

Slovenská sporiteľňa, a.s.

**Condensed Interim Separate Financial Statements
prepared in accordance with the International Accounting Standard 34
“Interim Financial Reporting”
as adopted by the European Union
for the 3-month accounting period ended 31 March 2024**

(Translated version, original version in Slovak)

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Condensed Interim Separate Statement of Income

for the period ended 31 March 2024

EUR ths.	Notes	2023	2024
Net interest income	2	124,646	137,464
Interest income		158,789	225,393
Other similar income		8,577	14,336
Interest expenses		(31,953)	(80,250)
Other similar expenses		(10,767)	(22,015)
Net fee and commission income	3	50,137	55,135
Fee and commission income		54,167	59,119
Fee and commission expenses		(4,030)	(3,984)
Dividend income	4	11	12
Net trading result	5	4,212	3,319
Gains/ (losses) from financial instruments measured at fair value through profit or loss		559	(98)
Rental income from investment properties & other operating leases		92	99
Personnel expenses	6	(44,530)	(47,820)
Other administrative expenses	6	(28,551)	(33,239)
Depreciation and amortisation	6	(9,099)	(8,887)
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		(163)	4
Net impairment loss on financial instruments	7	(2,195)	(15,379)
Other operating result	8	(8,041)	(884)
<i>Levies on banking activities</i>		(7,000)	-
Pre-tax result from continuing operations		87,080	89,726
Taxes on income	9	(19,593)	(35,861)
Net result for the period		67,487	53,865

Earnings per share

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

		2023	2024
Net result attributable to owners of the parent	EUR ths.	67,487	53,865
Number of outstanding shares	pcs.	212,000	212,000
Basic and diluted earnings per share	EUR	318	254

The notes on pages 7 to 64 are an integral part of these condensed interim separate financial statements.

Condensed Interim Separate Statement of Comprehensive Income

for the period ended 31 March 2024

EUR ths.	2023	2024
Net result for the period	67,487	53,865
Other comprehensive income		
Items that may not be reclassified to profit or loss	-	-
Remeasurement of defined benefit plans	-	-
Deferred taxes relating to items that may not be reclassified	-	-
Items that may be reclassified to profit or loss	-	-
Total other comprehensive income	-	-
Total comprehensive income	67,487	53,865

The notes on pages 7 to 64 are an integral part of these condensed interim separate financial statements.

Condensed Interim Separate Statement of Financial Position

as at 31 March 2024

EUR ths.	Notes	31.12.2023	31.3.2024
Assets			
Cash and cash equivalents	10	3,030,858	2,102,193
Financial assets held for trading	14	60,289	58,505
Derivatives	14	60,289	58,505
Non-trading financial assets at fair value through profit or loss	15	24,038	24,040
Equity instruments	15	11,511	11,511
Debt securities	15	12,527	12,529
Financial assets at amortised cost	11	22,545,036	22,727,104
Pledged as collateral		4,937,680	4,664,039
Debt securities	11	4,121,181	4,281,072
Loans and advances to banks	11	10,032	29,906
Loans and advances to customers	11	18,413,823	18,416,126
Finance lease receivables	27	347,323	347,973
Hedge accounting derivatives	17	24,424	25,127
Property and equipment, right-of-use assets		158,797	157,670
Investment properties		1,173	1,121
Intangible assets		18,588	17,754
Investments in subsidiaries, associates and joint ventures	32, 33	58,628	71,898
Deferred tax assets		68,399	71,013
Trade and other receivables	12	133,577	130,407
Other assets	26	30,127	48,385
Total assets		26,501,257	25,783,190
Liabilities and Equity			
Financial liabilities held for trading	14	56,596	55,372
Derivatives		56,596	55,372
Financial liabilities at amortised cost	13	23,677,088	23,067,552
Deposits from banks	13	1,247,163	513,530
Deposits from customers	13	17,589,627	17,602,045
Debt securities issued	13	4,657,044	4,757,182
Other financial liabilities	13	183,254	194,795
Lease liabilities		77,106	75,318
Hedge accounting derivatives	17	64,227	73,361
Provisions	29	32,401	34,662
Current tax liabilities		19,746	17,072
Other liabilities	28	132,649	185,719
Equity		2,441,444	2,274,134
Equity attributable to owners of the parent	31	2,441,444	2,274,134
Subscribed capital	31	212,000	212,000
Legal reserve fund	31	79,795	79,795
Other funds	31	39,104	39,104
Retained earnings	31	1,631,835	1,464,525
Additional equity instruments	31	480,000	480,000
Other components of equity	31	(1,290)	(1,290)
Total liabilities and equity		26,501,257	25,783,190

The notes on pages 7 to 64 are an integral part of these condensed interim separate financial statements.

Condensed Interim Separate Statement of Changes in Equity

for the period ended 31 March 2024

EUR ths.	Subscribed capital	Legal reserve fund	Other funds	Retained earnings	Remeasurement of defined benefit pension liabilities	Additional equity instruments	Equity attributable to owners of the parent	Total equity
As at 01.01.2024	212,000	79,795	39,104	1,631,835	(1,290)	480,000	2,441,444	2,441,444
Dividends paid / Distribution for Investment certificate	-	-	-	(221,175)	-	-	(221,175)	(221,175)
Total comprehensive income	-	-	-	53,865	-	-	53,865	53,865
Net result for the period	-	-	-	53,865	-	-	53,865	53,865
As at 31.3.2024	212,000	79,795	39,104	1,464,525	(1,290)	480,000	2,274,134	2,274,134

EUR ths.	Subscribed capital	Legal reserve fund	Other funds	Retained earnings	Remeasurement of defined benefit pension liabilities	Additional equity instruments	Equity attributable to owners of the parent	Total equity
As at 01.01.2023	212,000	79,795	39,104	1,447,237	(956)	380,000	2,157,180	2,157,180
Dividends paid / Distribution for Investment certificate	-	-	-	(110,043)	-	-	(110,043)	(110,043)
Total comprehensive income	-	-	-	67,487	-	-	67,487	67,487
Net result for the period	-	-	-	67,487	-	-	67,487	67,487
As at 31.03.2023	212,000	79,795	39,104	1,404,681	(956)	380,000	2,114,624	2,114,624

The notes on pages 7 to 64 are an integral part of these condensed interim separate financial statements.

Condensed Interim Separate Statement of Cash Flows

for the period ended 31 March 2024

EUR ths.	2023	2024
Net result for the period	67,487	53,865
Non-cash adjustments for items in net profit/loss for the year		
Net allocation of credit loss allowances and other provisions	(7,202)	8,680
Depreciation, amortisation, impairment and reversal of impairment of assets	8,975	8,887
Gains/(losses) from measurement and derecognition of financial assets and financial liabilities	262	(16,400)
Accrued interest, amortisation of discount and premium	(20,710)	(87,703)
Fair value adjust - hedging	10,344	(7,358)
Other adjustments	550	(2,365)
Cash flows from operations before changes in operating assets and liabilities		
Financial assets held for trading	779	1,784
Non-trading financial assets at fair value through profit or loss		
Equity instruments	(262)	16,400
Debt securities	245	(2)
Financial assets at amortised cost		
Debt securities	215,036	(56,122)
Loans and advances to banks	(16,101)	(19,874)
Loans and advances to customers	(148,436)	(16,404)
Finance lease receivables	(21,297)	(650)
Hedge accounting derivatives	(4,549)	(703)
Trade and other receivables	1,665	3,170
Other assets from operating activities	(101,114)	(18,257)
Financial liabilities held for trading	636	(1,224)
Financial liabilities measured at amortised cost		
Deposits from banks	22,961	(733,633)
Deposits from customers	242,885	14,162
Other financial liabilities	11,273	11,541
Hedge accounting derivatives	(5,366)	9,134
Provisions	6,566	2,392
Other liabilities from operating activities	64,236	56,964
Cash flow from operating activities	328,863	(773,716)
Dividends received from subsidiaries, associates and other investments	11	12
Purchase of share in subsidiaries, associates and joint ventures	(247)	(13,270)
Purchase of intangible assets, property and equipment	43,644	(5,618)
Proceeds from sale of intangible assets, property and equipment	482	4
Cash flow from investing activities	43,890	(18,872)
Dividends paid	(110,043)	(221,175)
Repayment of subordinated debt	-	-
Issue of the bonds	598,489	117,642
Repayment of the bonds	(20,844)	(17,000)
Lease liabilities	(14,446)	(15,485)
Cash flow from financing activities	453,156	(136,018)
Cash and cash equivalents at beginning of the year	1,254,543	3,030,858
Cash flows from operating activities	328,863	(773,716)
Cash flow from investing activities	43,890	(18,872)
Cash flow from financing activities	453,156	(136,018)
Effect of foreign exchange rate changes on cash and cash equivalents	216	(59)
Cash and cash equivalents at end of period	2,080,668	2,102,193
Cash flows related to taxes, interest and dividends (included in cash flow from operating activities)	126,055	27,495
Payments for taxes on income	(16,226)	(20,442)
Interest paid	(17,208)	(75,140)
Interest received	159,478	123,065
Dividends received	11	12

The notes on pages 7 to 64 are an integral part of these condensed interim separate financial statements.

Comparison of Quarterly results

EUR ths.	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Statement of Income					
Net interest income	124,646	130,991	131,823	134,095	137,464
Interest income	158,789	181,020	201,889	219,473	225,393
Other similar income	8,577	11,010	13,512	14,543	14,336
Interest expense	(31,953)	(45,201)	(63,326)	(77,579)	(80,250)
Other similar expense	(10,767)	(15,838)	(20,252)	(22,342)	(22,015)
Net fee and commission income	50,137	50,583	53,218	53,566	55,135
Fee and commission income	54,167	54,510	57,118	57,833	59,119
Fee and commission expense	(4,030)	(3,927)	(3,900)	(4,267)	(3,984)
Dividend income	11	531	36	12	12
Net trading result	4,212	6,786	4,925	5,698	3,319
Gains/(losses) from financial instruments measured at fair value through profit or loss	559	1,045	410	453	(98)
Rental income from investment properties & other operating leases	92	101	109	109	99
Personnel expenses	(44,530)	(41,765)	(42,405)	(47,142)	(47,820)
Other administrative expenses	(28,551)	(28,869)	(30,740)	(33,336)	(33,239)
Depreciation and amortisation	(9,099)	(9,324)	(9,274)	(8,725)	(8,887)
Gains/(losses) from derecognition of financial assets measured at AC	2	-	2	-	-
Other gains/(losses) from derecognition of financial instruments not measured at FVTPL	(163)	22	8	(13)	4
Impairment result from financial instruments	(2,195)	(20,283)	(5,873)	13,156	(15,379)
Other operating result	(8,041)	1,275	590	(564)	(884)
Levies on banking activities	(7,000)	2,553	-	-	-
Pre-tax profit from continuing operations	87,080	91,093	102,829	117,309	89,726
Taxes on income	(19,593)	(20,473)	(23,277)	(26,391)	(35,861)
Net result for the period	67,487	70,620	79,552	90,918	53,865

EUR ths.	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Net result for the period	67,487	70,620	79,552	90,920	53,865
Other comprehensive income					
Items that may not be reclassified to profit or loss					
Remeasurement of net liability of defined pension plans	-	-	(424)	(1)	-
Deferred taxes relating to items that may not be reclassified	-	-	89	-	-
Total	-	-	(335)	(1)	-
Total other comprehensive income	-	-	(335)	(1)	-
Total comprehensive income	67,487	70,620	79,217	90,919	53,865
Total comprehensive income attributable to owners of the parent	67,487	70,620	79,217	90,919	53,865

The notes on pages 7 to 64 are an integral part of these condensed interim separate financial statements.

Notes to the Condensed Interim Separate Financial Statements

General information

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

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

The Bank's sole shareholder is Erste Group Bank AG, which has its registered office at Am Belvedere 1, 1100 Vienna, and which is the ultimate 100% parent company of the Bank. Information on the shareholding structure of the ultimate parent company is disclosed in the 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 31 March 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 31 March 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 Bank 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.

Material accounting policy information

a) Basis of preparation

These condensed interim separate financial statements of the Bank for the period ending on 31 March 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 separate 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 separate financial statements have been prepared on the basis that the Bank will be able to continue as a going concern for the foreseeable future.

The Bank 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 separate 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 separate financial statements for the previous accounting period. The separate 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 separate financial statements are those presented in the separate statement of financial positions as at 31 December 2023 and the separate statement of profit or loss and the separate statement of other comprehensive income for the quarter ended 31 March 2023.

These condensed interim separate financial statements are not audited.

b) Accounting and measurement methods

Foreign currency translation

These condensed interim separate 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. For foreign currency translation, the reference rates of the European Central Bank are used.

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 separate 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 22 Credit risk)
- Financial liabilities stemming from the TLTRO programme of the ECB (Chapter Financial instruments – Material accounting policies, Note 13 Financial liabilities at amortised cost)

Details about effects of these factors on the expected credit losses estimation are described in Note 22 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 quarter of the year 2024 there were no new standards or amendments to standards that had a material effect on these condensed interim separate financial statements.

Performance / Return

1. Segment reporting

The segment reporting of the Bank 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 Bank the function of the chief operating decision maker is executed by the Board of Directors. In addition, the Bank's segment reporting follows the standards of the Erste Group issued for the purpose to unify presentation, measurement and steering of the Bank.

During the first quarter of 2024 there were no changes in the methodology of segment reporting in comparison with annual individual financial statements. For the complete set of disclosures related to segment reporting these condensed interim separate financial statements should be read in combination with individual financial statements for the previous year in note 1.

Slovenská sporiteľňa, a.s.

Condensed Interim Separate 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	95,001	116,607	33,569	37,528	2,502	2,490	(6,426)	(19,161)	124,646	137,464
Net fee and commission income	39,008	43,722	8,162	8,951	3,758	4,241	(791)	(1,779)	50,137	55,135
Dividend income	-	-	-	-	-	-	11	12	11	12
Net trading result	1,190	1,121	838	1,625	1,037	1,119	1,147	(546)	4,212	3,319
Gains/(losses) from financial instruments at FVPL	-	-	-	-	-	-	559	(98)	559	(98)
Rental income from investment properties & other operating leases	-	-	-	-	-	-	92	99	92	99
General administrative expenses	(65,818)	(72,355)	(13,890)	(15,489)	(1,280)	(1,354)	(1,192)	(748)	(82,180)	(89,946)
Gains/(losses) from derecognition of financial assets at AC	-	-	-	-	-	-	2	-	2	-
Other gains/(losses) from derecognition of financial instruments not at FVPL	-	-	-	-	-	-	(163)	4	(163)	4
Impairment result from financial instruments	(4,834)	(13,599)	2,525	(1,754)	(17)	(56)	131	30	(2,195)	(15,379)
Other operating result	(287)	2	(305)	30	(73)	2	(7,376)	(918)	(8,041)	(884)
Levies on banking activities	(286)	-	(269)	-	(71)	-	(6,374)	-	(7,000)	-
Pre-tax result from continuing operations	64,260	75,498	30,899	30,891	5,927	6,442	(14,006)	(23,105)	87,080	89,726
Taxes on income	(13,495)	(17,705)	(6,497)	(6,838)	(1,245)	(1,410)	1,644	(9,908)	(19,593)	(35,861)
Net result for the period	50,765	57,793	24,402	24,053	4,682	5,032	(12,362)	(33,013)	67,487	53,865
Operating income	135,199	161,450	42,569	48,104	7,297	7,850	(5,408)	(21,473)	179,657	195,931
Operating expenses	(65,818)	(72,355)	(13,890)	(15,489)	(1,280)	(1,354)	(1,192)	(748)	(82,180)	(89,946)
Operating result	69,381	89,095	28,679	32,615	6,017	6,496	(6,600)	(22,221)	97,477	105,985
Risk-weighted assets (credit risk, eop)*	3,545,664	3,014,272	5,598,024	5,992,336	2,089	40,796	317,080	467,614	9,462,857	9,515,018
Average allocated capital**	512,940	474,796	483,887	618,182	7,978	8,968	484,132	436,820	1,488,937	1,538,766
Cost/income ratio	48.68%	44.82%	32.63%	32.20%	17.54%	17.24%	-22.04%	-3.48%	45.74%	45.91%
Return on allocated capital	9.90%	12.17%	5.04%	3.89%	58.70%	56.12%	-2.55%	-7.56%	4.53%	3.50%
Total assets (eop)	11,945,063	12,401,808	6,260,063	6,490,988	80,938	177,567	6,395,590	6,712,827	24,681,654	25,783,190
Total liabilities excluding equity (eop)	13,087,347	13,423,246	2,895,068	3,364,227	1,326,282	897,029	5,258,333	5,824,554	22,567,030	23,509,056
Impairments	(4,834)	(13,599)	2,525	(1,754)	(17)	(56)	131	30	(2,195)	(15,379)
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	(5,440)	(13,729)	(84)	(1,803)	(17)	(56)	131	30	(5,410)	(15,558)
Net impairment loss on commitments and guarantees given	606	130	2,609	49	-	-	-	-	3,215	179

*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	158,789	225,393
Demand deposits	9,979	26,511
Loans and advances	124,604	172,333
Debt securities	24,206	26,549
Interest income	158,789	225,393
Non-trading financial assets at FVPL	6	6
Financial assets HfT	6,534	10,000
Hedge accounting derivatives, interest rate risk	269	1,618
Other assets	1,765	2,708
Negative interest from financial liabilities	3	4
Other similar income	8,577	14,336
Interest and other similar income	167,366	239,729
Financial liabilities at AC	(31,953)	(80,250)
Deposits	(15,828)	(48,815)
Debt securities in issue	(16,125)	(31,435)
Interest expenses	(31,953)	(80,250)
Financial liabilities HfT	(6,075)	(9,562)
Hedge accounting derivatives, interest rate risk	(4,084)	(11,827)
Other liabilities	(608)	(626)
Other similar expenses	(10,767)	(22,015)
Interest and other similar expenses	(42,720)	(102,265)
Net interest income	124,646	137,464

An amount of EUR 2.9 million (2023: EUR 1.6 million) relating to impaired financial assets is included in interest income.

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

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

In 2023 the interest expense on financial liabilities at AC from Targeted Long Term Refinancing Operation (TLTRO III) is in the amount of EUR 7.8 million (2023: EUR 3.7 million). For more details refer to Note 15 Financial liabilities at amortised costs.

3. Net fee and commission income

EUR ths.	2023		2024	
	Income	Expenses	Income	Expenses
Securities	1,573	(479)	1,655	(228)
Own issues	543	-	470	-
Transfer orders	72	(465)	172	(229)
Other	958	(14)	1,013	1
Custody	1,252	(421)	1,526	(576)
Other	1,252	(421)	1,526	(576)
Payment services	28,760	(2,206)	30,046	(2,531)
Card business	13,354	(1,241)	12,721	(1,323)
Current accounts	14,107	-	16,045	-
Other	1,299	(965)	1,280	(1,208)
Customer resources distributed but not managed	16,196	(25)	19,207	(29)
Collective investment	5,440	-	6,729	-
Insurance products (as agent)	10,755	(25)	12,478	(29)
Other	1	-	-	-
Lending Business	6,010	(105)	6,422	(180)
Guarantees given, guarantees received	1,375	(2)	1,681	(2)
Loan commitments given, loan commitments received	891	-	753	-
Other lending business	3,744	(103)	3,988	(178)
Other	376	(794)	263	(440)
Total fee and commission income and expenses	54,167	(4,030)	59,119	(3,984)
Net fee and commission income	50,137		55,135	

Collective investment in the line 'Customer resources distributed but not managed' and custody fees relate to fees earned by the Bank on trust and other investment activities in which the Bank holds or invests assets on behalf of its customers and amount to EUR 16,130.9 million (2023: EUR 14,204.4 million).

4. Dividend income

EUR ths.	2023	2024
Non-trading financial assets at fair value through profit or loss	11	12
Dividend income	11	12

5. Net trading result

EUR ths.	2023	2024
Securities trading	919	935
Derivatives trading	3,643	3,620
Result from hedge accounting	(350)	(1,236)
Net trading result	4,212	3,319

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

6. General administrative expenses

Personnel expenses

As at 31 March 2024 the Bank had 3,499 employees, thereof five members of the Board of Directors. As at 31 December 2023 the Bank had 3,520 employees, thereof five members of the Board of Directors.

Other administrative expenses

EUR ths.	2023	2024
Personnel expenses	(44,530)	(47,820)
Wages and salaries	(31,822)	(34,339)
Compulsory social security	(10,952)	(12,155)
Other personnel expenses	(1,756)	(1,326)
Other administrative expenses	(28,551)	(33,239)
Deposit insurance contribution	(2,394)	(2,673)
IT expenses	(12,910)	(14,958)
Expenses for office premises	(4,682)	(4,972)
Office operating and administrative expenses	(2,849)	(3,801)
Advertising/marketing	(2,023)	(2,144)
Legal and consulting costs	(1,268)	(1,456)
Sundry administrative expenses	(2,425)	(3,235)
Depreciation and amortisation	(9,099)	(8,887)
Software and other intangible assets	(1,762)	(1,093)
Owner occupied real estate	(4,928)	(5,108)
Investment properties	(56)	(53)
Office furniture and equipment and sundry property and equipment	(2,353)	(2,633)
General administrative expenses	(82,180)	(89,946)

7. Impairment result from financial instruments

EUR ths.	2023	2024
Financial assets at AC	(5,290)	(15,397)
Net allocation to credit loss allowances	(4,699)	(15,004)
Direct write-offs	(650)	(441)
Recoveries recorded directly to the income statement	59	48
Finance lease receivables	(120)	(161)
Net allocation to credit loss allowances	(128)	(168)
Recoveries recorded directly to the income statement	8	7
Credit loss allowances for loan commitments and financial guarantees given	3,215	179
Impairment result from financial instruments	(2,195)	(15,379)

8. Other operating result

EUR ths.	2023	2024
Other operating expenses	(8,873)	(1,745)
Net allocation to other provisions	(385)	(16)
Levies on banking activities	(7,000)	-
Recovery and resolution fund contributions	(7,000)	-
Other taxes	(60)	(34)
Other	(1,428)	(1,695)
Other operating income	832	861
Result from properties/movables/other intangible assets other than goodwill	37	4
Result from other operating expenses/income	795	857
Other operating result	(8,041)	(884)

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 7.0 million as of 31 March 2023 represented accruals for year 2023 contribution.

9. Taxes on income

For the purposes of the condensed interim separate 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 Bank is within the scope of the OECD Pillar Two models. Pillar Two legislation was enacted in Slovakia, the jurisdiction in which the Bank 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 Bank does not have to be exposed to the payment of Pillar Two income taxes in relation to Slovakia. As of March 31, 2024, the Bank did not report any related payable tax. The Bank 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 bank 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 quarter of 2024 there were no changes in the significant accounting policies in comparison with annual individual financial statements. For the complete set of disclosures related to significant accounting policies these interim individual financial statements should be read in combination with individual financial statements for the previous year in chapter 'Financial instruments - Material accounting policies'.

Financial instruments held at amortised cost

10. Cash and cash equivalents

A part of 'Cash balances at central banks' represents the mandatory minimum reserve requirement deposits which amounted to EUR 175.6 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	31.3.2024
Cash on hand	362,937	343,337
Cash balances at central banks	2,658,749	1,744,412
Other demand deposits at credit institutions	9,172	14,444
Cash and cash equivalents	3,030,858	2,102,193

11. 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 31.3.2024											
General governments	3,778,500	-	-	-	3,778,500	(512)	-	-	-	(512)	3,777,988
Credit institutions	376,296	-	-	-	376,296	(307)	-	-	-	(307)	375,989
Other financial corporations	14,998	10,758	-	-	25,756	(12)	(370)	-	-	(382)	25,374
Non-financial corporations	83,649	18,542	-	-	102,191	(44)	(426)	-	-	(470)	101,721
Total	4,253,443	29,300	-	-	4,282,743	(875)	(796)	-	-	(1,671)	4,281,072

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	31.3.2024
Stage 1	(841)	(18)	15	2	(33)	-	(875)
Stage 2	(791)	-	-	-	(5)	-	(796)
Stage 3	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-
Total	(1,632)	(18)	15	2	(38)	-	(1,671)

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 31.3.2024											
Credit institutions	29,975	-	-	-	29,975	(69)	-	-	-	(69)	29,906
Total	29,975	-	-	-	29,975	(69)	-	-	-	(69)	29,906

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	31.3.2024
Stage 1	(28)	(69)	-	-	28	-	(69)
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-
Total	(28)	(69)	-	-	28	-	(69)

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	416,107	6,878	-	-	422,985	(654)	(704)	-	-	(1,358)	421,627
Other financial corporations	315,254	5,052	112	19	320,437	(613)	(432)	(88)	(1)	(1,134)	319,303
Non-financial corporations	3,473,980	1,264,643	115,517	110,650	4,964,790	(14,720)	(62,639)	(59,161)	(23,177)	(159,697)	4,805,093
Households	12,349,918	485,811	231,240	6,803	13,073,772	(21,994)	(42,436)	(135,949)	(3,290)	(203,669)	12,870,103
Total	16,555,259	1,762,384	346,869	117,472	18,781,984	(37,981)	(106,211)	(195,198)	(26,468)	(365,858)	18,416,126

The amounts represent the maximum exposure to credit risk. As at 31 March 2024 the Bank had no reverse repo agreements.

As at 31 March 2024, 15 largest customers accounted for 5.4% of the gross loan portfolio amounting to EUR 987.3 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	3,435,517	1,323,694	117,853	107,944	4,985,008	(13,648)	(65,517)	(56,781)	(22,175)	(158,121)	4,826,887
Households	12,344,572	480,689	218,179	6,290	13,049,730	(21,867)	(40,444)	(126,896)	(2,978)	(192,185)	12,857,545
Total	16,505,462	1,810,108	336,119	114,252	18,765,941	(36,809)	(106,420)	(183,735)	(25,154)	(352,118)	18,413,823

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	31.3.2024
Stage 1	(36,809)	(7,553)	174	9,219	(3,028)	16	(37,981)
General governments	(728)	(40)	-	10	104	-	(654)
Other financial corporations	(566)	(33)	-	4	(18)	-	(613)
Non-financial corporations	(13,648)	(4,026)	26	2,607	310	11	(14,720)
Households	(21,867)	(3,454)	148	6,598	(3,424)	5	(21,994)
Stage 2	(106,420)	(306)	134	(19,031)	19,349	63	(106,211)
General governments	(20)	-	2	(695)	9	-	(704)
Other financial corporations	(439)	-	-	(11)	18	-	(432)
Non-financial corporations	(65,517)	(236)	98	(8,795)	11,804	7	(62,639)
Households	(40,444)	(70)	34	(9,530)	7,518	56	(42,436)
Stage 3	(183,735)	(23)	3,357	(3,875)	(11,961)	1,039	(195,198)
Other financial corporations	(58)	-	5	-	(36)	1	(88)
Non-financial corporations	(56,781)	(19)	29	(1,021)	(1,397)	28	(59,161)
Households	(126,896)	(4)	3,323	(2,854)	(10,528)	1,010	(135,949)
POCI	(25,154)	-	108	-	(1,448)	26	(26,468)
Other financial corporations	(1)	-	-	-	-	-	(1)
Non-financial corporations	(22,175)	-	47	-	(1,051)	2	(23,177)
Households	(2,978)	-	61	-	(397)	24	(3,290)
Total	(352,118)	(7,882)	3,773	(13,687)	2,912	1,144	(365,858)

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)	(36,287)	769	15,092	26,230	17	(36,809)
General governments	(524)	(49)	1	97	(253)	-	(728)
Other financial corporations	(240)	(222)	2	1,652	(1,758)	-	(566)
Non-financial corporations	(14,110)	(23,940)	184	4,029	20,187	2	(13,648)
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	(158,694)	(203)	12,090	(8,587)	(33,416)	5,075	(183,735)
Other financial corporations	(91)	-	23	-	10	-	(58)
Non-financial corporations	(42,428)	(132)	1,419	(2,202)	(14,136)	698	(56,781)
Households	(116,175)	(71)	10,648	(6,385)	(19,290)	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	(342,046)	(37,917)	13,675	(27,095)	35,687	5,578	(352,118)

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 31.3.2024								
General governments	6,418	175	-	-	-	-	-	-
Other financial corporations	243	110	37	2	-	-	-	-
Non-financial corporations	114,527	89,613	4,380	364	3,655	93	61	-
Households	124,648	76,395	23,658	4,242	8,462	3,600	298	86
Total	245,836	166,293	28,075	4,608	12,117	3,693	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

12. 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 31.3.2024											
General governments	1,789	-	-	-	1,789	(4)	-	-	-	(4)	1,785
Credit institutions	1,099	2	-	-	1,101	-	-	-	-	-	1,101
Other financial corporations	2,757	-	-	-	2,757	(16)	-	-	-	(16)	2,741
Non-financial corporations	122,179	3,249	4,663	460	130,551	(462)	(821)	(4,109)	(440)	(5,832)	124,719
Households	56	5	-	-	61	-	-	-	-	-	61
Total	127,880	3,256	4,663	460	136,259	(482)	(821)	(4,109)	(440)	(5,852)	130,407

Gross carrying amount for trade and other receivables where simplified approach to ECL calculation is applied represents EUR 14.8 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	124,669	1,973	4,397	580	131,619	(893)	(726)	(4,054)	(444)	(6,117)	125,502
Households	33	-	-	-	33	(1)	-	-	-	(1)	32
Total	132,751	1,973	4,397	580	139,701	(900)	(726)	(4,054)	(444)	(6,124)	133,577

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

EUR ths.	01.01.2024	Additions	Other changes in credit risk (net)	Transfers between stages	31.3.2024
Stage 1	(900)	(697)	1,115	-	(482)
General governments	-	(4)	-	-	(4)
Other financial corporations	(6)	(8)	(2)	-	(16)
Non-financial corporations	(893)	(685)	1,116	-	(462)
Households	(1)	-	1	-	-
Stage 2	(726)	-	(61)	(34)	(821)
Non-financial corporations	(726)	-	(61)	(34)	(821)
Stage 3	(4,054)	-	(18)	(37)	(4,109)
Non-financial corporations	(4,054)	-	(18)	(37)	(4,109)
POCI	(444)	-	4	-	(440)
Non-financial corporations	(444)	-	4	-	(440)
Total	(6,124)	(697)	1,040	(71)	(5,852)

EUR ths.	01.01.2023	Additions	Other changes in credit risk (net)	Transfers between stages	31.12.2023
Stage 1	(627)	(919)	646	-	(900)
Other financial corporations	(23)	(6)	23	-	(6)
Non-financial corporations	(604)	(912)	623	-	(893)
Households	-	(1)	-	-	(1)
Stage 2	(956)	-	230	-	(726)
Non-financial corporations	(956)	-	230	-	(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)	(919)	1,249	(24)	(6,124)

Transfers of gross carrying amount between impairment stages

EUR ths.	2023	2024
Transfers between Stage 1 and Stage 2	723	1,517
To Stage 2 from Stage 1	723	1,517
Transfers between Stage 2 and Stage 3	-	57
To Stage 3 from Stage 2	-	57
Transfers between Stage 1 and Stage 3	377	360
To Stage 3 from Stage 1	377	360

13. Financial liabilities at amortised costs**Deposits from banks**

EUR ths.	31.12.2023	31.3.2024
Overnight deposits	6,198	8,469
Term deposits	1,230,613	457,972
Repurchase agreements	10,352	47,089
Deposits from banks	1,247,163	513,530

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

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

The carrying amount of the TLTRO III liabilities was EUR 258.9 million at the end of March 2024 (2023: EUR 1,003.4 million). During the first quarter of 2024 the Bank repaid tranche in amount of EUR 750 million.

In the first quarter of 2024 the interest expense recognised for TLTRO III was EUR 7.8 million (31.03.2023: EUR 3.7 million). Details for respective tranches and collateral information is disclosed in note 19 Financial assets pledged as collaterals.

Deposits from customers

EUR ths.	31.12.2023	31.3.2024
Overnight deposits	14,386,588	14,022,245
Savings deposits	3,856,388	4,210,542
Households	3,856,388	4,210,542
Non-savings deposits	10,530,200	9,811,703
General governments	200,923	212,473
Other financial corporations	250,798	163,306
Non-financial corporations	2,537,431	2,160,706
Households	7,541,048	7,275,218
Term deposits	3,203,039	3,579,800
Deposits with agreed maturity	3,203,039	3,579,800
Savings deposits	704,209	534,826
Households	704,209	534,826
Non-savings deposits	2,498,830	3,044,974
General governments	101,348	122,794
Other financial corporations	555,654	671,010
Non-financial corporations	791,499	1,017,952
Households	1,050,329	1,233,218
Deposits from customers	17,589,627	17,602,045
General governments	302,271	335,267
Other financial corporations	806,452	834,316
Non-financial corporations	3,328,930	3,178,658
Households	13,151,974	13,253,804

Debt securities issued

EUR ths.	31.12.2023	31.3.2024
Subordinated debt securities issues	15,802	15,830
Senior non-preferred bonds	30,888	30,462
Other debt securities issued	4,610,354	4,710,890
Bonds	1,472,766	1,579,067
Mortgage covered bonds	3,137,588	3,131,823
Debt securities issued	4,657,044	4,757,182

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 Bank.

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	3,350
Subordinated Bonds	September 2018	September 2028	5.92%	33	100,000	EUR	3,357	3,306
Subordinated Bonds	November 2018	November 2028	2.45%	91	100,000	EUR	9,119	9,174
Total							15,802	15,830

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 Bank 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 30.5 million as at 31 March 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 Bank.

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	5,454
Covered Bonds	June 2019	June 2026	0.13%	5,000	100,000	EUR	483,091	482,975
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	4,142
Senior Unsecured Bonds	June 2020	June 2025	0.80%	4,930	1,000	EUR	4,788	4,798
Senior Unsecured Bonds	June 2020	June 2025	0.63%	45	100,000	EUR	4,510	4,518
Senior Unsecured Bonds	October 2020	October 2025	0.25%	1,000	100,000	EUR	99,834	99,928
Senior Unsecured Bonds	March 2021	March 2027	4.92%	1,000	100,000	EUR	103,045	101,688
Senior Unsecured Bonds	June 2021	June 2024	0.60%	1,299	1,000	USD	1,180	1,207
Senior Unsecured Bonds	June 2021	June 2028	0.38%	1,302	100,000	EUR	152,886	153,109
Covered Bonds	July 2007	July 2027	4.95%	250	66,388	EUR	18,290	18,227
Covered Bonds	January 2013	January 2025	3.10%	87	50,000	EUR	4,411	4,377
Covered Bonds	June 2013	June 2028	3.00%	132	50,000	EUR	6,614	6,664
Covered Bonds	February 2014	February 2029	2.80%	97	50,000	EUR	4,899	4,865
Covered Bonds	August 2015	August 2025	1.38%	100	100,000	EUR	10,043	10,079
Covered Bonds	March 2016	March 2026	1.00%	90	100,000	EUR	9,046	8,981
Covered Bonds	March 2017	March 2025	0.75%	1,000	100,000	EUR	100,564	100,011
Senior Unsecured Bonds	November 2017	November 2027	1.38%	44	100,000	EUR	4,405	4,420
Senior Unsecured Bonds	June 2018	June 2024	0.75%	4,608	1,000	EUR	4,416	4,424
Senior Unsecured Bonds	August 2018	August 2024	0.70%	4,621	1,000	EUR	4,494	4,501
Covered Bonds	August 2018	August 2025	0.63%	2,500	100,000	EUR	240,577	240,971
Senior Unsecured Bonds	September 2018	September 2024	0.70%	4,530	1,000	EUR	4,350	4,357
Senior Unsecured Bonds	November 2018	November 2024	0.75%	4,699	1,000	EUR	4,496	4,504

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	December 2018	December 2024	0.75%	4,794	1,000	EUR	4,533	4,539
Covered Bonds	December 2018	December 2024	0.50%	2,500	100,000	EUR	242,756	244,381
Senior Unsecured Bonds	February 2019	February 2025	0.70%	9,490	1,000	EUR	9,071	9,018
Senior Unsecured Bonds	March 2019	March 2025	0.00%	100	50,000	EUR	4,959	4,968
Covered Bonds	April 2022	April 2027	1.13%	5,000	100,000	EUR	479,248	477,678
Senior Unsecured Bonds	May 2022	May 2026	2.00%	19,624	1,000	EUR	19,922	19,966
Senior Unsecured Bonds	June 2022	June 2025	2.70%	29,703	1,000	EUR	30,149	30,239
Senior Unsecured Bonds	July 2022	December 2029	5.00%	285	200,000	USD	49,118	49,855
Senior Unsecured Bonds	September 2022	September 2025	3.00%	61,957	1,000	EUR	61,798	62,316
Covered Bonds	October 2022	April 2028	3.50%	5,000	100,000	EUR	519,982	520,872
Senior Unsecured Bonds	October 2022	April 2026	3.30%	49,709	1,000	EUR	50,857	51,225
Senior Unsecured Bonds	October 2022	October 2025	4.35%	4,995	1,000	USD	4,555	4,705
Senior Unsecured Bonds	October 2022	October 2034	4.88%	320	100,000	EUR	33,590	33,813
Senior Unsecured Bonds	October 2022	October 2025	4.63%	250	100,000	EUR	25,172	25,465
Senior Unsecured Bonds	October 2022	October 2025	3.90%	50	100,000	EUR	5,036	5,084
Senior Unsecured Bonds	November 2022	November 2025	4.50%	3,759	1,000	USD	3,417	3,531
Senior Unsecured Bonds	November 2022	November 2024	3.50%	49,476	1,000	EUR	49,905	50,055
Senior Unsecured Bonds	November 2022	May 2026	5.60%	1,340	100,000	EUR	134,988	134,957
Covered Bonds	January 2023	January 2026	3.25%	5,000	100,000	EUR	513,388	502,132
Senior Unsecured Bonds	February 2023	February 2026	3.75%	74,447	1,000	EUR	76,920	74,776
Senior Unsecured Bonds	February 2023	February 2025	4.45%	4,984	1,000	USD	4,678	4,628
Senior Unsecured Bonds	June 2023	June 2026	4.50%	1,820	50,000	EUR	92,547	93,484
Covered Bonds	August 2023	September 2027	3.88%	5,000	100,000	EUR	504,679	509,610
Senior Unsecured Bonds	July 2023	July 2029	4.85%	343	100,000	EUR	14,431	34,984
Senior Unsecured Bonds	September 2023	September 2033	5.41%	100	100,000	EUR	9,651	9,768
Senior Unsecured Bonds	September 2023	September 2027	4.75%	400	50,000	EUR	20,010	20,011
Senior Unsecured Bonds	January 2024	January 2034	4.10%	50	100,000	EUR	-	5,048
Senior Unsecured Bonds	February 2024	February 2034	4.70%	20	100,000	EUR	-	1,914
Senior Unsecured Bonds	February 2024	February 2028	4.00%	517	50,000	EUR	-	26,000
Senior Unsecured Bonds	March 2024	March 2028	4.00%	800	50,000	EUR	-	40,017
Senior Unsecured Bonds	March 2024	August 2029	4.41%	100	100,000	EUR	-	9,961
Senior Unsecured Bonds	March 2024	March 2030	5.56%	146	100,000	EUR	-	14,638
Total							4,610,354	4,710,890

In May 2020 the Bank 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 Bank 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. Subsequently these covered bonds were used as collateral for obtaining term deposit from TLTRO III. See also Note 19 Financial assets pledged as collaterals.

Other financial liabilities

As at 31 March 2024 other financial liabilities in amount of EUR 194.8 million (2023: EUR 183.3 million) represent suspense accounts (payments with other banks).

Financial instruments at fair value through profit or loss

14. Derivative financial instruments

EUR ths.	31.12.2023			31.3.2024		
	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	2,969,344	58,505	55,369
Interest rate	2,472,100	29,351	27,095	2,508,623	28,506	26,249
Foreign exchange	443,106	30,938	29,461	460,721	29,999	29,120
Derivatives held in the banking book	10,000	-	40	12,000	-	3
Equity	10,000	-	40	12,000	-	3
Total gross amounts	2,925,206	60,289	56,596	2,981,344	58,505	55,372

The Bank 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.

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

EUR ths.	31.12.2023		31.3.2024	
	Designated at fair value	Mandatorily at fair value	Designated at fair value	Mandatorily at fair value
Equity instruments	-	11,511	-	14,461
Debt securities	-	12,527	-	9,579
Other financial corporations	-	7,516	-	4,611
Non-financial corporations	-	5,011	-	4,968
Non-trading financial assets at fair value through profit or loss		24,038		24,040

Financial instruments – other disclosure matters

16. Fair value of financial instruments

During the first quarter of 2024 there were no changes in the methodology of fair value of financial instruments in comparison with annual individual financial statements. For the complete set of disclosures related to fair value these condensed interim separate financial statements should be read in combination with individual 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				31.3.2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Financial assets HfT	-	30,553	29,736	60,289	-	29,892	28,614	58,506
Derivatives	-	30,553	29,736	60,289	-	29,892	28,614	58,506
Non-trading financial assets at FVPL	-	5,011	19,026	24,037	-	4,968	19,071	24,039
Equity instruments	-	-	11,510	11,510	-	-	11,510	11,510
Debt securities	-	5,011	7,516	12,527	-	4,968	7,561	12,529
Hedge accounting derivatives	-	24,424	-	24,424	-	25,127	-	25,127
Total assets	-	59,988	48,762	108,750	-	59,987	47,685	107,672
Liabilities								
Financial liabilities HfT	-	48,732	7,864	56,596	-	46,350	9,022	55,372
Derivatives	-	48,732	7,864	56,596	-	46,350	9,022	55,372
Hedge accounting derivatives	-	64,227	-	64,227	-	73,361	-	73,361
Total liabilities	-	112,959	7,864	120,823	-	119,711	9,022	128,733

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	Settlements	31.3.2024
Assets				
Financial assets HfT	29,736	(1,122)	-	28,614
Derivatives	29,736	(1,122)	-	28,614
Non-trading financial assets at FVPL	19,026	45	-	19,071
Equity instruments	11,510	-	-	11,510
Debt securities	7,516	45	-	7,561
Total assets	48,762	(1,077)	-	47,685
Liabilities				
Financial liabilities HfT	7,864	1,158	-	9,022
Derivatives	7,864	1,158	-	9,022
Total liabilities	7,864	1,158	-	9,022

EUR ths.	01.01.2023	Gain/loss in profit or loss	Settlements	31.03.2023
Assets				
Non-trading financial assets at FVPL	16,246	646	(9)	16,883
Equity instruments	9,694	-	-	9,694
Debt securities	6,552	646	(9)	7,189
Total assets	16,246	646	(9)	16,883

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.	2023	2024
Assets		
Financial assets HfT	-	(1,122)
Derivatives	-	(1,122)
Non-trading financial assets at FVPL	646	45
Debt securities	646	45
Total assets	646	(1,077)
Liabilities		
Financial liabilities HfT	-	(1,158)
Derivatives	-	(1,158)
Total liabilities	-	(1,158)

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
31.3.2024					
Assets					
Cash and cash equivalents	2,102,193	2,102,193	343,337	1,758,856	-
Financial assets at AC	22,727,104	21,813,923	3,780,064	277,185	17,756,674
Loans and advances to banks	29,906	29,971	-	-	29,971
Loans and advances to customers	18,416,126	17,717,980	-	-	17,717,980
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	6,185,505	5,951,016	-	-	5,951,016
Debt securities	4,281,072	4,065,972	3,780,064	277,185	8,723
Finance lease receivables	347,973	338,993	-	-	338,993
Trade and other receivables	130,407	126,864	-	-	126,864
Liabilities					
Financial liabilities at AC	23,067,552	23,050,516	2,334,402	2,130,438	18,585,676
Deposits from banks	513,530	513,654	-	-	513,654
Deposits from customers	17,602,045	17,597,555	-	-	17,597,555
Debt securities in issue	4,757,182	4,744,512	2,334,402	2,130,438	279,672
Other financial liabilities	194,795	194,795	-	-	194,795

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	22,545,036	21,879,881	3,662,129	256,859	17,960,893
Loans and advances to banks	10,032	10,032	-	-	10,032
Loans and advances to customers	18,413,823	17,942,246	-	-	17,942,246
of which: Lending for house purchase	10,683,401	10,409,799	-	-	10,409,799
of which: Credit for consumption	1,523,839	1,484,814	-	-	1,484,814
of which: Corporate loans and others	6,206,583	6,047,633	-	-	6,047,633
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	133,577	132,060	-	-	132,060
Liabilities					
Financial liabilities at AC	23,677,088	23,673,115	2,346,354	1,922,924	19,403,837
Deposits from banks	1,247,163	1,247,163	-	-	1,247,163
Deposits from customers	17,589,627	17,590,067	-	-	17,590,067
Debt securities in issue	4,657,044	4,652,631	2,346,354	1,922,924	383,353
Other financial liabilities	183,254	183,254	-	-	183,254

17. Hedge accounting

Notional amounts of hedged items

EUR ths.	Type of hedged items	Notional amount	
		31.12.2023	31.3.2024
Fair value hedges		1,928,104	1,929,245
Assets	Bonds at AC	291,223	291,224
Liabilities	Issued bonds	1,636,881	1,638,021

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
31.3.2024			
Fair value hedges	98,488	(7,475)	1,929,245
Interest rate risk assets	25,127	1,023	291,224
Interest rate risk liabilities	73,361	(8,498)	1,638,021
Total	98,488	(7,475)	1,929,245
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
31.3.2024			
Financial assets at AC	292,182	(8,818)	(1,119)
Interest rate risk	292,182	(8,818)	(1,119)
Financial liabilities at AC	(1,610,226)	54,382	7,358
Interest rate risk	(1,610,226)	54,382	7,358
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 31 March 2024 the Bank 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 Bank 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 quarter of 2024 the hedges were effective in hedging fair value exposure to interest rate movements. During the period the Bank recognised a net loss on the hedging instruments in the amount of EUR 1.5 million (2023: net loss EUR 1.5 million). On the other hand, a net gain on the hedged item attributable to the hedged risk amounted to EUR 1.4 million (2023: net gain EUR 1.4 million).

Fair value hedge of liabilities

The Bank uses hedging to secure its issued fixed rate covered bonds (former mortgage bonds). The list of bonds is disclosed in the note 13 Financial liabilities at amortised cost. As at 31 March 2024 the Bank holds covered bonds in total nominal value of EUR 1,637.4 million (2023: EUR 1,638.7 million).

During the first quarter of 2024 the hedges were effective in hedging fair value exposure to interest rate movements. During the period the Bank recognised a net gain on the hedging instruments in the amount of EUR 10.0 million (2023: net gain EUR 10.0 million). On the other hand, a net loss on the hedged item attributable to the hedged risk amounted to EUR 10.3 million (2023: net gain EUR 10.3 million).

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

EUR ths.	31.12.2023		31.3.2024	
	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	49,313	47,089
Financial assets at AC	11,041	10,352	49,313	47,089
Total	11,041	10,352	49,313	47,089

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			31.3.2024		
	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	47,055	47,100	(45)
Total	10,373	10,352	21	47,055	47,100	(45)

19. Financial assets pledged as collaterals

Carrying amount of financial assets pledged as collaterals

EUR ths.	31.12.2023	31.3.2024
Financial assets at AC	4,937,680	4,664,039
Total	4,937,680	4,664,039

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 31.3.2024								
Financial assets at amortised cost								
Debt securities	184,967	49,313	71,426	50,546	13,682	291,669	47,089	244,580
Loans and advances to customers	4,479,072	-	-	3,395,029	1,084,043	3,252,322	-	3,252,322
Assets pledged as collateral	4,664,039	49,313	71,426	3,445,575	1,097,725	3,543,991	47,089	3,496,902

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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 Bank 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 Bank partially repaid this tranche in amount of EUR 250 million and during the first quarter of 2024 was repaid the remaining part of the tranche in amount of EUR 750 million.

In June 2021, the Bank entered into TLTRO III with central bank in the amount of EUR 250 million which is shown within other associated liabilities. The Bank has pledged own retained covered bond (EUR 259 million) where mortgage loans are shown as encumbered assets (EUR 358 million) as collateral to TLTRO III. The collateral is shown within other transferred assets.

Risk and capital management

20. Risk management

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

During the first quarter of 2024 there were no changes in the methodology of risk management, accounting and reporting in comparison with annual individual financial statements. For the complete set of disclosures related to fair value these condensed interim separate financial statements should be read in combination with individual financial statements for the previous year in note 23.

21. Own funds and capital requirements

Regulatory requirements

Since 1 January 2014 the Bank 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 Bank for regulatory purposes and for the disclosure of regulatory information.

According to information provided internally to key management, the Bank 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 Bank 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 individual financial statements and individual regulatory figures of the Bank is 31 December of each respective year.

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.

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.

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

As a result of the 2023 SREP process performed by the European Central Bank (ECB) the Bank applies a Pillar 2 requirement (P2R) of 1.5% as at 31 March 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 31 March 2024.

According to SREP, the Bank 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	31.3.2024
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%
Pillar2		
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%

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

in EUR ths.	31.12.2023	31.3.2024
Common equity tier 1 capital (CET1)		
Capital instruments eligible as CET1	212,000	212,000
Retained earnings	1,439,046	1,503,082
Accumulated other comprehensive income	(1,290)	(1,290)
Common equity tier 1 capital (CET1) before regulatory adjustments	1,649,756	1,713,792
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)	(1,243)
Securitisation positions which can alternatively be subject to a 1.250% risk weight	(13,026)	(13,255)
Other intangible assets	(12,783)	(12,807)
Insufficient coverage for non-performing exposures	(435)	(603)
Additional deductions of CET1 Capital due to Article 3 CRR	-	-
Development of unaudited risk provisions during the year (EU No 183/2014)	(15,194)	(15,378)
Common equity tier 1 capital (CET1)	1,606,931	1,670,312
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)	2,086,931	2,150,312
Tier 2 capital (T2)		
Capital instruments and subordinated loans eligible as T2	15,177	14,395
IRB excess of provisions over expected losses eligible	54,949	52,494
T2 instruments of financial sector entities where the institution has a significant investment	(5,251)	(5,334)
Tier 2 capital (T2)	64,875	61,555
Total own funds	2,151,806	2,211,867
Capital requirement	866,989	842,091
CET1 capital ratio	14.83%	15.87%
Tier 1 capital ratio	19.26%	20.43%
Total capital ratio	19.86%	21.01%

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

EUR ths.	31.12.2023		31.3.2024	
	Total risk	Capital requirement	Total risk	Capital requirement
Total Risk Exposure Amount	10,837,360	866,989	10,526,131	842,091
Risk weighted assets (credit risk)	10,082,385	806,591	9,655,761	772,462
Standardised approach	846,853	67,748	839,763	67,181
IRB approach	9,158,219	732,658	8,748,928	699,915
Securitisation positions	77,313	6,185	67,070	5,366
Trading book, foreign FX risk and commodity risk	11,110	889	28,002	2,240
Operational Risk	737,766	59,021	837,738	67,019
Exposure for CVA	6,099	488	4,630	370

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

22. Credit risk

During the first quarter of 2024 there were no changes in the methodology of accounting and reporting of credit risk in comparison with annual individual financial statements. There has been a methodological change in the credit risk reporting methodology; revocable credit facilities are also included in the credit risk exposure. For the complete set of disclosures related to fair value these condensed interim separate financial statements should be read in combination with individual 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

31.3.2024	Gross carrying amount	Credit loss allowances					Net carrying amount
		Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	
Cash and cash equivalents - other demand deposits	14,444	-	-	-	-	-	14,444
Financial assets at amortised cost	23,094,701	38,925	107,006	195,198	26,468	-	22,727,104
Loans and advances to banks	29,975	69	-	-	-	-	29,906
Loans and advances to customers	18,781,983	37,981	106,210	195,198	26,468	-	18,416,126
of which: Lending for house purchase	10,783,198	10,303	18,832	71,336	2,273	-	10,680,454
of which: Credit for consumption	1,634,994	10,260	18,100	56,403	64	-	1,550,167
of which: Corporate loans and others	6,363,791	17,418	69,278	67,459	24,131	-	6,185,505
Debt securities	4,282,743	875	796	-	-	-	4,281,072
Finance lease receivables	352,758	708	1,482	2,563	32	-	347,973
Trade and other receivables	136,260	482	822	4,109	440	-	130,407
Non-trading financial assets at fair value through profit or loss - Debt securities	12,529	-	-	-	-	-	12,529
Financial assets - held for trading	58,505	-	-	-	-	-	58,505
Positive fair value of derivatives - hedge accounting	25,127	-	-	-	-	-	25,127
Total credit risk exposure on-balance	23,694,324	40,115	109,310	201,870	26,940	-	23,316,089
Off-balance	4,724,059	3,208	5,179	2,451	846	1,467	4,710,908
Total credit risk exposure	28,418,383	43,323	114,489	204,321	27,786	1,467	28,026,997

Allocation of credit loss allowances is affected by the war in Ukraine. The Bank allocated credit loss allowances for the customers with higher risk profile based on their ratings and in case of corporates, the industry was also used. More detailed information about changes in collective assessment of credit loss allowances is provided in section Collective assessment.

31.12.2023	Gross carrying amount	Credit loss allowances					Net carrying amount
		Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	
Cash and cash equivalents - other demand deposits	9,172	-	-	-	-	-	9,172
Financial assets at amortised cost	22,898,815	37,679	107,211	183,735	25,154	-	22,545,036
Loans and advances to banks	10,060	28	-	-	-	-	10,032
Loans and advances to customers	18,765,942	36,810	106,420	183,735	25,154	-	18,413,823
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	6,381,321	16,237	71,108	64,294	23,099	-	6,206,583
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	139,701	900	726	4,054	444	-	133,577
Non-trading financial assets at fair value through profit or loss - Debt securities	12,527	-	-	-	-	-	12,527
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	23,496,868	39,169	109,410	190,303	25,638	-	23,132,348
Off-balance	4,724,673	3,274	5,313	2,259	1,015	1,499	4,711,313
Total credit risk exposure	28,221,541	42,443	114,723	192,562	26,653	1,499	27,843,661

The non-defaulted part of POCI amounted to EUR 107.63 million (2023: EUR 107.68 million), the defaulted part to EUR 15.39 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
31.3.2024							
Cash and cash equivalents - other demand deposits	-	-	14,444	-	-	-	14,444
Financial assets at amortised cost	-	4,201,484	406,271	346,194	5,066,980	13,073,772	23,094,701
Loans and advances to banks	-	-	29,975	-	-	-	29,975
Loans and advances to customers	-	422,985	-	320,437	4,964,789	13,073,772	18,781,983
of which: Lending for house purchase	-	-	-	-	-	10,783,198	10,783,198
of which: Credit for consumption	-	-	-	-	-	1,634,994	1,634,994
of which: Corporate loans and others	-	422,985	-	320,437	4,964,789	655,580	6,363,791
Debt securities	-	3,778,499	376,296	25,757	102,191	-	4,282,743
Finance lease receivables	-	1,354	-	72,221	277,685	1,498	352,758
Trade and other receivables	-	1,789	1,101	2,757	130,552	61	136,260
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	-	7,561	4,968	-	12,529
Derivatives - held for trading	-	-	27,290	50	31,156	9	58,505
Positive fair value of derivatives - hedge accounting	-	-	25,127	-	-	-	25,127
Total credit risk exposure on-balance	-	4,204,627	474,233	428,783	5,511,341	13,075,340	23,694,324
Off-balance	-	122,947	37,457	257,590	3,947,260	358,805	4,724,059
Total credit risk exposure	-	4,327,574	511,690	686,373	9,458,601	13,434,145	28,418,383

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	5,082,158	13,049,731	22,898,815
Loans and advances to banks	-	-	10,060	-	-	-	10,060
Loans and advances to customers	-	428,623	-	302,580	4,985,008	13,049,731	18,765,942
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	4,985,008	665,110	6,381,321
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	131,619	33	139,701
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	-	7,516	5,011	-	12,527
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	5,528,049	13,051,236	23,496,868
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	9,328,707	13,431,038	28,221,541

Credit risk exposure by financial instrument and risk category

EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
31.3.2024					
Cash and cash equivalents - other demand deposits	14,444	-	-	-	14,444
Financial assets at amortised cost	18,435,378	3,086,486	1,211,542	361,295	23,094,701
Loans and advances to banks	29,975	-	-	-	29,975
Loans and advances to customers	14,133,428	3,076,235	1,211,025	361,295	18,781,983
of which: Lending for house purchase	8,736,186	1,417,961	476,757	152,294	10,783,198
of which: Credit for consumption	829,709	498,445	233,971	72,869	1,634,994
of which: Corporate loans and others	4,567,533	1,159,829	500,297	136,132	6,363,791
Debt securities	4,271,975	10,251	517	-	4,282,743
Finance lease receivables	170,606	167,142	11,271	3,739	352,758
Trade and other receivables	48,568	67,693	14,876	5,123	136,260
Non-trading financial assets at fair value through profit or loss - Debt securities	7,561	4,968	-	-	12,529
Derivatives - held for trading	57,651	743	111	-	58,505
Positive fair value of derivatives - hedge accounting	25,127	-	-	-	25,127
Total credit risk exposure on-balance	18,759,335	3,327,032	1,237,800	370,157	23,694,324
Off-balance	3,825,256	705,700	174,995	18,108	4,724,059
Total credit risk exposure	22,584,591	4,032,732	1,412,795	388,265	28,418,383

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	18,244,500	3,134,765	1,171,447	348,103	22,898,815
Loans and advances to banks	10,058	-	2	-	10,060
Loans and advances to customers	14,122,284	3,124,634	1,170,921	348,103	18,765,942
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	4,581,133	1,203,465	461,641	135,082	6,381,321
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	66,798	48,838	19,088	4,977	139,701
Non-trading financial assets at fair value through profit or loss - Debt securities	7,516	5,011	-	-	12,527
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	18,666,926	3,272,619	1,200,344	356,979	23,496,868
Off-balance	3,864,107	646,253	195,840	18,473	4,724,673
Total credit risk exposure	22,531,033	3,918,872	1,396,184	375,452	28,221,541

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
31.3.2024						
Cash and cash equivalents - other demand deposits	14,444	-	-	-	-	14,444
Financial assets at amortised cost	20,838,677	1,791,685	346,868	117,471	-	23,094,701
Loans and advances to banks	29,975	-	-	-	-	29,975
Loans and advances to customers	16,555,259	1,762,385	346,868	117,471	-	18,781,983
of which: Lending for house purchase	10,367,241	262,168	148,760	5,029	-	10,783,198
of which: Credit for consumption	1,391,684	170,337	72,789	184	-	1,634,994
of which: Corporate loans and others	4,796,334	1,329,880	125,319	112,258	-	6,363,791
Debt securities	4,253,443	29,300	-	-	-	4,282,743
Finance lease receivables	315,269	33,750	3,586	153	-	352,758
Trade and other receivables	127,880	3,257	4,663	460	-	136,260
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	-	-	12,529	12,529
Derivatives - held for trading	-	-	-	-	58,505	58,505
Positive fair value of derivatives - hedge accounting	-	-	-	-	25,127	25,127
Total credit risk exposure on-balance	21,296,270	1,828,692	355,117	118,084	96,161	23,694,324
Off-balance	1,506,088	114,383	7,371	4,933	3,091,284	4,724,059
Total credit risk exposure	22,802,358	1,943,075	362,488	123,017	3,187,445	28,418,383

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	20,609,252	1,839,192	336,119	114,252	-	22,898,815
Loans and advances to banks	10,058	2	-	-	-	10,060
Loans and advances to customers	16,505,463	1,810,108	336,119	114,252	-	18,765,942
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	4,761,459	1,383,944	126,448	109,470	-	6,381,321
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	132,751	1,973	4,397	580	-	139,701
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	-	-	12,527	12,527
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	21,064,200	1,876,181	344,254	114,993	97,240	23,496,868
Off-balance	1,518,759	117,279	5,905	5,686	3,077,044	4,724,673
Total credit risk exposure	22,582,959	1,993,460	350,159	120,679	3,174,284	28,221,541

'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

31.3.2024	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	-	-	-	-	635,812	-	31,002	34,945	-	1	469,322	1,171,082		
II. Energy	-	-	-	-	627,957	29,124	10,082	3,539	-	28,619	823,673	1,522,994		
III. Construction and building materials	-	-	-	-	429,494	-	26,284	14,126	-	-	1,060,078	1,529,982		
IV. Automotive	-	-	-	-	242,262	-	4,079	14,139	-	-	352,079	612,559		
V. Cyclical Consumer Products	-	-	-	-	343,679	-	12,547	13,298	-	189	163,458	533,171		
VI. Non-Cyclical Consumer Products	-	-	-	-	395,782	9,433	9,859	16,496	-	6	193,485	625,061		
VII. Machinery	-	-	-	-	196,177	-	10,244	18,432	-	-	252,645	477,498		
VIII. Transportation	-	-	-	-	527,470	78,623	217,176	7,608	-	837	326,385	1,158,099		
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	-	-	-	-	131,244	-	2,124	2,339	-	-	91,843	227,550		
X. Healthcare & Services	-	-	-	-	261,970	-	20,847	7,029	-	50	152,007	441,903		
XI. Hotels, Gaming & Leisure Industry	-	-	-	-	182,655	-	3,778	149	-	139	37,001	223,722		
XII. Real Estate	-	-	-	-	1,350,380	10,241	3,744	323	4,968	1,365	275,822	1,646,843		
XIII. Public Sector	-	-	-	-	399,180	3,778,499	830	11	-	-	60,335	4,238,855		
XIV. Financial Institutions	14,444	29,975	-	-	91,541	376,823	18	3,823	7,561	52,417	142,707	719,309		
XV. Private Households	-	-	10,783,198	1,634,994	548,174	-	144	1	-	9	323,212	13,289,732		
XVI. Other	-	-	-	-	14	-	-	2	-	-	7	23		
Total	14,444	29,975	10,783,198	1,634,994	6,363,791	4,282,743	352,758	136,260	12,529	83,632	4,724,059	28,418,383		

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31.12.2023	Financial assets at amortised cost										Non-trading financial assets at fair value through profit or loss - 'Debt securities'	Positive fair value of derivatives	Off-balance	Total credit risk exposure
	Cash and cash equivalents - other demand deposits	Loans and advances to customers					Finance lease receivables	Trade and other receivables	Debt securities					
		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	-	29,742	711,765	1,401,154		
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	9,757	5,011	66	160,615	511,029		
VI. Non-Cyclical Consumer Products	-	-	-	-	409,325	9,355	10,038	17,015	-	96	206,711	652,540		
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	9,452	-	-	101,485	364,414		
XI. Hotels, Gaming & Leisure Industry	-	-	-	-	184,550	-	1,756	328	-	254	34,315	221,203		
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	-	-	145,942	362,337	122	6,980	7,516	50,870	275,251	868,250		
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	6,381,321	4,122,813	351,940	139,701	12,527	84,713	4,724,673	28,221,541		

Credit risk exposure by industry and risk category

EUR ths.	Low Risk	Management attention	Substandard	Non-performing loans	Total
31.3.2024					
I. Natural Resources & Commodities	754,657	324,604	72,651	19,170	1,171,082
II. Energy	1,384,056	118,791	15,965	4,182	1,522,994
III. Construction and building materials	1,068,666	287,276	147,229	26,811	1,529,982
IV. Automotive	456,075	108,578	31,900	16,006	612,559
V. Cyclical Consumer Products	242,319	144,686	105,703	40,463	533,171
VI. Non-Cyclical Consumer Products	413,098	151,798	51,982	8,183	625,061
VII. Machinery	259,302	154,332	53,419	10,445	477,498
VIII. Transportation	885,411	240,828	23,464	8,396	1,158,099
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	173,224	41,710	10,897	1,719	227,550
X. Healthcare & Services	288,350	104,483	45,980	3,090	441,903
XI. Hotels, Gaming & Leisure Industry	136,231	49,595	32,495	5,401	223,722
XII. Real Estate	1,363,550	231,578	39,277	12,438	1,646,843
XIII. Public Sector	4,112,314	97,233	29,308	-	4,238,855
XIV. Financial Institutions	709,524	1,354	8,312	119	719,309
XV. Private Households	10,337,814	1,975,863	744,213	231,842	13,289,732
XVI. Other	-	23	-	-	23
Total	22,584,591	4,032,732	1,412,795	388,265	28,418,383

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	4,201	1,401,154
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	237,432	137,697	101,248	34,652	511,029
VI. Non-Cyclical Consumer Products	444,017	141,711	58,434	8,378	652,540
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	229,882	91,740	40,098	2,694	364,414
XI. Hotels, Gaming & Leisure Industry	118,413	65,013	35,633	2,144	221,203
XII. Real Estate	1,355,598	235,693	37,428	12,297	1,641,016
XIII. Public Sector	3,989,164	93,801	22,564	3	4,105,532
XIV. Financial Institutions	855,277	2,019	7,760	3,194	868,250
XV. Private Households	10,334,312	1,992,047	741,440	218,872	13,286,671
XVI. Other	40	50	-	-	90
Total	22,531,033	3,918,872	1,396,184	375,452	28,221,541

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
31.3.2024						
I. Natural Resources & Commodities	743,016	89,248	18,081	1,235	319,502	1,171,082
II. Energy	775,475	210,533	2,182	2,000	532,804	1,522,994
III. Construction and building materials	447,589	132,102	22,719	1,606	925,966	1,529,982
IV. Automotive	263,768	21,218	13,346	85	314,142	612,559
V. Cyclical Consumer Products	264,167	134,811	35,660	4,369	94,164	533,171
VI. Non-Cyclical Consumer Products	429,141	72,357	7,998	359	115,206	625,061
VII. Machinery	238,144	44,935	5,687	7,543	181,189	477,498
VIII. Transportation	900,712	49,194	8,048	393	199,752	1,158,099
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	136,288	20,676	1,571	64	68,951	227,550
X. Healthcare & Services	299,620	45,526	2,996	608	93,153	441,903
XI. Hotels, Gaming & Leisure Industry	94,827	92,368	5,358	10,804	20,365	223,722
XII. Real Estate	880,464	567,871	11,279	87,402	99,827	1,646,843
XIII. Public Sector	4,208,755	7,248	-	-	22,852	4,238,855
XIV. Financial Institutions	514,998	4,612	119	25	199,555	719,309
XV. Private Households	12,605,378	450,376	227,444	6,524	10	13,289,732
XVI. Other	16	-	-	-	7	23
Total	22,802,358	1,943,075	362,488	123,017	3,187,445	28,418,383

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	4,201	-	570,584	1,401,154
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	272,033	115,706	30,739	3,695	88,856	511,029
VI. Non-Cyclical Consumer Products	446,823	66,003	8,098	355	131,261	652,540
VII. Machinery	261,797	41,497	5,622	7,622	184,160	500,698
VIII. Transportation	919,202	52,481	8,258	401	225,224	1,205,566
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	128,771	24,838	2,076	65	61,306	217,056
X. Healthcare & Services	263,021	44,186	2,535	441	54,231	364,414
XI. Hotels, Gaming & Leisure Industry	89,065	96,825	2,096	11,236	21,981	221,203
XII. Real Estate	814,899	637,954	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	637,646	4,775	3,193	25	222,611	868,250
XV. Private Households	12,617,075	448,786	214,725	6,084	1	13,286,671
XVI. Other	90	-	-	-	-	90
Total	22,582,959	1,993,460	350,159	120,679	3,174,284	28,221,541

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.

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Credit risk exposure by region and financial instrument

31.3.2024	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							
EUR ths.												
Slovakia	-	24,914	10,708,578	1,610,547	6,152,202	3,770,851	352,758	87,038	4,968	30,038	4,357,521	27,099,415
Central and Eastern Europe	14,006	5,061	21,634	12,979	169,969	77,604	-	18,547	-	52,088	259,029	630,917
Austria	13,754	4,942	3,672	624	17	-	-	1,657	-	50,911	21,066	96,643
Czech Republic	111	119	6,340	686	168,624	77,604	-	11,212	-	1,177	210,305	476,178
Hungary	138	-	36	318	1,064	-	-	4,860	-	-	24,262	30,678
Croatia	-	-	-	40	3	-	-	22	-	-	833	898
Romania	3	-	671	318	24	-	-	730	-	-	1,733	3,479
Serbia	-	-	10,915	10,993	237	-	-	66	-	-	830	23,041
Other EU	261	-	2,329	304	41,423	429,147	-	27,566	2,950	1,506	81,813	587,299
Other industrialised countries	177	-	3,065	274	3	5,141	-	1,375	4,611	-	20,928	35,574
Emerging markets	-	-	47,592	10,890	194	-	-	1,734	-	-	4,768	65,178
Total	14,444	29,975	10,783,198	1,634,994	6,363,791	4,282,743	352,758	136,260	12,529	83,632	4,724,059	28,418,383

31.12.2023	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							
EUR ths.												
Slovakia	-	10,033	10,709,377	1,580,197	6,204,182	3,657,868	351,940	85,410	5,011	33,799	4,337,104	26,974,921
Central and Eastern Europe	8,438	27	21,482	11,546	134,253	78,088	-	22,560	-	49,518	285,046	610,958
Austria	7,709	14	3,656	619	19	-	-	6,164	-	49,196	25,791	93,168
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	6,381,321	4,122,813	351,940	139,701	12,527	84,713	4,724,673	28,221,541

Credit risk exposure by region and risk category

EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
31.3.2024					
Slovakia	21,516,777	3,863,805	1,336,178	382,655	27,099,415
Central and Eastern Europe	512,530	78,911	35,155	4,321	630,917
Austria	92,042	3,113	1,487	1	96,643
Czech Republic	395,392	50,447	26,874	3,465	476,178
Hungary	16,028	14,224	398	28	30,678
Croatia	13	277	607	1	898
Romania	733	2,077	608	61	3,479
Serbia	8,322	8,773	5,181	765	23,041
Other EU	493,435	68,370	24,727	767	587,299
Other industrialised countries	27,421	5,149	2,890	114	35,574
Emerging markets	34,428	16,497	13,845	408	65,178
Total	22,584,591	4,032,732	1,412,795	388,265	28,418,383

EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
31.12.2023					
Slovakia	21,512,216	3,796,098	1,296,770	369,837	26,974,921
Central and Eastern Europe	509,546	60,652	36,318	4,442	610,958
Austria	89,171	1,634	2,362	1	93,168
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	22,531,033	3,918,872	1,396,184	375,452	28,221,541

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
31.3.2024						
Slovakia	21,848,187	1,935,971	357,553	122,974	2,834,730	27,099,415
Central and Eastern Europe	384,891	3,625	3,817	21	238,563	630,917
Austria	24,411	326	1	2	71,903	96,643
Czech Republic	331,567	1,449	2,975	5	140,182	476,178
Hungary	7,246	45	23	5	23,359	30,678
Croatia	43	28	1	-	826	898
Romania	1,705	17	58	2	1,697	3,479
Serbia	19,919	1,760	759	7	596	23,041
Other EU	500,250	416	598	20	86,015	587,299
Other industrialised countries	10,295	112	114	-	25,053	35,574
Emerging markets	58,735	2,951	406	2	3,084	65,178
Total	22,802,358	1,943,075	362,488	123,017	3,187,445	28,418,383

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
31.12.2023						
Slovakia	21,734,437	1,987,231	345,171	120,518	2,787,564	26,974,921
Central and Eastern Europe	326,320	3,245	3,941	159	277,293	610,958
Austria	17,916	330	1	1	74,920	93,168
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	22,582,959	1,993,460	350,159	120,679	3,174,284	28,221,541

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

31.3.2024		Non-impaired loans						Impaired loans	Total Credit risk exposure
EUR ths.	Total past due non Impaired	Thereof 1-30 days past due	Thereof 31-60 days past due	Thereof 61-90 days past due	Thereof 91-180 days past due	Thereof more than 180 days past due	Neither past due nor Impaired		
Cash and cash equivalents - other demand deposits	-	-	-	-	-	-	14,444	-	14,444
Financial assets at amortised cost	570,136	524,967	24,177	15,869	3,468	1,655	22,163,271	361,294	23,094,701
Loans and advances to banks	-	-	-	-	-	-	29,975	-	29,975
Loans and advances to customers	570,136	524,967	24,177	15,869	3,468	1,655	17,850,553	361,294	18,781,983
of which: Lending for house purchase	156,147	133,789	12,585	6,029	2,442	1,302	10,474,758	152,293	10,783,198
of which: Credit for consumption	69,734	59,840	6,147	2,713	838	196	1,492,391	72,869	1,634,994
of which: Corporate loans and others	344,255	331,338	5,445	7,127	188	157	5,883,404	136,132	6,363,791
Debt securities	-	-	-	-	-	-	4,282,743	-	4,282,743
Finance lease receivables	16,143	15,466	544	133	-	-	332,876	3,739	352,758
Trade and other receivables	12,234	10,095	961	131	34	1,013	118,903	5,123	136,260
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	-	-	-	-	12,529	-	12,529
Financial assets - held for trading	-	-	-	-	-	-	58,505	-	58,505
Positive fair value of derivatives	-	-	-	-	-	-	25,127	-	25,127
Total credit risk exposure on-balance	598,513	550,528	25,682	16,133	3,502	2,668	22,725,655	370,156	23,694,324
Off-balance	-	-	-	-	-	-	4,716,337	7,722	4,724,059
Total credit risk exposure	598,513	550,528	25,682	16,133	3,502	2,668	27,441,992	377,878	28,418,383

31.12.2023		Non-impaired loans						Impaired loans	Total Credit risk exposure
EUR ths.	Total past due non Impaired	Thereof 1-30 days past due	Thereof 31-60 days past due	Thereof 61-90 days past due	Thereof 91-180 days past due	Thereof more than 180 days past due	Neither past due nor Impaired		
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	22,139,988	348,103	22,898,815
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	18,007,144	348,103	18,765,942
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	6,035,060	135,082	6,381,321
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	120,346	4,977	139,701
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	-	-	-	-	12,527	-	12,527
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	22,708,990	356,979	23,496,868
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	27,427,486	363,156	28,221,541

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

EUR ths.	Low Risk	Management attention	Substandard	Non-performing	Total
31.3.2024					
Cash and cash equivalents - other demand deposits	14,444	-	-	-	14,444
Financial assets at amortised cost	18,286,705	2,967,232	909,334	-	22,163,271
Loans and advances to banks	29,975	-	-	-	29,975
Loans and advances to customers	13,984,755	2,956,981	908,817	-	17,850,553
of which: Lending for house purchase	8,729,550	1,398,209	346,999	-	10,474,758
of which: Credit for consumption	828,760	491,215	172,416	-	1,492,391
of which: Corporate loans and others	4,426,445	1,067,557	389,402	-	5,883,404
Debt securities	4,271,975	10,251	517	-	4,282,743
Finance lease receivables	165,662	159,028	8,186	-	332,876
Trade and other receivables	44,487	61,845	12,571	-	118,903
Non-trading financial assets at fair value through profit or loss - 'Debt securities	7,561	4,968	-	-	12,529
Derivatives - held for trading	57,651	743	111	-	58,505
Positive fair value of derivatives - hedge accounting	25,127	-	-	-	25,127
Total credit risk exposure on-balance	18,601,637	3,193,816	930,202	-	22,725,655
Off-balance	3,825,256	705,700	174,995	10,386	4,716,337
Total credit risk exposure	22,426,893	3,899,516	1,105,197	10,386	27,441,992

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	18,180,814	3,027,975	931,199	-	22,139,988
Loans and advances to banks	10,031	-	-	-	10,031
Loans and advances to customers	14,058,625	3,017,844	930,675	-	18,007,144
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	4,524,787	1,121,281	388,992	-	6,035,060
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	62,225	41,864	16,257	-	120,346
Non-trading financial assets at fair value through profit or loss - 'Debt securities	7,516	5,011	-	-	12,527
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	18,597,786	3,155,910	955,294	-	22,708,990
Off-balance	3,864,107	646,253	195,840	12,296	4,718,496
Total credit risk exposure	22,461,893	3,802,163	1,151,134	12,296	27,427,486

Credit risk exposure by Basel 3 exposure class and financial instrument

EUR ths.	Sovereigns	Institutions	Corporates	Retail	Total
31.3.2024					
Cash and cash equivalents - other demand deposits	-	14,444	-	-	14,444
Financial assets at amortised cost	3,815,820	791,935	5,089,996	13,396,950	23,094,701
Loans and advances to banks	-	29,975	-	-	29,975
Loans and advances to customers	37,321	385,664	4,962,048	13,396,950	18,781,983
of which: Lending for house purchase	-	-	-	10,783,198	10,783,198
of which: Credit for consumption	-	-	-	1,634,994	1,634,994
of which: Corporate loans and others	37,321	385,664	4,962,048	978,758	6,363,791
Debt securities	3,778,499	376,296	127,948	-	4,282,743
Finance lease receivables	-	1,354	340,260	11,144	352,758
Trade and other receivables	1,359	1,111	133,434	356	136,260
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	12,529	-	12,529
Derivatives - held for trading	-	27,290	31,206	9	58,505
Positive fair value of derivatives - hedge accounting	-	25,127	-	-	25,127
Total credit risk exposure on-balance	3,817,179	861,261	5,607,425	13,408,459	23,694,324
Off-balance	62,348	97,777	4,119,085	444,849	4,724,059
Total credit risk exposure	3,879,527	959,038	9,726,510	13,853,308	28,418,383

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	3,675,442	763,066	5,090,312	13,369,995	22,898,815
Loans and advances to banks	-	10,060	-	-	10,060
Loans and advances to customers	37,431	391,192	4,967,324	13,369,995	18,765,942
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	37,431	391,192	4,967,324	985,374	6,381,321
Debt securities	3,638,011	361,814	122,988	-	4,122,813
Finance lease receivables	-	1,300	338,851	11,789	351,940
Trade and other receivables	460	4,969	133,904	368	139,701
Non-trading financial assets at fair value through profit or loss - 'Debt securities	-	-	12,527	-	12,527
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	3,675,902	829,104	5,609,709	13,382,153	23,496,868
Off-balance	61,823	107,985	4,080,281	474,584	4,724,673
Total credit risk exposure	3,737,725	937,089	9,689,990	13,856,737	28,221,541

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 Bank 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 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.

The Bank is currently applying two sets of overlays mentioned above:

1. Cyclical overlays
Clients having Cyclical industry and one-year IFRS PD > 250bps are part of the Cyclical overlay and are migrated to Stage 2
2. Energy overlays
Clients having Energy industry (II. Energy industry + sub-industries Chemicals and Metals from I. Natural resources & commodities industry) and there is visible financial impact of energy prices on clients' profitability.

The overlays are exclusive meaning only one of them can be applied at the time and the priority is cyclical overlays are evaluated first and energy overlays second.

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
31.3.2024					
Gross exposure	19,300,976	4,295,272	98,076	4,724,059	28,418,383
thereof gross forborne exposure	403,314	-	-	9,818	413,132
Performing exposure	18,930,819	4,295,272	98,076	4,705,951	28,030,118
thereof performing forborne exposure	278,175	-	-	9,729	287,904
Credit loss allowances for performing exposure	165,698	1,671	-	9,842	177,211
thereof credit loss allowances for performing forborne exposure	15,418	-	-	258	15,676
Non-performing exposure	370,157	-	-	18,108	388,265
thereof non-performing forborne exposure	125,140	-	-	89	125,229
Credit loss allowances for non-performing exposure	210,865	-	-	3,309	214,174
thereof credit loss allowances for non-performing forborne exposure	63,400	-	-	4	63,404

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EUR ths.	Loans and advances	Debt securities	Other positions	Off-balance	Total credit risk exposure
31.12.2023					
Gross exposure	19,267,643	4,135,340	93,885	4,724,673	28,221,541
thereof gross forborne exposure	366,008	-	-	7,006	373,014
Performing exposure	18,910,664	4,135,340	93,885	4,706,200	27,846,089
thereof performing forborne exposure	242,280	-	-	6,993	249,273
Credit loss allowances for performing exposure	164,735	1,632	-	10,178	176,545
thereof credit loss allowances for performing forborne exposure	13,340	-	-	143	13,483
Non-performing exposure	356,979	-	-	18,473	375,452
thereof non-performing forborne 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 forborne 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

31.3.2024 EUR ths.	Credit risk exposure	Collateral: thereof attributable to credit impaired exposure	Collateralised by			Collateral total	Credit risk exposure net of collateral	IFRS 9 impairment relevant		
			Guarantees	Real estate	Other			Neither past due nor credit impaired	Past due but not credit impaired	Credit impaired
Cash and cash equivalents - other demand deposits	14,444	-	-	-	-	-	14,444	14,444	-	-
Financial assets at amortised cost	23,094,701	181,964	283,442	11,611,704	364,078	12,259,224	10,835,477	22,163,271	570,136	361,294
Loans and advances to banks	29,975	-	-	-	-	-	29,975	29,975	-	-
Loans and advances to customers	18,781,983	181,964	273,231	11,611,704	364,078	12,249,013	6,532,970	17,850,553	570,136	361,294
of which: Lending for house purchase	10,783,198	142,421	-	10,211,034	23	10,211,057	572,141	10,474,758	156,147	152,293
of which: Credit for consumption	1,634,994	287	-	312	-	312	1,634,682	1,492,391	69,734	72,869
of which: Corporate loans and others	6,363,791	39,256	273,231	1,400,358	364,055	2,037,644	4,326,147	5,883,404	344,255	136,132
Debt securities	4,282,743	-	10,211	-	-	10,211	4,272,532	4,282,743	-	-
Finance lease receivables	352,758	1 355.189	-	-	236,570	236,570	116,188	332,876	16,143	3,739
Trade and other receivables	136,260	8.131	41	62	44	147	136,113	118,903	12,234	5,123
Non-trading financial assets at fair value through profit or loss - 'Debt securities'	12,529	-	-	-	-	-	12,529	-	-	-
Financial assets - held for trading	58,505	-	-	-	-	-	58,505	-	-	-
Positive fair value of derivatives	25,127	-	-	-	-	-	25,127	-	-	-
Total credit risk exposure on-balance	23,694,324	181,964	283,483	11,611,766	600,692	12,495,941	11,198,383	22,629,494	598,513	370,156
Off-balance	4,724,059	1,576	-	190,327	145,399	335,726	4,388,333	1,625,053	-	7,722
Total credit risk exposure	28,418,383	183,540	283,483	11,802,093	746,091	12,831,667	15,586,716	24,254,547	598,513	377,878

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 nor credit impaired	Past due but not credit impaired	Credit impaired
EUR ths.										
Cash and cash equivalents - other demand deposits	9,172	-	-	-	-	-	9,172	9,172	-	-
Financial assets at amortised cost	22,898,815	181,191	295,954	11,709,487	398,140	12,403,581	10,495,234	22,139,988	410,724	348,103
Loans and advances to banks	10,060	-	13	-	-	13	10,047	10,031	29	-
Loans and advances to customers	18,765,942	181,191	285,844	11,709,487	398,140	12,393,471	6,372,471	18,007,144	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	6,381,321	42,435	285,844	1,503,539	398,117	2,187,500	4,193,821	6,035,060	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	139,701	-	-	-	-	-	139,701	120,346	14,378	4,977
Non-trading financial assets at fair value through profit or loss - Debt securities	12,527	-	-	-	-	-	12,527	-	-	-
Financial assets - held for trading	60,289	-	-	-	-	-	60,289	-	-	-
Positive fair value of derivatives	24,424	-	-	-	-	-	24,424	-	-	-
Total credit risk exposure on-balance	23,496,868	182,743	295,954	11,709,487	636,136	12,641,577	10,855,291	22,611,750	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	28,221,541	183,704	295,954	11,839,985	749,089	12,885,028	15,336,513	24,253,203	430,899	363,156

The collateral attributable to exposures that are credit-impaired at 31 March 2024 amounts to EUR 183.3 million (2023: EUR 182.7 million).

23. 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 bank, 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 bank (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 Bank on this basis. In order to investigate

any extreme market situations beyond this, stress tests are conducted at the Bank. 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 bank (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 bank 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 Bank 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 Bank 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 Bank'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 Bank concerns hedging of interest rate risk.

24. Liquidity risk

The goal of the Bank'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 Bank as the inability to meet the Bank'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 Bank 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 Banks 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 Bank. 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 Bank'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 Bank.

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 Bank 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 Ratio 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 Bank 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 Bank 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 Bank 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 Bank, the liquidity risk is analysed by the following methods:

Liquidity coverage ratio

The Bank 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 Bank closely monitors its short-term liquidity inflows and outflows as well as its available counterbalancing capacity.

Counterbalancing capacity

The Bank 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.

25. Operational risk

In line with Article 4 Section 52 of regulation (EU) 575/2013 (CRR), the Bank 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 Bank 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 Bank sources external data from a leading non-profit risk-loss data consortium.

The Bank 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 Bank 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 Bank monitors a number of key risk indicators such as system availability, staff turnover, and customer complaints.

The Bank uses a group-wide insurance program that has reduced the cost of meeting the Bank'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 Bank 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 Bank. 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 Bank.

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.

26. Other assets

EUR ths.	31.12.2023	31.3.2024
Client settlement	6,317	10,638
Personnel balances	2,050	3,492
State budget, social and health insurance, taxes	11,771	6,143
Sundry assets	9,989	28,112
Thereof: deferred cost	9,338	27,737
Other assets	30,127	48,385

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 Bank 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 Bank.

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.

27. The Bank 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 31.3.2024											
General governments	1,354	-	-	-	1,354	(3)	-	-	-	(3)	1,351
Other financial corporations	72,221	-	-	-	72,221	(62)	-	-	-	(62)	72,159
Non-financial corporations	240,484	33,690	3,358	153	277,685	(642)	(1,481)	(2,450)	(32)	(4,605)	273,080
Households	1,211	60	228	-	1,499	(3)	-	(113)	-	(116)	1,383
Total	315,270	33,750	3,586	153	352,759	(710)	(1,481)	(2,563)	(32)	(4,786)	347,973

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)	31.3.2024
Stage 1	(590)	(31)	1	34	(124)	(710)
Stage 2	(1,473)	-	-	(80)	72	(1,481)
Stage 3	(2,514)	-	2	(33)	(18)	(2,563)
POCI	(40)	-	-	-	8	(32)
Total	(4,617)	(31)	3	(79)	(62)	(4,786)

EUR ths.	01.01.2023	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	31.12.2023
Stage 1	(393)	(161)	16	129	(181)	-	(590)
Stage 2	(509)	-	3	(1,176)	209	-	(1,473)
Stage 3	(2,728)	-	302	(112)	(131)	155	(2,514)
POCI	(11)	-	-	-	(29)	-	(40)
Total	(3,641)	(161)	321	(1,159)	(132)	155	(4,617)

Transfers between stages

EUR ths.	2023	2024
Transfers between Stage 1 and Stage 2	49,223	7,282
To Stage 2 from Stage 1	31,863	3,849
To Stage 1 from Stage 2	17,360	3,433
Transfers between Stage 2 and Stage 3	432	222
To Stage 3 from Stage 2	432	222
Transfers between Stage 1 and Stage 3	302	229
To Stage 3 from Stage 1	302	65
To Stage 1 from Stage 3	-	164

Accruals, provisions, contingent liabilities and legal proceedings

28. Other liabilities

EUR ths.	31.12.2023	31.3.2024
Client settlement	33,518	27,148
Trade payables	45,907	1,459
Personnel balances and social fund	37,874	41,367
State budget, social and health insurance, taxes	14,882	96,062
Sundry liabilities	468	19,683
Other liabilities	132,649	185,719

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

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

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

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

29. Provisions

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

- provisions for defined employee benefit plans recognised based on requirements of IAS 19 Employee benefits
- provisions for 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 Bank:

EUR ths.	31.12.2023	31.3.2024
Defined employee benefit plans	7,691	7,440
Pending legal issues	11,351	11,398
Loan commitments and financial guarantees given in scope of IFRS 9	11,860	11,684
Commitments and guarantees given out of scope of IFRS 9	1,499	1,467
Other provisions	-	2,673
Provisions	32,401	34,662

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	31.3.2024
Stage 1	3,274	5,438	(1,853)	(3,439)	(212)	3,208
Stage 2	5,313	-	(1,373)	158	1,081	5,179
Stage 3	2,259	-	(386)	395	183	2,451
POCI	1,014	-	(450)	282	-	846
Total	11,860	5,438	(4,062)	(2,604)	1,052	11,684

Of which provisions for financial guarantees represent the amount of EUR 0.5 million as at 31 March 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 Bank is sued and which arose from normal banking activities. During the reporting period the Bank does not participate in any new passive legal cases.

30. Contingent liabilities

To meet the financial needs of customers, the Bank 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 Bank (see Note 22 Credit risk).

Legal proceedings

The Bank 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 Bank.

Capital instruments, equity and reserves

31. Total equity

in EUR ths.	31.12.2023	31.3.2024
Subscribed capital	212,000	212,000
Legal reserve fund	79,795	79,795
Other funds	39,104	39,104
Retained earnings	1,631,835	1,464,525
Additional equity instruments	480,000	480,000
Other components of equity	(1,290)	(1,290)
Owners of the parent	2,441,444	2,274,134
Total	2,441,444	2,274,134

As at 31 March 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.

Investments in subsidiaries, associates and joint ventures

32. Subsidiaries

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

EUR ths.	Cost		Impairment		Net book value	
	31.12.2023	31.3.2024	31.12.2023	31.3.2024	31.12.2023	31.3.2024
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	1,697	-	-	1,697	1,697
Total	48,559	61,829	-	-	48,559	61,829

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 quarter of 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.

33. 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		Net book value	
	31.12.2023	31.3.2024	31.12.2023	31.3.2024	31.12.2023	31.3.2024
Associates						
Prvá stavebná sporiteľňa, a.s.	1,093	1,093	-	-	1,093	1,093
Slovak Banking Credit Bureau, s.r.o.	3	3	-	-	3	3
Holding Card Service s.r.o.	7,049	7,049	-	-	7,049	7,049
Total	8,145	8,145	-	-	8,145	8,145

Slovenská sporiteľňa, a.s.

Condensed Interim Separate Financial Statements

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

EUR ths.	Cost		Impairment		Net book value	
	31.12.2023	31.3.2024	31.12.2023	31.3.2024	31.12.2023	31.3.2024
Joint ventures						
Monilogi s.r.o.	1,924	1,924	-	-	1,924	1,924
Total	1,924	1,924	-	-	1,924	1,924

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.	
	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	
Main business activity	Cash handling		Banking		Retail credit register		Equity release company	
Ownership held	26.00%		9.98%		33.33%		21.78%	
Voting rights held	26.00%		35.00%		33.33%		21.78%	
IFRS Classification	Joint venture		Associate		Associate		Associate	
Reporting currency	EURO		EURO		EURO		EURO	

Changes in associates and joint ventures during the year 2024

There were no significant changes in investments in associates and joint ventures during the first quarter of 2024.

Other disclosure matters**34. Related-party transactions and principal shareholders**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Bank 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		Subsidiaries		Associates and joint ventures	
	31.12.2023	31.3.2024	31.12.2023	31.3.2024	31.12.2023	31.3.2024	31.12.2023	31.3.2024
Assets								
Cash and cash equivalents	7,709	13,754	730	252	-	-	-	-
Derivatives	26,167	27,290	6	-	-	-	-	-
Derivatives – Hedge accounting	23,027	23,621	-	-	-	-	-	-
Securities	-	-	-	-	5,011	4,968	5,265	5,349
Loans and advances to banks	4,330	6,014	46	136	-	-	10,030	24,914
Loans and advances to customers	-	-	3,327	2,161	18,266	17,804	-	-
Property and equipment, right-of-use	-	-	-	-	55,912	56,017	-	-
Other assets	35	15	-	10,519	-	-	-	-
Total	61,268	70,694	4,109	13,068	79,189	78,789	15,295	30,263
Liabilities								
Derivatives held for trading	32,586	30,148	-	21	-	-	-	-
Deposits from banks	10,567	50,781	3,423	3,834	-	-	113	139
Deposits from customers	-	-	7,305	10,210	9,450	9,985	-	-
Debt securities issued	506,803	513,486	2,899	2,898	-	-	-	-
Derivatives – hedge accounting	64,227	73,361	-	-	-	-	-	-
Lease liabilities	-	-	-	-	56,950	55,655	-	-
Other liabilities	307	587	2,340	3,237	18	37	-	-
Total	614,490	668,363	15,967	20,200	66,418	65,677	113	139

Expenses/Income generated by transactions with related parties

EUR ths.	Erste Group Bank AG		Companies of Erste Group		Subsidiaries		Associates and joint ventures	
	2023	2024	2023	2024	2023	2024	2023	2024
Interest income	4,138	7,354	7	6	199	260	121	315
Interest expense	(5,114)	(13,655)	(21)	(32)	(605)	(578)	(1)	-
Net fee and commission income	565	436	4,493	4,982	-	-	1	1
Net trading result	876	(606)	(1,138)	203	-	-	-	-
Gains/(losses) from financial instruments measured at fair value through profit or loss	-	-	-	-	60	(70)	-	-
General administrative expenses	(629)	(766)	(6,456)	(6,040)	(219)	(278)	-	-
Depreciation and amortisation	-	-	-	-	(1,423)	(1,420)	-	-
Other operating result	115	123	200	149	30	65	-	-
Total	(49)	(7,114)	(2,915)	(732)	(1,958)	(2,021)	121	316

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

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

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

The Bank 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 Bank 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 31 March 2024 and in 2023, the Bank did not receive any dividends from its associates.

35. Events after the balance sheet date

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

STATEMENT OF MEMBERS OF THE MANAGEMENT BOARD

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

Ing. Peter Krutil

Chairman of the Board of Directors
and Chief Executive Officer

Ing. Pavel Cetkovský

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

Bratislava, 25 April 2024