
Financial assets - held for trading	-	-	-	-	-	-	77,139	-	77,139
Positive fair value of derivatives	-	-	-	-	-	-	16,879	-	16,879
<b>Total credit risk exposure on-balance</b>	<b>360,435</b>	<b>334,212</b>	<b>14,504</b>	<b>7,528</b>	<b>2,548</b>	<b>1,642</b>	<b>21,904,490</b>	<b>290,329</b>	<b>22,555,255</b>
Off-balance	-	-	-	-	-	-	4,439,510	6,501	4,446,011
<b>Total credit risk exposure</b>	<b>360,435</b>	<b>334,212</b>	<b>14,504</b>	<b>7,528</b>	<b>2,548</b>	<b>1,642</b>	<b>26,344,000</b>	<b>296,830</b>	<b>27,001,266</b>

**Credit quality for exposures, which are neither past due non impaired**

EUR ths.	Low Risk	Management attention	Substandard	Non-performing	Total
<b>30.06.2023</b>					
Cash and cash balances - other demand deposits	25,362	-	-	-	25,362
Financial assets at amortised cost	17,518,699	3,318,137	1,010,149	-	21,846,985
Loans and advances to banks	30,576	-	-	-	30,576
Loans and advances to customers	13,399,125	3,307,785	1,009,618	-	17,716,528
of which: Lending for house purchase	8,541,414	1,437,743	376,952	-	10,356,109
of which: Credit for consumption	792,707	471,000	163,600	-	1,427,307
of which: Corporate loans and others	4,065,004	1,399,042	469,066	-	5,933,112
Debt securities	4,088,998	10,352	531	-	4,099,881
Finance lease receivables	217,864	88,624	11,957	-	318,445
Trade and other receivables	65,270	53,577	25,721	-	144,568
Non-trading financial assets at fair value through profit or loss - 'Debt securities	6,952	-	-	-	6,952
Derivatives - held for trading	49,882	26,575	116	-	76,573
Positive fair value of derivatives - hedge accounting	15,963	-	-	-	15,963
<b>Total credit risk exposure on-balance</b>	<b>17,899,992</b>	<b>3,486,913</b>	<b>1,047,943</b>	<b>-</b>	<b>22,434,848</b>
Off-balance	3,772,100	726,633	223,281	2,255	4,724,269
<b>Total credit risk exposure</b>	<b>21,672,092</b>	<b>4,213,546</b>	<b>1,271,224</b>	<b>2,255</b>	<b>27,159,117</b>

EUR ths.	Low Risk	Management attention	Substandard	Non-performing	Total
<b>31.12.2022</b>					
Cash and cash balances - other demand deposits	15,512	-	-	-	15,512
Financial assets at amortised cost	17,082,266	3,282,978	1,000,539	-	21,365,783
Loans and advances to banks	1	-	-	-	1
Loans and advances to customers	12,925,987	3,282,464	1,000,529	-	17,208,980
of which: Lending for house purchase	8,226,385	1,422,905	443,736	-	10,093,026
of which: Credit for consumption	766,496	447,843	147,979	-	1,362,318
of which: Corporate loans and others	3,933,106	1,411,716	408,814	-	5,753,636
Debt securities	4,156,278	514	10	-	4,156,802
Finance lease receivables	124,017	141,976	13,468	-	279,461
Trade and other receivables	67,290	38,057	36,857	-	142,204
Non-trading financial assets at fair value through profit or loss - 'Debt securities	6,552	960	-	-	7,512
Derivatives - held for trading	55,431	21,694	13	1	77,139
Positive fair value of derivatives - hedge accounting	16,879	-	-	-	16,879
<b>Total credit risk exposure on-balance</b>	<b>17,367,947</b>	<b>3,485,665</b>	<b>1,050,877</b>	<b>1</b>	<b>21,904,490</b>
Off-balance	3,069,998	1,072,460	294,955	2,097	4,439,510
<b>Total credit risk exposure</b>	<b>20,437,945</b>	<b>4,558,125</b>	<b>1,345,832</b>	<b>2,098</b>	<b>26,344,000</b>

### Credit risk exposure by Basel 3 exposure class and financial instrument

EUR ths.	Sovereigns	Institutions	Corporates	Retail	Total
<b>30.06.2023</b>					
Cash and cash balances - other demand deposits	-	25,362	-	-	25,362
Financial assets at amortised cost	3,709,687	661,316	5,016,539	13,121,629	22,509,171
Loans and advances to banks	-	30,603	-	-	30,603
Loans and advances to customers	80,556	284,214	4,892,288	13,121,629	18,378,687
of which: Lending for house purchase	-	-	-	10,618,211	10,618,211
of which: Credit for consumption	-	-	-	1,536,284	1,536,284
of which: Corporate loans and others	80,556	284,214	4,892,288	967,134	6,224,192
Debt securities	3,629,131	346,499	124,251	-	4,099,881
Finance lease receivables	102	860	313,784	11,033	325,779
Trade and other receivables	3,510	732	158,423	318	162,983
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	6,952	-	6,952
Derivatives - held for trading	-	49,363	27,197	13	76,573
Positive fair value of derivatives - hedge accounting	-	15,963	-	-	15,963
<b>Total credit risk exposure on-balance</b>	<b>3,713,299</b>	<b>753,596</b>	<b>5,522,895</b>	<b>13,132,993</b>	<b>23,122,783</b>
Off-balance	120,792	88,700	3,969,046	554,534	4,733,072
<b>Total credit risk exposure</b>	<b>3,834,091</b>	<b>842,296</b>	<b>9,491,941</b>	<b>13,687,527</b>	<b>27,855,855</b>

EUR ths.	Sovereigns	Institutions	Corporates	Retail	Total
<b>31.12.2022</b>					
Cash and cash balances - other demand deposits	-	15,512	-	-	15,512
Financial assets at amortised cost	4,071,807	296,472	4,873,825	12,745,965	21,988,069
Loans and advances to banks	-	26	-	-	26
Loans and advances to customers	337,264	-	4,748,012	12,745,965	17,831,241
of which: Lending for house purchase	-	-	-	10,342,105	10,342,105
of which: Credit for consumption	-	-	-	1,468,003	1,468,003
of which: Corporate loans and others	337,264	-	4,748,012	935,857	6,021,133
Debt securities	3,734,543	296,446	125,813	-	4,156,802
Finance lease receivables	1,062	-	275,972	11,107	288,141
Trade and other receivables	1,822	-	159,930	251	162,003
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	7,512	-	7,512
Derivatives - held for trading	-	55,079	22,055	5	77,139
Positive fair value of derivatives - hedge accounting	-	16,879	-	-	16,879
<b>Total credit risk exposure on-balance</b>	<b>4,074,691</b>	<b>383,942</b>	<b>5,339,294</b>	<b>12,757,328</b>	<b>22,555,255</b>
Off-balance	154,096	34,228	3,632,605	625,082	4,446,011
<b>Total credit risk exposure</b>	<b>4,228,787</b>	<b>418,170</b>	<b>8,971,899</b>	<b>13,382,410</b>	<b>27,001,266</b>

## War in Ukraine

The Ukraine-Russia war, intensified challenges for both risk and business divisions: a rally in energy prices on the one hand and disruptions in supply chains on the other hand. The first ones had implications on various industries, mainly those with energy intensive production processes, but also impacting segments with high fuel cost shares. Issues with supply chains are managed by affected clients with diverse measures aiming to safeguard the business activity and liquidity (amongst others: active working capital management, targeted stocking-up, output adaptation, renegotiations with off takers etc.), in some cases also by ensuring backup/liquidity financing. Developments as mentioned above are reflected in the regular updates of the industry strategies.

In June 2022, Group implemented rules for stage overlays due to the war in Ukraine (UA war overlays) as a combination of industries with correlation to economic downturn (cyclical industries) and one-year IFRS PD. These rules were defined on top of existing criteria mentioned in the section 'Significant increase in credit risk determination – Qualitative criteria'. Threshold for 1-year IFRS probability of default is set to 250 basis points, which means that if a loan is segmented in cyclical industry and 1-year IFRS probability of default is higher than 250 basis points, such loan will be moved to Stage 2 and will be part of cyclical overlays.

In addition to cyclical industries, from September 2022 Group has introduced additional Energy stage overlay due to the current distortions in the energy market with implications on gas/energy availability and price. Two-folds effects were identified. Effects of gas rationing/shortage on clients either due to energy intensive production processes or relying on gas as a primary input in their business processes. Vulnerability is driven by gas dependency, (limited) substitution possibilities and implications of a substitution on financials, hedging and price mechanisms. Within the industry Natural Resources and Commodities, Metals and Chemical subindustries were identified as being most affected. All companies belonging to the Energy sector as the whole industry can potentially be affected by the massive shortages and distortions in the current energy market: price volatility, margin calls, price caps, adverse weather environment for hydro power, fixed off-take contracts (putting off-takers at risk when stopped and / or limiting producers of renewable energy profiting from the higher prices), exceptional taxes, etc. All customers belonging to these industries / sub-industries were migrated to Stage 2.

Total exposure in Stage 2 of cyclical industries as of June 2023 is EUR 1,474 million. After applying rule for one-year IFRS PD the exposure relevant for cyclical overlays is EUR 767 million. Total exposure in Stage 2 of energy industries as of June 2023 is EUR 1,555 million. As no further rules are applied, this is also the amount in energy overlays.

## Restructuring, renegotiation and forbearance

Restructuring means contractual modification of any of the customer's loan repayment conditions including tenor, interest rate, fees, principal amount due or a combination thereof. Restructuring can be business restructuring (in the retail segment), commercial renegotiation (in the corporate segment), or forbearance (e.g. concession due to financial difficulties) in line with EBA requirements in both segments.

## Credit risk exposure, forbearance exposure and credit loss allowances

EUR ths.	Loans and advances	Debt securities	Other positions	Off-balance	Total credit risk exposure
<b>30.06.2023</b>					
Gross exposure	18,898,052	4,106,833	117,898	4,733,072	27,855,855
thereof gross forbore exposure	388,275	-	-	7,035	395,310
Performing exposure	18,593,341	4,106,833	117,898	4,722,013	27,540,085
thereof performing forbore exposure	280,760	-	-	6,674	287,434
Credit loss allowances for performing exposure	193,354	1,904	-	15,430	210,688
thereof credit loss allowances for performing forbore exposure	16,092	-	-	205	16,297
Non-performing exposure	304,711	-	-	11,059	315,770
thereof non-performing forbore exposure	107,515	-	-	361	107,876
Credit loss allowances for non-performing exposure	179,629	-	-	3,043	182,672
thereof credit loss allowances for non-performing forbore exposure	57,020	-	-	4	57,024

EUR ths.	Loans and advances	Debt securities	Other positions	Off-balance	Total credit risk exposure
<b>31.12.2022</b>					
Gross exposure	18,281,411	4,164,314	109,530	4,446,011	27,001,266
thereof gross forbore exposure	388,082	-	-	6,814	394,896
Performing exposure	17,991,082	4,164,314	109,529	4,437,413	26,702,338
thereof performing forbore exposure	283,280	-	-	6,459	289,739
Credit loss allowances for performing exposure	179,353	1,903	-	20,177	201,433
thereof credit loss allowances for performing forbore exposure	13,037	-	-	80	13,117
Non-performing exposure	290,329	-	1	8,598	298,928
thereof non-performing forbore exposure	104,801	-	-	355	105,156
Credit loss allowances for non-performing exposure	172,765	-	-	3,162	175,927
thereof credit loss allowances for non-performing forbore exposure	53,315	-	-	3	53,318

Loans and advances also include lease, trade and other receivables.

## Collateral

### Credit risk exposure by financial instrument and collaterals

30.06.2023		Collateral: thereof attributable to credit impaired exposure	Collateralised by			Collateral total	Credit risk exposure net of collateral	IFRS 9 impairment relevant		
EUR ths.	Credit risk exposure		Guarantees	Real estate	Other			Neither past due nor credit impaired	Past due but not credit impaired	Credit impaired
Cash and cash balances - other demand deposits	25,362	-	-	-	-	-	25,362	25,362	-	-
Financial assets at amortised cost	22,509,171	151,995	259,477	11,334,565	360,217	11,954,259	10,554,910	21,846,983	366,617	295,570
Loans and advances to banks	30,603	-	11	-	-	11	30,592	30,576	27	-
Loans and advances to customers	18,378,687	151,995	249,384	11,334,565	360,217	11,944,166	6,434,520	17,716,526	366,590	295,570
of which: Lending for house purchase	10,618,211	133,145	-	9,876,324	25	9,876,349	741,862	10,356,109	117,843	144,259
of which: Credit for consumption	1,536,284	269	-	291	-	291	1,535,992	1,427,306	49,922	59,055
of which: Corporate loans and others	6,224,192	18,581	249,384	1,457,950	360,192	2,067,526	4,156,666	5,933,111	198,825	92,256
Debt securities	4,099,881	-	10,082	-	-	10,082	4,089,798	4,099,881	-	-
Finance lease receivables	325,779	1,695	-	-	219,667	219,667	106,112	318,444	2,926	4,408
Trade and other receivables	162,983	-	-	-	-	-	162,984	144,568	13,683	4,733
Non-trading financial assets at fair value through profit or loss - 'Debt securities	6,952	-	-	-	-	-	6,952	-	-	-
Financial assets - held for trading	76,573	-	-	-	-	-	76,573	-	-	-
Positive fair value of derivatives	15,963	-	-	-	-	-	15,963	-	-	-
<b>Total credit risk exposure on-balance</b>	<b>23,122,783</b>	<b>153,690</b>	<b>259,477</b>	<b>11,334,565</b>	<b>579,884</b>	<b>12,173,926</b>	<b>10,948,856</b>	<b>22,335,357</b>	<b>383,226</b>	<b>304,711</b>
Off-balance	4,733,072	952	-	120,329	102,421	222,750	4,510,322	4,017,545	-	8,803
<b>Total credit risk exposure</b>	<b>27,855,855</b>	<b>154,642</b>	<b>259,477</b>	<b>11,454,894</b>	<b>682,305</b>	<b>12,396,676</b>	<b>15,459,178</b>	<b>26,352,902</b>	<b>383,226</b>	<b>313,514</b>

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31.12.2022	Credit risk exposure	Collateral: thereof attributable to credit impaired exposure	Collateralised by			Collateral total	Credit risk exposure net of collateral	IFRS 9 impairment relevant		
			Guarantees	Real estate	Other			Neither past due nor credit impaired	Past due but not credit impaired	Credit impaired
<b>EUR ths.</b>										
Cash and cash balances - other demand deposits	15,512	-	-	-	-	-	15,512	15,512	-	-
Financial assets at amortised cost	21,988,069	144,735	236,430	10,880,964	370,547	11,487,940	10,500,129	21,365,783	341,895	280,391
Loans and advances to banks	26	-	12	-	-	12	14	1	25	-
Loans and advances to customers	17,831,241	144,735	226,365	10,880,964	370,547	11,477,875	6,353,366	17,208,980	341,870	280,391
of which: Lending for house purchase	10,342,105	128,134	-	9,533,711	25	9,533,736	808,369	10,093,026	109,910	139,169
'of which: Credit for consumption	1,468,003	280	-	291	-	291	1,467,712	1,362,318	48,517	57,168
'of which: Corporate loans and others	6,021,133	16,321	226,365	1,346,962	370,522	1,943,848	4,077,285	5,753,636	183,443	84,054
Debt securities	4,156,802	-	10,053	-	-	10,053	4,146,749	4,156,802	-	-
Finance lease receivables	288,141	1,781	-	-	195,354	195,354	92,787	279,461	4,432	4,248
Trade and other receivables	162,003	-	-	-	-	-	162,003	142,204	14,108	5,690
Non-trading financial assets at fair value through profit or loss - 'Debt securities	7,512	-	-	-	-	-	7,512	-	-	-
Financial assets - held for trading	77,139	-	-	-	-	-	77,139	-	-	-
Positive fair value of derivatives	16,879	-	-	-	-	-	16,879	-	-	-
<b>Total credit risk exposure on-balance</b>	<b>22,555,255</b>	<b>146,516</b>	<b>236,430</b>	<b>10,880,964</b>	<b>565,901</b>	<b>11,683,294</b>	<b>10,871,961</b>	<b>21,802,960</b>	<b>360,435</b>	<b>290,329</b>
Off-balance	4,446,011	408	-	115,757	112,269	228,026	4,217,985	3,746,807	-	6,501
<b>Total credit risk exposure</b>	<b>27,001,266</b>	<b>146,924</b>	<b>236,430</b>	<b>10,996,721</b>	<b>678,170</b>	<b>11,911,320</b>	<b>15,089,946</b>	<b>25,549,767</b>	<b>360,435</b>	<b>296,830</b>

The collateral attributable to exposures that are credit-impaired at 30 June 2023 amounts to EUR 153.7 million (2022: EUR 146.5 million).

## 24. Market risk

During the first half of the year 2023 there were no changes in the methodology of accounting of market risk in comparison with annual consolidated financial statements. For the complete set of disclosures related to fair value this interim consolidated financial statements should be read in combination with consolidated financial statements for the previous year in note 25.

## 25. Liquidity risk

During the first half of the year 2023 there were no changes in the methodology of accounting of liquidity risk in comparison with annual consolidated financial statements. For the complete set of disclosures related to fair value this interim consolidated financial statements should be read in combination with consolidated financial statements for the previous year in note 26.

## 26. Operational risk

During the first half of the year 2023 there were no changes in the methodology of accounting of operational risk in comparison with annual consolidated financial statements. For the complete set of disclosures related to fair value this interim consolidated financial statements should be read in combination with consolidated financial statements for the previous year in note 27.

## 27. Other assets

EUR ths.	31.12.2022	30.06.2023
Client settlement	10,742	29,943
Trade receivables	-	2
Personnel balances	716	2,797
State budget, social and health insurance, taxes	911	4
Sundry assets	13,186	18,373
Thereof: deferred cost	11,165	17,315
<b>Other assets</b>	<b>25,555</b>	<b>51,119</b>

These items represent balances like:

Item Client settlement represents mainly suspense accounts or money in transit accounts that are not allocated to respective client account due to missing information or due to essence of the transaction. The main part of this items belongs to interbank clearing or open settlement with securities transactions.

Item Personnel balances represents other unsettled transactions – mainly unsettled prepaid expenses.

Item State budget, social and health insurance, taxes consist mainly of withholding tax and VAT tax receivables that will be settled with state budget within next month.

Sundry assets represent other items that do not fall into the above-mentioned categories - mainly deferred costs and suspense accounts.

## Fiduciary assets

The Group provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients. Assets held in a fiduciary capacity are not reported in the financial statements, as they are not the assets of the Group.

## Leases

### Finance lease receivables

#### Gross carrying amounts and credit loss allowances per impairment buckets

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
<b>As of 30.06.2023</b>											
General governments	860	102	-	-	962	(1)	(1)	-	-	(2)	960
Other financial corporations	59,264	-	-	-	59,264	(30)	-	-	-	(30)	59,234
Non-financial corporations	200,441	59,195	3,795	250	263,681	(336)	(1,684)	(2,521)	(101)	(4,642)	259,039
Households	1,395	113	363	-	1,871	(2)	(2)	(198)	-	(202)	1,669
<b>Total</b>	<b>261,960</b>	<b>59,410</b>	<b>4,158</b>	<b>250</b>	<b>325,778</b>	<b>(369)</b>	<b>(1,687)</b>	<b>(2,719)</b>	<b>(101)</b>	<b>(4,876)</b>	<b>320,902</b>

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
<b>As of 31.12.2022</b>											
General governments	993	70	-	-	1,063	(1)	-	-	-	(1)	1,062
Other financial corporations	39	-	-	-	39	-	-	-	-	-	39
Non-financial corporations	248,072	32,608	3,951	247	284,878	(389)	(503)	(2,596)	(11)	(3,498)	281,380
Households	1,526	367	268	-	2,161	(4)	(7)	(130)	-	(142)	2,019
<b>Total</b>	<b>250,630</b>	<b>33,045</b>	<b>4,219</b>	<b>247</b>	<b>288,141</b>	<b>(394)</b>	<b>(510)</b>	<b>(2,726)</b>	<b>(11)</b>	<b>(3,641)</b>	<b>284,500</b>

#### Movement in credit loss allowances

Eur ths.	01.01.2023	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	30.06.2023
<b>Stage 1</b>	<b>(394)</b>	<b>(82)</b>	<b>9</b>	<b>53</b>	<b>45</b>	<b>-</b>	<b>(369)</b>
<b>Stage 2</b>	<b>(510)</b>	<b>-</b>	<b>2</b>	<b>(1,120)</b>	<b>(59)</b>	<b>-</b>	<b>(1,687)</b>
<b>Stage 3</b>	<b>(2,726)</b>	<b>-</b>	<b>9</b>	<b>(73)</b>	<b>71</b>	<b>-</b>	<b>(2,719)</b>
<b>POCI</b>	<b>(11)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(90)</b>	<b>-</b>	<b>(101)</b>
<b>Total</b>	<b>(3,641)</b>	<b>(82)</b>	<b>20</b>	<b>(1,140)</b>	<b>(33)</b>	<b>-</b>	<b>(4,876)</b>

EUR ths.	1.1.2022	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	31.12.2022
<b>Stage 1</b>	<b>(1,244)</b>	<b>(134)</b>	<b>3</b>	<b>142</b>	<b>839</b>	<b>(395)</b>
<b>Stage 2</b>	<b>(506)</b>	<b>-</b>	<b>3</b>	<b>(204)</b>	<b>197</b>	<b>(510)</b>
<b>Stage 3</b>	<b>(3,586)</b>	<b>-</b>	<b>692</b>	<b>(86)</b>	<b>(348)</b>	<b>(2,726)</b>
<b>POCI</b>	<b>-</b>	<b>-</b>	<b>73</b>	<b>-</b>	<b>(84)</b>	<b>(11)</b>
<b>Total</b>	<b>(5,336)</b>	<b>(134)</b>	<b>771</b>	<b>(148)</b>	<b>604</b>	<b>(3,641)</b>

## Transfers between stages

EUR ths.	31.12.2022	30.06.2023
<b>Transfers between Stage 1 and Stage 2</b>	<b>31,653</b>	<b>36,322</b>
To Stage 2 from Stage 1	24,944	33,832
To Stage 1 from Stage 2	6,709	2,490
<b>Transfers between Stage 2 and Stage 3</b>	<b>393</b>	<b>234</b>
To Stage 3 from Stage 2	110	234
To Stage 2 from Stage 3	283	-
<b>Transfers between Stage 1 and Stage 3</b>	<b>1,199</b>	<b>334</b>
To Stage 3 from Stage 1	1,170	285
To Stage 1 from Stage 3	29	49

## Accruals, provisions, contingent liabilities and legal proceedings

### 28. Other liabilities

EUR ths.	31.12.2022	30.06.2023
Client settlement	26,869	30,628
Trade payables	59,464	33,951
Personnel balances and social fund	37,904	27,947
State budget, social and health insurance, taxes	5,449	6,743
Sundry liabilities	2,216	-
<b>Other liabilities</b>	<b>131,902</b>	<b>99,269</b>

Item Client settlement represents mainly suspense accounts or money in transit accounts that are not allocated to respective client account due to missing information or due to essence of the transaction.

Item Trade payables represents liabilities to suppliers, including accruals and the main part belongs to unbilled deliveries, that are completed but unbilled as end of month.

Item Personnel balances and social fund mainly represents provisions for personnel costs, wage liabilities to employees and social fund contribution.

Item State budget, social and health insurance, taxes consist mainly of withholding tax and VAT tax payables that will be settled with state budget within next month.

### 29. Provisions

Provisions are liabilities with uncertain timing or amount. The statement of financial position line item 'Provisions' includes:

- provisions for defined employee benefit plans recognised based on requirements of IAS 19 Employee benefits
- provisions for loan commitments and financial guarantees recognised based on requirements for the expected credit loss model under IFRS 9; and
- remaining classes of provisions recognised in accordance with IAS 37 Provisions, contingent liabilities and contingent assets such as provisions or litigation, restructuring, commitments and guarantees not in scope of IFRS 9.

Following classes of provision can be distinguished in the business of the Group:

EUR ths.	31.12.2022	30.06.2023
Long-term employee provisions	5,596	5,596
Pending legal issues and tax litigation	9,857	10,715
Loan commitments and financial guarantees given	21,037	16,500
Other provisions	2,482	2,153
Restructuring	179	179
Other	2,303	1,974
<b>Provisions</b>	<b>38,972</b>	<b>34,964</b>

### Provision for commitments and financial guarantees given

Provisions for commitments and financial guarantees were created to cover losses expected in unused loan commitments, guarantees and letters of credits. The amount of these provisions is estimated with respect to credit risk relating to affected items, as well as time value of money (i.e. current market interest rates used for discounting).

The following table presents movements in the provision for commitments and financial guarantees:

EUR ths.	01.01.2023	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	30.06.2023
<b>Provisions for commitments and guarantees given</b>						
Stage 1	4,097	33,445	(7,461)	(22,597)	(3,547)	3,937
Stage 2	10,438	-	(4,067)	(2,119)	4,530	8,782
Stage 3	1,946	-	(1,473)	851	193	1,517
POCI	4,556	-	(695)	(1,597)	-	2,264
<b>Total</b>	<b>21,037</b>	<b>33,445</b>	<b>(13,696)</b>	<b>(25,462)</b>	<b>1,176</b>	<b>16,500</b>

EUR ths.	01.01.2022	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	31.12.2022
<b>Provisions for commitments and guarantees given</b>						
Stage 1	5,356	45,229	(23,783)	(22,637)	(68)	4,097
Stage 2	7,445	-	(10,715)	(754)	14,462	10,438
Stage 3	572	-	(628)	1,424	578	1,946
POCI	11,278	-	(1,039)	(5,683)	-	4,556
<b>Total</b>	<b>24,651</b>	<b>45,229</b>	<b>(36,165)</b>	<b>(27,650)</b>	<b>14,972</b>	<b>21,037</b>

## Provisions for pending legal issues and tax litigation and other provisions

Provisions for legal issues relate to legal cases where the Group is sued and which arose from normal banking activities. During the reporting period the Group does not participate in any new passive legal cases.

The item 'Other provisions' includes provision on contribution to Resolution fund during the year. When the actual amount of contributions is announced, the payment is accounted for as utilisation of particular provision. For actual year the Group disclosed provision for Resolution fund contribution in amount of EUR 4.4 million (2022: EUR 5.9 million).

## 30. Contingent liabilities

To meet the financial needs of customers, the Group enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the statement of financial position, they do involve credit risk and are therefore part of the overall risk of the Group (see Note 23 Credit risk).

## Legal proceedings

The Group is involved in legal disputes, most of which have arisen in the course of ordinary banking business. These proceedings are not expected to have a significant negative impact on the financial position or profitability of the Group.

## Capital instruments, equity and reserves

### 31. Total equity

in EUR ths.	31.12.2022	30.06.2023
Subscribed capital	212,000	212,000
Retained earnings and other reserves	1,586,475	1,611,012
Additional equity instruments	380,000	480,000
<b>Owners of the parent</b>	<b>2,178,475</b>	<b>2,303,012</b>
Non-controlling interests	1,806	1,691
<b>Total</b>	<b>2,180,281</b>	<b>2,304,703</b>

As of 30 June 2023, subscribed capital (also known as registered capital) consists of 212,000 (2022: 212,000) voting shares (ordinary shares). Nominal value of share is EUR 1,000.00. Subscribed capital was fully paid. Retained earnings and other reserves represent accumulated net profit brought forward, as well as income and expenses recognised in other comprehensive income.

#### Additional equity instruments

Name	ISIN	Nominal value	Currency	Issue date	Initial fixed rate	Reset rate after the first call date	Coupon payments	First and subsequent calls dates
EUR 100,000,000 Undated Fixed to Fixed AT1 Notes	AT0000A35Y77	100,000,000	EUR	20.6.2023	9,43% p.a.	M/S + 618 bps	Annually	27.6.2028 and each Distribution Payment Date following the First Reset Date
EUR 80,000,000 Undated Fixed to Fixed Resettable Additional Tier 1 Notes	AT0000A2UFJ4	80,000,000	EUR	30.11.2021	4,49% p.a.	M/S + 457 bps	Semi-annually	30.11.2026 and each Distribution Payment Date following the First Reset Date
SLSP AT1 PNC5 IC 2020 II	SK4000018172	150,000,000	EUR	23.11.2020	4,82% p.a.	M/S + 527 bps	Semi-annually	23.11.2025 and each Distribution Payment Date following the First Reset Date
SLSP AT1 PNC5 IC 2020	SK4000016788	150,000,000	EUR	27.2.2020	4,15% p.a.	M/S + 449 bps	Semi-annually	27.2.2025 and each Distribution Payment Date after 27.2.2025 falling one year after the previous Call Redemption Date

### Distributions on own equity instruments

Dividends for the year 2022 were paid in March 2023 in amount of EUR 107 million following the resolution of General Assembly of the Bank dated 29 March 2023.

As at 27 February 2023 was paid coupon payment from investment certificate SLSP AT1 PNC5 IC 2020 in amount of EUR 3.1 million.

On 23 May 2023, a coupon was paid from the investment certificate SLSP AT1 PNC5 IC 2020 II in the value of EUR 3.6 million and then on 30 May 2023, a coupon from the investment certificate EUR 80,000,000 Undated Fixed to Fixed Resettable Additional Tier 1 Notes was paid in the amount of EUR 1.8 million.

During the June 2023 the Group has issued an investment certificate EUR 100,000,000 Undated Fixed to Fixed AT1 Notes in the amount of EUR 100 million that is classified as equity instrument according to the standard IAS 32. This certificate is a perpetual instrument with the agreed interest rate of 9,4 % p.a. paid annually.

## Scope of consolidation

### 32. Subsidiaries

A subsidiary is an entity controlled by another entity. All entities directly or indirectly controlled by the Bank are consolidated in the Group financial statements.

Subsidiaries are consolidated from the date when control is obtained until the date when control is lost. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power to direct the relevant activities of the investee. Relevant activities are those which most significantly affect the variable returns of an entity.

The following table presents overview of the carrying amounts of investments in subsidiaries, however these subsidiaries are fully consolidated within these consolidated financial statements:

EUR ths.	Cost		Impairment		Net book value	
	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023
<b>Subsidiaries</b>						
Procurement Services SK, s.r.o.	3	3	-	-	3	3
SLSP Social Finance, s.r.o.	3,050	3,050	-	-	3,050	3,050
LANED a.s.	25,807	25,807	-	-	25,807	25,807
SLSP Seed Starter, s.r.o.	500	1,025	-	-	500	1,025
<b>Total</b>	<b>29,360</b>	<b>29,885</b>	<b>-</b>	<b>-</b>	<b>29,360</b>	<b>29,885</b>

#### Investments in subsidiaries of Slovenská sporiteľňa, a.s.

EUR ths.	Procurement Services SK, s.r.o.		SLSP Social Finance, s.r.o.		LANED a.s.		SLSP Seed Starter, s.r.o.	
	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023
Place of business	Tomášikova 48, 832 75 Bratislava, Slovakia		Tomášikova 48, 832 01 Bratislava, Slovakia		Tomášikova 48, 832 71 Bratislava, Slovakia		Tomášikova 48, 831 04 Bratislava, Slovakia	
Main business activity	Procurement		Advisory services		Real estate company		Advisory services	
Ownership held	51.00%		60.40%		100.00%		100.00%	
Voting rights held	51.00%		60.40%		100.00%		100.00%	
IFRS Classification	Subsidiary		Subsidiary		Subsidiary		Subsidiary	
Reporting currency	EURO		EURO		EURO		EURO	

### Changes in subsidiaries during the year 2023

In June 2023, the Bank invested in the subsidiary SLSP Seed Starter, s.r.o. to increase capital funds in the amount of EUR 0.5 million.

### 33. Investments in associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method. Under the equity method, an interest in an associate or joint venture is recognised on the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of the net assets of the entity.

In the case of the Group, all equity method investments are direct or indirect investments in associates and joint ventures over which the Group exercises significant influence or joint control stemming from voting power greater than 20% up to 50%.

The following table presents overview of the carrying amounts of investments in associates:

EUR ths.	Cost		Impairment CONS		Equity CONS		Net book value	
	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023
<b>Associates</b>								
Prvá stavebná sporiteľňa, a.s.	1,093	1,093	(17,812)	(17,812)	28,107	28,107	11,388	11,388
Slovak Banking Credit Bureau, s.r.o.	3	3	-	-	88	88	91	91
Holding Card Service s.r.o.	7,046	7,049	-	-	2,737	2,737	9,783	9,786
Dostupný Domov j.s.a. (49,88% associate of SLSP Social Finance, s.r.o.)	11,730	11,730	-	-	(429)	(429)	11,301	11,301
<b>Total</b>	<b>19,872</b>	<b>19,875</b>	<b>(17,812)</b>	<b>(17,812)</b>	<b>30,503</b>	<b>30,503</b>	<b>32,563</b>	<b>32,566</b>

The following table presents overview of the carrying amounts of investments in joint ventures:

EUR ths.	Cost		Impairment CONS		Equity CONS		Net book value	
	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023
<b>Joint ventures</b>								
Monilogi s.r.o.	1,157	1,924	-	-	-	-	1,157	1,924
<b>Total</b>	<b>1,157</b>	<b>1,924</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,157</b>	<b>1,924</b>

#### Investments in associates and joint ventures of Slovenská sporiteľňa, a.s.

EUR ths.	Monilogi s.r.o.*		Prvá stavebná sporiteľňa, a.s. ("PSS")**		Slovak Banking Credit Bureau, s.r.o.**		Holding Card Service s.r.o.		Dostupný Domov j.s.a. (49,88% associate of SLSP Social Finance, s.r.o.)	
	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023
Place of business	Mlynské nivy 1 821 09 Bratislava, Slovakia		Bajkalská 30 829 48 Bratislava, Slovakia		Mlynské nivy 14 821 09 Bratislava, Slovakia		Olbrachtova 1929/62 140 00 Praha 4, Czech republic		Farská 48 949 01 Nitra, Slovakia	
Main business activity	Cash handling		Banking		Retail credit register		Equity release company		Rental of real estate and related services	
Ownership held	26.00%		9.98%		33.33%		21.78%		49.88%	
Voting rights held	26.00%		35.00%		33.33%		21.78%		49.88%	
IFRS Classification	Joint venture		Associate		Associate		Associate		Associate	
Reporting currency	EURO		EURO		EURO		EURO		EURO	

#### Changes in associates and joint ventures during the year 2023

In first half of the year 2023, the Group made a cash deposit in the joint venture Monilogi, s.r.o., in a form of contribution to capital funds, amounting to EUR 0.7 million, without effect on its voting or other rights and control.

## Other disclosure matters

### 34. Related-party transactions and principal shareholders

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Group is controlled by the only shareholder Erste Group Bank AG, which directly owns 100% share on the voting rights of the Group. Further related parties include subsidiaries, which are under control of the Bank, associates and joint ventures over which the Bank has significant influence. Moreover, other members of the Erste Group are also related parties of the Bank.

Transactions with related parties occur in the normal course of business and primarily include loans and deposits. These transactions are performed at arm's length, i.e. the terms and conditions applied respect market conditions.

Transactions between the Bank and fully consolidated companies are not recognised in the interim consolidated financial statements as they have been eliminated.

#### Balances exposures with related parties

	Erste Group Bank AG		Companies of Erste Group		Associates and joint ventures	
EUR ths.	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023
<b>Assets</b>						
Cash and cash balances	14,302	13,407	452	169	-	-
Derivatives	55,012	49,363	-	-	-	-
Derivatives – Hedge accounting	15,354	14,472	-	-	-	-
Securities	-	-	-	-	5,262	5,264
Loans and advances to banks	4,595	3,504	1	622	-	17,311
Loans and advances to customers	-	-	1,589	1,918	-	-
Other assets	1	2	-	6,337	-	-
<b>Total</b>	<b>89,264</b>	<b>80,748</b>	<b>2,042</b>	<b>9,046</b>	<b>5,262</b>	<b>22,575</b>
<b>Liabilities</b>						
Derivatives held for trading	21,633	52,837	18	5	-	-
Deposits from banks	85	78,760	753	1,799	108	121
Deposits from customers	-	-	4,050	9,042	-	-
Debt securities issued	431,579	476,479	2,833	2,840	-	-
Derivatives – hedge accounting	103,266	209,886	-	-	-	-
Other liabilities	153	157	1,540	4,472	-	-
<b>Total</b>	<b>556,716</b>	<b>818,119</b>	<b>9,194</b>	<b>18,158</b>	<b>108</b>	<b>121</b>

#### Expenses/Income generated by transactions with related parties

	Erste Group Bank AG		Companies of Erste Group		Associates and joint ventures	
EUR ths.	2022	2023	2022	2023	2022	2023
Interest income	(3,667)	10,055	9	17	51	355
Interest expense	2,664	(14,479)	(30)	(51)	(1)	(1)
Dividend income	-	-	-	520	-	-
Net fee and commission income	231	529	8,259	8,865	2	2
Net trading result	19,366	(2,584)	361	(1,625)	-	-
General administrative expenses	(1,714)	(1,617)	(10,600)	(10,910)	-	-
Other operating result	48	404	279	313	1	-
<b>Total</b>	<b>16,928</b>	<b>(7,692)</b>	<b>(1,722)</b>	<b>(2,871)</b>	<b>(3,842)</b>	<b>356</b>

Transactions with related parties are done at arm's length.

The amounts with Erste Group Bank AG reported in the line items 'Interest income' and 'Net trading result' represent results from derivative instruments used to close positions with the clients.

All issued investment certificates disclosed as AT1 instruments in equity at 30 June 2023 were purchased by Erste Group Bank AG (see note 31).

The Group received guarantees from its parent company Erste Group Bank AG covering clients' exposures in the amount of EUR 2.2 million as at the reporting date (2022: EUR 2.2 million).

The Group received guarantees from its sister company Česká spořitelna, a.s. covering clients' exposures in the amount of EUR 0.2 million as at the reporting date (2022: EUR 0.2 million).

During the March 2023 the Group redeemed the whole share in real estate fund Sporo realitny fond SPF of Asset Management Slovenskej sporiteľne, a.s. (2022: EUR 1.0 million).

As at 30 June 2023 and in 2022, the Group did not receive any dividends from its associates.

## 35. Events after the balance sheet date

There are no significant events after the balance sheet date that require disclosure or adjustment to these interim consolidated financial statements.

## STATEMENT OF MEMBERS OF THE MANAGEMENT BOARD

We confirm that to the best of our knowledge the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and it gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties to which the Group is exposed.

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Ing. Peter Krutil

Chairman of the Board of Directors  
and Chief Executive Officer

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RNDr. Milan Hain, PhD.

Member of the Board of Directors  
and Deputy of Chief Executive Officer

Bratislava, 25 July 2023