Erste Group posts net profit of EUR 2,566 million in the first nine months of 2025

Financial data

Income statement					
in EUR million	**Q3 24**	**Q2 25**	**Q3 25**	**1-9 24**	**1-9 25**
Net interest income	1.903	1.914	1.975	5.591	5.761
Net fee and commission income	735	762	798	2.158	2.340
Net trading result and gains/losses from financial instruments at FVPL	110	104	88	358	288
Operating income	2.798	2.866	2.919	8.319	8.587
Operating expenses	−1.262	−1.361	−1.362	−3.809	−4.068
Operating result	1.536	1.505	1.556	4.510	4.519
Impairment result from financial instruments	−86	−97	−136	−211	−318
Post-provision operating result	1.451	1.408	1.420	4.299	4.200
Net result attributable to owners of the parent	**886**	**921**	**901**	**2.516**	**2.566**
Net interest margin (on average interest-bearing assets)	2,45%	2,41%	2,43%	2,46%	2,39%
Cost/income ratio	45,1%	47,5%	46,7%	45,8%	47,4%
Provisioning ratio (on average gross customer loans)	0,16%	0,17%	0,24%	0,13%	0,19%
Tax rate	20,5%	20,5%	20,5%	20,5%	20,5%
Return on tangible equity	19,5%	17,1%	18,0%	17,9%	16,8%

Balance sheet					
in EUR million	**Sep 24**	**Jun 25**	**Sep 25**	**Dec 24**	**Sep 25**
Cash and cash balances	23.972	27.652	25.345	25.129	25.345
Trading, financial assets	68.446	78.448	77.229	75.781	77.229
Loans and advances to banks	33.212	22.818	23.965	26.972	23.965
Loans and advances to customers	213.462	223.983	227.978	218.067	227.978
Intangible assets	1.277	1.387	1.390	1.382	1.390
Miscellaneous assets	6.160	6.785	6.944	6.405	6.944
Total assets	**346.529**	**361.072**	**362.851**	**353.736**	**362.851**
Financial liabilities held for trading	1.770	2.729	2.538	1.821	2.538
Deposits from banks	16.889	15.368	15.830	21.261	15.830
Deposits from customers	239.734	248.499	247.811	241.651	247.811
Debt securities issued	51.265	54.809	55.835	51.889	55.835
Miscellaneous liabilities	6.759	7.064	7.074	6.346	7.074
Total equity	30.112	32.603	33.763	30.767	33.763
Total liabilities and equity	**346.529**	**361.072**	**362.851**	**353.736**	**362.851**
Loan/deposit ratio	89,0%	90,1%	92,0%	90,2%	92,0%
NPL ratio	2,4%	2,5%	2,5%	2,6%	2,5%
NPL coverage ratio (based on AC loans, ex collateral)	78,7%	73,6%	73,7%	72,5%	73,7%
Texas ratio	17,4%	18,0%	17,4%	18,4%	17,4%
CET1 ratio (phased-in)	15,2%	17,4%	17,5%	15,3%	17,5%

HIGHLIGHTS

P&L: 1-9 2025 compared with 1-9 2024
Balance sheet: 30 September 2025 compared with 31 December 2024

Net interest income increased to EUR 5,761 million (+3.0%; EUR 5,591 million), primarily in the Czech Republic, Romania and Slovakia, on the back of loan growth and lower interest expenses on customer deposits. **Net fee and commission income** rose to EUR 2,340 million (+8.4%; EUR 2,158 million). Growth was registered across all core markets and income categories. **Net trading result** declined to EUR 231 million (EUR 428 million); the line item **gains/losses from financial instruments measured at fair value through profit or loss** rose to EUR 58 million (EUR -70 million). The development of both line items was mostly attributable to valuation effects. **Operating income** increased to EUR 8,587 million (+3.2%; EUR 8,319 million). **General administrative expenses** were up at EUR 4,068 million (+6.8%; EUR 3,809 million). Personnel expenses increased to EUR 2,449 million (+5.6%; EUR 2,318 million) driven by collectively agreed salary increases. Other administrative expenses were higher at EUR 1,206 million (+11.1%; EUR 1,086 million). While contributions to deposit insurance schemes included in other administrative expenses – mostly already posted upfront for the full year of 2025 – declined to EUR 59 million (EUR 72 million), IT expenses increased to EUR 530 million (EUR 451 million). Amortisation and depreciation amounted to EUR 413 million (+2.0%; EUR 405 million). Overall, the **operating result** increased moderately to EUR 4,519 million (+0.2%; EUR 4,510 million), the **cost/income ratio** stood at 47.4% (45.8%).

The **impairment result from financial instruments** amounted to EUR -318 million or 19 basis points of average gross customer loans (EUR -211 million or 13 basis points). Allocations to provisions for loans and advances were posted primarily in Austria. The **NPL ratio** based on gross customer loans improved moderately to 2.5% (2.6%). The **NPL coverage ratio** (excluding collateral) increased to 73.7% (72.5%).

Other operating result amounted to EUR -212 million (EUR -289 million). Expenses for annual contributions to resolution funds included in this line item already for the full year of 2025 declined to EUR 15 million (EUR 28 million). Banking levies – currently payable in four core markets – went up, though. EUR 284 million (EUR 194 million) are reflected in other operating result: thereof, EUR 141 million (EUR 137 million) were charged in Hungary. In Austria, banking tax rose to EUR 102 million (EUR 30 million) on the back of a temporary tax increase, in Romania it amounted to EUR 41 million (EUR 27 million). The banking tax in Slovakia of EUR 50 million (EUR 74 million) is posted in the line item taxes on income.

Taxes on income amounted to EUR 815 million (EUR 817 million). The decline in the minority charge to EUR 596 million (EUR 653 million) was attributable to lower profitability at the savings banks. The **net result attributable to owners of the parent** rose to EUR 2,566 million (+ 2.0%; EUR 2,516 million).

Total equity not including AT1 instruments rose to EUR 30.1 billion (EUR 28.1 billion). After regulatory deductions and filtering in accordance with the Capital Requirements Regulation (CRR), **common equity tier 1 capital** (CET1, phased-in) increased to EUR 26.4 billion (EUR 24.0 billion), total **own funds** to EUR 34.8 billion (EUR 30.9 billion). While interim profit for the first half of the year is included in the above figures, interim profit for the third quarter is not. Total risk (**risk-weighted assets** including credit, market and operational risk, phased-in) declined to EUR 151.1 billion (EUR 157.2 billion). The **common equity tier 1 ratio** (CET1, phased-in) increased to 17.5% (15.3%), the **total capital ratio** to 23.0% (19.7%).

Total assets increased to EUR 362.9 billion (+2.6%; EUR 353.7 billion). On the asset side, cash and cash balances rose to EUR 25.3 billion (EUR 25.1 billion); loans and advances to banks were lower at EUR 24.0 billion (EUR 27.0 billion). Year to date, **loans and advances to customers** rose to EUR 228.0 billion (+4.5%; EUR 218.1 billion), most dynamically in Central and Eastern Europe, in particular in the Czech Republic, Slovakia and Hungary. On the liability side, deposits from banks declined to EUR 15.8 billion (EUR 21.3 billion). **Customer deposits** rose – most strongly in the Czech Republic – to EUR 247.8 billion (+2.5%; EUR 241.7 billion). Deposit growth was driven by core deposits (Retail, SMEs and Savings Banks segment). The **loan-to-deposit** ratio stood at 92.0% (90.2%)

OUTLOOK

Following the good business development in the first three quarters of the year, Erste Group has raised the financial outlook for 2025 again. Net interest income is now projected to increase by more than 2% in 2025 (versus slightly higher) and the cost/income ratio is forecast to be around 48% (instead of less than 50%). Furthermore, Erste Group expects a CET1 ratio above 18.5% at year end 2025 (before first time consolidation of Santander Bank Polska). All other assumptions – most of which were already upgraded a quarter ago – remain unchanged.

Overall, Erste Group expects to achieve a return on tangible equity (ROTE) of more than 15% reflecting strong loan growth and better P&L dynamics. This ambition is built on the following key assumptions: Firstly, the macroeconomic environment, primarily as measured by real GDP growth, in Erste Group's seven core markets (Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia and Serbia) remains robust. Based on good growth dynamics almost across the entire group in the first three quarters of 2025, Erste Group expects loan volumes to rise by more than 5% in 2025. Secondly, operating result is expected broadly unchanged or even moderately up versus 2024, as net interest income is now projected to increase by more than 2% in 2025 (versus slightly higher), net fee and commission income is set to grow by more than 5%, net trading and fair value result to stay flat versus 2024, and operating expenses likely rise in the order of 5%. Consequently, the cost/income ratio is expected at around 48% (versus less than 50%). Given the good credit risk performance in the first three quarters of 2025, the full-year risk cost guidance of about 20 basis points is confirmed. In addition, regulatory costs, comprising deposit insurance and resolution fund contributions, banking levies such as banking and financial transaction taxes as well as sector-specific extra profit taxes, and, the cost of supervision, in aggregate, are expected to increase due to a higher banking tax in Austria and in Romania.

The other result is often impacted by one-off effects and thus difficult to project. In general, it is driven by regulatory costs (with the exception of deposit insurance contributions as well as extra profit tax in Slovakia) and gains and losses from financial instruments not measured at fair value through P&L. Due to positive one-off impacts in 2025, it should burden the bottom line result less than in 2024 despite massive banking tax increases in Austria and Romania. Assuming an effective group tax rate of about 20.5% and lower minority charges compared to 2024, all of the above should result in return on tangible equity of higher than 15% in 2025.

Due to the strong profit performance and faster than expected capital build Erste Group's CET1 ratio (pro forma, i.e. including the net profit of the third quarter) stood at 18.2% end of September. Thus, the expected CET1 ratio at the end of the year prior to the first-time consolidation of Santander Bank Polska is now expected at more than 18.5% (versus previously 18.25%).

Potential risks to the guidance include (geo)political and economic (including monetary and fiscal policy impacts) developments, regulatory measures as well as changes to the competitive environment. Current international (military) conflicts do not impact Erste Group directly, as it has no operating presence in regions involved. Indirect effects, such as financial markets volatility, sanctions-related knock-on effects, supply chain disruptions or the emergence of deposit insurance or resolution cases cannot be ruled out, though. Erste Group is moreover exposed to non-financial and legal risks that may materialise regardless of the economic environment. Worse than expected economic development may put goodwill at risk.

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