

Slovenská sporiteľňa, a.s.

**Condensed Interim Consolidated Financial Statements
prepared in accordance with the International Accounting Standard 34
“Interim Financial Reporting”
as adopted by the European Union
for the half of the year ended 30 June 2024**

(Translated version, original version in Slovak)

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Condensed Interim Consolidated Statement of Income

for the half of the year ended 30 June 2024

EUR ths.	Notes	2023	2024
Net interest income	2	256,401	275,797
Interest income		339,370	449,745
Other similar income		19,587	29,768
Interest expenses		(77,156)	(160,142)
Other similar expenses		(25,400)	(43,574)
Net fee and commission income	3	100,718	113,267
Fee and commission income		108,676	120,112
Fee and commission expenses		(7,958)	(6,845)
Dividend income	4	542	459
Net trading result	5	10,997	8,326
Gains from financial instruments measured at fair value through profit or loss		1,512	834
Net result from equity method investments		529	850
Rental income from investment properties & other operating leases	6	217	240
Personnel expenses	7	(86,664)	(93,688)
Other administrative expenses	7	(57,243)	(64,222)
Depreciation and amortisation	7	(17,377)	(17,164)
Gains from derecognition of financial assets measured at amortised cost		2	-
Other gains/ (losses) from derecognition of financial instruments not measured at fair value through profit or loss		(141)	15
Net impairment loss on financial instruments	8	(22,479)	(22,779)
Other operating result	9	(7,060)	478
<i>Levies on banking activities</i>		(4,447)	-
Pre-tax result from continuing operations		179,954	202,413
Taxes on income	10	(40,260)	(79,839)
Net result for the period		139,694	122,574
Net result attributable to non-controlling interests		(115)	(43)
Net result attributable to owners of the parent		139,809	122,617

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 32 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.

		2023	2024
Net result attributable to owners of the parent	EUR ths.	139,809	122,617
Number of outstanding shares	pcs.	212,000	212,000
Basic and diluted earnings per share	EUR	659	578

The notes on pages 6 to 65 are an integral part of these condensed interim consolidated financial statements.

Condensed Interim Consolidated Statement of Comprehensive Income

for the half of the year ended 30 June 2024

EUR ths.	2023	2024
Net result for the period	139,694	122,574
Other comprehensive income		
Items that may not be reclassified to profit or loss	(1)	4
Fair value reserve of equity instruments	(1)	5
Deferred taxes relating to items that may not be reclassified	-	(1)
Items that may be reclassified to profit or loss	154	(115)
Currency reserve	154	(115)
Gains / (losses) during the period	154	(115)
Total other comprehensive income	153	(111)
Total comprehensive income	139,847	122,463
Total comprehensive income attributable to non-controlling interests	(115)	(43)
Total comprehensive income attributable to owners of the parent	139,962	122,506

The notes on pages 6 to 65 are an integral part of these condensed interim consolidated financial statements.

Condensed Interim Consolidated Statement of Financial Position

as at 30 June 2024

EUR ths.	Notes	31.12.2023	30.06.2024
Assets			
Cash and cash equivalents	11	3,030,858	2,289,836
Financial assets held for trading	15	60,289	52,203
Derivatives	15	60,289	52,203
Non-trading financial assets at fair value through profit or loss	16	19,438	21,178
Equity instruments	16	11,922	13,537
Debt securities	16	7,516	7,641
Financial assets at amortised cost	12	22,527,144	22,868,835
Pledged as collateral	20	4,664,039	3,577,951
Debt securities	12	4,121,181	4,377,032
Loans and advances to banks	12	10,032	20,863
Loans and advances to customers	12	18,395,931	18,470,940
Finance lease receivables	28	347,323	357,096
Hedge accounting derivatives	18	24,424	13,013
Property and equipment, right-of-use assets		144,648	140,952
Investment properties		1,173	1,059
Intangible assets		18,588	17,834
Investments in associates and joint ventures	34	50,583	64,615
Current tax assets	10	40	5,679
Deferred tax assets		70,201	70,447
Trade and other receivables	13	133,614	140,635
Other assets	27	31,206	49,524
Total assets		26,459,529	26,092,906
Liabilities and Equity			
Financial liabilities held for trading	15	56,596	48,850
Derivatives		56,596	48,850
Financial liabilities at amortised cost	14	23,668,712	23,434,575
Deposits from banks	14	1,247,163	277,603
Deposits from customers	14	17,580,176	18,115,134
Debt securities issued	14	4,658,119	4,828,580
Other financial liabilities	14	183,254	213,258
Lease liabilities		20,156	20,410
Hedge accounting derivatives	18	64,227	63,125
Provisions	30	32,401	29,024
Current tax liabilities		19,746	2
Other liabilities	29	133,086	160,120
Equity		2,464,605	2,336,800
Equity attributable to non-controlling interests	32	8,645	(310)
Equity attributable to owners of the parent	32	2,455,960	2,337,110
Subscribed capital	32	212,000	212,000
Legal reserve fund	32	79,795	79,795
Other funds	32	39,104	39,104
Retained earnings	32	1,645,680	1,526,941
Additional equity instruments	32	480,000	480,000
Other components of equity	32	(619)	(730)
Total liabilities and equity		26,459,529	26,092,906

The notes on pages 6 to 65 are an integral part of these condensed interim consolidated financial statements.

Condensed Interim Consolidated Statement of Changes in Equity

for the half of the year ended 30 June 2024

	Subscribed capital	Legal reserve fund	Other funds	Retained earnings	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
EUR ths.											
As at 01.01.2024	212,000	79,795	39,104	1,645,680	23	646	(1,288)	480,000	2,455,960	8,645	2,464,605
Dividends paid / Distribution for Investment certificate	-	-	-	(236,016)	-	-	-	-	(236,016)	-	(236,016)
Changes in scope of consolidation and ownership interest	-	-	-	(57)	-	-	-	-	(57)	6	(51)
Other changes	-	-	-	(5,283)	-	-	-	-	(5,283)	(8,918)	(14,201)
Total comprehensive income	-	-	-	122,617	4	(115)	-	-	122,506	(43)	122,463
Net result for the period	-	-	-	122,617	-	-	-	-	122,617	(43)	122,574
Other comprehensive income	-	-	-	-	4	(115)	-	-	(111)	-	(111)
Change in fair value reserve	-	-	-	-	4	-	-	-	4	-	4
Change in currency reserve	-	-	-	-	-	(115)	-	-	(115)	-	(115)
As at 30.06.2024	212,000	79,795	39,104	1,526,941	27	531	(1,288)	480,000	2,337,110	(310)	2,336,800

	Subscribed capital	Legal reserve fund	Other funds	Retained earnings	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
EUR ths.											
As at 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 at 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

The notes on pages 6 to 65 are an integral part of these condensed interim consolidated financial statements.

Condensed Interim Consolidated Statement of Cash Flows

for the half of the year ended 30 June 2024

EUR ths.	2023	2024
Net result for the period	139,694	122,574
Non-cash adjustments for items in net profit/loss for the year		
Net allocation of credit loss allowances and other provisions	11,810	13,009
Depreciation, amortisation, impairment and reversal of impairment of assets	17,254	17,135
Gains/(losses) from measurement and derecognition of financial assets and financial liabilities	298	(1,109)
Accrued interest, amortisation of discount and premium	665,414	(229,542)
Fair value adjust - hedging	10,344	1,552
Other adjustments	(1,913)	(1,317)
Cash flows from operations before changes in operating assets and liabilities		
Financial assets held for trading	566	8,086
Non-trading financial assets at fair value through profit or loss		
Equity instruments	(1,918)	(701)
Debt securities	560	(125)
Financial assets at amortised cost		
Debt securities	44,938	(50,165)
Loans and advances to banks	(30,641)	(10,831)
Loans and advances to customers	(547,449)	(100,527)
Finance lease receivables	(36,402)	(9,773)
Hedge accounting derivatives	916	11,411
Trade and other receivables	(1,519)	(7,021)
Other assets from operating activities	(25,393)	(23,955)
Financial liabilities held for trading	(327)	(7,746)
Financial liabilities measured at amortised cost		
Deposits from banks	117,490	(969,560)
Deposits from customers	104,150	567,776
Other financial liabilities	44,899	15,838
Hedge accounting derivatives	1,677	(1,102)
Provisions	6,660	6,393
Other liabilities from operating activities	(31,959)	7,288
Cash flow from operating activities	489,149	(642,412)
Dividends received from associates and other investments	542	460
Purchase of share in associates and joint ventures	(772)	(13,378)
Purchase of intangible assets, property and equipment	(12,927)	(12,980)
Proceeds from sale of intangible assets, property and equipment	525	473
Cash flow from investing activities	(12,632)	(25,425)
Dividends paid	(115,454)	(236,016)
Repayment of subordinated debt	-	-
Issue of the bonds	(9,128)	193,732
Repayment of the bonds	(8,683)	(22,607)
Lease liabilities	(7,427)	(8,337)
Cash flow from financing activities	(40,692)	(73,228)
Cash and cash equivalents at beginning of the year	1,254,543	3,030,858
Cash flows from operating activities	489,147	(642,412)
Cash flow from investing activities	(12,632)	(25,425)
Cash flow from financing activities	(40,692)	(73,228)
Effect of foreign exchange rate changes on cash and cash equivalents	300	43
Cash and cash equivalents at end of period	1,690,666	2,289,836
Cash flows related to taxes, interest and dividends (included in cash flow from operating activities)	883,603	(53,400)
Payments for taxes on income	(40,753)	(111,098)
Interest paid	570,954	(195,176)
Interest received	352,860	252,414
Dividends received	542	460

The notes on pages 6 to 65 are an integral part of these condensed interim consolidated financial statements.

Notes to the Condensed 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, Austria 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 2023 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 2024:

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 2024:

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 33.

Material accounting policy information

a) Basis of preparation

These condensed interim consolidated financial statements of the Group for the half of the year ended 30 June 2024 and the related comparative information were prepared in compliance with applicable International Financial Reporting Standards as adopted by the European Union and are presented in accordance with the requirements of IAS 34 "Interim Financial Reporting".

The principal accounting policies applied in the preparation of these condensed 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 condensed 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.

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

These condensed 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 2023 were signed and authorized for issue by the Board of Directors of the Bank on 20 February 2024 and are available at its registered office or on the web page.

The comparative amounts presented in these condensed consolidated financial statements are those presented in the separate statement of financial positions as at 31 December 2023 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 2023.

These condensed interim consolidated financial statements are not audited.

b) Accounting and measurement methods

Foreign currency translation

The condensed 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.

i. Transactions and balances in foreign currency

Transactions in foreign currencies are initially recorded at the functional currency exchange rate effective as at the date of the transaction. Subsequently, monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate as at the balance sheet date. All resulting exchange differences that arise are recognised in the statement of income under the line item 'Net trading result'. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions, i.e. they do not give rise to exchange differences. Non-monetary items that are measured at fair value (such as equity investments) in a foreign currency are translated using the exchange rates at the date when the fair value is measured, thus the exchange differences are part of the fair value gains or losses.

c) Accounting judgements, assumptions and estimates

These condensed 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 – Material accounting policies)
- Business model assessment of financial instruments (Chapter Financial instruments – Material accounting policies)
- Impairment of financial instruments (Chapter Financial instruments – Material accounting policies, Note 23 Credit risk)

Details about effects of these factors on the expected credit losses estimation are described in Note 23 Credit risk.

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 2024. In the first half year of the year 2024 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 2024 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.

Condensed Interim Consolidated Financial Statements

Business Segments	Retail		Corporates		Group markets		Asset Liability Management, Local Corporate Center and Free Capital		Total	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
EUR ths.										
Net interest income	201,789	233,574	68,758	74,619	4,751	5,056	(18,897)	(37,452)	256,401	275,797
Net fee and commission income	78,501	88,694	16,578	18,741	7,492	8,936	(1,853)	(3,104)	100,718	113,267
Dividend income	-	-	-	-	-	-	542	459	542	459
Net trading result	2,409	2,327	3,408	3,006	2,650	1,973	2,530	1,020	10,997	8,326
Gains from financial instruments at FVPL	-	-	-	-	-	-	1,512	834	1,512	834
Net result from equity method investments	-	454	-	-	-	-	529	396	529	850
Rental income from investment properties & other operating leases	-	-	-	-	-	-	217	240	217	240
General administrative expenses	(131,137)	(142,978)	(27,863)	(30,404)	(2,625)	(2,550)	341	858	(161,284)	(175,074)
Gains from derecognition of financial assets at AC	-	-	-	-	-	-	2	-	2	-
Other gains/(losses) from derecognition of financial instruments not at FVPL	-	-	-	-	-	-	(141)	15	(141)	15
Impairment result from financial instruments	(11,501)	(18,368)	(11,107)	(4,654)	(31)	(19)	160	262	(22,479)	(22,779)
Other operating result	(363)	-	(11)	(344)	(90)	3	(6,596)	819	(7,060)	478
Levies on banking activities	(364)	-	(342)	-	(90)	-	(3,651)	-	(4,447)	-
Pre-tax result from continuing operations	139,698	163,703	49,763	60,964	12,147	13,399	(21,654)	(35,653)	179,954	202,413
Taxes on income	(29,336)	(34,282)	(10,459)	(12,802)	(2,551)	(2,814)	2,086	(29,941)	(40,260)	(79,839)
Net result for the period	110,362	129,421	39,304	48,162	9,596	10,585	(19,568)	(65,594)	139,694	122,574
Net result attributable to non-controlling interests	-	-	-	-	-	-	(115)	(43)	(115)	(43)
Net result attributable to owners of the parent	110,362	129,421	39,304	48,162	9,596	10,585	(19,453)	(65,551)	139,809	122,617
Operating income	282,701	325,049	88,744	96,365	14,893	15,966	(15,422)	(37,607)	370,916	399,773
Operating expenses	(131,137)	(142,978)	(27,863)	(30,404)	(2,625)	(2,550)	341	858	(161,284)	(175,074)
Operating result	151,564	182,071	60,881	65,961	12,268	13,416	(15,081)	(36,749)	209,632	224,699
Risk-weighted assets (credit risk, eop)*	3,574,357	3,062,840	6,175,688	6,097,536	2,072	99,766	300,200	565,115	10,052,317	9,825,257
Average allocated capital**	487,822	453,648	525,934	611,109	7,304	15,482	462,170	447,305	1,483,230	1,527,544
Cost/income ratio	46.39%	43.99%	31.40%	31.55%	17.62%	15.97%	2.21%	2.28%	43.48%	43.79%
Return on allocated capital	22.62%	28.53%	7.47%	7.88%	131.38%	68.37%	-4.21%	-14.65%	9.41%	8.03%
Total assets (eop)	12,136,133	12,475,230	6,474,101	6,511,546	105,406	155,455	6,029,695	6,950,675	24,745,335	26,092,906
Total liabilities excluding equity (eop)	13,080,764	13,679,977	2,830,491	3,649,001	801,823	870,319	5,727,554	5,556,809	22,440,632	23,756,106
Impairments	(11,501)	(18,368)	(11,107)	(4,654)	(31)	(19)	160	262	(22,479)	(22,779)
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	(11,724)	(18,667)	(15,271)	(4,581)	(31)	(26)	160	268	(26,866)	(23,006)
Net impairment loss on commitments and guarantees given	223	299	4,164	(73)	-	7	-	(6)	4,387	227

*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.	2023	2024
Financial assets at AC	339,370	449,745
Demand deposits	24,857	47,190
Loans and advances	265,842	347,935
Debt securities	48,671	54,620
Interest income	339,370	449,745
Non-trading financial assets at FVPL	12	12
Financial assets HfT	14,586	21,020
Hedge accounting derivatives, interest rate risk	1,117	3,153
Other assets	3,862	5,577
Negative interest from financial liabilities	10	6
Other similar income	19,587	29,768
Interest and other similar income	358,957	479,513
Financial liabilities at AC	(77,156)	(160,142)
Deposits	(42,229)	(95,876)
Debt securities in issue	(34,927)	(64,266)
Interest expenses	(77,156)	(160,142)
Financial liabilities HfT	(13,659)	(20,112)
Hedge accounting derivatives, interest rate risk	(11,844)	(23,413)
Other liabilities	103	(49)
Other similar expenses	(25,400)	(43,574)
Interest and other similar expenses	(102,556)	(203,716)
Net interest income	256,401	275,797

An amount of EUR 5.8 million (2023: EUR 3.8 million) relating to impaired financial assets is included in interest income.

Interest on derivatives relates to the hedged items presented in the line item 'Financial assets / liabilities at AC'.

In 2024 the interest expense on financial liabilities at AC from Targeted Long Term Refinancing Operation (TLTRO III) was in the amount of EUR 9.8 million (2023: EUR 9.5 million). For more details refer to Note 14 Financial liabilities at amortised costs.

3. Net fee and commission income

EUR ths.	2023		2024	
	Income	Expenses	Income	Expenses
Securities	2,657	(543)	3,239	(206)
Own issues	567	-	780	-
Transfer orders	255	(519)	309	(206)
Other	1,835	(24)	2,150	-
Custody	2,140	(937)	2,623	(1,176)
Other	2,140	(937)	2,623	(1,176)
Payment services	56,829	(4,256)	60,827	(4,206)
Card business	26,373	(2,374)	26,093	(2,481)
Current accounts	30,456	(1,882)	32,017	-
Other	-	-	2,717	(1,725)
Customer resources distributed but not managed	34,250	(61)	40,120	(48)
Collective investment	11,309	-	14,031	-
Insurance products (as agent)	22,939	(61)	26,089	(48)
Other	2	-	-	-
Lending Business	12,117	(614)	12,866	(347)
Guarantees given, guarantees received	2,763	(5)	3,454	(4)
Loan commitments given, loan commitments received	1,897	-	1,773	-
Other lending business	7,457	(609)	7,639	(343)
Other	683	(1,547)	437	(862)
Total fee and commission income and expenses	108,676	(7,958)	120,112	(6,845)
Net fee and commission income	100,718		113,267	

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 17,659.1 million (2023: EUR 14,092.3 million).

4. Dividend income

EUR ths.	2023	2024
Non-trading financial assets at fair value through profit or loss	542	459
Dividend income	542	459

5. Net trading result

EUR ths.	2023	2024
Securities trading	2,242	1,549
Derivatives trading	8,470	7,239
Result from hedge accounting	285	(462)
Net trading result	10,997	8,326

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.	2023	2024
Investment properties	193	230
Other operating leases	24	10
Rental income from investment properties & other operating leases	217	240

7. General administrative expenses

Personnel expenses

As at 30 June 2024 the Group had 3,491 employees, thereof five members of the Board of Directors. As at 31 December 2023 the Group had 3,520 employees, thereof five members of the Board of Directors.

Other administrative expenses

EUR ths.	2023	2024
Personnel expenses	(86,664)	(93,688)
Wages and salaries	(61,559)	(67,419)
Compulsory social security	(22,000)	(24,308)
Other personnel expenses	(3,105)	(1,961)
Other administrative expenses	(57,243)	(64,222)
Deposit insurance contribution	(2,394)	(2,540)
IT expenses	(26,254)	(29,351)
Expenses for office premises	(8,985)	(9,345)
Office operating and administrative expenses	(5,376)	(6,409)
Advertising/marketing	(6,011)	(6,662)
Legal and consulting costs	(2,661)	(2,862)
Sundry administrative expenses	(5,562)	(7,053)
Depreciation and amortisation	(17,377)	(17,164)
Software and other intangible assets	(3,400)	(2,161)
Owner occupied real estate	(9,172)	(9,493)
Investment properties	(113)	(105)
Office furniture and equipment and sundry property and equipment	(4,692)	(5,405)
General administrative expenses	(161,284)	(175,074)

8. Impairment result from financial instruments

EUR ths.	2023	2024
Financial assets at AC	(25,652)	(22,045)
Net allocation to credit loss allowances	(24,676)	(21,408)
Direct write-offs	(1,092)	(719)
Recoveries recorded directly to the income statement	116	82
Finance lease receivables	(1,214)	(961)
Net allocation to credit loss allowances	(1,235)	(973)
Recoveries recorded directly to the income statement	21	12
Credit loss allowances for loan commitments and financial guarantees given	4,387	227
Impairment result from financial instruments	(22,479)	(22,779)

9. Other operating result

EUR ths.	2023	2024
Other operating expenses	(8,676)	(3,519)
Net allocation to other provisions	(536)	-
Levies on banking activities	(4,447)	-
Recovery and resolution fund contributions	(4,447)	-
Other taxes	(171)	(190)
Other	(3,522)	(3,329)
Other operating income	1,616	3,997
Net release of other provisions	-	2,222
Result from properties/movables/other intangible assets other than goodwill	47	343
Result from other operating expenses/income	1,569	1,432
Other operating result	(7,060)	478

Levies on banking activities

Single Resolution Board (SRB) has confirmed that the financial means available in the Single Resolution Fund (SRF) at 31 December 2023 reached the target level of at least 1% of covered deposits held in the Member States participating in the Single Resolution Mechanism (SRM). Therefore, no regular annual contributions will be collected in 2024 from the institutions falling in scope of the SRF. Contributions would only be collected in the event of specific circumstances or resolution actions involving the use of the SRF. The target level verification exercise will be performed each year by SRB to confirm that the available financial means at the SRF are at least 1% of the amount of covered deposits of all credit institutions in the SRM participating Member States. If the result of such exercise should prescribe so, the SRB will restart the regular collection of contributions to SRF. The industry will be informed accordingly. Disclosed amounts of EUR 4.4 million as of 30 June 2023 represented the yearly contribution.

10. Taxes on income

For the purposes of the condensed 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%.

OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two models. Pillar Two legislation was enacted in Slovakia, the jurisdiction in which the Group is incorporated. The average expected effective tax rate for the year 2024 is higher than 15%, and the expected average effective tax rates for the following accounting periods also meet the criteria for the application of the "Expectation from the calculation of the compensatory tax based on the qualified administration by individual states" in the Pillar Two legislation. Consequently, the Group does not have to be exposed to the payment of Pillar Two income taxes in relation to Slovakia. As of June 30, 2024, the Group did not

report any related payable tax. The Group applies the exemption for the recognition and disclosure of information on deferred tax assets and liabilities related to income tax for Pillar Two, as outlined in the amendments to IAS 12 issued in May 2023.

Special levy

On December,19 2023, The parliament of the Slovak republic approved the amendment to Act No. 235/2012 Coll. on a special levy on Business in Regulated Industries, effective from 31.12.2023. The amendment to the law extends the scope to persons authorized to perform activities based on a permission issued or granted by the National Bank of Slovakia, which also includes banks. The levy period is a calendar month, and the Group is obliged to pay the levy starting with January 2024. The special levy is calculated as the product of the levy rate and the levy base. The levy base is the pre-tax profit reported according to international accounting standards adjusted according to Section 17 subsection 1 letter c) Act no. 595/2003 Coll on income tax, multiplied by a coefficient, which is calculated as the share of revenues from activities in the area carried out on the basis of a permission issued or granted by the National Bank of Slovakia to total revenues. The monthly levy rate is 0.025 for accounting period 2024, 0.0208 for accounting period 2025, 0.0167 for accounting period 2026, 0.0125 for accounting period 2027 and for accounting period 2028 and others in the amount of 0.00363.

Financial instruments – Material accounting policies

During the first half of the year 2024 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 - Material accounting policies'.

Financial instruments held at amortised cost

11. Cash and cash equivalents

A part of 'Cash balances at central banks' represents the mandatory minimum reserve requirement deposits which amounted to EUR 176.4 million (2023: EUR 157.9 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.	31.12.2023	30.06.2024
Cash on hand	362,937	317,765
Cash balances at central banks	2,658,750	1,956,930
Other demand deposits at credit institutions	9,171	15,141
Cash and cash equivalents	3,030,858	2,289,836

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 at 30.06.2024											
General governments	3,852,341	-	-	-	3,852,341	(523)	-	-	-	(523)	3,851,818
Credit institutions	397,641	-	-	-	397,641	(304)	-	-	-	(304)	397,337
Other financial corporations	531	10,353	-	-	10,884	(6)	(337)	-	-	(343)	10,541
Non-financial corporations	108,599	9,202	-	-	117,801	(74)	(391)	-	-	(465)	117,336
Total	4,359,112	19,555	-	-	4,378,667	(907)	(728)	-	-	(1,635)	4,377,032

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 at 31.12.2023											
General governments	3,638,012	-	-	-	3,638,012	(493)	-	-	-	(493)	3,637,519
Credit institutions	361,814	-	-	-	361,814	(295)	-	-	-	(295)	361,519
Other financial corporations	15,183	10,654	-	-	25,837	(12)	(368)	-	-	(380)	25,457
Non-financial corporations	78,722	18,428	-	-	97,150	(41)	(423)	-	-	(464)	96,686
Total	4,093,731	29,082	-	-	4,122,813	(841)	(791)	-	-	(1,632)	4,121,181

Movement in credit loss allowances

EUR ths.	01.01.2024	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	30.06.2024
Stage 1	(841)	(35)	17	241	(288)	-	(907)
Stage 2	(791)	-	-	-	64	-	(728)
Stage 3	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-
Total	(1,632)	(35)	17	241	(224)	-	(1,635)

EUR ths.	01.01.2023	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	31.12.2023
Stage 1	(850)	(83)	70	328	(306)	-	(841)
Stage 2	(1,054)	-	-	-	263	-	(791)
Stage 3	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-
Total	(1,904)	(83)	70	328	(43)	-	(1,632)

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 at 30.06.2024											
Credit institutions	20,918	-	-	-	20,918	(55)	-	-	-	(55)	20,863
Total	20,918	-	-	-	20,918	(55)	-	-	-	(55)	20,863

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 at 31.12.2023											
Credit institutions	10,058	2	-	-	10,060	(28)	-	-	-	(28)	10,032
Total	10,058	2	-	-	10,060	(28)	-	-	-	(28)	10,032

Movement in credit loss allowances

EUR ths.	01.01.2024	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	30.06.2024
Stage 1	(28)	(55)	-	-	28	-	(55)
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-
Total	(28)	(55)	-	-	28	-	(55)

EUR ths.	01.01.2023	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	31.12.2023
Stage 1	-	(28)	-	-	-	-	(28)
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-
Total	-	(28)	-	-	-	-	(28)

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.

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 at 31.3.2024											
General governments	404,961	843	-	-	405,804	(611)	(25)	-	-	(636)	405,168
Other financial corporations	282,481	49,410	69	-	331,960	(594)	(2,226)	(55)	-	(2,875)	329,085
Non-financial corporations	3,353,313	1,381,056	115,778	110,730	4,960,877	(13,553)	(64,861)	(58,637)	(23,680)	(160,731)	4,800,146
Households	12,421,770	480,595	233,599	6,791	13,142,755	(22,941)	(43,204)	(136,827)	(3,242)	(206,214)	12,936,541
Total	16,462,525	1,911,904	349,446	117,521	18,841,396	(37,699)	(110,316)	(195,519)	(26,922)	(370,456)	18,470,940

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The amounts represent the maximum exposure to credit risk. As at 30 June 2024 the Group had no reverse repo agreements.

As at 30 June 2024, 15 largest customers accounted for 5.3% of the gross loan portfolio amounting to EUR 986.0 million.

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 at 31.12.2023											
General governments	427,959	661	3	-	428,623	(728)	(20)	-	-	(748)	427,875
Other financial corporations	297,414	5,064	84	18	302,580	(566)	(439)	(58)	(1)	(1,064)	301,516
Non-financial corporations	3,417,633	1,323,694	117,853	107,944	4,967,124	(13,657)	(65,517)	(56,781)	(22,175)	(158,130)	4,808,994
Households	12,344,573	480,689	218,179	6,290	13,049,731	(21,867)	(40,444)	(126,896)	(2,978)	(192,185)	12,857,546
Total	16,487,579	1,810,108	336,119	114,252	18,748,058	(36,818)	(106,420)	(183,735)	(25,154)	(352,127)	18,395,931

As at 31 December 2023, 15 largest customers accounted for 5.2% of the gross loan portfolio amounting to EUR 960.7 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.	01.01.2024	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	30.06.2024
Stage 1	(36,818)	(16,547)	326	12,714	2,563	63	(37,699)
General governments	(728)	(61)	-	14	164	-	(611)
Other financial corporations	(566)	(123)	-	23	72	-	(594)
Non-financial corporations	(13,657)	(9,359)	42	1,986	7,425	10	(13,553)
Households	(21,867)	(7,004)	284	10,691	(5,098)	53	(22,941)
Stage 2	(106,420)	(1,531)	157	(39,501)	36,837	142	(110,316)
General governments	(20)	-	-	(12)	7	-	(25)
Other financial corporations	(439)	-	-	(1,558)	(229)	-	(2,226)
Non-financial corporations	(65,517)	(1,329)	100	(24,804)	26,664	25	(64,861)
Households	(40,444)	(202)	57	(13,127)	10,395	117	(43,204)
Stage 3	(183,735)	(567)	6,382	(8,477)	(11,476)	2,354	(195,519)
Other financial corporations	(58)	-	40	(1)	(37)	1	(55)
Non-financial corporations	(56,781)	(548)	790	(2,797)	607	92	(58,637)
Households	(126,896)	(19)	5,552	(5,679)	(12,046)	2,261	(136,827)
POCI	(25,154)	-	222	-	(2,326)	336	(26,922)
Other financial corporations	(1)	-	-	-	1	-	-
Non-financial corporations	(22,175)	-	50	-	(1,559)	4	(23,680)
Households	(2,978)	-	172	-	(768)	332	(3,242)
Total	(352,127)	(18,645)	7,087	(35,264)	25,598	2,895	(370,456)

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EUR ths.	01.01.2023	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	31.12.2023
Stage 1	(42,630)	(36,295)	769	15,092	26,229	17	(36,818)
General governments	(524)	(49)	1	97	(253)	-	(728)
Other financial corporations	(240)	(222)	2	1,652	(1,758)	-	(566)
Non-financial corporations	(14,110)	(23,948)	184	4,029	20,186	2	(13,657)
Households	(27,756)	(12,076)	582	9,314	8,054	15	(21,867)
Stage 2	(109,256)	(1,427)	458	(33,600)	37,159	246	(106,420)
General governments	(19)	-	-	(18)	17	-	(20)
Other financial corporations	(842)	-	-	(67)	470	-	(439)
Non-financial corporations	(71,822)	(1,073)	88	(15,666)	22,929	27	(65,517)
Households	(36,573)	(354)	370	(17,849)	13,743	219	(40,444)
Stage 3	(158,695)	(204)	12,090	(8,587)	(33,414)	5,075	(183,735)
Other financial corporations	(91)	-	23	-	10	-	(58)
Non-financial corporations	(42,428)	(133)	1,419	(2,202)	(14,135)	698	(56,781)
Households	(116,176)	(71)	10,648	(6,385)	(19,289)	4,377	(126,896)
POCI	(31,466)	-	358	-	5,714	240	(25,154)
Other financial corporations	(1)	-	-	-	-	-	(1)
Non-financial corporations	(29,358)	-	172	-	6,991	20	(22,175)
Households	(2,107)	-	186	-	(1,277)	220	(2,978)
Total	(342,047)	(37,926)	13,675	(27,095)	35,688	5,578	(352,127)

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
As at 30.06.2024								
General governments	418	283	-	-	-	-	-	-
Other financial corporations	44,970	209	37	-	-	-	-	-
Non-financial corporations	416,676	235,035	14,394	2,672	10,806	49	61	-
Households	165,622	94,034	38,638	9,142	19,781	11,628	298	86
Total	627,686	329,561	53,069	11,814	30,587	11,677	359	86
As at 31.12.2023								
General governments	661	817	-	-	-	-	-	-
Other financial corporations	4,593	39,917	2	-	-	-	-	-
Non-financial corporations	346,162	500,582	45,739	1,218	22,833	660	997	80,444
Households	251,321	139,824	42,595	13,329	39,654	9,334	1,719	203
Total	602,737	681,140	88,336	14,547	62,487	9,994	2,716	80,647

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 at 30.06.2024											
General governments	1,884	-	-	-	1,884	(3)	-	-	-	(3)	1,881
Credit institutions	1,588	2	-	-	1,590	-	-	-	-	-	1,590
Other financial corporations	3,093	-	-	-	3,093	(16)	-	-	-	(16)	3,077
Non-financial corporations	130,558	4,388	4,585	522	140,053	(467)	(919)	(4,165)	(447)	(5,998)	134,055
Households	32	-	-	-	32	-	-	-	-	-	32
Total	137,155	4,390	4,585	522	146,652	(486)	(919)	(4,165)	(447)	(6,017)	140,635

Gross carrying amount for trade and other receivables where simplified approach to ECL calculation is applied represents EUR 19.9 million and credit loss allowances EUR 0.7 million that is included in Stage 1 in the table above.

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 at 31.12.2023											
General governments	1,070	-	-	-	1,070	-	-	-	-	-	1,070
Credit institutions	4,359	-	-	-	4,359	-	-	-	-	-	4,359
Other financial corporations	2,620	-	-	-	2,620	(6)	-	-	-	(6)	2,614
Non-financial corporations	124,706	1,973	4,397	580	131,656	(893)	(726)	(4,054)	(444)	(6,117)	125,539
Households	33	-	-	-	33	(1)	-	-	-	(1)	32
Total	132,788	1,973	4,397	580	139,738	(900)	(726)	(4,054)	(444)	(6,124)	133,614

Of which the gross carrying amount of EUR 19.2 million and credit loss allowances of EUR 0.7 million in Stage 1 represents other trade receivables as at 31 December 2023.

Movement in credit loss allowances

	01.01.2024	Additions	Other changes in credit risk (net)	Transfers between stages	30.06.2024
Stage 1	(900)	(640)	1,054	-	(486)
General governments	-	(3)	-	-	(3)
Other financial corporations	(6)	(17)	7	-	(16)
Non-financial corporations	(893)	(620)	1,046	-	(467)
Households	(1)	-	1	-	-
Stage 2	(726)	-	(188)	(5)	(919)
Non-financial corporations	(726)	-	(188)	(5)	(919)
Stage 3	(4,054)	-	(55)	(56)	(4,165)
Non-financial corporations	(4,054)	-	(55)	(56)	(4,165)
POCI	(444)	-	(3)	-	(447)
Non-financial corporations	(444)	-	(3)	-	(447)
Total	(6,124)	(640)	808	(61)	(6,017)

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EUR ths.	01.01.2023	Additions	Other changes in credit risk (net)	Transfers between stages	31.12.2023
Stage 1	(626)	(920)	646	-	(900)
Other financial corporations	(23)	(6)	23	-	(6)
Non-financial corporations	(603)	(913)	623	-	(893)
Households	-	(1)	-	-	(1)
Stage 2	(957)	-	231	-	(726)
Non-financial corporations	(957)	-	231	-	(726)
Stage 3	(4,379)	-	349	(24)	(4,054)
Non-financial corporations	(4,379)	-	349	(24)	(4,054)
POCI	(468)	-	24	-	(444)
Non-financial corporations	(468)	-	24	-	(444)
Total	(6,430)	(920)	1,250	(24)	(6,124)

Transfers of gross carrying amount between impairment stages

EUR ths.	2023	2024
Transfers between Stage 1 and Stage 2	723	1,079
To Stage 2 from Stage 1	723	1,063
To Stage 1 from Stage 2	-	16
Transfers between Stage 2 and Stage 3	-	25
To Stage 3 from Stage 2	-	25
Transfers between Stage 1 and Stage 3	377	442
To Stage 3 from Stage 1	377	442

14. Financial liabilities at amortised costs

Deposits from banks

EUR ths.	31.12.2023	30.06.2024
Overnight deposits	6,198	7,825
Term deposits	1,230,613	213,173
Repurchase agreements	10,352	56,605
Deposits from banks	1,247,163	277,603

During the first half of the year 2024 the Bank repaid tranches of TLTRO programme of the ECB in amount of EUR 1.000 million, which were presented under 'Term deposits' (2023: EUR 1,003.4 million).

In the half of the year 2024 the interest expense recognised for TLTRO III before it was repaid, was EUR 9.8 million (2023: EUR 9.5 million). Details for respective repaid tranches are disclosed note 20 Financial assets pledged as collaterals.

Deposits from customers

EUR ths.	31.12.2023	30.06.2024
Overnight deposits	14,377,137	14,474,274
Savings deposits	3,856,388	4,290,175
Households	3,856,388	4,290,175
Non-savings deposits	10,520,749	10,184,099
General governments	200,923	211,116
Other financial corporations	250,798	291,116
Non-financial corporations	2,527,981	2,294,403
Households	7,541,047	7,387,464
Term deposits	3,203,039	3,640,860
Deposits with agreed maturity	3,203,039	3,640,860
Savings deposits	704,209	437,242
Households	704,209	437,242
Non-savings deposits	2,498,830	3,203,618
General governments	101,348	122,959
Other financial corporations	555,654	565,990
Non-financial corporations	791,499	1,147,828
Households	1,050,329	1,366,841
Deposits from customers	17,580,176	18,115,134
General governments	302,271	334,075
Other financial corporations	806,452	857,106
Non-financial corporations	3,319,480	3,442,231
Households	13,151,973	13,481,722

Debt securities issued

EUR ths.	31.12.2023	30.06.2024
Subordinated debt securities issues	15,802	15,959
Senior non-preferred bonds	30,888	30,799
Other debt securities issued	4,611,429	4,781,822
Bonds	1,473,841	1,654,196
Mortgage covered bonds	3,137,588	3,127,626
Debt securities issued	4,658,119	4,828,580

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	2023	2024
Subordinated Bonds	September 2018	September 2028	2.88%	33	100,000	EUR	3,326	3,374
Subordinated Bonds	September 2018	September 2028	5.92%	33	100,000	EUR	3,357	3,355
Subordinated Bonds	November 2018	November 2028	2.45%	91	100,000	EUR	9,119	9,230
Total							15,802	15,959

Subordinated Liabilities

Issued subordinated capital and supplementary capital are either reported in the item Financial liabilities at amortised costs or Financial liabilities at fair value through profit or loss. Securitized and non-securitized assets are subordinated if the claims can only be satisfied after the claims of other, non-subordinated creditors in the event of liquidation or bankruptcy. Supplementary capital is defined in accordance with Art. 63 of Regulation (EU) No 575/2013 (CRR). Corresponding instruments have an original maturity of at least five years, are of a subordinated nature and may not, among other things, contain any incentive for early repayment, grant the holder the right to

accelerate repayment or include interest or dividend payments that are influenced in their amount by the creditworthiness of the issuer.

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 4.95% and maturity date in February 2026 in the total amount of EUR 30.8 million as at 30 June 2024 (2023: EUR 30.9 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	2023	2024
Senior Unsecured Bonds	June 2019	December 2025	0.60%	5,572	1,000	EUR	5,452	5,444
Covered Bonds	June 2019	June 2026	0.13%	5,000	100,000	EUR	483,091	483,911
Senior Unsecured Bonds	February 2020	February 2024	-	170	100,000	EUR	17,000	-
Senior Unsecured Bonds	March 2020	March 2025	0.00%	53	2,000,000	CZK	4,227	4,201
Senior Unsecured Bonds	June 2020	June 2025	0.80%	4,930	1,000	EUR	4,788	4,769
Senior Unsecured Bonds	June 2020	June 2025	0.63%	45	100,000	EUR	4,510	4,498
Senior Unsecured Bonds	October 2020	October 2025	0.25%	1,000	100,000	EUR	99,834	100,022
Senior Unsecured Bonds	March 2021	March 2027	4.92%	1,000	100,000	EUR	103,045	102,826
Senior Unsecured Bonds	June 2021	June 2024	-	1,299	1,000	USD	1,180	-
Senior Unsecured Bonds	June 2021	June 2028	0.38%	1,302	100,000	EUR	152,886	152,754
Covered Bonds	July 2007	July 2027	4.95%	250	66,388	EUR	18,290	18,284
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	6,614	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	10,043	10,116
Covered Bonds	March 2016	March 2026	1.00%	90	100,000	EUR	9,046	9,006
Covered Bonds	March 2017	March 2025	0.75%	1,000	100,000	EUR	100,564	100,208
Senior Unsecured Bonds	November 2017	November 2027	1.38%	44	100,000	EUR	4,405	4,436
Senior Unsecured Bonds	June 2018	June 2024	-	4,608	1,000	EUR	4,416	-
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	240,577	242,954
Senior Unsecured Bonds	September 2018	September 2024	0.70%	4,530	1,000	EUR	4,350	4,355
Senior Unsecured Bonds	November 2018	November 2024	0.75%	4,699	1,000	EUR	4,496	4,513
Senior Unsecured Bonds	December 2018	December 2024	0.75%	4,794	1,000	EUR	4,533	4,547
Covered Bonds	December 2018	December 2024	0.50%	2,500	100,000	EUR	242,756	247,021
Senior Unsecured Bonds	February 2019	February 2025	0.70%	9,490	1,000	EUR	9,071	8,966
Senior Unsecured Bonds	March 2019	March 2025	0.00%	100	50,000	EUR	4,959	4,977
Covered Bonds	April 2022	April 2027	1.13%	5,000	100,000	EUR	479,248	473,532
Senior Unsecured Bonds	May 2022	May 2026	2.00%	19,624	1,000	EUR	19,922	19,671
Senior Unsecured Bonds	June 2022	June 2025	2.70%	29,662	1,000	EUR	30,149	29,610
Senior Unsecured Bonds	July 2022	December 2029	5.00%	285	200,000	USD	49,118	49,712

The table continues on the following page.

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EUR ths.	Issue Date	Maturity Date	Interest Rate	Number of securities	Nominal	Currency	2023	2024
Senior Unsecured Bonds	September 2022	September 2025	3.00%	61,891	1,000	EUR	61,798	62,807
Covered Bonds	October 2022	April 2028	3.50%	5,000	100,000	EUR	519,982	505,417
Senior Unsecured Bonds	October 2022	April 2026	3.30%	49,487	1,000	EUR	50,857	49,765
Senior Unsecured Bonds	October 2022	October 2025	4.35%	4,995	1,000	USD	4,555	4,803
Senior Unsecured Bonds	October 2022	October 2034	4.88%	320	100,000	EUR	33,590	33,756
Senior Unsecured Bonds	October 2022	October 2025	4.63%	250	100,000	EUR	25,172	25,761
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	3,417	3,605
Senior Unsecured Bonds	November 2022	November 2024	3.50%	49,190	1,000	EUR	49,905	50,194
Senior Unsecured Bonds	November 2022	May 2026	5.51%	1,340	100,000	EUR	134,988	134,968
Covered Bonds	January 2023	January 2026	3.25%	5,000	100,000	EUR	513,388	506,665
Senior Unsecured Bonds	February 2023	February 2026	3.75%	73,763	1,000	EUR	76,920	74,772
Senior Unsecured Bonds	February 2023	February 2025	4.45%	4,984	1,000	USD	4,678	4,725
Senior Unsecured Bonds	June 2023	June 2026	4.50%	1,819	50,000	EUR	92,547	90,434
Covered Bonds	August 2023	September 2027	3.88%	5,000	100,000	EUR	504,679	514,589
Senior Unsecured Bonds	July 2023	July 2029	4.85%	343	100,000	EUR	14,431	34,969
Senior Unsecured Bonds	September 2023	September 2033	5.41%	100	100,000	EUR	9,651	9,886
Senior Unsecured Bonds	September 2023	September 2027	4.75%	398	50,000	EUR	20,010	19,908
Senior Unsecured Bonds	October 2023	October 2028	5.38%	3,310	100,000	EUR	302,167	343,631
Senior Unsecured Bonds	November 2023	November 2027	4.75%	996	50,000	EUR	50,210	51,178
Senior Unsecured Bonds	January 2024	January 2034	4.10%	50	100,000	EUR	-	5,099
Senior Unsecured Bonds	February 2024	February 2034	4.70%	20	100,000	EUR	-	1,935
Senior Unsecured Bonds	February 2024	February 2028	4.00%	517	50,000	EUR	-	26,256
Senior Unsecured Bonds	March 2024	March 2028	4.00%	800	50,000	EUR	-	40,410
Senior Unsecured Bonds	March 2024	August 2029	4.41%	100	100,000	EUR	-	10,072
Senior Unsecured Bonds	March 2024	March 2030	5.56%	146	100,000	EUR	-	14,843
Senior Unsecured Bonds	April 2024	April 2027	4.00%	91	50,000	EUR	-	4,581
Senior Unsecured Bonds	May 2024	May 2027	4.89%	100	100,000	EUR	-	9,961
Senior Unsecured Bonds	May 2024	May 2029	4.17%	200	100,000	EUR	-	19,944
Senior Unsecured Bonds	June 2024	June 2027	4.76%	100	100,000	EUR	-	9,913
Senior Unsecured Bonds	July 2021	July 2031	0.15%	1	1,000	EUR	1,074	1,077
Total							6,631,143	6,786,409

In May 2020 the Group issued retained covered bond in the value of 500 mil. EUR with interest rate 0.125% and maturity of 7.5 years, which was not placed in the market and according to IFRS is therefore not possible to recognize this bond in the statement of financial position.

In June 2022 the Group issued another retained covered bond in the value of 500 mil. EUR with an interest rate of 2.00% and maturity of 6 years, which was also not placed in the market and according to IFRS, it is therefore not possible to recognize this bond in the statement of financial position.

Other financial liabilities

As at 30 June 2024 other financial liabilities in amount of EUR 199.1 million (2023: EUR 158.7 million) represent mainly suspense accounts (payments with other banks).

Financial instruments at fair value through profit or loss

15. Derivative financial instruments

EUR ths.	31.12.2023			30.06.2024		
	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Derivatives held in the trading book	2,915,206	60,289	56,556	2,859,759	52,203	48,850
Interest rate derivatives	2,472,100	29,351	27,095	2,422,144	24,381	22,166
Foreign exchange	443,106	30,938	29,461	437,615	27,822	26,684
Derivatives held in the banking book	10,000	-	40	-	-	-
Equity	10,000	-	40	-	-	-
Total gross amounts	2,925,206	60,289	56,596	2,859,759	52,203	48,850

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.	31.12.2023		30.06.2024	
	Designated at fair value	Mandatorily at fair value	Designated at fair value	Mandatorily at fair value
Equity instruments	-	11,922	-	13,537
Debt securities	-	7,516	-	7,641
Other financial corporations	-	7,516	-	7,641
Non-trading financial assets at fair value through profit or loss		19,438		21,178

Financial instruments – other disclosure matters

17. Fair value of financial instruments

During the first half of the year 2024 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 these condensed 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

EUR ths.	31.12.2023				30.06.2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Financial assets HfT	-	30,553	29,736	60,289	-	52,203	-	52,203
Derivatives	-	30,553	29,736	60,289	-	52,203	-	52,203
Non-trading financial assets at FVPL	-	-	19,438	19,438	-	-	21,178	21,178
Equity instruments	-	-	11,922	11,922	-	-	13,537	13,537
Debt securities	-	-	7,516	7,516	-	-	7,641	7,641
Hedge accounting derivatives	-	24,424	-	24,424	-	13,013	-	13,013
Total assets	-	54,977	49,174	104,151	-	65,216	21,178	86,394
Liabilities								
Financial liabilities HfT	-	48,732	7,864	56,596	-	48,850	-	48,850
Derivatives	-	48,732	7,864	56,596	-	48,850	-	48,850
Hedge accounting derivatives	-	64,227	-	64,227	-	63,125	-	63,125
Total liabilities	-	112,959	7,864	120,823	-	111,975	-	111,975

Derivatives transacted via Clearing Houses are presented after netting in compliance with their statement of financial position treatment. The netted derivatives are allocated to Level 2.

Valuation process for financial instruments categorized as Level 3

The valuation of financial instruments categorized as Level 3 involves one or more significant inputs that are not directly observable on the market. Additional price verification steps need to be done. These may include reviewing relevant historical data and benchmarking for similar transactions, among others. This involves estimation and expert judgment.

Further details regarding input parameters used and the results of the sensitivity analysis are disclosed in the sub-chapter Unobservable inputs and sensitivity analysis for Level 3 measurements below.

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. Transfers in year 2024 were immaterial and in 2023 as well.

Movements in Level 3

Development of fair value of financial instruments in Level 3

EUR ths.	01.01.2024	Gain/(loss) in profit or loss	Purchases	Transfer out of Level 3	30.06.2024
Assets					
Financial assets HfT	29,736	-	-	(29,736)	-
Derivatives	29,736	-	-	(29,736)	-
Non-trading financial assets at FVPL	19,438	982	758	-	21,178
Equity instruments	11,922	1,365	250	-	13,537
Debt securities	7,516	(383)	508	-	7,641
Total assets	49,174	982	758	(29,736)	21,178
Liabilities					
Financial liabilities HfT	7,864	-	-	(7,864)	-
Derivatives	7,864	-	-	(7,864)	-
Total liabilities	7,864	-	-	(7,864)	-

EUR ths.	01.01.2023	Gain/loss in profit or loss	Purchases	Transfer out of Level 3	30.06.2023
Assets					
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
Total assets	16,246	1,676	641	-	18,563

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.	30.06.2023	30.06.2024
Assets		
Non-trading financial assets at FVPL	1,676	1,231
Equity instruments	1,670	1,615
Debt securities	6	(384)
Total assets	1,676	1,231
Liabilities		
Financial liabilities HfT	-	-
Derivatives	-	-
Total liabilities	-	-

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
30.06.2024					
Assets					
Cash and cash equivalents	2,289,836	2,289,836	317,765	1,972,071	-
Financial assets at AC	22,868,835	22,018,805	3,819,788	304,905	17,894,112
Loans and advances to banks	20,863	20,900	-	-	20,900
Loans and advances to customers	18,470,940	17,864,499	-	-	17,864,499
of which: Lending for house purchase	10,710,405	10,358,752	-	-	10,358,752
of which: Credit for consumption	1,589,942	1,537,740	-	-	1,537,740
of which: Corporate loans and others	6,170,593	5,968,007	-	-	5,968,007
Debt securities	4,377,032	4,133,406	3,819,788	304,905	8,713
Finance lease receivables	357,096	345,665	-	-	345,665
Trade and other receivables	140,635	136,990	-	-	136,990
Liabilities					
Financial liabilities at AC	23,434,575	23,397,538	2,357,638	2,221,467	18,818,433
Deposits from banks	277,603	279,491	-	-	279,491
Deposits from customers	18,115,134	18,111,390	-	-	18,111,390
Debt securities in issue	4,828,580	4,807,566	2,357,638	2,221,467	228,461
Other financial liabilities	213,258	199,091	-	-	199,091

EUR ths.	Carrying amount	Fair value	Level 1	Level 2	Level 3
31.12.2023					
Assets					
Cash and cash equivalents	3,030,858	3,030,858	362,937	2,667,921	-
Financial assets at AC	22,527,144	21,862,457	3,662,129	256,859	17,943,469
Loans and advances to banks	10,032	10,032	-	-	10,032
Loans and advances to customers	18,395,931	17,924,822	-	-	17,924,822
of which: Lending for house purchase	10,680,454	10,275,563	-	-	10,275,563
of which: Credit for consumption	1,550,167	1,491,401	-	-	1,491,401
of which: Corporate loans and others	6,165,310	6,157,858	-	-	6,157,858
Debt securities	4,121,181	3,927,603	3,662,129	256,859	8,615
Finance lease receivables	347,323	341,874	-	-	341,874
Trade and other receivables	133,614	132,097	-	-	132,097
Liabilities					
Financial liabilities at AC	23,668,712	23,664,732	2,346,354	1,923,992	19,394,386
Deposits from banks	1,247,163	1,247,163	-	-	1,247,163
Deposits from customers	17,580,176	17,580,616	-	-	17,580,616
Debt securities in issue	4,658,119	4,653,699	2,346,354	1,923,992	383,353
Other financial liabilities	183,254	183,254	-	-	183,254

18. Hedge accounting

Notional amounts of hedged items

EUR ths.	Type of hedged items	Notional amount	
		31.12.2023	30.06.2024
Fair value hedges		1,928,104	2,429,767
Assets	Bonds at AC	291,223	291,224
Liabilities	Issued bonds	1,636,881	2,138,543

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
30.06.2024				
Fair value hedges	76,138		(4,111)	2,429,767
Interest rate risk assets	13,013		1,285	291,224
Interest rate risk liabilities	63,125		(5,396)	2,138,543
Total	76,138		(4,111)	2,429,767
31.12.2023				
Fair value hedges		88,651	46,711	1,928,104
Interest rate risk assets		24,424	(7,909)	291,223
Interest rate risk liabilities		64,227	54,620	1,636,881
Total		88,651	46,711	1,928,104

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
30.06.2024			
Financial assets at AC	292,306	(8,963)	(1,264)
Interest rate risk	292,306	(8,963)	(1,264)
Financial liabilities at AC	(2,108,124)	51,938	4,913
Interest rate risk	(2,108,124)	51,938	4,913
31.12.2023			
Financial assets at AC	293,804	(7,699)	8,146
Interest rate risk	293,804	(7,699)	8,146
Financial liabilities at AC	(1,610,044)	47,025	(54,423)
Interest rate risk	(1,610,044)	47,025	(54,423)

Fair value hedge of assets

As at 30 June 2024 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 (2023: EUR 291.2 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 2024 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 1.3 million (2023: net loss EUR 0.1 million). On the other hand, a net loss on the hedged item attributable to the hedged risk amounted to EUR 1.3 million (2023: net gain EUR 0.1 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 2024 the Group holds covered bonds in total nominal value of EUR 2,138.5 million (2023: EUR 1,637.7 million).

During the first half of the year 2024 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 5.1 million (2023: net gain EUR 2.2 million). On the other hand, a net gain on the hedged item attributable to the hedged risk amounted to EUR 4.9 million (2023: net loss EUR 1.9 million).

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

EUR ths.	31.12.2023		30.06.2024	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Repurchase agreements	11,041	10,352	59,367	56,605
Financial assets at AC	11,041	10,352	59,367	56,605
Total	11,041	10,352	59,367	56,605

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.	31.12.2023			30.06.2024		
	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	10,373	10,352	21	56,476	56,990	(514)
Total	10,373	10,352	21	56,476	56,990	(514)

20. Financial assets pledged as collaterals

Carrying amount of financial assets pledged as collaterals

EUR ths.	31.12.2023	30.06.2024
Financial assets at AC	4,937,680	3,577,951
Total	4,937,680	3,577,951

EUR ths.	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
As at 30.06.2024								
Financial assets at amortised cost								
Debt securities	247,256	59,367	71,349	102,818	13,722	215,018	56,605	158,413
Loans and advances to customers	3,330,695	-	-	3,330,695	-	3,063,335	-	3,063,335
Assets pledged as collateral	3,577,951	59,367	71,349	3,433,513	13,722	3,278,353	56,605	3,221,748

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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
EUR ths.								
As at 31.12.2023								
Financial assets at amortised cost								
Debt securities	437,723	11,041	64,986	50,150	311,546	468,081	10,352	457,729
Loans and advances to customers	4,499,957	-	-	3,412,377	1,087,580	3,802,929	-	3,802,929
Assets pledged as collateral	4,937,680	11,041	64,986	3,462,527	1,399,126	4,271,010	10,352	4,260,658

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 and during the first half of the year 2024 was repaid the remaining part of the tranche in amount of EUR 750 million.

In June 2021, the Group entered into TLTRO III with central bank in the amount of EUR 250 million which was shown within other associated liabilities. During the first half of the year 2024 the tranche was repaid in amount of EUR 250 million.

Risk and capital management

21. Risk management

A core function of the Group is taking risks in a conscious and selective manner and professionally steering those risks. Adequate risk policy and risk strategy is essential to the Group's fundamental financial health and operational business success.

During the first half of the year 2024 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 these condensed interim consolidated financial statements should be read in combination with consolidated financial statements for the previous year in note 23.

22. Own funds and capital requirements

Regulatory requirements

Since 1 January 2014 the Group has been calculating the regulatory own funds 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)¹. Both the CRD IV and CRD V² were transposed into national law in the 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 2024 and throughout the year 2023 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.

¹ Both CRD IV and CRR have been amended since the entry into force in 2014 inter alia with directive (EU) 2019/878 (CRD V) as well as regulations (EU) 2019/876 (CRR 2) and (EU) 2020/873 (CRR Quick Fix).

² CRDV has been transposed by an amendment of the ABA (BGBl I 2021/98; BWG-Novelle) which entered into force on 31 May 2021.

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
Dostupný Nájom 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 2024 the number of companies consolidated pursuant to IFRS was 10. As of 30 June 2024 the number of companies consolidated pursuant to regulatory capital requirements, except those entities which are covered by Art. 19 (1) and (2) CRR) was 9.

Eight entities are part of the regulatory scope of consolidation consolidated at equity method. Six 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., Dostupný Domov j.s.a. and Dostupný Nájom j.s.a.

Consolidated 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.

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).

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As a result of the 2023 SREP process performed by the European Central Bank (ECB) the Group applies a Pillar 2 requirement (P2R) of 1.5% as at 30 June 2024. 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 at 30 June 2024.

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.

	31.12.2023	30.06.2024
Pillar 1		
Minimum CET1 requirement	4.50%	4.50%
Minimum Tier 1 requirement	6.00%	6.00%
Minimum Own Funds requirements	8.00%	8.00%
Combined buffer requirement (CBR)	5.99%	5.99%
Capital conservation buffer	2.50%	2.50%
Institution-specific countercyclical capital buffer	1.49%	1.49%
Systemic risk buffer (SRB)	0.00%	0.00%
O-SII capital buffer	2.00%	2.00%
Minimum CET 1 requirement (incl. CBR)	10.49%	10.49%
Minimum Tier 1 requirement (incl. CBR)	11.99%	11.99%
Minimum Own Funds requirement (incl. CBR)	13.99%	13.99%
Pillar 2		
Minimum CET1 requirement	0.84%	0.84%
Minimum T1 requirement	1.13%	1.13%
Minimum Own Funds requirement	1.50%	1.50%
Total CET1 requirement for Pillar 1 and Pillar 2	11.33%	11.33%
Total Tier 1 requirement for Pillar 1 and Pillar 2	13.12%	13.12%
Total Own Funds requirement for Pillar 1 and Pillar 2	15.49%	15.49%

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.	31.12.2023	30.6.2024
Common equity tier 1 capital (CET1)		
Capital instruments eligible as CET1	212,000	212,000
Retained earnings	1,451,234	1,515,270
Accumulated other comprehensive income	(592)	(702)
Common equity tier 1 capital (CET1) before regulatory adjustments	1,662,642	1,726,568
Prudential filter: fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	(194)	(194)
Value adjustments due to the requirements for prudent valuation	(1,193)	(1,457)
Securitisation positions which can alternatively be subject to a 1.250% risk weight	(13,026)	(13,262)
Other intangible assets	(12,783)	(12,024)
Insufficient coverage for non-performing exposures	(435)	(2,005)
Additional deductions of CET1 Capital due to Article 3 CRR	-	-
Development of unaudited risk provisions during the year (EU No 183/2014)	(15,194)	(22,779)
Common equity tier 1 capital (CET1)	1,619,817	1,674,847
Additional tier 1 capital (AT1)		
Capital instruments eligible as AT1	480,000	480,000
Additional tier 1 capital (AT1)	480,000	480,000
Tier 1 capital - total amount of common equity tier 1 (CET1) and additional tier 1 (AT1)	2,099,817	2,154,847
Tier 2 capital (T2)		
Capital instruments and subordinated loans eligible as T2	15,177	13,613
IRB excess of provisions over expected losses eligible	54,427	53,405
T2 instruments of financial sector entities where the institution has a significant investment	(5,251)	(5,249)
Tier 2 capital (T2)	64,353	61,769
Total own funds	2,164,170	2,216,616
Capital requirement	864,798	856,541
CET1 capital ratio	14.98%	15.64%
Tier 1 capital ratio	19.42%	20.13%
Total capital ratio	20.02%	20.70%

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

EUR ths.	31.12.2023		30.6.2024	
	Total risk	Capital requirement	Total risk	Capital requirement
Total Risk Exposure Amount	10,809,973	864,798	10,706,759	856,541
Risk weighted assets (credit risk)	10,042,612	803,409	9,867,310	789,385
Standardised approach	894,151	71,532	904,292	72,343
IRB approach	9,071,148	725,692	8,900,851	712,069
Securitisation positions	77,313	6,185	62,167	4,973
Trading book, foreign FX risk and commodity risk	11,110	889	22,052	1,764
Operational Risk	750,152	60,012	812,868	65,030
Exposure for CVA	6,099	488	4,529	362

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 2024 there were no changes in the methodology of accounting and reporting of credit risk in comparison with annual consolidated 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 these condensed interim consolidated financial statements should be read in combination with consolidated financial statements for the previous year in note 25.

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

30.6.2024 EUR ths.	Gross carrying amount	Credit loss allowances					Not subject to IFRS 9 impairment	Net carrying amount
		Stage 1	Stage 2	Stage 3	POCI			
Cash and cash equivalents - other demand deposits	15,141	-	-	-	-	-	-	15,141
Financial assets at amortised cost	23,240,981	38,661	111,044	195,519	26,922	-	-	22,868,835
Loans and advances to banks	20,918	55	-	-	-	-	-	20,863
Loans and advances to customers	18,841,397	37,700	110,316	195,519	26,922	-	-	18,470,940
<i>of which: Lending for house purchase</i>	10,808,977	10,684	19,061	66,519	2,308	-	-	10,710,405
<i>of which: Credit for consumption</i>	1,681,535	10,758	18,571	62,208	56	-	-	1,589,942
<i>of which: Corporate loans and others</i>	6,350,885	16,258	72,684	66,792	24,558	-	-	6,170,593
Debt securities	4,378,666	906	728	-	-	-	-	4,377,032
Finance lease receivables	362,687	811	1,745	2,753	282	-	-	357,096
Trade and other receivables	146,652	486	919	4,165	447	-	-	140,635
Non-trading financial assets at fair value through profit or loss - Debt securities	7,641	-	-	-	-	-	-	7,641
Financial assets - held for trading	52,203	-	-	-	-	-	-	52,203
Positive fair value of derivatives - hedge accounting	13,013	-	-	-	-	-	-	13,013
Total credit risk exposure on-balance	23,838,318	39,958	113,708	202,437	27,651	-	-	23,454,564
Off-balance	4,933,312	2,619	6,112	2,138	672	1,841	-	4,919,930
Total credit risk exposure	28,771,630	42,577	119,820	204,575	28,323	1,841	-	28,374,494

Allocation of credit loss allowances is affected by the war in Ukraine. The Group 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.

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31.12.2023	Gross carrying amount	Credit loss allowances					Not subject to IFRS 9 impairment	Net carrying amount
		Stage 1	Stage 2	Stage 3	POCI			
EUR ths.								
Cash and cash equivalents - other demand deposits	9,172	-	-	-	-	-	9,172	
Financial assets at amortised cost	22,880,932	37,688	107,211	183,735	25,154	-	22,527,144	
Loans and advances to banks	10,060	28	-	-	-	-	10,032	
Loans and advances to customers	18,748,059	36,819	106,420	183,735	25,154	-	18,395,931	
of which: Lending for house purchase	10,783,029	10,691	17,968	68,980	1,989	-	10,683,401	
of which: Credit for consumption	1,601,592	9,882	17,344	50,461	66	-	1,523,839	
of which: Corporate loans and others	6,363,438	16,246	71,108	64,294	23,099	-	6,188,691	
Debt securities	4,122,813	841	791	-	-	-	4,121,181	
Finance lease receivables	351,940	590	1,473	2,514	40	-	347,323	
Trade and other receivables	139,738	900	726	4,054	444	-	133,614	
Non-trading financial assets at fair value through profit or loss - Debt securities	7,516	-	-	-	-	-	7,516	
Financial assets - held for trading	60,289	-	-	-	-	-	60,289	
Positive fair value of derivatives - hedge accounting	24,424	-	-	-	-	-	24,424	
Total credit risk exposure on-balance	23,474,011	39,178	109,410	190,303	25,638	-	23,109,482	
Off-balance	4,724,673	3,274	5,313	2,259	1,015	1,499	4,711,313	
Total credit risk exposure	28,198,684	42,452	114,723	192,562	26,653	1,499	27,820,795	

The non-defaulted part of POCI amounted to EUR 107.33 million (2023: EUR 107.68 million), the defaulted part to EUR 16.04 million (2023: EUR 13.00 million).

On the next pages the credit risk exposure is presented according to the following criteria:

- counterparty FINREP sector and financial instrument;
- financial instrument and risk category;
- financial instrument and IFRS 9 stage;
- industry and financial instrument;
- industry and risk category;
- industry and IFRS 9 stage;
- region and financial instrument;
- region and risk category;
- region and IFRS 9 stage;
- impairment view;
- neither past due, not impaired;
- Basel 3 exposure class and financial instrument.

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
30.06.2024							
Cash and cash equivalents - other demand deposits	-	-	15,141	-	-	-	15,141
Financial assets at amortised cost	-	4,258,145	418,559	342,843	5,078,679	13,142,755	23,240,981
Loans and advances to banks	-	-	20,918	-	-	-	20,918
Loans and advances to customers	-	405,804	-	331,960	4,960,878	13,142,755	18,841,397
of which: Lending for house purchase	-	-	-	-	-	10,808,977	10,808,977
of which: Credit for consumption	-	-	-	-	-	1,681,535	1,681,535
of which: Corporate loans and others	-	405,804	-	331,960	4,960,878	652,243	6,350,885
Debt securities	-	3,852,341	397,641	10,883	117,801	-	4,378,666
Finance lease receivables	-	1,251	-	75,166	284,742	1,528	362,687
Trade and other receivables	-	1,883	1,590	3,093	140,053	33	146,652
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	-	7,641	-	-	7,641
Derivatives - held for trading	-	-	23,950	-	28,248	5	52,203
Positive fair value of derivatives - hedge accounting	-	-	13,013	-	-	-	13,013
Total credit risk exposure on-balance	-	4,261,279	472,253	428,743	5,531,722	13,144,321	23,838,318
Off-balance	-	170,169	81,030	194,321	4,133,484	354,308	4,933,312
Total credit risk exposure	-	4,431,448	553,283	623,064	9,665,206	13,498,629	28,771,630

EUR ths.	Central banks	General governments	Credit institutions	Other financial corporations	Non-financial corporations	Households	Total
31.12.2023							
Cash and cash equivalents - other demand deposits	-	-	9,172	-	-	-	9,172
Financial assets at amortised cost	-	4,066,635	371,874	328,417	5,064,275	13,049,731	22,880,932
Loans and advances to banks	-	-	10,060	-	-	-	10,060
Loans and advances to customers	-	428,623	-	302,580	4,967,125	13,049,731	18,748,059
of which: Lending for house purchase	-	-	-	-	-	10,783,029	10,783,029
of which: Credit for consumption	-	-	-	-	-	1,601,592	1,601,592
of which: Corporate loans and others	-	428,623	-	302,580	4,967,125	665,110	6,363,438
Debt securities	-	3,638,012	361,814	25,837	97,150	-	4,122,813
Finance lease receivables	-	1,300	-	74,023	275,146	1,471	351,940
Trade and other receivables	-	1,070	4,359	2,620	131,656	33	139,738
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	-	7,516	-	-	7,516
Derivatives - held for trading	-	-	26,173	-	34,115	1	60,289
Positive fair value of derivatives - hedge accounting	-	-	24,424	-	-	-	24,424
Total credit risk exposure on-balance	-	4,069,005	436,002	412,576	5,505,192	13,051,236	23,474,011
Off-balance	-	122,717	47,091	374,405	3,800,658	379,802	4,724,673
Total credit risk exposure	-	4,191,722	483,093	786,981	9,305,850	13,431,038	28,198,684

Credit risk exposure by financial instrument and risk category

EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
30.06.2024					
Cash and cash equivalents - other demand deposits	15,141	-	-	-	15,141
Financial assets at amortised cost	18,403,974	3,296,001	1,176,906	364,100	23,240,981
Loans and advances to banks	20,918	-	-	-	20,918
Loans and advances to customers	14,015,273	3,285,118	1,176,906	364,100	18,841,397
of which: Lending for house purchase	8,763,907	1,434,521	463,494	147,055	10,808,977
of which: Credit for consumption	848,532	515,362	237,185	80,456	1,681,535
of which: Corporate loans and others	4,402,834	1,335,235	476,227	136,589	6,350,885
Debt securities	4,367,783	10,883	-	-	4,378,666
Finance lease receivables	163,466	183,063	11,032	5,126	362,687
Trade and other receivables	50,858	67,960	22,727	5,107	146,652
Non-trading financial assets at fair value through profit or loss - Debt securities	7,641	-	-	-	7,641
Derivatives - held for trading	51,996	73	134	-	52,203
Positive fair value of derivatives - hedge accounting	13,013	-	-	-	13,013
Total credit risk exposure on-balance	18,706,089	3,547,097	1,210,799	374,333	23,838,318
Off-balance	3,932,505	781,495	204,482	14,830	4,933,312
Total credit risk exposure	22,638,594	4,328,592	1,415,281	389,163	28,771,630

EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
31.12.2023					
Cash and cash equivalents - other demand deposits	9,172	-	-	-	9,172
Financial assets at amortised cost	18,226,238	3,135,144	1,171,447	348,103	22,880,932
Loans and advances to banks	10,058	-	2	-	10,060
Loans and advances to customers	14,104,022	3,125,013	1,170,921	348,103	18,748,059
of which: Lending for house purchase	8,723,594	1,425,686	486,350	147,399	10,783,029
of which: Credit for consumption	817,557	495,483	222,930	65,622	1,601,592
of which: Corporate loans and others	4,562,871	1,203,844	461,641	135,082	6,363,438
Debt securities	4,112,158	10,131	524	-	4,122,813
Finance lease receivables	254,621	83,679	9,741	3,899	351,940
Trade and other receivables	66,822	48,852	19,087	4,977	139,738
Non-trading financial assets at fair value through profit or loss - Debt securities	7,516	-	-	-	7,516
Derivatives - held for trading	59,895	326	68	-	60,289
Positive fair value of derivatives - hedge accounting	24,424	-	-	-	24,424
Total credit risk exposure on-balance	18,648,688	3,268,001	1,200,343	356,979	23,474,011
Off-balance	3,864,107	646,253	195,840	18,473	4,724,673
Total credit risk exposure	22,512,795	3,914,254	1,396,183	375,452	28,198,684

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
30.06.2024						
Cash and cash equivalents - other demand deposits	15,141	-	-	-	-	15,141
Financial assets at amortised cost	20,842,553	1,931,460	349,446	117,522	-	23,240,981
Loans and advances to banks	20,918	-	-	-	-	20,918
Loans and advances to customers	16,462,524	1,911,905	349,446	117,522	-	18,841,397
of which: Lending for house purchase	10,400,547	259,921	143,294	5,215	-	10,808,977
of which: Credit for consumption	1,432,749	168,231	80,386	169	-	1,681,535
of which: Corporate loans and others	4,629,228	1,483,753	125,766	112,138	-	6,350,885
Debt securities	4,359,111	19,555	-	-	-	4,378,666
Finance lease receivables	322,804	34,758	4,404	721	-	362,687
Trade and other receivables	137,155	4,390	4,585	522	-	146,652
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	-	-	7,641	7,641
Derivatives - held for trading	-	-	-	-	52,203	52,203
Positive fair value of derivatives - hedge accounting	-	-	-	-	13,013	13,013
Total credit risk exposure on-balance	21,317,653	1,970,608	358,435	118,765	72,857	23,838,318
Off-balance	1,517,852	130,096	6,650	4,600	3,274,114	4,933,312
Total credit risk exposure	22,835,505	2,100,704	365,085	123,365	3,346,971	28,771,630

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
31.12.2023						
Cash and cash equivalents - other demand deposits	9,172	-	-	-	-	9,172
Financial assets at amortised cost	20,591,369	1,839,192	336,119	114,252	-	22,880,932
Loans and advances to banks	10,058	2	-	-	-	10,060
Loans and advances to customers	16,487,580	1,810,108	336,119	114,252	-	18,748,059
of which: Lending for house purchase	10,377,589	256,714	144,136	4,590	-	10,783,029
of which: Credit for consumption	1,366,415	169,450	65,535	192	-	1,601,592
of which: Corporate loans and others	4,743,576	1,383,944	126,448	109,470	-	6,363,438
Debt securities	4,093,731	29,082	-	-	-	4,122,813
Finance lease receivables	313,025	35,016	3,738	161	-	351,940
Trade and other receivables	132,788	1,973	4,397	580	-	139,738
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	-	-	7,516	7,516
Derivatives - held for trading	-	-	-	-	60,289	60,289
Positive fair value of derivatives - hedge accounting	-	-	-	-	24,424	24,424
Total credit risk exposure on-balance	21,046,354	1,876,181	344,254	114,993	92,229	23,474,011
Off-balance	1,518,759	117,279	5,905	5,686	3,077,044	4,724,673
Total credit risk exposure	22,565,113	1,993,460	350,159	120,679	3,169,273	28,198,684

'Not subject to IFRS 9 impairment' means that those statement of financial position items are out of IFRS9 rules. In 2023 uncommitted credit lines were shifted from being IFRS 9 relevant to being Not subject to IFRS 9 impairment, causing decrease of exposure in IFRS 9 stages and moving to Not subject to IFRS 9 impairment.

Credit risk exposure by industry and financial instrument

30.6.2024	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 equivalents - other demand deposits	Loans and advances to customers					Debt securities	Finance lease receivables	Trade and other receivables					
		Loans and advances to banks	of which: Lending for house purchase	of which: Credit for consumption	of which: Corporate loans and others									
EUR ths.														
I. Natural Resources & Commodities	-	-	-	-	621,239	-	29,563	39,563	-	9	486,732	1,177,106		
II. Energy	-	-	-	-	582,744	29,045	10,803	2,326	-	26,677	882,437	1,534,032		
III. Construction and building materials	-	-	-	-	478,944	-	28,042	18,225	-	-	1,135,236	1,660,447		
IV. Automotive	-	-	-	-	235,224	-	3,728	15,701	-	-	340,318	594,971		
V. Cyclical Consumer Products	-	-	-	-	342,643	-	12,639	13,542	-	175	160,373	529,372		
VI. Non-Cyclical Consumer Products	-	-	-	-	387,376	9,202	9,560	20,966	-	-	191,750	618,854		
VII. Machinery	-	-	-	-	188,533	-	10,467	17,997	-	-	281,269	498,266		
VIII. Transportation	-	-	-	-	567,107	79,554	230,503	6,948	-	321	376,343	1,260,776		
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	-	-	-	-	128,582	-	2,052	675	-	2	98,324	229,635		
X. Healthcare & Services	-	-	-	-	300,382	-	17,073	5,205	-	-	145,190	467,850		
XI. Hotels, Gaming & Leisure Industry	-	-	-	-	193,347	-	3,670	218	-	95	41,978	239,308		
XII. Real Estate	-	-	-	-	1,326,174	10,353	3,687	243	-	968	232,919	1,574,344		
XIII. Public Sector	-	-	-	-	373,411	3,852,340	735	10	-	-	57,479	4,283,975		
XIV. Financial Institutions	15,141	20,918	-	-	71,932	398,172	33	5,032	7,641	36,964	182,719	738,552		
XV. Private Households	-	-	10,808,977	1,681,535	552,834	-	132	1	-	5	320,245	13,363,729		
XVI. Other	-	-	-	-	413	-	-	-	-	-	-	413		
Total	15,141	20,918	10,808,977	1,681,535	6,350,885	4,378,666	362,687	146,652	7,641	65,216	4,933,312	28,771,630		

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31.12.2023	Financial assets at amortised cost												
	Cash and cash equivalents - other demand deposits	Loans and advances to customers					Debt securities	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
		Loans and advances to banks	of which: Lending for house purchase	of which: Credit for consumption	of which: Corporate loans and others								
EUR ths.													
I. Natural Resources & Commodities	-	-	-	-	624,485	-	30,453	37,281	-	57	469,591	1,161,867	
II. Energy	-	-	-	-	617,595	29,269	9,837	2,946	-	29,741	711,765	1,401,153	
III. Construction and building materials	-	-	-	-	419,270	-	21,836	11,958	-	-	1,059,357	1,512,421	
IV. Automotive	-	-	-	-	232,647	-	4,129	11,719	-	-	323,539	572,034	
V. Cyclical Consumer Products	-	-	-	-	323,290	-	12,290	9,756	-	66	160,615	506,017	
VI. Non-Cyclical Consumer Products	-	-	-	-	409,325	9,355	10,038	17,015	-	97	206,711	652,541	
VII. Machinery	-	-	-	-	213,077	-	10,799	20,578	-	-	256,244	500,698	
VIII. Transportation	-	-	-	-	526,672	73,709	230,469	7,598	-	753	366,365	1,205,566	
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	-	-	-	-	121,955	-	2,183	3,435	-	-	89,483	217,056	
X. Healthcare & Services	-	-	-	-	239,572	-	13,905	9,477	-	-	101,485	364,439	
XI. Hotels, Gaming & Leisure Industry	-	-	-	-	184,930	-	1,756	342	-	254	34,315	221,597	
XII. Real Estate	-	-	-	-	1,360,038	10,131	3,168	351	-	2,874	264,454	1,641,016	
XIII. Public Sector	-	-	-	-	405,825	3,638,012	815	303	-	-	60,577	4,105,532	
XIV. Financial Institutions	9,172	10,060	-	-	127,679	362,337	122	6,979	7,516	50,870	275,251	849,986	
XV. Private Households	-	-	10,783,029	1,601,592	557,011	-	140	-	-	1	344,898	13,286,671	
XVI. Other	-	-	-	-	67	-	-	-	-	-	23	90	
Total	9,172	10,060	10,783,029	1,601,592	6,363,438	4,122,813	351,940	139,738	7,516	84,713	4,724,673	28,198,684	

Credit risk exposure by industry and risk category

EUR ths.	Low Risk	Management attention	Substandard	Non-performing loans	Total
30.06.2024					
I. Natural Resources & Commodities	654,151	409,168	88,365	25,422	1,177,106
II. Energy	1,405,109	101,671	23,895	3,357	1,534,032
III. Construction and building materials	1,094,233	361,050	173,913	31,251	1,660,447
IV. Automotive	456,604	113,615	18,797	5,955	594,971
V. Cyclical Consumer Products	240,853	161,024	88,711	38,784	529,372
VI. Non-Cyclical Consumer Products	392,736	162,780	55,108	8,230	618,854
VII. Machinery	254,839	168,056	65,150	10,221	498,266
VIII. Transportation	995,302	239,759	17,255	8,460	1,260,776
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	183,027	34,875	7,558	4,175	229,635
X. Healthcare & Services	289,760	124,405	49,899	3,786	467,850
XI. Hotels, Gaming & Leisure Industry	138,758	58,224	39,049	3,277	239,308
XII. Real Estate	1,267,901	261,976	32,020	12,447	1,574,344
XIII. Public Sector	4,177,089	92,470	14,416	-	4,283,975
XIV. Financial Institutions	703,327	27,780	7,215	230	738,552
XV. Private Households	10,384,492	2,011,739	733,930	233,568	13,363,729
XVI. Other	413	-	-	-	413
Total	22,638,594	4,328,592	1,415,281	389,163	28,771,630

EUR ths.	Low Risk	Management attention	Substandard	Non-performing loans	Total
31.12.2023					
I. Natural Resources & Commodities	773,005	275,542	94,812	18,508	1,161,867
II. Energy	1,260,523	118,602	17,828	4,200	1,401,153
III. Construction and building materials	1,049,020	288,231	143,513	31,657	1,512,421
IV. Automotive	448,896	89,667	15,712	17,759	572,034
V. Cyclical Consumer Products	237,431	132,686	101,248	34,652	506,017
VI. Non-Cyclical Consumer Products	444,017	141,711	58,435	8,378	652,541
VII. Machinery	298,417	146,167	45,919	10,195	500,698
VIII. Transportation	1,012,099	164,486	20,307	8,674	1,205,566
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	124,938	76,406	13,488	2,224	217,056
X. Healthcare & Services	229,909	91,739	40,096	2,695	364,439
XI. Hotels, Gaming & Leisure Industry	118,413	65,407	35,633	2,144	221,597
XII. Real Estate	1,355,597	235,694	37,428	12,297	1,641,016
XIII. Public Sector	3,989,164	93,801	22,564	3	4,105,532
XIV. Financial Institutions	837,013	2,019	7,760	3,194	849,986
XV. Private Households	10,334,312	1,992,047	741,440	218,872	13,286,671
XVI. Other	41	49	-	-	90
Total	22,512,795	3,914,254	1,396,183	375,452	28,198,684

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
30.06.2024						
I. Natural Resources & Commodities	648,650	170,203	23,302	1,688	333,263	1,177,106
II. Energy	759,837	217,050	1,357	2,581	553,207	1,534,032
III. Construction and building materials	475,544	147,583	26,420	2,681	1,008,219	1,660,447
IV. Automotive	271,834	16,223	5,877	70	300,967	594,971
V. Cyclical Consumer Products	264,083	136,228	34,067	4,373	90,621	529,372
VI. Non-Cyclical Consumer Products	431,294	70,443	7,925	478	108,714	618,854
VII. Machinery	236,746	43,906	6,364	5,937	205,313	498,266
VIII. Transportation	946,658	52,809	8,053	407	252,849	1,260,776
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	148,678	8,491	4,027	64	68,375	229,635
X. Healthcare & Services	329,427	49,239	3,692	578	84,914	467,850
XI. Hotels, Gaming & Leisure Industry	99,441	101,960	3,204	10,649	24,054	239,308
XII. Real Estate	778,020	610,307	11,288	87,431	87,298	1,574,344
XIII. Public Sector	4,259,455	1,073	-	-	23,447	4,283,975
XIV. Financial Institutions	503,591	28,982	229	25	205,725	738,552
XV. Private Households	12,681,834	446,207	229,280	6,403	5	13,363,729
XVI. Other	413	-	-	-	-	413
Total	22,835,505	2,100,704	365,085	123,365	3,346,971	28,771,630

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
31.12.2023						
I. Natural Resources & Commodities	723,798	116,594	17,035	1,609	302,831	1,161,867
II. Energy	637,057	189,312	4,200	-	570,584	1,401,153
III. Construction and building materials	432,902	141,910	25,339	1,660	910,610	1,512,421
IV. Automotive	256,118	11,542	15,099	85	289,190	572,034
V. Cyclical Consumer Products	272,032	115,706	30,739	3,695	83,845	506,017
VI. Non-Cyclical Consumer Products	446,823	66,003	8,098	356	131,261	652,541
VII. Machinery	261,797	41,497	5,622	7,622	184,160	500,698
VIII. Transportation	919,201	52,481	8,259	401	225,224	1,205,566
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	128,772	24,837	2,076	65	61,306	217,056
X. Healthcare & Services	263,046	44,186	2,535	441	54,231	364,439
XI. Hotels, Gaming & Leisure Industry	89,459	96,826	2,096	11,235	21,981	221,597
XII. Real Estate	814,898	637,955	11,140	87,401	89,622	1,641,016
XIII. Public Sector	4,082,662	1,051	3	-	21,816	4,105,532
XIV. Financial Institutions	619,382	4,775	3,193	25	222,611	849,986
XV. Private Households	12,617,076	448,785	214,725	6,084	1	13,286,671
XVI. Other	90	-	-	-	-	90
Total	22,565,113	1,993,460	350,159	120,679	3,169,273	28,198,684

In 2023 uncommitted credit lines were shifted from being IFRS 9 relevant to being Not subject to IFRS 9 impairment, causing decrease of exposure in IFRS 9 stages and moving to Not subject to IFRS 9 impairment.

Credit risk exposure by region and financial instrument

30.06.2024	Cash and cash equivalents - 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
		Loans and advances to customers										
		Loans and advances to banks	of which: Lending for house purchase	of which: Credit for consumption	of which: Corporate loans and others	Debt securities						
EUR ths.												
Slovakia	-	20,518	10,728,461	1,653,091	6,123,966	3,748,487	362,687	100,737	-	27,674	4,456,332	27,221,953
Central and Eastern Europe	13,197	400	22,838	14,967	184,608	82,607	-	19,222	-	36,154	358,576	732,569
Austria	12,906	-	3,932	725	19	-	-	2,293	-	35,573	23,710	79,158
Czech Republic	163	400	7,891	822	183,343	77,618	-	11,801	-	579	286,396	569,013
Hungary	123	-	35	309	1,005	-	-	4,531	-	2	44,988	50,993
Croatia	-	-	-	15	1	4,989	-	36	-	-	517	5,558
Romania	5	-	665	361	14	-	-	460	-	-	2,038	3,543
Serbia	-	-	10,315	12,735	226	-	-	101	-	-	927	24,304
Other EU	205	-	2,292	323	42,094	542,367	-	22,974	3,216	1,388	93,725	708,584
Other industrialised countries	1,739	-	3,680	298	5	5,205	-	1,379	4,425	-	21,128	37,859
Emerging markets	-	-	51,706	12,856	212	-	-	2,340	-	-	3,551	70,665
Total	15,141	20,918	10,808,977	1,681,535	6,350,885	4,378,666	362,687	146,652	7,641	65,216	4,933,312	28,771,630

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EUR ths.	Cash and cash equivalents - other demand deposits	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
		Loans and advances to banks	Loans and advances to customers			Debt securities	Finance lease receivables	Trade and other receivables				
			of which: Lending for house purchase	of which: Credit for consumption	of which: Corporate loans and others							
Slovakia	-	10,033	10,709,377	1,580,197	6,186,299	3,657,868	351,940	85,421	-	33,799	4,337,104	26,952,038
Central and Eastern Europe	8,438	27	21,482	11,546	134,253	78,088	-	22,586	-	49,518	285,046	610,984
Austria	7,709	14	3,656	619	19	-	-	6,190	-	49,196	25,791	93,194
Czech Republic	578	10	5,783	595	133,982	78,088	-	10,806	-	316	230,440	460,598
Hungary	147	3	68	211	29	-	-	4,080	-	6	26,276	30,820
Croatia	-	-	-	42	2	-	-	66	-	-	784	894
Romania	4	-	678	321	21	-	-	1,048	-	-	1,303	3,375
Serbia	-	-	11,297	9,758	200	-	-	396	-	-	452	22,103
Other EU	623	-	2,285	300	42,704	381,778	-	28,346	3,306	1,396	77,912	538,650
Other industrialised countries	111	-	3,007	274	5	5,079	-	1,749	4,210	-	22,084	36,519
Emerging markets	-	-	46,878	9,275	177	-	-	1,636	-	-	2,527	60,493
Total	9,172	10,060	10,783,029	1,601,592	6,363,438	4,122,813	351,940	139,738	7,516	84,713	4,724,673	28,198,684

Credit risk exposure by region and risk category

EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
30.06.2024					
Slovakia	21,338,687	4,180,673	1,316,480	386,113	27,221,953
Central and Eastern Europe	628,438	54,797	47,511	1,823	732,569
Austria	75,030	2,669	1,275	184	79,158
Czech Republic	501,315	28,221	38,818	659	569,013
Hungary	37,182	13,098	664	49	50,993
Croatia	5,003	304	251	-	5,558
Romania	762	2,070	630	81	3,543
Serbia	9,146	8,435	5,873	850	24,304
Other EU	605,830	65,945	36,234	575	708,584
Other industrialised countries	29,498	6,056	2,193	112	37,859
Emerging markets	36,141	21,121	12,863	540	70,665
Total	22,638,594	4,328,592	1,415,281	389,163	28,771,630

EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
31.12.2023					
Slovakia	21,493,952	3,791,480	1,296,769	369,837	26,952,038
Central and Eastern Europe	509,572	60,652	36,318	4,442	610,984
Austria	89,197	1,634	2,362	1	93,194
Czech Republic	393,077	44,799	18,948	3,774	460,598
Hungary	15,748	5,710	9,311	51	30,820
Croatia	9	290	594	1	894
Romania	2,024	1,267	17	67	3,375
Serbia	9,517	6,952	5,086	548	22,103
Other EU	451,494	42,942	43,484	730	538,650
Other industrialised countries	27,152	3,647	5,600	120	36,519
Emerging markets	30,625	15,533	14,012	323	60,493
Total	22,512,795	3,914,254	1,396,183	375,452	28,198,684

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
30.06.2024						
Slovakia	21,707,061	2,090,518	362,480	123,274	2,938,620	27,221,953
Central and Eastern Europe	440,266	6,930	1,514	70	283,789	732,569
Austria	19,417	343	123	62	59,213	79,158
Czech Republic	386,906	4,260	420	4	177,423	569,013
Hungary	6,843	14	49	1	44,086	50,993
Croatia	5,048	-	-	-	510	5,558
Romania	1,452	18	74	-	1,999	3,543
Serbia	20,600	2,295	848	3	558	24,304
Other EU	609,974	271	441	18	97,880	708,584
Other industrialised countries	12,439	95	112	-	25,213	37,859
Emerging markets	65,765	2,890	538	3	1,469	70,665
Total	22,835,505	2,100,704	365,085	123,365	3,346,971	28,771,630

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EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
31.12.2023						
Slovakia	21,716,565	1,987,231	345,171	120,518	2,782,553	26,952,038
Central and Eastern Europe	326,346	3,245	3,941	159	277,293	610,984
Austria	17,942	330	1	1	74,920	93,194
Czech Republic	281,489	953	3,286	145	174,725	460,598
Hungary	5,297	96	46	5	25,376	30,820
Croatia	86	30	1	-	777	894
Romania	2,031	12	65	2	1,265	3,375
Serbia	19,501	1,824	542	6	230	22,103
Other EU	455,148	484	605	-	82,413	538,650
Other industrialised countries	10,596	101	120	-	25,702	36,519
Emerging markets	56,458	2,399	322	2	1,312	60,493
Total	22,565,113	1,993,460	350,159	120,679	3,169,273	28,198,684

In 2023 uncommitted credit lines were shifted from being IFRS 9 relevant to being Not subject to IFRS 9 impairment, causing decrease of exposure in IFRS 9 stages and moving to Not subject to IFRS 9 impairment.

Credit risk exposure according to impairment view

EUR ths.	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 not impaired		
Cash and cash equivalents - other demand deposits	-	-	-	-	-	-	15,141	-	15,141
Financial assets at amortised cost	614,196	574,592	25,289	7,716	5,091	1,508	22,262,685	364,100	23,240,981
Loans and advances to banks	-	-	-	-	-	-	20,918	-	20,918
Loans and advances to customers	614,196	574,592	25,289	7,716	5,091	1,508	17,863,101	364,100	18,841,397
of which: Lending for house purchase	163,092	141,931	12,142	4,290	3,572	1,157	10,498,830	147,055	10,808,977
of which: Credit for consumption	73,229	63,258	6,022	2,941	773	235	1,527,850	80,456	1,681,535
of which: Corporate loans and others	377,875	369,403	7,125	485	746	116	5,836,421	136,589	6,350,885
Debt securities	-	-	-	-	-	-	4,378,666	-	4,378,666
Finance lease receivables	15,488	14,046	1,265	158	19	-	342,073	5,126	362,687
Trade and other receivables	11,638	9,696	877	7	-	1,058	129,907	5,107	146,652
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	-	-	-	-	7,641	-	7,641
Financial assets - held for trading	-	-	-	-	-	-	52,203	-	52,203
Positive fair value of derivatives	-	-	-	-	-	-	13,013	-	13,013
Total credit risk exposure on-balance	641,322	598,334	27,431	7,881	5,110	2,566	22,822,663	374,333	23,838,318
Off-balance	-	-	-	-	-	-	4,926,523	6,789	4,933,312
Total credit risk exposure	641,322	598,334	27,431	7,881	5,110	2,566	27,749,186	381,122	28,771,630

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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 not Impaired	Impaired loans	Total Credit risk exposure
Cash and cash equivalents - other demand deposits	-	-	-	-	-	-	9,172	-	9,172
Financial assets at amortised cost	410,724	378,523	18,531	8,244	3,932	1,494	22,122,105	348,103	22,880,932
Loans and advances to banks	29	29	-	-	-	-	10,031	-	10,060
Loans and advances to customers	410,695	378,494	18,531	8,244	3,932	1,494	17,989,261	348,103	18,748,059
of which: Lending for house purchase	136,312	118,008	9,877	4,252	3,022	1,153	10,499,318	147,399	10,783,029
of which: Credit for consumption	63,204	54,434	4,931	2,893	745	201	1,472,766	65,622	1,601,592
of which: Corporate loans and others	211,179	206,052	3,723	1,099	165	140	6,017,177	135,082	6,363,438
Debt securities	-	-	-	-	-	-	4,122,813	-	4,122,813
Finance lease receivables	5,797	5,530	192	75	-	-	342,244	3,899	351,940
Trade and other receivables	14,378	12,536	575	276	258	733	120,383	4,977	139,738
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	-	-	-	-	7,516	-	7,516
Financial assets - held for trading	-	-	-	-	-	-	60,289	-	60,289
Positive fair value of derivatives	-	-	-	-	-	-	24,424	-	24,424
Total credit risk exposure on-balance	430,899	396,589	19,298	8,595	4,190	2,227	22,686,133	356,979	23,474,011
Off-balance	-	-	-	-	-	-	4,718,496	6,177	4,724,673
Total credit risk exposure	430,899	396,589	19,298	8,595	4,190	2,227	27,404,629	363,156	28,198,684

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

EUR ths.	Low Risk	Management attention	Substandard	Non-performing	Total
30.06.2024					
Cash and cash equivalents - other demand deposits	15,141	-	-	-	15,141
Financial assets at amortised cost	18,246,462	3,151,099	865,124	-	22,262,685
Loans and advances to banks	20,918	-	-	-	20,918
Loans and advances to customers	13,857,761	3,140,216	865,124	-	17,863,101
of which: Lending for house purchase	8,755,976	1,415,855	326,999	-	10,498,830
of which: Credit for consumption	847,600	507,818	172,432	-	1,527,850
of which: Corporate loans and others	4,254,185	1,216,543	365,693	-	5,836,421
Debt securities	4,367,783	10,883	-	-	4,378,666
Finance lease receivables	159,819	173,942	8,312	-	342,073
Trade and other receivables	46,900	62,795	20,212	-	129,907
Non-trading financial assets at fair value through profit or loss - Debt securities	7,641	-	-	-	7,641
Derivatives - held for trading	51,996	73	134	-	52,203
Positive fair value of derivatives - hedge accounting	13,013	-	-	-	13,013
Total credit risk exposure on-balance	18,540,972	3,387,909	893,782	-	22,822,663
Off-balance	3,932,505	781,495	204,482	8,041	4,926,523
Total credit risk exposure	22,473,477	4,169,404	1,098,264	8,041	27,749,186

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EUR ths.	Low Risk	Management attention	Substandard	Non-performing	Total
31.12.2023					
Cash and cash equivalents - other demand deposits	9,172	-	-	-	9,172
Financial assets at amortised cost	18,162,552	3,028,354	931,199	-	22,122,105
Loans and advances to banks	10,031	-	-	-	10,031
Loans and advances to customers	14,040,363	3,018,223	930,675	-	17,989,261
of which: Lending for house purchase	8,717,020	1,408,311	373,987	-	10,499,318
of which: Credit for consumption	816,818	488,252	167,696	-	1,472,766
of which: Corporate loans and others	4,506,525	1,121,660	388,992	-	6,017,177
Debt securities	4,112,158	10,131	524	-	4,122,813
Finance lease receivables	253,740	80,734	7,770	-	342,244
Trade and other receivables	62,250	41,877	16,256	-	120,383
Non-trading financial assets at fair value through profit or loss - Debt securities	7,516	-	-	-	7,516
Derivatives - held for trading	59,895	326	68	-	60,289
Positive fair value of derivatives - hedge accounting	24,424	-	-	-	24,424
Total credit risk exposure on-balance	18,579,549	3,151,291	955,293	-	22,686,133
Off-balance	3,864,107	646,253	195,840	12,296	4,718,496
Total credit risk exposure	22,443,656	3,797,544	1,151,133	12,296	27,404,629

Credit risk exposure by Basel 3 exposure class and financial instrument

EUR ths.	Sovereigns	Institutions	Corporates	Retail	Total
30.06.2024					
Cash and cash equivalents - other demand deposits	-	15,141	-	-	15,141
Financial assets at amortised cost	3,889,546	787,157	5,095,975	13,468,303	23,240,981
Loans and advances to banks	-	20,918	-	-	20,918
Loans and advances to customers	37,206	368,598	4,967,290	13,468,303	18,841,397
of which: Lending for house purchase	-	-	-	10,808,977	10,808,977
of which: Credit for consumption	-	-	-	1,681,535	1,681,535
of which: Corporate loans and others	37,206	368,598	4,967,290	977,791	6,350,885
Debt securities	3,852,340	397,641	128,685	-	4,378,666
Finance lease receivables	-	1,251	350,651	10,785	362,687
Trade and other receivables	1,668	1,600	143,068	316	146,652
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	7,641	-	7,641
Derivatives - held for trading	-	23,950	28,248	5	52,203
Positive fair value of derivatives - hedge accounting	-	13,013	-	-	13,013
Total credit risk exposure on-balance	3,891,214	842,112	5,625,583	13,479,409	23,838,318
Off-balance	112,091	138,489	4,238,852	443,880	4,933,312
Total credit risk exposure	4,003,305	980,601	9,864,435	13,923,289	28,771,630

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EUR ths.	Sovereigns	Institutions	Corporates	Retail	Total
31.12.2023					
Cash and cash equivalents - other demand deposits	-	9,172	-	-	9,172
Financial assets at amortised cost	3,675,443	763,066	5,072,429	13,369,994	22,880,932
Loans and advances to banks	-	10,060	-	-	10,060
Loans and advances to customers	37,432	391,192	4,949,441	13,369,994	18,748,059
of which: Lending for house purchase	1	-	-	10,783,028	10,783,029
of which: Credit for consumption	-	-	-	1,601,592	1,601,592
of which: Corporate loans and others	37,431	391,192	4,949,441	985,374	6,363,438
Debt securities	3,638,011	361,814	122,988	-	4,122,813
Finance lease receivables	-	1,299	338,852	11,789	351,940
Trade and other receivables	460	4,969	133,941	368	139,738
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	7,516	-	7,516
Derivatives - held for trading	-	26,174	34,114	1	60,289
Positive fair value of derivatives - hedge accounting	-	24,424	-	-	24,424
Total credit risk exposure on-balance	3,675,903	829,104	5,586,852	13,382,152	23,474,011
Off-balance	61,823	107,985	4,080,281	474,584	4,724,673
Total credit risk exposure	3,737,726	937,089	9,667,133	13,856,736	28,198,684

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, the 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' (Stage 2 identification based on the early warning signal and negative information about geopolitical risk in March 2022). The table below shows volumes for the cyclical industry overlay.

In addition to cyclical industries, from September 2022 the 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.

In 2023 the Energy overlay was reviewed, and we kept in Stage 2 only those clients that previously were part of this overlay and where we would see financial impact of energy prices on client's profitability. This revision caused majority of clients to be released from the overlay.

In June 2024 the Energy overlay was discontinued without any impact on Bank's provisions since the previous review already caused a major release of provisions in the overlay.

The Bank is currently applying only Cyclical overlay.

Clients having Cyclical industry and one-year IFRS PD > 250bps are part of the Cyclical overlay and are migrated to Stage 2.

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
30.06.2024					
Gross exposure	19,371,654	4,386,307	80,357	4,933,312	28,771,630
thereof gross forbore exposure	380,610	-	-	9,154	389,764
Performing exposure	18,997,321	4,386,307	80,357	4,918,482	28,382,467
thereof performing forbore exposure	259,567	-	-	9,020	268,587
Credit loss allowances for performing exposure	170,155	1,634	-	10,698	182,487
thereof credit loss allowances for performing forbore exposure	14,061	-	-	284	14,345
Non-performing exposure	374,333	-	-	14,830	389,163
thereof non-performing forbore exposure	121,043	-	-	134	121,177
Credit loss allowances for non-performing exposure	211,967	-	-	2,683	214,650
thereof credit loss allowances for non-performing forbore exposure	62,065	-	-	4	62,069

EUR ths.	Loans and advances	Debt securities	Other positions	Off-balance	Total credit risk exposure
31.12.2023					
Gross exposure	19,249,797	4,130,329	93,885	4,724,673	28,198,684
thereof gross forbore exposure	366,008	-	-	7,006	373,014
Performing exposure	18,892,818	4,130,329	93,885	4,706,200	27,823,232
thereof performing forbore exposure	242,280	-	-	6,993	249,273
Credit loss allowances for performing exposure	164,744	1,632	-	10,178	176,554
thereof credit loss allowances for performing forbore exposure	13,340	-	-	143	13,483
Non-performing exposure	356,979	-	-	18,473	375,452
thereof non-performing forbore exposure	123,728	-	-	14	123,742
Credit loss allowances for non-performing exposure	198,152	-	-	3,181	201,333
thereof credit loss allowances for non-performing forbore exposure	60,295	-	-	5	60,300

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

Collateral

Credit risk exposure by financial instrument and collaterals

30.06.2024	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 but not credit impaired	Past due but not credit impaired	Credit impaired
Cash and cash equivalents - other demand deposits	15,141	-	-	-	-	-	15,141	15,141	-	-
Financial assets at amortised cost	23,240,981	183,884	263,347	11,657,412	377,013	12,297,772	10,943,209	22,262,685	614,196	364,100
Loans and advances to banks	20,918	-	-	-	-	-	20,918	20,918	-	-
Loans and advances to customers	18,841,397	183,884	253,258	11,657,412	377,013	12,287,683	6,553,714	17,863,101	614,196	364,100
of which: Lending for house purchase	10,808,977	137,785	-	10,231,454	23	10,231,477	577,500	10,498,830	163,092	147,055
of which: Credit for consumption	1,681,535	298	-	305	-	305	1,681,230	1,527,850	73,229	80,456
of which: Corporate loans and others	6,350,885	45,801	253,258	1,425,653	376,990	2,055,901	4,294,984	5,836,421	377,875	136,589
Debt securities	4,378,666	-	10,089	-	-	10,089	4,368,577	4,378,666	-	-
Finance lease receivables	362,687	2,194	-	-	242,181	242,181	120,506	342,073	15,488	5,126
Trade and other receivables	146,652	10	41	58	37	136	146,516	129,907	11,638	5,107
Non-trading financial assets at fair value through profit or loss - Debt securities	7,641	-	-	-	-	-	7,641	-	-	-
Financial assets - held for trading	52,203	-	-	-	-	-	52,203	-	-	-
Positive fair value of derivatives	13,013	-	-	-	-	-	13,013	-	-	-
Total credit risk exposure on-balance	23,838,318	186,088	263,388	11,657,470	619,231	12,540,089	11,298,229	22,749,806	641,322	374,333
Off-balance	4,933,312	1,001	-	186,342	170,646	356,988	4,576,324	1,652,408	-	6,789
Total credit risk exposure	28,771,630	187,089	263,388	11,843,812	789,877	12,897,077	15,874,553	24,402,214	641,322	381,122

31.12.2023	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 but not credit impaired	Past due but not credit impaired	Credit impaired
Cash and cash equivalents - other demand deposits	9,172	-	-	-	-	-	9,172	9,172	-	-
Financial assets at amortised cost	22,880,932	181,191	295,954	11,691,224	398,140	12,385,318	10,495,614	22,122,105	410,724	348,103
Loans and advances to banks	10,060	-	13	-	-	13	10,047	10,031	29	-
Loans and advances to customers	18,748,059	181,191	285,844	11,691,224	398,140	12,375,208	6,372,851	17,989,261	410,695	348,103
of which: Lending for house purchase	10,783,029	138,483	-	10,205,645	23	10,205,668	577,361	10,499,318	136,312	147,399
of which: Credit for consumption	1,601,592	273	-	303	-	303	1,601,289	1,472,766	63,204	65,622
of which: Corporate loans and others	6,363,438	42,435	285,844	1,485,276	398,117	2,169,237	4,194,201	6,017,177	211,179	135,082
Debt securities	4,122,813	-	10,097	-	-	10,097	4,112,716	4,122,813	-	-
Finance lease receivables	351,940	1,552	-	-	237,996	237,996	113,944	342,244	5,797	3,899
Trade and other receivables	139,738	-	-	-	-	-	139,738	120,383	14,378	4,977
Non-trading financial assets at fair value through profit or loss - Debt securities	7,516	-	-	-	-	-	7,516	-	-	-
Financial assets - held for trading	60,289	-	-	-	-	-	60,289	-	-	-
Positive fair value of derivatives	24,424	-	-	-	-	-	24,424	-	-	-
Total credit risk exposure on-balance	23,474,011	182,743	295,954	11,691,224	636,136	12,623,314	10,850,697	22,593,904	430,899	356,979
Off-balance	4,724,673	961	-	130,498	112,953	243,451	4,481,222	1,641,453	-	6,177
Total credit risk exposure	28,198,684	183,704	295,954	11,821,722	749,089	12,866,765	15,331,919	24,235,357	430,899	363,156

The collateral attributable to exposures that are credit-impaired at 30 June 2024 amounts to EUR 186.1 million (2023: EUR 182.7 million).

24. Market risk

Market risk is the risk of loss that may arise due to adverse changes in market prices and to the parameters derived from them. These market value changes might appear in the profit and loss account, in the statement of comprehensive income or in hidden reserves. The entire market risk management is independent from the business lines and is carried out by Strategic Risk Management (SRM). Trading and investment operations are subject to strict rules defined by SRM and approved by ALCO committee.

Methods and instruments employed

All positions of the Group, both in banking and trading books, that are subject to market risk are re-valued daily (including positions held-to-maturity), either to market or to model prices, and respective profit or loss is calculated. The main tools to measure market risk exposure are sensitivity analysis and value-at-risk (VAR) which is complemented by back testing and stress testing programme.

Sensitivity and VAR are applied to Trading Book positions as well as to Investment portfolios of the Banking Book. The overall interest rate risk of the Group (IRRBB) is quantified by Economic Value of Equity (change value of on- and off-balance sheet positions due to shift in the yield curves) and ICAAP IRRBB capital charge (one year VAR at 99.92% confidence level based on historical observed shifts in yield curves). The limits are imposed to both of the measures.

The VaR describes what level of losses may be expected as a maximum at a defined probability – the confidence level – within a certain holding period of the positions under historically observed market conditions. The calculation is done according to the method of historic simulation with a one-sided confidence level of 99%, a holding period of one day and a simulation period of two years. Back-testing is used to constantly monitor the validity of the statistical methods. This process is conducted with a one-day delay to monitor if the model projections regarding losses have actually materialised. At a confidence level of 99%, the actual loss on a single day should exceed the VAR statistically only two to three times a year (1% of around 250 workdays).

This shows one of the limits of the VaR approach: on the one hand, the confidence level is limited to 99%, and on the other hand, the model takes into account only those market scenarios observed in each case within the simulation period of two years and calculates the VAR for the current position of the Group on this basis. In order to investigate any extreme market situations beyond this, stress tests are conducted at the Group. These events include mainly market movements of low probability.

In addition to standard day-to-day risk measurement and monitoring, comprehensive stress testing procedures are established. Neither traditional risk measurement using sensitivity indicators, nor value-at-risk model is capable of capturing extreme events that occur in the market from time to time. Since the value-at-risk model only estimates the potential maximum loss with 99% probability, potential stressful events that possess less than 1% probability will not be embraced in the value-at-risk figure.

In stress testing, scenarios of potential extreme behaviour of the most significant market variables are developed. These are then applied to the current market values and potential profit or loss is calculated for current positions.

These analyses are made available to the management board within the scope of the regular market risk reporting.

Methods and instruments of risk mitigation

In order to manage the maximum risk exposure, a comprehensive system of limits is established, including VAR, sensitivity, and stop-loss limits. Limits are structured according to individual portfolios (separate limits are defined for derivative trades). Limits are reviewed and proposed usually at year-end by SRM in cooperation with Treasury and BSM for the upcoming business year. Reallocations are also possible during the current year. The new limits proposal or change in approved limits is subject to approval by ALCO committee. Monitoring is performed daily by SRM. Each limit violation must be reported and explained with ALCO being the supreme decision maker on further action.

Risk reporting is done daily for relevant management and monthly for ALCO.

Sensitivity, VAR and stop-loss limits are applied to Trading Book positions as well as to Investment portfolios of the Banking Book. The overall interest rate risk of the Group (entire statement of financial position) is quantified by Economic Value of Equity (change in statement of financial position value due to shift in the yield curves) and ICAAP IRRBB capital charge (one year VAR at 99.92% confidence level based on historical observed shifts in yield curves). The limits are imposed to both of the measures.

Analysis of market risk

Value at Risk of banking book and trading book

VAR figure is almost fully driven by interest rate risk, whilst foreign exchange and other risks are negligible. The main goal of Trading Book activity is to manage operational liquidity and minimal required reserves. Thus, its market risk is rather low as this business strategy is aimed on short term money market trading.

Interest rate risk in the banking book (IRRBB)

Interest rate risk is the risk of an adverse change in the value of interest rate sensitive on- and off-balance sheet positions caused by a movement in market interest rates. This type of risk arises when mismatches exist between assets, liabilities and off-balance items, including derivatives, in respect of their maturities, interest rate behaviour or of the timing of interest rate adjustments.

Limits and thresholds are implemented for both aspects of the IRRBB, the change in economic value (EVE) as well as the change in earnings. Positions without contractually defined maturity or repricing structures, such as demand deposits or overdrafts are modelled accordingly. For positions where the customer has the right to prepay his debt prepayment models are applied.

Economic value of equity (EVE)

The positive numbers mean an increase in economic value due to the shift in yield curves, i.e. profit, the negative numbers vice versa. The biggest risk for the Group arises from non-parallel shift in the yield curves – the flattener scenario, under which the short end of the yield curves goes up while the long end declines. The Group quantify, monitor and manage the IRRBB in compliance with valid regulations.

Exchange rate risk

Risk from open foreign exchange positions is the risk related to exchange rates that derives from the mismatch between assets and liabilities, or from currency-related financial derivatives. These risks might originate from customer-related operations or proprietary trading and are monitored and managed on a daily basis.

Basis principle behind managing FX risk is to transfer positions stemming from banking book activities to Erste Holding. However, in reasonable cases, banking book is permitted to hold strategic FX positions. This would typically be opened in order to hedge existing FX positions that are not explicitly seen on the statement of financial position.

Strategic positions are subject to ALCO approval and shall be managed on a daily basis by Balance Sheet Management. They are covered by sufficient limit structure and reporting on VAR, stop-loss limit and are disclosed as the gain or loss (responsibility of Strategic Risk Management).

Credit spread risk

Credit spread risk is the risk of an adverse movement in the fair value of financial instruments caused by a change in the creditworthiness of an issuer perceived by the market. The Group is exposed to credit spread risk with respect to its bond portfolio accounted at fair value. There is no bonds position in the trading book. The bonds position in fair value portfolio in the banking book is small (EUR 4.6 million). Quantifying the credit spread risk of the securities in the banking book is based on a historical simulation. The maximum (hypothetical) drawdown that can be attributed to credit related risk factors over one-year horizon is calculated. It is based on credit spread sensitivities (CR01) and the risk factors used are mainly asset swap spreads for sovereigns and iTRAXX CDS indices for financials and corporates. The resulting amount is used as part of the ICAAP IRRBB - calculations to determine the capital consumption of the banking book portfolio.

Hedging

Banking book market risk management consists of optimising the Group's risk position by finding the proper trade-off between the economic value of the statement of financial position and forecasted earnings. Decisions are based on statement of financial position development, economic environment, competitive landscape, fair value of risk, effect on net interest income and appropriate liquidity position. In order to achieve the goals of risk management, hedging activities focus on the two main control variables: net interest income and market value of equity risk. In a broader sense, hedging refers to an economic activity that mitigates risk but does not necessarily qualify for hedge accounting under IFRS rules. IFRS hedge accounting is applied, if possible, to avoid accounting mismatches due to hedging activity. Within the scope of IFRS-compliant hedge accounting, fair value hedges are

used. In addition, the fair value option is used for hedging the market risk from the economic perspective. The hedging within the Group concerns hedging of interest rate risk.

25. Liquidity risk

The goal of the Group's Funding Strategy is to cover the gap coming from the core business and also Minimum Requirement for Own Funds and Eligible Liabilities (MREL) efficiently, i.e. reaching an optimal liquidity status and MREL compliance in terms of structure and costs versus risk tolerance.

The liquidity risk is defined in the Group as the inability to meet the Group's cash obligations as they come due because of an inability to liquidate assets or obtain adequate funding. Accordingly, a distinction is made between market liquidity risk, which is the risk that the Group cannot easily offset or close a position at the market price because of inadequate market depth or market disruption, and funding liquidity risk, which is the risk that the Group will not be able to meet efficiently both expected and unexpected current and future cash flows and collateral needs without affecting either daily operations or the financial condition of Group. Funding liquidity risk is further divided into insolvency risk and structural liquidity risk. The former is the short-term risk that current or future payment obligations cannot be met in full and on time in an economically justified manner, while structural liquidity risk is the long-term risk of losses due to a change in the Group's own refinancing cost or spread.

Liquidity risk is within the authority of ALCO. The Local Operating Liquidity Committee (L-OLC) is responsible for operational managing and analysing of the liquidity situation of the Group.

Actual management of liquidity risk is done by Strategic Risk Management. Structural liquidity management is performed by Balance Sheet Management and daily liquidity managing and the fulfilment of minimum required reserves is performed by the Treasury department.

Methods and instruments employed

Short-term insolvency risk is monitored by calculating the survival period (SPA) on weekly basis. This analysis determines the maximum period during which the Group can survive a set of defined scenarios, including a severe combined market and idiosyncratic crisis while relying on its counterbalancing capacity consist mainly of pool of liquid assets. The monitored worst-case scenario simulates very limited money market and capital market access and at the same time significant client deposit outflows.

Liquidity ratios defined by the regulator (LCR – Liquidity Coverage Ratio, NSFR – Net Stable Funding Ration and local LCR) are periodically monitored and are all at very satisfactory levels. All limits defined by the regulator are observed with large buffer.

Additionally, the static liquidity gap is monitored regularly on weekly basis and reported monthly to ALCO. Funding concentration risk is continuously analysed in respect to counterparties and is also reported to ALCO monthly. Strategic Risk Management provides the reverse stress testing of liquidity where several assumptions (withdrawal, rollover, reserve haircuts) are modelled in order for the Group to survive exactly one month. This is done on a monthly basis and is reported to ALCO.

Methods and instruments of risk mitigation

General standards of liquidity risk controlling and management (standards, limits and analysis) have been defined within the Group and are continuously reviewed and improved by L-OLC and ALCO.

The short-term liquidity risk is managed by limits resulting from the survival period analysis where horizon limits are defined for each scenario as follows:

- ordinary course of business – over 3 months
- name crisis – over 1 months
- market crisis – over 6 months
- combined name and market crisis – over 3 months

For each scenario also the limit for liquidity surplus over given horizon limit is applied. The limit is set at EUR 0 million with warning level in range between EUR 0 and EUR 220 million in 2023 (at EUR 250 million in 2024).

The Group daily monitors its counter-balancing capacity, which consists of cash, excess minimum reserve at the central banks, as well as unencumbered central bank eligible assets and amount of retained covered bonds which could be pledged in central bank. These assets can be mobilized in the short term to offset potential cash outflows in a crisis situation.

Further, short-term risk is managed by regulatory and internal (more severe) limits on LCR and NFSR.

Funding Concentrations management – sum of top 10 biggest clients of each monitored group of wholesale funding providers (public, financial, credit institutions and corporates) may not account for more than EUR 770 million in 2023 (EUR 890 million in 2024).

Based on analysis and measurement, and based on liquidity strategy, medium and long-term (structural) management of liquidity is carried out by BSM while major decisions have to be approved by ALCO. Strategic Risk Management must ensure that the execution is in line with the approved Liquidity Strategy and that the approved limits are being followed. ALCO must be informed on the status of structural liquidity within the regular ALCO liquidity reports.

The Contingency Plan ensures the necessary coordination of all parties involved in the liquidity management process in case of crisis and is reviewed on a regular basis.

Analysis of liquidity risk

In the Group, the liquidity risk is analysed by the following methods:

Liquidity coverage ratio

The Group uses the regulatory liquidity coverage ratio for internal monitoring and steering of the liquidity position as well. In order to keep the LCR above both limits, the regulatory limit and the internal limit, the Group closely monitors its short-term liquidity inflows and outflows as well as its available counterbalancing capacity.

Counterbalancing capacity

The Group regularly monitors its counterbalancing capacity, which consists of cash, excess minimum reserves at the central banks as well as unencumbered central bank eligible assets, amount of retained covered bonds which could be pledged in ECB and other liquid securities, including impacts from repos, reverse repos and securities lending transactions. These assets can be mobilised in the short term to offset potential cash outflows in a crisis situation.

26. Operational risk

In line with Article 4 Section 52 of regulation (EU) 575/2013 (CRR), the Group defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events, including legal risks. Both quantitative and qualitative methods are used to identify operational risks. Consistent with international practice, the responsibility for managing operational risk rests with the line management.

Methods and instruments employed

The quantitative measurement methods are based on internal loss experience data, which are collected across the Group using a standard methodology and entered into a central data pool. Additionally, in order to be able to model losses that have not occurred in the past but are nonetheless possible, scenarios and external data are also used. The Group sources external data from a leading non-profit risk-loss data consortium.

The Group calculates capital requirements for operational risk based on the Advanced Measurement Approach (AMA) that is subject to regulatory approval. AMA is a sophisticated approach for measuring operational risk. Pursuant to AMA, the required capital is calculated using an internal VaR model, taking into account internal data, external data, scenario

analysis, business environment and internal risk control factors. Additionally, the Group received the approval to use insurance contracts for mitigation within the AMA pursuant to Article 323 CRR.

Methods and instruments of risk mitigation

In addition to quantitative methods, qualitative methods are also used to determine operational risk, such as risk and control assessments through expert panels. Additional methods include setting of key risk indicators and risk assessments in connection with product approvals, outsourcing assessments and operational risk decisions. The results of these assessments and processes are reported to line management along with mitigation measures and thus help to reduce operational risks. In order to ensure early detection of changes in the risk profile that may lead to losses, the Group monitors a number of key risk indicators such as system availability, staff turnover, and customer complaints.

The Group uses a group-wide insurance program that has reduced the cost of meeting the Group's traditional property insurance needs. Freed-up resources made it possible to buy additional insurance for previously uninsured bank-specific risks. This program uses a captive reinsurance entity as a vehicle to share losses within the Group and access the external market.

The quantitative and qualitative methods used, together with the insurance strategy and the modelling approaches described above, form the operational risk framework of the Group. Information on operational risk is periodically communicated to the management board via various reports, including the quarterly top management reports, which describe the recent loss history, loss development, qualitative information from risk assessments and key risk indicators as well as the operational VaR for the Group.

Main objectives of effective system of operational risk management are:

- set up a bank-wide framework for operational risk management and to translate this framework into specific policies, procedures or processes that can be implemented and verified within different business units
- properly identify major drivers of operational risk
- develop model for quantification of risk exposure profile and for calculation of both economic and regulatory capital
- prevent or minimize losses due to operational risk by adaptation of suitable processes, preventive measures or by selecting suitable insurance
- implement and update of insurance program
- define outsourcing and internal control system principles
- prepare ORCO meetings
- continuously improve the operational risk management process (described in subsequent chapters on risk identification, measurement and management)
- provide quality reporting and documentation.

27. Other assets

EUR ths.	31.12.2023	30.06.2024
Client settlement	6,317	17,967
Personnel balances	2,050	3,932
State budget, social and health insurance, taxes	11,775	2,654
Sundry assets	11,064	24,971
Thereof: deferred cost	9,338	21,162
Other assets	31,206	49,524

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.

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

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

28. The Group as a lessor

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	
As at 30.06.2024											
General governments	1,251	-	-	-	1,251	(26)	-	-	-	(26)	1,225
Other financial corporations	75,166	-	-	-	75,166	(86)	-	-	-	(86)	75,080
Non-financial corporations	245,163	34,684	4,173	721	284,741	(694)	(1,745)	(2,596)	(282)	(5,317)	279,424
Households	1,222	74	231	-	1,527	(4)	-	(156)	-	(160)	1,367
Total	322,802	34,758	4,404	721	362,685	(810)	(1,745)	(2,752)	(282)	(5,589)	357,096

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 at 31.12.2023											
General governments	1,300	-	-	-	1,300	(3)	-	-	-	(3)	1,297
Other financial corporations	74,023	-	-	-	74,023	(83)	-	-	-	(83)	73,940
Non-financial corporations	236,529	34,979	3,477	161	275,146	(502)	(1,473)	(2,376)	(40)	(4,391)	270,755
Households	1,173	37	261	-	1,471	(2)	-	(138)	-	(140)	1,331
Total	313,025	35,016	3,738	161	351,940	(590)	(1,473)	(2,514)	(40)	(4,617)	347,323

Movement in credit loss allowances

Eur ths.	01.01.2024	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	30.06.2024
Stage 1	(590)	(79)	1	22	(164)	(810)
Stage 2	(1,473)	-	1	(125)	(148)	(1,745)
Stage 3	(2,514)	-	23	(41)	(220)	(2,752)
POCI	(40)	-	-	-	(242)	(282)
Total	(4,617)	(79)	25	(144)	(774)	(5,589)

Slovenská sporiteľňa, a.s.

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EUR ths.	01.01.2023	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	31.12.2023
Stage 1	(395)	(161)	16	129	(179)	-	(590)
Stage 2	(510)	-	3	(1,176)	210	-	(1,473)
Stage 3	(2,726)	-	302	(112)	(133)	155	(2,514)
POCI	(11)	-	-	-	(29)	-	(40)
Total	(3,642)	(161)	321	(1,159)	(131)	155	(4,617)

Transfers between stages

EUR ths.	2023	2024
Transfers between Stage 1 and Stage 2	49,223	11,213
To Stage 2 from Stage 1	31,863	7,403
To Stage 1 from Stage 2	17,360	3,810
Transfers between Stage 2 and Stage 3	432	616
To Stage 3 from Stage 2	432	616
Transfers between Stage 1 and Stage 3	302	447
To Stage 3 from Stage 1	302	308
To Stage 1 from Stage 3	-	139

Accruals, provisions, contingent liabilities and legal proceedings**29. Other liabilities**

EUR ths.	31.12.2023	30.06.2024
Client settlement	33,518	40,532
Trade payables	46,212	74,674
Personnel balances and social fund	37,987	28,768
State budget, social and health insurance, taxes	14,982	14,785
Sundry liabilities	387	1,361
Other liabilities	133,086	160,120

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.

30. 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 expected credit losses from loan commitments and financial guarantees recognised based on requirements of 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.	31.12.2023	30.06.2024
Defined employee benefit plans	7,691	7,072
Pending legal issues	11,351	8,571
Loan commitments and financial guarantees given in scope of IFRS 9	11,860	11,540
Commitments and guarantees given out of scope of IFRS 9	1,499	1,841
Provisions	32,401	29,024

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.	01.01.2024	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	30.06.2024
Stage 1	3,274	12,221	(4,140)	(8,665)	(71)	2,619
Stage 2	5,313	-	(3,395)	1,531	2,662	6,111
Stage 3	2,259	-	(1,541)	1,261	159	2,138
POCI	1,014	-	(670)	328	-	672
Total	11,860	12,221	(9,746)	(5,545)	2,750	11,540

Of which provisions for financial guarantees represent the amount of EUR 0.4 million as at 30 June 2024.

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	31.12.2023
Stage 1	4,097	47,172	(13,419)	(31,810)	(2,766)	3,274
Stage 2	10,438	-	(6,276)	(4,656)	5,807	5,313
Stage 3	1,946	-	(2,135)	2,202	246	2,259
POCI	4,556	-	(1,522)	(2,020)	-	1,014
Total	21,037	47,172	(23,352)	(36,284)	3,287	11,860

Of which provisions for financial guarantees represent the amount of EUR 0.5 million as at 31 December 2023.

Provisions for pending legal issues 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.

31. 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 22 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

32. Total equity

in EUR ths.	31.12.2023	30.06.2024
Subscribed capital	212,000	212,000
Legal reserve fund	79,795	79,795
Other funds	39,104	39,104
Retained earnings	1,645,680	1,526,941
Additional equity instruments	480,000	480,000
Other components of equity	(619)	(730)
Owners of the parent	2,455,960	2,337,110
Non-controlling interests	8,645	(310)
Total	2,464,605	2,336,800

As at 30 June 2024, subscribed capital (also known as registered capital) consists of 212,000 (2023: 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	27.6.2023	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 2023 were paid in March 2024 in amount of EUR 218 million following the resolution of General Assembly of the Bank dated 27 March 2024.

As at 27 February 2024 was paid coupon payment from investment certificate SLSP AT1 PNC5 IC 2020 in amount of EUR 3.1 million.

On 23 May 2024, 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 2024, 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.

As at 27 June 2024 was paid coupon payment from investment certificate EUR 100,000,000 Undated Fixed to Fixed AT1 Notes in amount EUR 9.6 million.

Investments in subsidiaries, associates and joint ventures

33. Subsidiaries

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

EUR ths.	Cost		Net book value	
	31.12.2023	30.06.2024	31.12.2023	30.06.2024
Subsidiaries				
Procurement Services SK, s.r.o.	3	3	3	3
SLSP Social Finance, s.r.o.	21,052	34,322	21,052	34,322
LANED a.s.	25,807	25,807	25,807	25,807
SLSP Seed Starter, s.r.o.	1,697	1,892	1,697	1,892
Total	48,559	62,024	48,559	62,024

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.	
	2023	2024	2023	2024	2023	2024	2023	2024
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 2024

During the first half of the year 2024 the Bank invested contribution to capital funds in the amount of EUR 13.3 million in the subsidiary SLSP Social Finance, s.r.o.

In June 2024 the Bank invested in the subsidiary SLSP Seed Starter, s.r.o. to increase capital funds in the amount of EUR 0.2 million.

34. Investments in associates and joint ventures

The Bank has significant influence in the associates and joint ventures described in the table below. In these separate financial statements the investments in associates and joint ventures are recognized at cost, less any impairment losses.

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

EUR ths.	Cost		Impairment CONS		Equity CONS		Net book value	
	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024
Associates								
Prvá stavebná sporiteľňa, a.s.	1,093	1,093	(19,275)	(19,275)	29,942	29,942	11,760	11,760
Slovak Banking Credit Bureau, s.r.o.	3	3	-	-	99	106	102	109
Holding Card Service s.r.o.	7,049	7,049	-	-	2,497	2,497	9,546	9,546
Dostupný Domov j.s.a. (associate of SLSP Social Finance, s.r.o.)	11,391	11,391	339	339	(1,120)	(1,120)	10,610	10,610
Dostupný Nájom j.s.a. (associate of SLSP Social Finance, s.r.o.)	18,002	18,002	-	-	16	16	18,018	18,018
Total	37,538	37,538	(18,936)	(18,936)	31,434	31,441	50,036	50,043

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

EUR ths.	Cost		Impairment CONS		Equity CONS		Net book value	
	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024
Joint ventures								
Monilogi s.r.o.	1,924	2,032	-	-	(1,377)	(1,047)	547	985
Total	1,924	2,032	-	-	(1,377)	(1,047)	547	985

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. (associate of SLSP Social Finance, s.r.o.)		Dostupný Nájom j.s.a. (associate of SLSP Social Finance, s.r.o.)	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
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		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		Rental of real estate and related services	
Ownership held	26.00%	28.00%	9.98%		33.33%		21.78%		49.88%	49.94%	49.88%	
Voting rights held	26.00%	28.00%	35.00%		33.33%		21.78%		49.88%	49.94%	49.88%	
IFRS Classification	Joint venture		Associate		Associate		Associate		Associate		Associate	
Reporting currency	EURO		EURO		EURO		EURO		EURO		EURO	

Changes in associates and joint ventures during the year 2024

In June 2024, the Group made a cash deposit in the amount of EUR 0.1 million to the joint venture Monilogi, s.r.o. The Group's ownership share of joint venture Monilogi, s.r.o have increased from 26% (31.12.2023) to 28%.

Other disclosure matters

35. 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 Bank. 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.

Balances exposures with related parties

EUR ths.	Erste Group Bank AG		Companies of Erste Group		Associates and joint ventures	
	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024
Assets						
Cash and cash equivalents	7,709	12,907	730	291	-	-
Derivatives	26,167	23,948	6	2	-	-
Derivatives – Hedge accounting	23,027	11,626	-	-	-	-
Securities	-	-	-	-	5,265	5,263
Loans and advances to banks	4,330	1,562	46	417	10,030	20,518
Loans and advances to customers	-	-	3,327	2,216	-	-
Other assets	35	71	-	8,176	-	-
Total	61,268	50,114	4,109	11,102	15,295	25,781
Liabilities						
Derivatives held for trading	32,586	27,334	-	-	-	-
Deposits from banks	10,567	60,327	3,423	1,099	113	106
Deposits from customers	-	-	7,305	5,931	-	-
Debt securities issued	506,803	504,567	2,899	2,893	-	-
Derivatives – hedge accounting	64,227	63,125	-	-	-	-
Other liabilities	307	231	2,340	4,638	-	-
Total	614,490	655,584	15,967	14,561	113	106

Expenses/Income generated by transactions with related parties

EUR ths.	Erste Group Bank AG		Companies of Erste Group		Associates and joint ventures	
	2023	2024	2023	2024	2023	2024
Interest income	10,055	14,657	17	7	355	627
Interest expense	(14,479)	(27,458)	(51)	(48)	(1)	-
Dividend income	-	-	520	435	-	-
Net fee and commission income	529	476	8,865	10,593	2	3
Net trading result	(2,584)	6,325	(1,625)	49	-	-
General administrative expenses	(1,617)	(1,848)	(10,910)	(11,773)	-	-
Other operating result	404	123	313	292	-	-
Total	(7,692)	(7,725)	(2,871)	(445)	356	630

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.

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All issued investment certificates disclosed as AT1 instruments in equity at 30 June 2024 were purchased by Erste Group Bank AG (see note 31 Total Equity).

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 (2023: 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 (2023: EUR 0.2 million).

As at 30 June 2024 and in 2023, the Group did not receive any dividends from its associates.

36. Events after the balance sheet date

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

STATEMENT OF MEMBERS OF THE MANAGEMENT BOARD

We confirm that to the best of our knowledge the condensed 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.



Ing. Peter Krutil

Chairman of the Board of Directors
and Chief Executive Officer



RNDr. Milan Hain, PhD.

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

Bratislava, 29 July 2024