Erste Group Bank AG

Financial Statements 2024

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I. Balance Sheet of Erste Group Bank AG as of 31 December 2024

in EUR or in EUR thousand	Dec 24	Dec 23
Assets		
1. Cash in hand, balances with central banks	**6,932,389,126.24**	**18,056,222**
2. Treasury bills and other bills eligible for refinancing with central banks	**16,142,602,716.66**	**6,330,421**
a) treasury bills and similar securities	16,142,602,716.66	6,330,421
b) other bills eligible for refinancing with central banks	0.00	0
3. Loans and advances to credit institutions	**32,386,353,438.44**	**28,869,339**
a) repayable on demand	2,556,697,754.68	2,123,029
b) other loans and advances	29,829,655,683.76	26,746,310
4. Loans and advances to customers	**23,652,702,555.21**	**22,050,416**
5. Debt securities and other fixed-income securities	**13,997,028,309.44**	**13,042,334**
a) issued by public bodies	400,068,687.80	1,280,516
b) issued by other borrowers	13,596,959,621.64	11,761,818
of which: own debt securities	8,616,526,685.35	6,986,430
6. Shares and other variable-yield securities	**1,811,052,439.54**	**1,480,801**
7. Participating interests	**155,622,283.59**	**130,135**
of which: in credit institutions	34,984,198.07	31,512
8. Shares in affiliated companies	**9,796,892,382.09**	**9,093,322**
of which: in credit institutions	9,210,717,263.09	8,338,364
9. Intangible fixed assets	**27,129,215.69**	**25,825**
10. Tangible fixed assets	**170,826,570.73**	**175,897**
of which: land and buildings used by the credit institution for its own business operations	3,441,676.69	0
11. Shares in a controlling company	**0.00**	**0**
of which: par value	0.00	0
12. Other assets	**2,888,186,793.73**	**3,120,093**
13. Subscribed capital called but not paid	**0.00**	**0**
14. Prepayments and accrued income	**98,156,944.66**	**91,128**
15. Deferred tax assets	**46,890,686.68**	**207,253**
Total assets	**108,105,833,462.70**	**102,673,186**
Off-balance sheet items		
1. Foreign assets	**68,913,090,177.46**	**56,141,376**

in EUR or in EUR thousand	Dec 24	Dec 23
Liabilities and equity		
1. Liabilities to credit institutions	**35,552,929,403.79**	**33,101,836**
a) repayable on demand	7,501,888,281.18	4,909,846
b) with agreed maturity dates or periods of notice	28,051,041,122.61	28,191,991
2. Liabilities to customers (non-banks)	**10,672,556,758.47**	**15,471,102**
a) savings deposits	0.00	0
aa) repayable on demand	0.00	0
bb) with agreed maturity dates or periods of notice	0.00	0
b) other liabilities	10,672,556,758.47	15,471,102
aa) repayable on demand	2,583,489,780.73	3,081,726
bb) with agreed maturity dates or periods of notice	8,089,066,977.74	12,389,376
3. Securitised liabilities	**38,906,116,330.63**	**32,508,282**
a) debt securities issued	35,216,229,412.60	32,421,622
b) other securitised liabilities	3,689,886,918.03	86,660
4. Other liabilities	**3,073,977,891.72**	**3,435,006**
5. Accruals and deferred income	**202,263,998.72**	**220,374**
6. Provisions	**549,929,131.48**	**490,098**
a) provisions for severance payments	0.00	0
b) provisions for pensions	214,367,658.01	238,814
c) provisions for taxes	100,909,491.62	81,273
d) other	234,651,981.85	170,011
6a. Special fund for general banking risks	**0.00**	**0**
7. Tier 2 capital pursuant to Part 2 Title I Chapter 4 of Regulation (EU) No 575/2013	**4,679,783,521.81**	**4,009,945**
8. Additional Tier 1 capital pursuant to Part 2 Title I Chapter 3 of Regulation (EU) No 575/2013	**2,738,413,036.38**	**2,449,703**
of which: Compulsory convertible bonds pursuant to § 26 Austrian Banking Act (BWG)	**0.00**	**0**
8b Instruments without a vote pursuant to § 26a Austrian Banking Act (BWG)	**0.00**	**0**
9. Subscribed capital	**821,028,768.00**	**843,326**
a) Share capital	821,028,768.00	859,600
b) Nominal amount own treasury shares	0.00	-16,274
10. Capital reserves	**1,666,725,957.86**	**1,628,111**
a) committed	1,666,725,957.86	1,628,111
b) uncommitted	0.00	0
10a. Reserves for share-based payments	**9,890,118.10**	**6,867**
11. Retained earnings	**7,149,052,624.74**	**6,500,590**
a) statutory reserve	1,537,900,000.00	1,537,900
b) reserves provided for by the articles	0.00	0
c) other reserves	5,447,939,005.89	4,678,079
d) other restricted reserves	163,213,618.85	284,611
11a. Reserves for own shares	**0.00**	**16,274**
12. Reserve pursuant to section 57 (5) of Austrian Banking Act (BWG)	**851,000,000.00**	**851,000**
13. Net profit or loss for the year	**1,231,543,152.00**	**1,140,000**
14. Investment grants	**622,769.00**	**670**
Total Liabilities and equity	**108,105,833,462.70**	**102,673,186**
Off-balance sheet items		
1. Contingent liabilities of which	**12,627,167,030.47**	**6,795,798**
a) acceptances and endorsements	0.00	0
b) guarantees and assets pledged as collateral security	12,567,217,030.47	6,624,576
c) credit derivatives	59,950,000.00	171,222
2. Commitments	**19,784,657,725.55**	**17,039,891**
of which: commitments arising from repurchase agreements	0.00	0
3. Liabilities arising out of fiduciary activities	**130,778.15**	**171**
4. Own funds pursuant to Part 2 of Regulation (EU) No 575/2013	**15,948,354,321.41**	**14,977,853**
of which: Tier 2 capital pursuant to Part 2 Title I Chapter 4 of Regulation (EU) No 575/2013	3,843,503,175.18	2,974,852
5. Own funds requirements pursuant to Art 92 of Regulation (EU) No 575/2013 of which: capital required pursuant to Art 92 (1) of Regulation (EU) No 575/2013	**40,976,387,481.19**	**41,001,765**
a) Common Equity Tier 1 capital ratio	22.99%	23.41%
b) Tier 1 capital ratio	29.54%	29.27%
c) Total capital ratio	38.92%	36.53%
6. Foreign liabilities	**23,833,019,479.56**	**21,725,576**

II. Income Statement of Erste Group Bank AG for the year ended 31 December 2024

in EUR or in EUR thousand	1-12 24	1-12 23
1. Interest and similar income	8,754,553,453.09	10,115,189
of which: from fixed-income securities	1,041,692,343.12	755,092
2. Interest and similar expenses	-8,550,198,101.25	-9,925,541
I. NET INTEREST INCOME	**204,355,351.84**	**189,648**
3. Income from securities and participating interests	1,978,454,839.16	1,533,567
a) income from shares, other ownership interests and variable-yield securities	88,236,041.97	84,054
b) income from participating interests	10,504,806.04	7,878
c) income from shares in affiliated companies	1,879,713,991.15	1,441,634
4. Commissions income	234,159,400.49	215,822
5. Commissions expenses	-182,905,877.37	-166,378
6. Net profit or loss on financial operations	35,436,346.89	23,227
7. Other operating income	167,132,101.65	105,147
II. OPERATING INCOME	**2,436,632,162.66**	**1,901,032**
8. General administrative expenses	-649,146,506.37	-591,815
a) staff costs	-325,560,774.91	-304,791
aa) wages and salaries	-256,843,621.37	-228,545
bb) expenses for statutory social security contributions and compulsory contributions related to wages and salaries	-50,118,332.87	-44,259
cc) other social expenses	-2,944,639.89	-2,535
dd) expenses for pensions and assistance	-10,975,970.89	-11,264
ee) release / allocation to the provision of pensions	0.00	-12,154
ff) expenses for severance payments and contributions to severance and retirement funds	-4,678,209.89	-6,033
b) other administrative expenses	-323,585,731.46	-287,024
9. Value adjustments in respect of assets items 9 and 10	-13,524,986.24	-11,882
10. Other operating expenses	-31,713,488.57	-49,208
III. OPERATING EXPENSES	**-694,384,981.18**	**-652,904**
IV. OPERATING RESULT	**1,742,247,181.48**	**1,248,128**
11./12. Income/expenses from value adjustments of loans and advances as well as individual provisions for liabilities and credit risks	-6,388,814.56	139,028
13./14. Income/expenses from value adjustments of transferable securities held as financial fixed assets, participating interests and shares in affiliated companies	697,481,314.57	342,610
V. PROFIT ON ORDINARY ACTIVITIES	**2,433,339,681.49**	**1,729,766**
15. Extraordinary income	1,566,202.66	36,129
of which: withdrawals from the special fund for general banking risks	0.00	0
16. Extraordinary expenses	0.00	0
of which: allocation to the special fund for general banking risks	0.00	0
17. Extraordinary result (sub-total of items 15 and 16)	1,566,202.66	36,129
18. Tax on profit or loss	-2,493,609.46	71,261
19. Other taxes not reported under item 18	-26,774,687.67	-18,881
VI. PROFIT FOR THE YEAR AFTER TAX	**2,405,637,587.02**	**1,818,275**
20. Changes in reserves	-1,177,629,583.42	-678,275
of which: allocation to liability reserve pursuant to section 23 -6 of the Austrian Banking Act (BWG)	0.00	0
of which: reversal of liability reserve pursuant to section 23 -6 of the Austrian Banking Act (BWG)	0.00	0
VII. PROFIT FOR THE YEAR AFTER DISTRIBUTION ON CAPITAL	**1,228,008,003.60**	**1,140,000**
21. Profit brought forward from previous year	3,535,148.40	0
22. Profit transferred on the basis of profit transfer agreement	0.00	0
VIII. PROFIT FOR THE YEAR	**1,231,543,152.00**	**1,140,000**

III. Notes to the Financial Statement 2024

A. GENERAL INFORMATION

Erste Group Bank AG is listed on the Vienna Stock Exchange. It is also quoted on the Prague Stock Exchange and on the Bucharest Stock Exchange. Erste Group Bank AG is registered in the company register at the Commercial Court of Vienna under FN 33209m. The address of its registered office is: Am Belvedere 1, 1100 Vienna, Austria.

The 2024 financial statements of Erste Group Bank AG have been prepared in accordance with the regulations of the Commercial Code (Unternehmensgesetzbuch, UGB) and in conjunction with the applicable provisions of the Austrian Banking Act (Bankwesengesetz, BWG).

Pursuant to section 59a Austrian Banking Act (BWG), Erste Group Bank AG has prepared the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) on the same balance sheet date. The Erste Group consolidated financial statements have been filed with the commercial register at the Commercial Court of Vienna.

Erste Group Bank AG forms together with the Austrian savings banks a cross-guarantee scheme (Haftungsverbund) in accordance with article 4 (1) Z 127 CRR as well as an institutional protection scheme (IPS) approved by the supervisory authority pursuant to article 113 (7) CRR, whereby the contributions of the members, in case of the triggered event, are subject to an individual and general cap. The applicable amounts are determined by the cross-guarantee steering company that notifies the contributing members.

According to the regulations on the cross-guarantee scheme, the joint fulfilment of liabilities to customers (this applies to all deposits pursuant to section 1 (1) no. 1 BWG, all monetary claims based on credit balances from banking transactions, all monetary claims from the issue of securities, excluding own funds items pursuant to article 26ff, 51ff, 62ff CRR and claims from transactions relevant under criminal law) depends on the respective capitalization of the individual cross-guarantee scheme members. For new liabilities to customers, this provision was lifted from September 1, 2024; liabilities until August 30, 2024 are phasing out.

The contributions of the IPS members in the IPS ex-ante fund, that is set up for support measures, are recognised in the balance sheet as a participating interest in IPS GesbR, which manages this ex-ante fund, and are accounted for as retained earnings. Due to the contractual terms, these retained earnings represent a blocked reserve. This reserve can be utilised only in case of a claim by ex-ante fund and therefore cannot be used internally to cover losses. It qualifies as capital according to the CRR only on a consolidated level, but not on the single entity level. Further explanations can be found in chapter C 23 Resolution Fund, deposit guarantee fund, IPS fund.

Furthermore, Erste Group Bank AG is the central institution for the associated Austrian savings banks, and together they form a liquidity compound pursuant to section 27a Austrian Banking Act (BWG). Where necessary, Erste Group Bank AG must supply liquidity to an associated savings bank in accordance with the legal and contractual provisions.

Ongoing legal cases

Erste Group Bank AG is party to lawsuits that mostly relate to ordinary banking business. The outcome of these proceedings is not expected to have a significant negative impact on the financial position and profitability of Erste Group Bank AG. Erste Group Bank AG is currently involved in the following legal case:

Lawsuit filed by minority shareholders in Česká Spořitelna a.s.:
Following the completion of a squeeze-out procedure in Česká Spořitelna a.s. resulting in Erste Group Bank AG becoming the sole shareholder of Česká Spořitelna a.s., some former minority shareholders of Česká Spořitelna a.s. filed a lawsuit with the courts in Prague. In these proceedings, the plaintiffs essentially claim that the settlement price per share of CZK 1,328.00 (approx. EUR 51.00 at the time) paid by Erste Group Bank AG was unfair and too low and should be increased. If the courts deem an increase to be necessary, this decision will work in favor of all former minority shareholders. In the squeeze-out carried out in 2018, Erste Group Bank AG acquired a total of 1.03% of minority shares with a value of EUR 80,327,547.67. Erste Group Bank AG considers the settlement amount determined by an external valuation expert, the amount of which was confirmed by another external expert consulted by Erste Group Bank AG in the course of the ongoing proceedings, to be correct and fair. The competent court of first instance in Prague decided in line with the opinion of Erste Group Bank AG that it had paid a fair and correct settlement amount to the former minority shareholders in the - not legally binding - judgment of first instance and rejected the claim for an increased settlement amount asserted by the plaintiffs. The judgement was appealed by several plaintiffs. The appellate proceeding is still pending.

Disclosure

Erste Group Bank AG fulfills the publishing disclosure requirements according to Part 8 of the regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation – CRR) published on the Internet. Details are available on the website of Erste Group at www.erstegroup.com/ir. The consolidated capital as well as consolidated capital requirements are published in Erste Group's consolidated financial statements. Further disclosures can be found in the Erste Group annual report in the section 'reports' or they are published as separate documents in the section 'regulatory disclosure'.

Large enterprise according to section 221 Commercial Code (UGB)

Pursuant to section 221 (3) Commercial Code (UGB) in connection with section 189a Commercial Code (UGB), Erste Group Bank AG is the subject to the legal regulations for large companies for the financial year ending 31 December 2024.

B. NOTES ON ACCOUNTING AND MEASUREMENT METHODS

Generally accepted accounting principles

The financial statements were prepared in accordance with the generally accepted accounting principles and according to the standard principle that the financial statements should provide a fair and accurate view of the company's financial position, income and expenses. In the preparation of the financial statements, the principle of completeness was applied. The principle of individual measurement was applied in assessing the company's assets and liabilities, and the assumption was that the company would continue to operate (going concern). In applying the principle of prudence, the particularities of the banking business were considered.

Receivables and liabilities in foreign currency

Receivables and liabilities in foreign currencies were measured at the ECB reference rates applicable at the balance sheet date. The currencies for which ECB did not publish a reference rate were recognised at the mid-rate published by Erste Group Bank AG applicable at the balance sheet date. Foreign exchange forward transactions and foreign exchange swaps were priced at the forward exchange rate.

Participating interests and shares in affiliated companies

The valuation approach for participating interests and shares in affiliated companies is the modified lower of cost or market principle.

The fair value is determined based on expert assessments of the corporate value and recent transactions or market values. In general, the value is determined using a discounted cash-flow model (DCF model), which incorporates the specifics of the banking business and its regulatory environment. For this purpose, Erste Group Bank AG performs an annual impairment test at the balance sheet date, although an impairment test is also carried out during the year if evidence exists that might indicate depreciation. Methodologically, this is carried out following International Accounting Standards (IAS) 36.

The estimation of future earnings distributable to shareholders is based on financial plans (budgets) as agreed by the management of the subsidiaries while considering the fulfillment of the respective regulatory capital requirements. The corporate value determination is based on different budget scenarios to reflect the uncertainty about the future macroeconomic development and the development of the risk costs. The base scenario uses the approved budgets. The downside scenario takes a more conservative view of the macroeconomic data. The scenarios are weighted with their expected probability of occurrence.

Any forecast beyond the planning period is derived based on the last year of the planning period and a long-term growth rate (perpetual annuity). If the implicit return on equity is higher than the equity capital costs at the end of the planning period, the return on equity for the perpetuities is aligned with the equity capital costs. The present value of perpetual earnings growing at a stable rate (referred to as terminal value) takes macroeconomic parameters estimates and economically sustainable cash flows into consideration.

The interest rate used for calculation is determined based on the CAPM (Capital Asset Pricing Model). Key input factors include:

_ A risk-free interest rate (Source: Svensson yield curve method for 30-year German government bonds)
_ Market risk premium
_ Beta factor
_ Weighted country risk premium (Source: Damodaran).

Dividend earnings from participating interests and shares in affiliated companies are reported according to the resolution on dividend pay-outs and shown in the profit and loss category 3 Income from securities and participating interests

Loans and advances to credit institutions and customers

Credit loans and advances to credit institutions and customers were measured in accordance with the provisions set out in the provision paper by the AFRAC (Austrian Financial Reporting and Auditing Committee) of 14 June 2021 using the effective interest rate method. Default risks, which were recognised at the balance sheet date, were covered by loan loss provisions. Write-ups from the release of loan loss provisions were carried out. Methodologically, the calculation of loan loss provisions is conducted using the IFRS 9 impairment models set out in the Commercial Code (UGB).

Securities

Securities are valued according to their classification either as trading assets, current assets, fixed assets, or receivables and similar financial instruments (Forderungen und forderungsähnliche Finanzinstrumente (FFI)). FFI are debt instruments which are intended to be kept until their maturity and for which the value is not potentially affected by risk and income structures that differ significantly from the instrument's default risks.

_ trading assets at market value, even above the acquisition cost
_ current assets at amortised cost or at the market price if lower. If the market price cannot be determined, they are valued according to the acquisition cost or fair value if lower. Repurchased own listed bonds (retained covered bonds) are valued at the redemption amount.
_ securities, which are FFI, are valued at amortised cost less impairment for default risks. Only securities held as fixed assets are FFI.
_ debt instruments held as fixed assets, that are not FFI, are written down to the lower fair value when the permanent impairment can be presumed („ the moderated lower of cost or market principle "). Other securities held as fixed assets are valued at the lower of amortized cost or fair value („ the strict lower of cost or market principle "). Securities in the asset class 6 are valued according to the strict lower of cost or market principle without exception.

The allocation of securities to trading assets, current assets or fixed assets and the determination of the intention to hold them until maturity is done in accordance with the organisational policies adopted by the management board. The fair value is the price that can be achieved by selling or buying a financial instrument in an active market. Market prices are used for the assets' valuation where available. The valuation methods, especially the present value method, are used for assets without market prices.

Amortized cost and Effective Interest Rate Method

The amortised cost of financial assets is the amount at which the asset is measured at the initial recognition minus redemptions, plus or minus the cumulated amortisation between the original amount and the amount redeemable at maturity using the effective interest rate method. In the lending business, fees, and commission similar in nature to interest as well as changes in estimates are amortised on a pro rata basis using the effective interest method.

The effective interest rate is the interest rate that discounts the estimated future cash flows over the expected life of the asset or liability to the amortized cost. The estimated cash flows take into consideration all contract conditions. The expected credit losses, however, are not considered. Furthermore, the calculation includes transaction costs and handling fees, if these are distributable, as well as all other premiums or discounts.

Pursuant to section 56 (2) and (3) Austrian Banking Act (BWG) in connection with section 198 (7) Commercial Code (UGB), the difference between acquisition cost and redemption amount for fixed-income securities with the characteristics of the financial investments as well as for securitised liabilities is amortised on a pro rata basis. The distribution of the difference takes place in line with AFRAC statement 14 "Accounting of non-derivative financial instruments" according to the effective interest rate method either until the call date, or until the redemption date.

LENDING BUSINESS

Interest-related fees and commissions, as well as changes in estimates in the lending business, are amortized on a pro rata basis using the effective interest method.

Should the nominal interest rate change during the life of a variable interest rate loan and this change is not due to contractual modification, the changes to the contractual future cash flows are taken into consideration by recalculating the effective interest rate. Any caps and floors agreed on the nominal interest rate are also considered.

If the expected contractual future cash flows of a loan change during the contract term and the change is neither due to contractual modification nor to an adjustment to the nominal interest rate, nor to a deterioration in creditworthiness, the amortised cost of the asset is adjusted by a changed estimate. This changed estimate corresponds to the difference between the amortised cost before the change in the expected cash flows and the present value of the newly expected contractual cash flows discounted by the original effective interest rate. The changed estimate is reflected in the interest income in the profit and loss statement.

Market-based adjustments to interest conditions, which fulfil specific conditions, are considered by recalculating the effective interest rate. Such changes to the interest conditions usually concern loans, which have no forbearance status and for which there is a prepayment option and a sufficiently competitive refinancing market. Moreover, the costs, which are incurred by the debtor in the case of prepayment or early termination, must be low.

Handling of contractual modifications

A contractual modification occurs if a contract is modified in a way that was not specified in the contract. Contractual modifications are mainly made in the lending business. These contractual modifications are split into significant and non-significant modifications, depending on qualitative and quantitative aspects.

A contractual modification is significant if, following qualitative and quantitative assessment, there is a significant change which adjusts the asset's economic substance significantly. A contractual modification can be classified as significant for performing loans if it leads to a borrower change, a currency conversion (if this was not stipulated in the contract), certain changes to the interest clause, a change in present value, or a change to the weighted residual maturity of a certain magnitude. Significant contractual modifications lead to the derecognition of the original financial asset and to the initial recognition of a new financial asset in accordance with the contractual modifications. If the debtor has defaulted or the significant contractual modification leads to a default, the new asset is treated as a defaulted asset. The difference between the carrying value of the derecognised asset and the fair value of the new asset is initially recognised in profit and loss category 11 or 12.

If the debtor has not defaulted and the significant contractual modification does not lead to default, the new asset is classified in stage 1 following the derecognition of the original asset. Stage 1 includes financial assets at initial recognition (provided they are not already impaired at the time of acquisition) and financial assets that, regardless of their credit rating, have not shown a significant increase in credit risk since initial recognition. The non-amortised amount of handling fees/transaction costs, which were reflected in the effective interest rate, is booked at the time of derecognition in the interest result. The reversal of impairments, which were recorded for the original asset until the contract has been significantly modified, as well as the booking of impairments for the new asset are shown in profit and loss category 11 or 12. The remaining difference between the old book value following the release of the amortized handling fees and transaction costs and the fair value of the new asset is shown in other operating income or expenses (profit and loss category 7 or 10).

A contractual adjustment is non-significant if, following qualitative and quantitative assessment, there is no significant change and the asset's economic substance is only insignificantly adjusted. Non-significant contractual modifications are accounted for according to general corporate law principles.

Impairment for credit risks

Impairments for default risks are recognised for receivables and similar financial instruments. Impairments for default risks are particularly recognised for credit claims, certain securities held as fixed assets, and off-balance sheet credit risks from financial guarantees and certain loan commitments.

For credit claims, the book value of the asset recorded in the balance sheet corresponds to the difference between the amortised cost and the cumulated impairment. Impairment for loan commitments and financial guarantees are reported in the balance sheet item

“Other provisions”. In the profit and loss statement, impairment losses and income are recorded in profit and loss category 11/12 or 13/14 for all assets in accordance with section 53 Austrian Banking Act (BWG).

The calculation of impairment is carried out by using the IFRS 9 model in the Commercial Code (UGB) in accordance with AFRAC statement 14 (June 2021). The impairment model is based on expected credit loss and considers the “statistically determined empirical values from similar facts and circumstances” in Section 201 (2) Z 7 Commercial Code (UGB), which are also necessary for the valuation of expected credit loss in the Commercial Code (UGB).
Expected credit loss (ECL) reflects the following:
— an unbiased probability-weighted amount, which is determined by a series of possible scenarios,
— the time value of money, and
— plausible and comprehensible information about past events and current conditions, as well as prognoses about future economic developments that are available as of the balance sheet date without unreasonable cost or effort.

THREE STAGE MODEL

An impairment model based upon a three-stage approach is used for the calculation of the risk provisions:
— Stage 1 includes financial assets at initial recognition (provided they are not already impaired at the time of acquisition) and financial assets that, regardless of their credit rating, have not shown a significant increase in credit risk since initial recognition.
— Stage 2 includes financial assets which have shown a significant increase in credit risk since initial recognition, however for which there is not yet any impairment at the time of report. Stage 2 also includes non-impaired assets, which credit risk could not be assessed at the time of acquisition due to missing data in the framework of the IFRS 9 transition. There exist specific rules for the classification of initial utilisation of the approved credit lines. Dependent on the development of credit risk between approval and initial utilisation, the loan is classified at stage 1 or stage 2.
— Stage 3 includes financial assets that are impaired on the reporting date. A financial asset is principally impaired if the customer defaults.

Across the Erste Group, the definition used for loan default is based on European Banking Authority requirements in EBA/GL/2016/07 “Guidelines on the application of the definition of default under Article 178 of Regulation (EU) number 575/2013” and “Commission Delegated Regulation (EU) 2018/171 of 19 October 2017 on supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for the materiality threshold for credit obligations past due.” The definition lays out the rules for “default contagion” in groups of connected customers and establishes the concept of technical overdue. When applying the definition of default, Erste Group generally takes an overall customer view, which leads to an impairment of all receivables, even if the default occurs in only one of several transactions (pulling effect). On the other hand, an upgrade from the default status results in the loss of the impaired creditworthiness for all risk positions.

In stage 1 risk provisions are calculated based on the expected credit losses over 12 months. In stages 2 and 3 risk provisions are calculated based on the lifetime expected credit losses.

SIGNIFICANT INCREASE IN CREDIT RISK

Concerning the modelling of the expected credit losses (ECL) and the calculation of the risk provisions for credit risks resulting therefrom, the identification of a significant increase in credit risk (SICR) since the recognition of the credit claim is one of the substantial determinants for the expected impact. For this purpose, quantitative and qualitative indicators for the estimation of a SICR are defined for all portfolios and product types, including receivables overdue by more than 30 days.

Quantitative indicators include adverse changes in the probability of default (PD) over the lifetime, whereby the significant increase is determined by means of a combination of relative and absolute change threshold levels. Generally, the indicators for the PD are defined to represent the risk in consideration of forward-looking information (FLI) as a point-in-time measurement. The PD threshold levels are defined for customer segments or (individual) customer rating and are subject to continuous validation.

Qualitative indicators for calculating a SICR include forbearance measures and the transfer of the customer to the workout department as well as early warning indicators (if these are not already sufficiently considered in the rating) and indications of fraud. The setting of qualitative indicators is based inherently on the expert evaluation of credit risks, which is to be carried out in an appropriate and timely manner. The group-wide and institution-specific guidelines and processes concerning this ensure the required governance framework. Besides the qualitative determinants on a customer level, the calculation of a SICR is carried out at portfolio level if the increase to the credit risk on a business or customer level occurs only after some delay or if the increase is only noticeable at portfolio level. In the financial year 2024, additional approaches were used to determine the significant increase in credit risk, as described in the “Effects of the multiple crises on economic development” section.

RISK PROVISIONS DETERMINED INDIVIDUALLY OR COLLECTIVELY

The calculation of risk provisions for defaulted customers is generally carried out on an individual level. The individual method is used for significantly defaulted customers and comprises an individual definition of those restructuring or liquidation scenarios deemed currently possible, their probability of occurrence, and the expected recoveries per scenario (amortisations and collateral proceeds) by the workout risk manager. The present value is determined by discounting the expected cash flows using the original effective interest rate. The required risk provision is the difference between the gross carrying amount and the present value of the expected cash flows in a scenario, that is the probability weighted calculation of all scenarios. A customer is classified as significant if the total receivables and off-balance sheet items are above a certain materiality threshold. Otherwise, the customer is classified as "insignificant", whereby a rule-based approach is applied for the calculation of the individual risk provision. Statistically calculated risk parameters are used for the expected loss calculation of a customer classed as "insignificant", depending on the length of recovery and the status of the restructuring and workout process, the potential restructuring and settlement scenarios, their probability of occurrence, and the associated expected returns.

The risk provisions are calculated by taking the gross carrying amount, minus the cash-flows discounted by the effective interest rate per scenario, calculated over all probability weighted scenarios. The calculation of risk provisions for receivables for not defaulted customers follows a rule-based approach. The credit risk parameters used in the calculation include the gross carrying amount at default, the probability of default (PD), the loss given default (LGD), and the conversion factor (CCF) for off-balance sheet items. When determining the loss given default, the result of discounting future cash flows to the present value is considered. The risk parameters applied in the calculation of the expected credit loss consider both the information available on past events and current conditions on the reporting date, as well as future-related information in the form of forecasts concerning future economic developments. Depending on the characteristics of each portfolio and in consideration of the IFRS rules, the risk parameters which are used in the calculation of the rule-based risk provisions can differ from the risk parameters used to calculate the capital requirements.

EFFECTS OF THE MULTIPLE CRISES ON ECONOMIC DEVELOPMENT

Due to the multiple crises in recent years and their different effects on economic development, Erste Group Bank AG applied a collective assessment of the significant increase in credit risk (stage overlays) at the end of December 2024, in addition to the standard assessment of forward-looking information. This led to a shift to stage 2 on the basis of predefined portfolio characteristics.

Certain industrial sectors are vulnerable to the distortions of the current environment of multiple crises with geopolitical and macroeconomic shocks. Persistently high inflation and the reduction in disposable income continue to dampen private consumption, while the high level of global uncertainty and high refinancing conditions are having a negative impact on investment and industrial activity. While certain industries have performed robustly, others continue to face high inventory levels, persistent supply chain issues and cost inflation, as well as additional low demand. The latter is not yet reflected in customers' financial data and ratings are expected to deteriorate.

As the fiscal year 2024 has shown that developments vary from sector to sector, the stage overlay in place at the end of 2023 was suspended for selected industries in the energy sector. It was concluded that the risk in the case of the energy sector/energy-intensive industries was mitigated (sufficient gas reserves in Europe, stabilized energy prices). Moreover the stage overlay for cyclical industries was revised and linked more closely to the internal risk management processes. The rules for the stage overlay (industry overlay) were defined as a combination of industries with a high risk profile (according to the industry strategy) or medium risk profile and a hold/decrease strategy as well as a threshold value for the one-year default probabilities according to UGB/IFRS.

Intangible and tangible assets

Intangible and tangible assets were measured at purchase or production cost less depreciation and impairment. Straight-line depreciation has been applied. The useful life is 25 to 50 years for buildings, 4 to 20 years for business and office equipment and 4 to 15 years for intangible assets. Low-value assets were fully written off in the year of acquisition.

Liabilities

Liabilities were recognised in the balance sheet at their settlement values.

Issuing costs for securities were expensed immediately; premiums and discounts on issued securities were amortised on a pro rata basis using the effective interest rate method.

Provisions

DEFINED BENEFIT PLAN

Defined benefit plans of Erste Group Bank AG comprise provisions for pension, severance, and jubilee benefits. In Austria, defined pension plans now only apply to retired employees. The pension obligations for active employees were transferred to VBV-Betriebliche Altersvorsorge AG in the previous years. Remaining with Erste Group Bank AG is a defined-benefit obligation for entitlements of former employees who had already retired by 31 December 1998 before the pension reform took effect, and for those former employees who did not retire until 1999 but continued to be entitled to a direct pension from Erste Group Bank AG under individual agreements. Entitlements to resulting survivor pensions also remained with the Erste Group Bank AG. Severance entitlements continue to be applicable for employees whose employment contract with Erste Group Bank AG commenced prior to 1 January 2003. Severance pay is a one-off payment which employees are entitled to when their employment is terminated. Entitlement to this severance pay arises after three years of employment. Defined benefit plans include jubilee benefits. The amount of jubilee benefits (payments for long-term service/loyalty to the company) is determined by the length of employment with the employer. The entitlement to jubilee benefits is established by a collective agreement, which defines both the conditions and amount of the entitlement.

Obligations under defined benefit plans for employees are determined using the projected unit credit method. Future obligations are determined based on actuarial reports. The calculation considers not only the known salaries, pensions and entitlements to future pension payments but also expected salary and pension increases.

The interest rate applied for the calculation of long-term personnel provisions is derived from the current interest rate of a portfolio of high-quality (AA-rating) corporate bonds. For this purpose, the weighted average of the yield of the underlying portfolio is determined with a corresponding duration.

TAX PROVISIONS AND OTHER PROVISIONS

Unless the amounts were small, provisions were set aside on the best estimate basis. Tax provisions and other provisions with a term of more than a year were discounted at a market interest rate of corporate bonds with an AA rating. Depending on the applicable remaining duration, interest rates between 0.0% and 3.86% were applied.

Assets held in trust

Separable trust assets were declared off-balance sheet in accordance with section 48 (1) Austrian Banking Act (BWG).

Derivatives transactions

Derivatives in a hedge relationship under AFRAC-statement 15 (December 2020) are treated as a valuation unit, thus the fair value neither of the derivative nor of the hedged item is part of the balance sheet. Derivatives in the Banking Book, which are not in a hedge relationship under AFRAC statement 15 (December 2020) are recognised based on the imparity principle in profit and loss as provisions for contingent losses with the expected loss exceeding the book value. The interest income/expenses as well as possible financial compensation from the current period are accrued based on the effective interest rate. These are shown in the interest result.

Derivatives in the trading book are shown in the balance sheet for each contract based on mark-to-market valuations.

The fair value is the amount which could be achieved in an active market from the sale of a financial instrument, or the amount which would need to be paid for a purchase. If market rates were available, these were used for valuation. If market rates were not available, valuation models, especially the net present value method, were used. Fair values for options were calculated using the recognised option price models. Amongst others, the valuation models include the Black-Scholes model, binomial model, Hull-White model, local volatility model and Vanna-Volga model.

Credit Value Adjustment (CVA) and Debt Value Adjustment (DVA) are used for the calculation of the fair value of derivatives.

Derivatives with the same counterparty and a netting agreement, which comply with the requirements for offsetting (central counterparts), are netted in the balance sheet.

Deferred tax assets

Deferred tax assets are recognised to the extent of convincing substantial evidence that sufficient taxable income will be available in future against which tax-deductible temporary differences and tax losses can be offset. Valuation is carried out using those tax rates (and tax laws), which are already in force on the balance sheet date or have been decided by the National Assembly and are expected to be in force at the time of reversal of the temporary differences. The valuation methods were based on expected results for all larger incorporated companies in the tax group.

The calculation of deferred tax assets of Erste Group Bank AG as group parent of the group of companies, which includes only group members in Austria, was completed in accordance with AFRAC-Statement 30 “Deferred Tax Assets in single and consolidated financial statements” (September 2023).

Securities lending and repurchase transactions

In repurchase agreements / securities lending transactions, the underlying assets continue to be recognised in the balance sheet. A liability is presented against the pledgee in the amount received for the transfer. In reverse repurchase agreements / securities lending transactions, the assets taken over are not part of the balance sheet. The amount owed by the pledgor is recognised as a receivable in the amount paid for the transfer.

Investment grants

Investment grants, as defined by the law on investment grants (InvPrG), which were mainly capitalised for tangible assets, are recognised, in accordance with the gross method, on the liabilities side of the balance sheet under investment grants and recognised in profit and loss according to the respective useful lives of the subsidised capital assets.

Changes in accounting and measurement methods

There were no changes in accounting and measurement methods in the financial year 2024.

C. NOTES ON THE BALANCE SHEET AND INCOME STATEMENT

Unless otherwise indicated, amounts for the reporting year are stated in Euros, for the previous year in thousand Euros. The tables in this report may contain rounding differences.

Securities eligible for refinancing with foreign central banks were included in balance sheet item A2 for the first time. This relates exclusively to central banks in countries in which Erste Group Bank AG has a branch/subsidiary. As a result, securities eligible for refinancing with foreign central banks in the amount of EUR 3,112,670,395.53 were no longer reported in balance sheet item A4 and securities in the amount of EUR 739,535,702.40 were no longer reported in balance sheet item A5, but in balance sheet item A2 in the amount of EUR 3,852,206,097.93 as at the balance sheet date of 31 December 2024.

1. Maturity structure of loans and advances as well as liabilities to credit institutions and customers (by residual time to maturity)

Loans and Advances

in EUR or in EUR thousand	Dec 24	Dec 23
Loans and advances to credit institutions	**32,386,353,438.44**	**28,869,339**
payable on demand	2,556,697,754.68	2,123,029
0-3 months	15,343,435,501.63	14,351,299
3-12 months	4,486,300,821.64	4,204,892
1-5 years	6,138,980,542.08	5,382,180
>5 years	3,860,938,818.42	2,807,939
Loans and advances to customers	**23,652,702,555.21**	**22,050,416**
payable on demand	601,001,906.97	901,644
0-3 months	3,552,127,852.24	2,664,823
3-12 months	1,444,462,535.32	1,438,533
1-5 years	11,872,500,435.88	11,499,366
>5 years	6,182,609,824.80	5,546,051

Liabilities

in EUR or in EUR thousand	Dec 24	Dec 23
Liabilities to credit institutions	**35,552,929,403.79**	**33,101,836**
payable on demand	7,501,888,281.18	4,909,846
0-3 months	21,733,648,743.71	21,934,140
3-12 months	981,232,744.16	3,194,277
1-5 years	3,732,312,924.03	2,200,604
>5 years	1,603,846,710.71	862,970
Liabilities to customers (non-banks)	**10,672,556,758.47**	**15,471,102**
Savings deposits	**0.00**	**0**
Other Liabilities	**10,672,556,758.47**	**15,471,102**
payable on demand	2,583,489,780.73	3,081,726
0-3 months	8,038,236,731.29	12,220,183
3-12 months	23,563,643.79	23,507
1-5 years	6,726,047.10	52,680
>5 years	20,540,555.56	93,005

2. Debt securities due within one year

Purchased debt securities worth EUR 1,097,966,410.17 (prior year: EUR 1,982,525 thousand) and issued debt securities worth EUR 2,797,341,820.34 (prior year: EUR 2,531,106 thousand) are scheduled to mature in the year following 31 December 2024.

3. Assets and liabilities in foreign currencies

in EUR or in EUR thousand	Dec 24	Dec 23
Assets	28,047,789,618.81	22,943,248
Liabilities	12,648,686,705.39	11,790,266

4. Loans and advances as well as liabilities to affiliated companies and companies in which participating interests are held

	Loans and advances to affiliated companies		Loans and advances to participating interests	
in EUR or in EUR thousand	Dec 24	Dec 23	Dec 24	Dec 23
Loans and advances to credit institutions	17,531,988,711.14	14,948,927	0.00	0
Loans and advances to customers	467,688,119.18	505,549	6,607,537.21	7,237
Debt securities and other fixed-income securities (incl. securitised loans and advances to credit institutions)	299,115,214.96	487,778	0.00	0
Shares and other variable-yield securities	1,405,609,975.57	1,095,270	833,161.02	3,495

	Liabilities to affiliated companies		Liabilities to participating interests	
in EUR or in EUR thousand	Dec 24	Dec 23	Dec 24	Dec 23
Liabilities to credit institutions	19,925,805,613.10	20,862,715	413,286.94	764
Liabilities to customers (non-banks)	2,138,679,415.88	2,129,941	1,230,463.56	4,367
Securitised liabilities	147,253,384.17	217,193	0.00	0
Tier 2 capital pursuant to Part 2 Title I Chapter 4 of Regulation (EU) No 575/2013	0.00	0	0.00	0

Business with affiliated companies is conducted at arm's length.

5. Subordinated assets

in EUR or in EUR thousand	Dec 24	Dec 23
Loans and advances to credit institutions, thereof	**890,322,469.01**	**781,199**
to affiliated companies	890,322,469.01	781,199
to companies with participating interests	0.00	0
Loans and advances to customers, thereof	**154,993.21**	**90**
to affiliated companies	0.00	0
to companies with participating interests	57,271.56	90
Shares and other fixed-income securities, thereof	**14,201,926.79**	**2,997**
to affiliated companies	0.00	0
to companies with participating interests	0.00	0

Repurchased bonds from own issues of Erste Group Bank AG are included within shares and other fixed-income securities with a carrying amount including interest accruals of EUR 13,162,037.54 (previous year: EUR 1,517 thousand).

Erste Group Bank AG also holds senior non-preferred notes, which are not reported in the table. These are reported under loans and advances to credit institutions in the amount of EUR 454,489,426.88 (prior year: EUR 4,042 thousand) and shares and other fixed-income securities in the amount of EUR 412,949,285.52 (prior year: EUR 370,956 thousand). Within loans and advances to credit institutions EUR 450,446,688.50 (prior year: EUR 0) relate to affiliated companies. Shares and within other fixed-income securities EUR 6,632,736.39 (prior year: EUR 9,811 thousand) are attributable to affiliated companies.

6. Fiduciary business

No fiduciary business without the right of disposal was disclosed as of the balance sheet date.

7. Securities

Breakdown of securities admitted to trading on stock exhange items A5 to A8

pursuant to section 64 -1 no. 10 Austrian Banking Act (BWG) in EUR or in EUR thousand	Listed		Not listed	
	Dec 24	Dec 23	Dec 24	Dec 23
Shares and other fixed-income securities	13,997,028,309.44	13,042,334	0.00	0
Shares and other variable-yield securities	400,940,675.40	379,482	3,729,710.85	2,621
Participating interests	0.00	0	0.00	0
Shares in affiliated companies	0.00	0	0.00	0
Total	**14,397,968,984.84**	**13,421,816**	**3,729,710.85**	**2,621**

Breakdown of securities admitted to trading on stock exchange items A5 to A6

pursuant to section 64 -1 no. 11 Austrian Banking Act (BWG) in EUR or in EUR thousand	Fixed assets		Current assets	
	Dec 24	Dec 23	Dec 24	Dec 23
Shares and other fixed-income securities	4,111,304,370.33	4,840,332	8,473,464,066.24	6,890,520
Shares and other variable-yield securities	19,795,055.41	22,927	10,951,518.04	11,885
Total	**4,131,099,425.74**	**4,863,258**	**8,484,415,584.28**	**6,902,405**

Securities that are listed on a non-regulated market, for example those on the third market of the Vienna Stock Exchange, are considered as approved for trading on the stock market, yet they are not publicly listed.

Allocation pursuant to section 64 (1) no. 11 Austrian Banking Act (BWG) was carried out in accordance with the organisational policies adopted by the management board, with positions being included under fixed assets that are held for strategic purposes of liquidity. As of 31 December 2024, the difference to the redemption value – items A2 to A6 - resulting from the pro rata write-downs pursuant to section 56 (2) Austrian Banking Act (BWG) amounts to EUR 200,672,251.84 (prior year: EUR 146,883 thousand), whereas the difference to the redemption value from the pro rata write-ups pursuant to section 56 (3) Austrian Banking Act (BWG) amounts to EUR 302,016,362.27 (prior year: EUR 147,511 thousand).

Repurchase agreements

The carrying amount of assets subject to sale and repurchase agreements amounts to EUR 7,231,216,523.52 on the balance sheet date (prior year: EUR 5,366,391 thousand).

Securities lending transactions

Securities lent are reported in the corresponding securities items. The claim for repayment is held in evidence accounts. The carrying amount of the securities lent is EUR 6,189,656,335.35 (previous year: EUR 4,749,296 thousand). In addition, securities with a market value of EUR 914,135,010.12 (previous year: EUR 1,004,528 thousand) were lent, which were received as part of securities lending or repurchase agreements and are therefore not reported in the balance sheet.

Differences of the securities listed for trade on the stock exchange not held as financial fixed assets

As in the prior year the right to book the securities at the higher market value pursuant to section 56 (5) Austrian Banking Act (BWG) was not exercised as of 31 December 2024.

The difference between the higher market value on the balance sheet date and the booked cost of purchase pursuant to section 56 (4) Austrian Banking Act (BWG) amounts to EUR 3,886,565.57 (prior year: EUR 0 thousand).

Breakdown of debt securities and other fixed-income securities

in EUR or in EUR thousand	Dec 24	Dec 23
Issued by public-sector issuers	400,068,687.80	1,280,516
Own issues	8,616,526,685.35	6,986,430
Bonds - domestic credit institutions	265,381,179.04	258,282
Bonds - foreign credit institutions	2,371,694,359.01	2,712,166
Mortgage and municipal securities	2,006,522,576.59	1,619,909
Convertible bonds		0
Other bonds	336,834,821.65	185,031
Total position A5	**13,997,028,309.44**	**13,042,334**

8. Trading Book

Erste Group Bank AG kept a trading book pursuant to Art. 102 CRR throughout the financial year. As of 31 December 2024, the securities portfolio (assets and liabilities) assigned to the trading book was EUR 10,530,369,883.10 (prior year: EUR 10,412,076 thousand). Money market instruments worth EUR 25,093,818,814.67 (prior year: EUR 32,489,943 thousand) were assigned to the trading book as of 31 December 2024.

As of 31 December 2024, the volume of other financial instruments in the trading book had positive marketvalues of EUR 5,431,261,972.33 (prior year: EUR 6,320,545 thousands) and negativ marketvalues of EUR 5,355,074,391.49 (prior year: 6,291,661 thousands).

The disclosure of other financial instruments includes external transactions as well as booked internal transactions concerning hedge relationships. Further information on internal transactions can be found in section 27 of this chapter.

9. Participating interests and shares in affilated companies

The amounts for equity and result are denominated in euro and, as a rule, are, on behalf of a timely reporting, derived from the IFRS financial statements prepared for consolidation purposes according to uniform group guidelines. The share indicated below represents direct and indirect shares.

Holdings as of 31 December 2024

Company name, registered office	Interest of Erste Group in %	Equity	Result	Balance sheet date
Credit institutions according to CRR				
Banca Comercială Română S.A., Bucharest	99.89	2,817,314,164.88	559,191,189.75	31 Dec 24
Banka Sparkasse d.d., Ljubljana	28.00	183,155,204.82	17,355,327.72	31 Dec 24
Česká Spořitelna a.s., Prague	100.00	5,770,040,047.48	1,028,592,978.22	31 Dec 24
Erste & Steiermärkische Bank d.d., Rijeka	69.26	1,680,394,993.44	225,426,377.54	31 Dec 24
ERSTE BANK AD NOVI SAD, Novi Sad	80.50	481,522,954.37	67,859,642.71	31 Dec 24
Erste Bank der oesterreichischen Sparkassen AG, Vienna	100.00	2,568,913,917.29	681,403,505.73	31 Dec 24
Erste Bank Hungary Zrt, Budapest	100.00	1,485,396,587.39	319,129,288.19	31 Dec 24
Prva stavebna sporitelna, a.s., Bratislava	35.00	322,558,188.26	11,647,458.28	31 Dec 24
Public Joint-stock company commercial Bank "Center-Invest", Rostow on Don	9.09			n.a.
Slovenska sporitelna, a. s., Bratislava	100.00	2,479,564,085.59	283,016,404.83	31 Dec 24
SPAR-FINANZ BANK AG, Salzburg	50.00	5,605,136.98	265,264.30	31 Dec 24
Financial institutions				
EB Erste Bank Internationale Beteiligungen GmbH, Vienna	100.00	26,729,539.76	-84,726.75	31 Dec 24
Erste Asset Management GmbH, Vienna	91.06	275,811,456.09	83,412,439.27	31 Dec 24
Erste Finance (Delaware) LLC, Wilmington	100.00	0.23	-30,616.23	31 Dec 24
Erste Group Immorent GmbH, Vienna	100.00	351,843,003.89	31,403,178.54	31 Dec 24
ERSTE GROUP IMMORENT LJUBLJANA, financne storitve, d.o.o., Ljubljana	100.00	-152,795.12	-63,691.13	31 Dec 24
EUROPEAN INVESTMENT FUND, Luxembourg	0.07	4,595,206,040.00	233,743,467.00	31 Dec 23
Holding Card Service s.r.o., Prague	100.00	43,024,805.80	-2,253.69	31 Dec 24
Intermarket Bank AG, Vienna	93.79	155,046,161.08	13,585,300.92	31 Dec 24
Other				
AMC V SCA SICAV-RAIF, Senningerberg	2.86	29,416,255.00	-6,114,490.00	31 Dec 23
ASEF S.C.Sp., Senningerberg	5.32	63,790,750.00	-1,660,736.00	31 Dec 23
Austrian Reporting Services GmbH, Vienna	14.28	124,985.88	6,437.75	31 Dec 23
aws Gründerfonds Beteiligungs GmbH & Co KG, Vienna	5.11	36,100,815.54	-4,061,752.68	31 Dec 23
Dateio s.r.o., Prague	31.03	4,602,501.49	798,624.38	31 Dec 23
EB-Restaurantsbetriebe Ges.m.b.H., Vienna	100.00	2,039,624.82	302,891.42	31 Dec 24
EBA CLEARING (ABE CLEARING S.A.S.), Paris	2.08	52,299,946.00	5,660,718.00	31 Dec 23
ERSTE CAMPUS Immobilien AG & Co KG, Vienna	100.00	105,343,340.75	10,726,798.13	31 Dec 24
ERSTE d.o.o., Zagreb	45.19	18,528,403.98	2,836,367.25	31 Dec 24
Erste Digital GmbH, Vienna	81.81	89,399,598.76	-10,306,942.95	31 Dec 24
Erste Group Card Processor d.o.o., Zagreb	100.00	17,401,108.59	2,041,221.97	31 Dec 24
Erste Group Services GmbH, Vienna	100.00	335,439.22	-599,012.37	31 Dec 24
Erste Operations GmbH, Wien	100.00	2,955,155.57	340,251.20	31 Dec 24
Erste Reinsurance S.A., Luxembourg	100.00	61,966,243.72	2,622,032.96	31 Dec 24
Erste Sparkassen Services GmbH, Vienna	100.00			Foundation 2024
George Labs GmbH, Vienna	100.00	2,737,119.84	1,216,593.81	31 Dec 24
Graben 21 Liegenschaftsverwaltung GmbH, Vienna	100.00	6,460,782.56	2,267,178.77	31 Dec 24
Haftungsverbund GmbH, Vienna	63.09	727,559.27	65.04	31 Dec 24
Innova/7 SCA SICAV-RAIF, Senningerberg	2.86	74,444,644.00	8,735,075.00	31 Dec 23
IPS Fonds Gesellschaft bürgerlichen Rechts, Vienna	65.15	257,727,572.89	5,197,572.84	31 Dec 23
OM Objektmanagement GmbH, Vienna	100.00	26,037,495.69	4,763,314.85	31 Dec 24
Österreichische Wertpapierdaten Service GmbH, Vienna	32.56	327,597.62	12,407.03	31 Dec 23
Procurement Services GmbH, Vienna	99.86	1,141,460.15	366,083.77	31 Dec 23
Q-ENERGY V, FCR, Madrid	1.25	300,569,487.00	-34,980,779.00	31 Dec 23
Round2 Capital Partners II SCSp RAIF, Howald	5.16	39,035,688.00	6,712,625.00	31 Dec 23
Society for Worldwide Interbank Financial Telecommunication scrl, La Hulpe	0.34	655,357,237.00	28,857,900.00	31 Dec 23
Speedinvest III EuVECA GmbH & Co KG, Vienna	1.82	116,410,561.09	-18,463,634.27	31 Dec 23
Speedinvest IV EuVECA GmbH & Co KG, Vienna	1.61	49,602,786.77	-12,168,021.19	31 Dec 23
TAUROS Capital Investment GmbH & Co KG, Vienna	40.43	6,458,921.32	391,688.91	31 Dec 23
TAUROS Capital Investment Zwei GmbH & Co KG, Vienna	48.13			Foundation 2024
Therme Wien GmbH & Co KG, Vienna	15.33	28,504,869.03	2,276,067.49	31 Dec 23
VBV - Betriebliche Altersvorsorge AG, Vienna	29.32	66,168,666.83	-4,950,891.00	31 Dec 24
Wiener Börse AG, Vienna	11.62	192,230,202.64	39,545,361.87	31 Dec 23
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group, Vienna	2.15	670,368,658.40	110,214,946.03	31 Dec 23

There are open payment obligations to the nominal capital amounting to EUR 4,000,000.00 EUR (prior year: EUR 4,000 thousand) to the EUROPEAN INVESTMENT FUND, Luxembourg.

10. Fixed assets

Statement of changes in fixed and long-term assets 2024

At cost

in EUR	1 January 2024	Additions	Disposals	Reclassification	Currency translation (+/-)	31 December 2024
Participating interests	**225,623,938.96**	**28,076,684.17**	**1,983,892.89**	**0.00**	**0.00**	**251,716,730.24**
Shares in affiliated companies	**11,233,082,910.37**	**128,308,770.38**	**343,361.24**	**0.00**	**0.00**	**11,361,048,319.51**
Intangible fixed assets	**116,840,068.77**	**7,767,039.64**	**29,667,768.76**	**0.00**	**0.00**	**94,939,339.65**
Tangible assets	**219,703,580.62**	**2,102,079.54**	**5,945,441.62**	**0.00**	**0.00**	**215,860,218.54**
Securities	**14,388,329,219.16**	**10,083,225,307.80**	**3,399,873,164.95**	**0.00**	**21,419,458.64**	**21,093,100,820.65**
Treasury bills and similar securities	5,540,427,614.94	7,031,413,656.06	868,098,282.26	1,258,694,013.95	0.00	12,962,437,002.69
Loans and advances to credit institutions	1,501,079,225.97	903,797,823.60	260,895,201.32	-12,888,188.43	4,470,793.25	2,135,564,453.07
Loans and advances to customers	1,292,556,360.19	1,124,831,958.38	1,129,820,268.67	-756,011,942.08	2,787,680.52	534,343,788.34
Bonds and other fixed-income securities	4,774,115,950.89	873,181,869.76	1,138,459,412.70	-489,793,883.44	14,160,984.87	4,033,205,509.38
Shares and other non-fixed-income securities	1,280,150,067.17	150,000,000.00	2,600,000.00	0.00	0.00	1,427,550,067.17
Total	**26,183,579,717.88**	**10,249,479,881.53**	**3,437,813,629.46**	**0.00**	**21,419,458.64**	**33,016,665,428.59**

Accumulated Depreciation

in EUR	1 January 2024	Write-ups (-)	Write-downs (+)	Additions / Disposals (-/+)	Currency translation (+/-)	31 December 2024
Participating interests	**95,489,366.22**	**2,429,193.76**	**3,091,695.10**	**-57,420.91**	**0.00**	**96,094,446.65**
Shares in affiliated companies	**2,139,761,060.67**	**588,845,923.35**	**13,240,800.10**	**0.00**	**0.00**	**1,564,155,937.42**
Intangible fixed assets	**91,014,709.93**	**0.00**	**6,463,182.79**	**-29,667,768.76**	**0.00**	**67,810,123.96**
Tangible assets	**43,806,114.56**	**0.00**	**7,109,400.45**	**-5,881,867.20**	**0.00**	**45,033,647.81**
Securities	**164,692,422.17**	**237,465,620.39**	**42,504,161.83**	**44,100,265.32**	**-200,396,436.56**	**-186,565,207.63**
Treasury bills and similar securities	18,251,093.90	35,339,994.97	13,423,209.17	-27,145,351.40	-134,528,321.05	-165,339,364.35
Loans and advances to credit institutions	13,335,439.96	2,677,513.97	1,696,151.68	2,201,129.48	-28,279,590.16	-13,724,383.01
Loans and advances to customers	-25,659,539.17	18,446,485.83	230,062.27	41,877,378.19	-11,215,530.41	-13,214,114.95
Bonds and other fixed-income securities	-19,389,121.29	7,707,562.38	3,953,141.59	27,168,643.49	-26,372,988.68	-22,347,887.27
Shares and other non-fixed-income securities	178,154,548.77	173,294,063.24	23,201,597.12	-1,534.44	-6.26	28,060,541.95
Total	**2,534,763,673.55**	**828,740,737.50**	**72,409,240.27**	**8,493,208.45**	**-200,396,436.56**	**1,586,528,948.21**

In the income statement item 9 (value adjustments), the above-mentioned depreciation of property, plant and equipment is reduced by investment grants in the amount of EUR 47,597.00 (prior year: EUR 32 thousand).

Carrying amount

in EUR	Clean Price	Contractual interest accrual	31 December 2024	1 January 2024
Participating interests	**155,622,283.59**	**0.00**	**155,622,283.59**	**130,134,572.74**
Shares in affiliated companies	**9,796,892,382.09**	**0.00**	**9,796,892,382.09**	**9,093,321,849.70**
Intangible fixed assets	**27,129,215.69**	**0.00**	**27,129,215.69**	**25,825,358.84**
Tangible assets	**170,826,570.73**	**0.00**	**170,826,570.73**	**175,897,466.06**
Securities	**21,279,666,028.28**	**219,702,118.73**	**21,499,368,147.01**	**14,362,072,049.64**
Treasury bills and similar securities	13,127,776,367.04	122,748,414.43	13,250,524,781.47	5,574,781,486.21
Loans and advances to credit institutions	2,149,288,836.08	13,263,832.61	2,162,552,668.69	1,499,145,144.39
Loans and advances to customers	547,557,903.29	1,190,231.23	548,748,134.52	1,326,122,556.64
Bonds and other fixed-income securities	4,055,553,396.65	55,750,973.68	4,111,304,370.33	4,840,331,604.63
Shares and other non-fixed-income securities	1,399,489,525.22	26,748,666.78	1,426,238,192.00	1,121,691,257.77
Total	**31,430,136,480.38**	**219,702,118.73**	**31,649,838,599.11**	**23,787,251,296.98**

The carrying amount of developed land was EUR 6,758,201.35 as of 31 December 2024 (prior year: EUR 6,758 thousand). The carrying amount as of 31 December 2024 did not include leased assets. For the next financial year, Erste Group Bank AG will have expenses from the use of tangible assets not disclosed in the balance sheet (rental and leasing contracts) of EUR 14,457,330.96 (prior year: EUR 14,175 thousand), and of EUR 69,044,677.77 for the next five financial years (prior year: EUR 66,938 thousand).

Intangible fixed assets include assets with a value of EUR 27,092,384.93 (prior year: EUR 25,806 thousand) that were acquired from an affiliated company. During the reporting year, assets were acquired in the value of EUR 7,737,403.79 (prior year: EUR 7,366 thousand).

11. Other assets

in EUR or in EUR thousand	Dec 24	Dec 23
Securities transactions	28,325,312.09	2,889
Derivatives	2,292,804,635.95	2,603,893
Accrued income	12,295,607.50	9,191
Receivables from participating interests and affiliated companies	202,173,111.73	223,175
Other payments and settlements	352,588,126.46	280,945
Other assets	**2,888,186,793.73**	**3,120,093**

The carrying amounts for derivatives are shown post offsetting with central counterparties. Derivative assets and liabilities as well as provided and received cash collateral to cover the market values of outstanding derivatives are included in offsetting. Offsetting is carried out according to clearing agent, central clearer and currency.

The carrying amount of derivatives in the balance sheet item other assets is reduced by EUR 3,423,395,838.17 (prior year: EUR 4,007,856 thousand). The carrying amount in the balance sheet item loans to credit institutions, is reduced by EUR 2,291.69 (prior year: EUR 86,116 thousand). The change in classification of the London Clearing House means that Cash Collateral with London Clearing House reduced the carrying amount in the balance sheet item loans to customers by EUR 44,765,044.82 (prior year: EUR 0).

12. Accrued and deferred items

Prepayments and accrued income increased to EUR 98,156,944.66 as of 31 December 2024 (prior year: EUR 91,128 thousand). Of these, EUR 90,128,500.14 (prior year: EUR 84,838 thousand) were accruals in connection with securities and derivative instruments.

13. Deferred tax assets

In accordance with Section 198 Paragraph 9 of the Austrian Commercial Code (UGB) deferred tax assets amount to EUR 46,890,686.68 (prior year: EUR 207,253 thousand), thereof EUR 0.00 (prior year: EUR 166,298 thousand) are based on recognition of tax losses and EUR 46,890,686.68 (prior year: EUR 40,955 thousand) arising from temporary differences. The decrease in deferred tax assets in comparison to the prior year, is attributable to the consumption of tax losses. The right to recognise tax losses carried forward is used. To calculate deferred taxes, the local tax rate in Austria in the amount of 23.0% is applied for the parent company as well as for branches with tax credit method according to the double taxation agreement. For the branch in Hong Kong (double taxation agreement with tax exemption method), the local tax rate in the amount of 16.5% is applied.

14. Securitised liabilities

in EUR or in EUR thousand	Dec 24	Dec 23
Non-covered loans and bank bonds	13,605,285,100.28	13,741,839
Mortgage and municipal bonds	21,610,944,312.32	18,679,784
Certificates of deposits	3,689,886,918.03	86,660
Securitised liabilities	**38,906,116,330.63**	**32,508,282**

Erste Group Bank AG issues commercial papers and certificates of deposit for the US money market via the New York branch and the fully consolidated subsidiary Erste Finance Delaware LLC. The New York branch's Dollar Certificates of Deposit Program had reached EUR 28,897,555.00 as of 31 December 2024 (prior year: EUR 18,160 thousand). The Dollar Commercial Paper Program of Erste Finance Delaware LLC is fully secured by Erste Group Bank AG. The framework program amounted to EUR 7,219,174,126.48 as of 31 December 2024 (prior year: EUR 6,787,330 thousand), of which commercial papers are in circulation in the amount of EUR 2,020,637,517.37 (prior year: EUR 1,899,742 thousand) for which the issue amount was immediately transferred to Erste Group Bank AG and are recognised in the item liabilities to customers.

15. Other liabilities

in EUR or in EUR thousand	Dec 24	Dec 23
Securities transaction	28,364,870.31	4,767
Derivatives	2,241,584,213.27	2,618,674
Accrued income	2,302,157.80	2,823
Other liabilities and settlements	801,726,650.34	808,742
Other Liabilities	**3,073,977,891.72**	**3,435,006**

The carrying amounts for derivatives are shown post offsetting with central counterparties. Derivative assets and liabilities as well as provided and received cash collateral to cover the market values of outstanding derivatives are included in offsetting. Offsetting is carried out according to clearing agent, central clearer and currency.

The carrying amount of derivatives in the balance sheet item other liabilities is reduced by EUR 3,258,625,696.20 (prior year: EUR 3,839,375 thousand). The carrying amount in the balance sheet item liabilities to credit institutions, is reduced by EUR 0.00 (prior year: EUR 254,408 thousand). The carrying amount of derivatives in the balance sheet item other provisions is reduced by EUR 515,935.44 (prior year: EUR 189 thousand). The change in classification of the London Clearing House means that Cash Collateral with London Clearing House reduced the carrying amount in the balance sheet item other liabilities to customers by EUR 209,021,543.04 (prior yeas: EUR 0).

16. Provisions

in EUR or in EUR thousand	Dec 24	Dec 23
Provisions for pensions	214,367,658.01	238,814
Provisions for taxation	100,909,491.62	81,273
Provisions for contingent liabilities	71,474,829.48	55,809
Provisions for derivatives in the bank book	8,807,958.64	1,996
Other	154,369,193.73	112,206
Provisions	**549,929,131.48**	**490,098**

In July 2024, the Federal Fiscal Court raised the question whether Art 6 sec 1 subsec 28 (2nd sentence) Austrian VAT Act constitutes state aid pursuant to Article 107 (1) of the Treaty on the Functioning of the European Union (TFEU) to the European Court of Justice (ECJ) in proceedings brought by an Austrian bank.

A decision can be expected in around one to two years. From today's perspective, we believe there is a high probability that the ECJ will affirm the existence of state aid in its decision. In addition, a recovery decision by the EU Commission is still required, which must determine in a separate aid proceedings that the aid is incompatible with the domestic market and therefore also materially unlawful. This is also considered likely.

The calculation of the provision is based on a best estimate. The resulting provision amounts to EUR 14,518,902.20.

Assumptions for the actuarial calculation of pension entitlements

	Dec 24	Dec 23
Interest rate	3.48%	3.27%
Expected increase in pension benefits (including career- and collective agreement trend)	4.00%	4.00%

The expected retirement age was individually calculated per employee due to the amendments determined in the Ancillary Budget Act 2003 (BGBl I 71/2003) concerning the raising of the earliest possible retirement age. The currently applicable legislation specifying a gradual rise of the retirement age for men and women to 65 was taken into consideration.

An interest rate of 5.80% (prior year: 5.19%) was used for the calculation of pension obligations in the New York branch.

The pension entitlements for the New York branch are outsourced to Milliman Inc. The calculated pension obligations amount to EUR 36,552,979.11 (prior year: EUR 34,967 thousand). As of 31 December 2024, the balance at the bank dedicated to the fulfilment of the outsourced pension obligations amounted to EUR 33,336,109.35 (prior year: EUR 29,220 thousand).

Assumptions for the actuarial calculation of severance entitlements and jubilee benefits

	Dec 24	Dec 23
Interest rate	3.48%	3.27%
Average salary rise (including career- and collective agreement trend)	4.00%	4.00%

The obligations were calculated in accordance with the Association of Actuaries' (AVÖ) mortality table "AVÖ 2018 – Rechnungsgrundlagen für die Pensionsversicherung".

Severance and anniversary entitlements are outsourced to Wiener Städtische Versicherung AG. Severance entitlements measured in accordance with commercial law and based on the above parameters amount to EUR 28,179,510.61 (prior year: EUR 28,653 thousand), respectively EUR 17,239,402.42 (prior year: EUR 17,606 thousand) for jubilee benefits obligations and are posted as a contingent liability off-balance. The credit intended for the performance of outsourced severance entitlements with the insurer as of 31 December 2024 amounted to EUR 29,422,191.92 (prior year: EUR 28,701 thousand) and the amount defined for jubilee benefits obligations is EUR 17,239,402.42 (prior year: EUR 17,606 thousand).

The outsourcing of severance/jubilee benefits entitlements to Wiener Städtische Versicherung AG has not resulted in any change to employee claims against Erste Group Bank AG, which continues to be liable for the severance/jubilee benefits entitlements of eligible employees.

Provision for pensions, severance payments and anniversary bonuses are calculated in accordance with AFRAC statement 27: provision for personnel (UGB) (June 2022).

17. Subordinated Liabilities

As of 31 December 2024, subordinated debt (subordinated liabilities and supplementary capital) amounted to EUR 7,434,625,358.19 (previous year: EUR 6,476,077 thousand). Of the subordinated liabilities issued by Erste Group Bank AG (including supplementary capital), a total of three issues with a nominal value of EUR 750,000,000.00 each exceeded the limit of 10% of the total amount of subordinated liabilities.

Two of these issues are Additional Tier 1 bonds in accordance with Art. 52 CRR, which do not have a fixed maturity date. The Additional Tier 1 bond issued in 2020 has a fixed coupon of 4.25% until 2028 and a floating rate thereafter with a mid-swap + 4.646%. It can be called daily from October 15, 2027 to April 18, 2028 and thereafter on the coupon date. The Additional Tier 1 bond issued in 2024 has a fixed coupon of 7% until 2031 and a floating rate of mid-swap + 4.407% thereafter. It is callable on the coupon date starting April 15, 2031. The nominal value of the bonds will be reduced as soon as the common equity tier 1 ratio falls below 5.125%. Conversion into shares is not planned.

The third issue is a Tier 2 bond in accordance with Art. 63 CRR with a term of 10.25 years. It is callable annually from 2029 and carries a fixed coupon of 4% until 2030 and a floating rate of mid-swap + 1.7% thereafter. Prior to any bankruptcy proceedings or liquidation of the Issuer, the competent resolution authority may write down the obligations of the Issuer under the Notes (including to zero) and convert them into shares or other instruments of ownership of the Issuer.

The modalities of the subordinated debt in the amount of EUR 4,679,783,521.81 (previous year: EUR 4,009,945 thousand) fulfill the conditions of Art. 62 to 71 CRR (Part 2 Title 1 Chapter 4 of Regulation (EU) No. 575/2013).

Movements in total subordinated liabilities were as follows:

in EUR or in EUR thousand	1-12 24	1-12 23
Opening balance	**6,476,077,369.68**	**6,368,236**
Increase due to new issues	1,763,385,975.70	922,607
Decrease due to redemption	-503,884,513.40	-479,304
Decrease due to partial extinguishment	-299,798,932.98	-335,798
Changes in carrying amount of bonds, of accrued interest and of FX valuation	-1,154,540.81	337
Closing balance	**7,434,625,358.19**	**6,476,077**

Supplementary capital liabilities are primarily issued in the form of securities. The securities are due at the end of the term. Supplementary capital bonds are sold to international institutional customers and private customers.

In the upcoming year, securitised supplementary capital liabilities in the value of EUR 340,211,208.19 (prior year: EUR 332,719 thousand) are due for repayment due to maturity.

The weighted average interest rate of supplementary capital bonds was 3.0% as of 31 December 2024 (prior year: 3.9%) and the average remaining term was 6.4 years (prior year: 5.9 years).

The term "subordinated" is defined in accordance with section 45, paragraph 4 and section 51, paragraph 9 of the Austrian Banking Act.

Erste Group Bank AG also issued a senior non-preferred bond in the amount of EUR 502,672,945.21 (prior year: EUR 502,666 thousand).

In 2024, Erste Group Bank AG's expenses for subordinated liabilities amounted to EUR 281,029,784.76 (prior year: EUR 252,056 thousand).

18. Tier 2 capital pursuant to Part 2 Title I Chapter 4 of Regulation (EU) No 575/2013

As of the 2024 balance sheet date, the carrying amount of supplementary capital is EUR 4,679,783,521.81 (prior year: EUR 4,009,945 thousand). Thereof amounts the repurchased supplementary capital from own issues of Erste Group Bank AG with a carrying amount including interest accruals in the amount to EUR 13,162,037.54 (prior year: EUR 1,517 thousand).

19. Additional core capital

In the reporting year 2024, Erste Group Bank AG issued a new bond totalling EUR 750,000,000.00 (prior year: EUR 500,000 thousand) as part of its Additional Tier 1 programme from 20 April 2016. In addition, there was a partial buyback of a bond issued in 2019 in the amount of EUR 296,600,000.00 and a redemption of the 2017 issuance.

Article 52 (1) lit n CRR provides for the loss absorbency of financial instruments of additional core capital (write-down or conversion). A trigger event for the write-off or conversion of additional core capital is deemed to occur according to Article 54 (1) lit a CRR if the core capital ratio of the Erste Group Bank AG falls below 5.125% or below another higher value defined by the Erste Group Bank AG. In 2024 no write-downs occurred.

20. Subscribed capital and reserves

In 2024, the capital of Erste Group Bank AG developed as follows:

in EUR	1 January 2024	Allocations (+)	Releases (-)	Reclassification	31 December 2024
Subscribed Capital	**843,325,718.00**	**0.00**	**0.00**	**-22,296,950.00**	**821,028,768.00**
Capital reserves	**1,628,111,165.08**	**0.00**	**0.00**	**38,614,792.78**	**1,666,725,957.86**
committed	1,628,111,165.08	0.00	0.00	38,614,792.78	1,666,725,957.86
uncommitted	0.00	0.00	0.00	0.00	0.00
Reserves for share-based payments	**6,866,756.43**	**0.00**	**0.00**	**3,023,361.67**	**9,890,118.10**
Retained earnings	**6,500,590,424.25**	**1,299,026,980.19**	**-121,397,396.77**	**-529,167,382.93**	**7,149,052,624.74**
statutory reserve	1,537,900,000.00	0.00	0.00	0.00	1,537,900,000.00
reserves provided for by the articles	0.00	0.00	0.00	0.00	0.00
other reserves	4,678,079,408.63	1,299,026,980.19	0.00	-529,167,382.93	5,447,939,005.89
blocked reserves	284,611,015.62	0.00	-121,397,396.77	0.00	163,213,618.85
Reserves for own shares	**16,274,282.00**	**0.00**	**0.00**	**-16,274,282.00**	**0.00**
Reserve pursuant to section 57 (5) of Austrian Banking Act (BWG)	**851,000,000.00**	**0.00**	**0.00**	**0.00**	**851,000,000.00**

The share buy-back program launched on August 16, 2023 with acquisition costs totalling EUR 299,999,998.23 was completed on February 16, 2024 with the entry in the commercial register and the subscribed capital was reduced by EUR 17,774,184.00, whereby the reserves for own shares created in 2023 in accordance with section 229 (1a and 1b) of the Austrian Commercial Code (UGB) in the amount of EUR 16,274,282.00 were reduced and offset against the subscribed capital. In 2024, a further 749,951 own shares (previous year: 8,137,141 shares) with an acquisition cost of EUR 29,616,060.71 (previous year: EUR 270,384 thousand) were repurchased as part of this share buy-back programme launched in 2023, which were recognised as a disposal in other revenue reserves in accordance with section 229 (1a and 1b) of the Austrian Commercial Code (UGB). The share buy-back programme of Erste Group Bank AG carried out on the basis of the authorisation granted at the 31st Annual General Meeting on 22 May 2024 in

accordance with section 65 (1) no. 8 of the Austrian Stock Corporation Act was completed on 28 November 2024 and also concluded with the entry in the commercial register. 10,398,524 own shares were repurchased at a cost of EUR 499,999,953.78, which were recognised as a disposal in other retained earnings in accordance with section 229 (1a and 1b) of the Austrian Commercial Code (UGB) and the capital was reduced by EUR 20,797,048.00. Accordingly, the subscribed capital as of December 31, 2024 amounted to EUR 821,028,768.00 (previous year: EUR 843,326 thousand) and was divided into 410,514,384 (previous year: 429,800,000, the number of shares was represented in item 9 subscribed capital and item 11a reserves for own shares) of bearer, voting shares (ordinary shares). In addition, Erste Group Bank AG did not hold any own shares as of the balance sheet date.

In accordance with section 192 (5) Stock Corporation Act (AktG), EUR 17,774,184.00 (previous year: EUR 0 thousand) from the 2023 share buyback programme and EUR 20,797,048.00 (previous year: EUR 0 thousand) from the 2024 share buyback programme were transferred to the committed capital reserves in the amount of the reduced capital upon entry in the commercial register. The capital gains realised by Erste Group Bank AG from the purchase and sale of own shares in the long portfolio in the amount of EUR 43,560.78 (previous year: EUR 0 thousand) were also transferred to the committed capital reserves.

The net allocation to retained earnings totalled EUR 1,177,629,583.42 (previous year: EUR 678,275 thousand), whereby EUR 1,299,026,980.19 (previous year: EUR 744,382 thousand) was allocated to other reserves and EUR 121,397,396.77 (previous year: EUR 66,107 thousand) was released from restricted reserves. The latter include EUR 38,965,108.78 (previous year: EUR 7,817 thousand) from the allocation to the ex-ante fund (see Note 23) and the reversal of deferred tax assets in the amount of EUR 159,528,566.86 (previous year: EUR 73,787 thousand) in Austria, EUR 624,549.33 (previous year: EUR 182 thousand) in the New York branch and EUR 209,389.36 (previous year: allocation EUR 46 thousand) in the Hong Kong branch.

Blocked reserves include the contribution to the ex-ante fund, which is not eligible for inclusion in own funds at member level in accordance with Art. 26 (1) CRR, as well as amounts from the capitalisation of deferred taxes that are subject to a restriction on distribution in accordance with section 235 (2) Austrian Commercial Code (UGB). These are recognised separately from the other equity items due to the restricted right of disposal.

21. Authorised and conditional capital as of 31 December 2024

Authorised capital

According to clause 5 of the Articles of Association, the management board is authorised to increase the share capital with the consent of the supervisory board until 18 May 2027 - also in several tranches - by an amount of up to EUR 343,600,000.00 by issuing up to 171,800,000 voting no-par value bearer shares with voting rights against contributions in cash and/or in kind, whereby the issue price and the issue conditions shall be determined by the management board with the consent of the supervisory board.

Furthermore, the management board is authorised to fully or partly exclude the subscription rights of the shareholders with the consent of the supervisory board (exclusion of the subscription right):
— if the capital increase is in return for contributions in kind; or
— if the capital increase is in return for cash and the pro rata amount of the share capital attributable to the shares issued under exclusion of subscription rights in both cases does not exceed EUR 85.960.000,00.

These two measures may also be combined.

The proportionate amount of share capital attributable to the new shares (i) for which the subscription right is excluded, (ii) which serve to fulfil subscription rights, conversion rights and conversion obligations arising from convertible bonds issued with the exclusion of subscription rights from 18 May 2022, and (iii) which had been issued from conditional capital pursuant to section 6.3 to satisfy share options of employees, senior employees and members of
the management board of the company or of a group company, must not exceed 10% of the share capital in total.

Conditional Capital

Pursuant to clause 6.3 of the Articles of Association, conditional capital based on the management board resolutions in 2002 and 2010 with a nominal value of EUR 21,923,264.00 persists, which can be consumed by issuing up to 10,961,632 ordinary bearer shares or ordinary registered shares with an issue price of at least EUR 2.00 per share against cash contribution and by excluding the subscription rights of the current shareholders. According to clause 6.4 of the Articles of Association, a conditional increase of the registered capital was resolved in the shareholders' meeting of 12 May 2009 in an amount of up to EUR 124,700,000.00 by issuing up to 62,350,000 ordinary bearer shares. This conditional capital serves to grant conversion or subscription rights to investors of

convertible bonds. In case the terms and conditions of the convertible bonds provide for a mandatory conversion, it shall also serve to cover the mandatory conversion. The issue price and exchange ratio shall be determined pursuant to a recognized pricing method on the basis of accepted finance-mathematical methods and the share price of the company.

Authorized conditional capital

According to clause 7 of the Articles of Association currently no authorised conditional capital exists.

22. Major Shareholders

As of 31 December 2024, together with its syndicate partners (savings banks, share management savings banks – "Anteilsverwaltungssparkassen", and savings bank foundations – "Sparkassenstiftungen"), DIE ERSTE oesterreichische Spar-Casse Privatstiftung ("ERSTE Stiftung"), a foundation, controls 25.41% (prior year: 24.11%) of the shares in Erste Group Bank AG and with 18.48% (prior year: 17.54%) is the main shareholder. The ERSTE Stiftung holds 5.94% (prior year: 5.65%) of the shares directly; the indirect participation of the ERSTE Stiftung amounts to 12.54% (prior year: 11.89%) of the shares held by Sparkassen Beteiligungs GmbH & Co KG, which is an affiliated undertaking of the ERSTE Stiftung. 2.66% (prior year: 2.49%) are held directly by savings bank foundations, savings banks, and the Erste employee share participation foundation (Erste Mitarbeiterbeteiligungsstiftung), acting together with the ERSTE Stiftung. 4.27% (prior year: 4.08%) are held by a syndicate partner, Wiener Städtische Versicherungsverein.

On 22 May 2024, a decision was made at the annual general meeting in favour of paying a dividend in the amount of EUR 2.70 per share. According to its share in Erste Group Bank AG, a dividend was paid for the ERSTE Stiftung amounting to EUR 135,715,500.00 (prior year: EUR 94,614 thousand) in the financial year 2024.

The purpose of the ERSTE Stiftung, to be achieved notably by way of holding interests in Erste Group Bank AG, is to support social, scientific, cultural as well as charitable institutions and to promote the guiding principles of the savings bank philosophy. As of 31 December 2024, Boris Marte (CEO), Wolfgang Schopf (CFO), Martin Wohlmuth and Gudrun Egger were appointed as board members of the ERSTE Stiftung. The ERSTE Stiftung's supervisory board had nine members at the end of 2024, one of whom is also an employee representative on the supervisory board of Erste Group Bank AG.

In accordance with clause 15.1 of the Articles of Association, and for the time in which the ERSTE Stiftung assumes liability for all current and future debts in the event of their default on payment, it is entitled, pursuant to section 92 (9) Austrian Banking Act, to nominate up to one-third of the supervisory board members for election at the annual general meeting. So far, the ERSTE Stiftung has not exercised this right.

The ERSTE Stiftung did not hold as of 31 December 2024 bonds of Erste Group Bank AG (prior year: EUR 0 thousand). With the exception to the facts already mentioned in this section, there were, as in the prior year, no further business relations between Erste Group Bank AG and ERSTE Stiftung.

23. Resolution Fund, deposit guarantee fund, IPS fund

RESOLUTION FUND

EU directive 2014/59/EU (Bank Recovery and Resolution Directive, BRRD) was transposed into Austrian law via the Austrian Banking Restructuring and Resolution Act (BaSAG). BaSAG became effective on 1 January 2015. The law governs a number of aspects, including the creation of financing mechanisms for the resolution of credit institutions that provide for the annual payment of contributions by banks to a joint European resolution fund (Single Resolution Fund, SRF).

BaSAG defines the target level of the Austrian Resolution Fund and the contribution payable by the Austrian credit institutions. The law requires that the Resolution Fund be endowed with at least 1% of the secured deposits of all credit institutions authorised in Austria by 31 December 2024. Therefore, the fund shall be set up over a period of 10 years and, to the extent practicable, contributions will be equally distributed over the entire period.

The contributions to be made by the credit institutions are calculated as a ratio of their respective liabilities (exclusive of own funds) less secured deposits to the aggregate liabilities (exclusive of own funds) less secured deposits of all institutions authorised in Austria, distributed over a period of 10 years. Furthermore, these contributions will be weighted in accordance with the risk profile of the credit institution. The amount payable as contribution is thus determined not only by the respective credit institution's unsecured liabilities, but also significantly influenced by the unsecured liabilities held by all Austrian institutions and the risk weighting. The

resolution authority is tasked with determining the risk weighting. Since the target level of the resolution fund was reached by end of 2023 Erste Group Bank AG did not pay anything (prior year: EUR 36,945 thousand, which were included in the item other operating expenses) in 2024.

DEPOSIT GUARANTEE FUND

The deposit guarantee scheme, based on an EU directive (2014/49/EU), serves to protect customer deposits held at credit institutions. This EU directive was transposed into national law in Austria by way of the Act on Deposit Guarantee Schemes and Investor Compensation (ESAEG) and came into effect on 14 August 2015.

Every guarantee scheme has its own deposit guarantee fund consisting of available financial resources amounting to no less than 0.8% of the sum of covered deposits held at the member institutions (target level). This target level was achieved over a period of 10 years on 3rd July 2024.

As long as the target level has not been reached, the guarantee schemes will require their member institutions to pay an annual contribution. The contributions payable by the member institutions are calculated based on the volume of covered deposits (0.8% of the covered deposits distributed over a 10-year period) and are determined in relation to the nature of the risks to which each relevant member institution is specifically exposed. The method used to determine the risk weighting must be approved by the FMA. In 2024, Erste Group Bank AG paid a total of EUR 36,975.25 (prior year: EUR 84 thousand), which is included in the item other administrative expenses.

IPS FUND (EX-ANTE-FUND)

The IPS fund is an ex-ante-fund of the Austrian savings banks' institutional guarantee system (IPS) that is intended to secure financial support to members facing economic difficulties. The IPS fund is a "Gesellschaft bürgerlichen Rechts" (IPS Fonds GesBR - a partnership under civil law) – the low-risk, readily available investment of the ex-ante-fund is recognised as a special asset. Shareholders with a stake in the assets are Erste Group Bank AG, Erste Bank der oesterreichischen Sparkassen AG, the building society of österreichische Sparkassen AG, and all other Austrian savings banks. Cross-guarantee scheme (Haftungsverbund) GmbH is an active partner but not obliged to make a capital contribution.

By means of annual allocations from the member institutes, the ex-ante fund will be built up until 31 December 2031. The aim is to achieve a volume amounting to 0.5% of the total risk exposure amount of Erste Group on a consolidated level, in accordance with article 92 (3) CRR. Cross-guarantee scheme (Haftungsverbund) GmbH is tasked with determining the amount of the respective payment due. The contributions (deposits) are to be taken from the annual financial result, with other reserves being released where necessary. Erste Group Bank AG created a reserve of EUR 38,965,108.78 (prior year: EUR 7,817 thousand) in 2024, which corresponds to the amount of the contributions made (deposits). The increase compared to the previous year is due to the ECB's adjusted calculation method for deposit payments.

24. Own funds and capital requirement

These unconsolidated financial statements of Erste Group Bank AG have yet to be approved by the supervisory board. Erste Group Bank AG applies the transitional provisions regarding own funds requirements, market risk and credit risk according to the CRR accompanying regulation as well as EU Regulation No. 2016/445 of the European Central Bank on the use of options and discretions under European Union law, ECB/2016/4.

Own funds - Capital structure according to Regulation (EU) No 575/2013 (CRR)

		CRR	
in EUR or in EUR thousand	Article pursuant to CRR	Dec 24	Dec 23
Common equity tier 1 capital (CET1)			
Capital instruments eligible as CET1	26 (1) (a) (b), 27-30, 36 (1) (f), 42	2,325,742,731.54	2,348,026
Own CET1 instruments	36 (1) (f), 42	-23,197,256.47	-24,034
Retained earnings	26 (1) (c), 26 (2)	6,721,856,236.99	6,961,427
OCI	4 (100), 26 (1) (d)	-348,905,804.93	-346,982
Other reserves	4 (117), 26 (1) (e)	889,571,232.00	867,274
Prudential filter: cash flow hedge reserve	33 (1) (a)	-4,510,502.29	7,372
Prudential filter: cumulative gains and losses due to changes in own credit risk on fair valued liabilities	33 (1) (b)	97,151,411.31	63,190
Prudential filter: fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	33 (1) (c), 33 (2)	-4,315,042.89	-5,944
Value adjustments due to the requirements for prudent valuation	34, 105	-58,492,371.43	-70,802
Regulatory adjustments relating to unrealised gains and losses	467, 468	0.00	0
Other intangible assets	4 (115), 36 (1) (b), 37 (a)	-31,111,260.95	-29,509
Deferred tax assets dependent upon future profitability and not temporary differences net of associated tax liabilities	36 (1) (c), 38	0.00	-153,143
IRB shortfall of credit risk adjustments to expected losses	36 (1) (d), 40, 158, 159	-107,690,902.85	-8,209
Excess of deduction from AT1 items over AT1	36 (1) (j)	0.00	0
Securitisation positions which can alternatively be subject to a 1250 % risk weight	244 (1) (b), 245 (1) (b), 253 (1)	-27,057,643.85	0
Other components or deductions of the CET1	47 (c)	-10,615,284.16	-9,402
Common equity tier 1 capital (CET1)	**50**	**9,418,425,542.02**	**9,599,266**
Additional tier 1 capital (AT1)			
Additional tier 1 capital (AT1)	51 (a), 52-54, 56 (a), 57	2,687,825,604.20	2,405,135
Own AT1 instruments	52 (1) (b), 56 (a), 57	-1,400,000.00	-1,400
Instruments issued by subsidiaries that are given recognition in AT1	85, 86	0.00	0
Transitional adjustments due to grandfathered AT1 instruments	483 (4) (5), 484-487, 489, 491	0.00	0
AT1 instruments of financial sector entities where the institution has a significant investment	4 (27), 56 (d), 59, 79	0.00	0
Excess of deduction from AT1 items over AT1	36 (1) (j)	0.00	0
Additional tier 1 capital (AT1)	**61**	**2,686,425,604.20**	**2,403,735**
Tier 1 capital - total amount of common equity tier 1 (CET1) and additional tier1 (AT1)		**12,104,851,146.22**	**12,003,001**
Tier 2 capital (T2)			
Capital instruments and subordinated loans eligible as T2	62 (a), 63-65, 66 (a), 67	3,898,097,688.39	3,016,311
Own T2 instruments	63 (b) (i), 66 (a), 67	-54,594,513.21	-60,905
Instruments issued by subsidiaries recognised in T2	87, 88	0.00	0
Transitional adjustments due to additional recognition in T2 of instruments issued by subsidiaries	480	0.00	0
Transitional adjustments due to grandfathered T2 instruments and subordinated loans	483 (6) (7), 484, 486, 488, 490, 491	0.00	0
IRB excess of provisions over expected losses eligible	62 (d)	0.00	19,446
Standardised approach general credit risk adjustments	62 (c)	0.00	0
T2 instruments of financial sector entities where the institution has a significant investment	4 (27), 66 (d), 68, 69, 79	0.00	0
Tier 2 capital (T2)	**71**	**3,843,503,175.18**	**2,974,852**
Total own funds		**15,948,354,321.41**	**14,977,853**
Total Risk Exposure Amount	92 (3), 95, 96, 98	40,976,387,481.19	41,001,765
CET1 capital ratio	92 (2) (a)	22.99%	23.41%
Tier 1 capital ratio	92 (2) (b)	29.54%	29.27%
Total capital ratio	92 (2) (c)	38.92%	36.53%

Capital Requirements - Risk structure according to Regulation (EU) No 575/2013 (CRR)

in EUR or in EUR thousand	Article pursuant to CRR	Dec 24 Calculation base/total risk (phased-in)	Dec 24 Capital requirement (phased-in)	Dec 23 Calculation base/total risk	Dec 23 Capital requirement
Total Risk Exposure Amount	**92 (3), 95, 96, 98**	**40,976,387,481.19**	**3,278,110,998.49**	**41,001,765**	**3,280,141**
Risk weighted assets (credit risk)	92 (3) (a) (f)	35,807,567,801.67	2,864,605,424.13	35,779,926	2,862,394
Standardised approach		4,426,864,634.56	354,149,170.76	4,364,123	349,130
IRB approach		30,888,075,545.30	2,471,046,043.62	31,406,748	2,512,540
Default fund contributions to a central counterparty		8,231,094.98	658,487.60	9,055	724
Securitisation positions		484,396,526.83	38,751,722.15	0	0
Settlement Risk	92 (3) (c) (ii), 92 (4) (b)	144,560.38	11,564.83	1,755	140
Trading book, foreign FX risk and commodity risk	92 (3) (b) (i) and (iii), 92 (4) (b)	3,782,138,903.13	302,571,112.25	4,059,577	324,766
Operational Risk	92 (3) (e), 92 (4) (b)	965,715,064.13	77,257,205.13	830,504	66,440
Exposure for CVA	92 (3) (d)	420,821,151.88	33,665,692.15	330,003	26,400
Other amounts receivable (regulatory Add-On)		0.00	0.00	0	0
Other exposure amounts incl. Basel 1 floor	3, 458, 459	0.00	0.00	0	0

In the columns "phased-in", the figures are shown under the currently valid CRR provisions, taking into account the incremental tax regulations.

For the preparation of consolidated capital and consolidated capital requirements, reference is made to the corresponding statements in the Erste Group's Consolidated Financial Statements. Erste Group Bank AG has filed an application for early recognition of year-end profits according to Art 26 para. 2 CRR.

25. List of assets pledged as collateral for liabilities (acc. to section 64 [1] no. 8 Austrian Banking Act)

Assets in EUR or in EUR thousand	Dec 24	Dec 23	Liability description	Balance - sheet item
OeNB asset pool (tender)	**252,287,142.59**	**416,650**		
Fixed-income securities	252,287,142.59	416,650	Refinancing by OeNB / ECB	Liability 1
Collateral pool for municipal and mortgage bonds	**121,759,254.24**	**898,149**		
Loans and advances to customers	121,759,254.24	898,149	Issued municipal and mortgage bonds	Liability 3
Collateral for derivatives	**1,398,700,624.97**	**2,087,690**		
Cash Collateral for OTC-derivatives	1,016,703,357.57	1,260,836	Other liabilities	Liability 4
Cash Collateral for exchange traded derivatives	4,609,116.32	3,184	margin requirement	
Blocked securities account as collateral for OTC- and exchange traded derivatives	377,388,151.08	823,670	Other liabilities / margin requirement	Liability 4
Coverage for the pension provisions	**156,827,712.66**	**156,556**		
Pension provisions § 11 BPG	156,827,712.66	156,556	Coverage for the pension provisions	Liability 6
Pledge agreements	**297,559,567.55**	**271,309**		
Securities loan	297,559,567.55	271,309	Guarantees and contingent liabilities pledged as collateral	
Collateralized Guarantee	**841,007,989.66**	**838,884**		
Securities loan	841,007,989.66	838,884	Guarantees and contingent liabilities pledged as collateral	
Total	**3,068,142,291.67**	**4,669,237**		

Eligible collateral totalling EUR 33,641,838,858.37 (previous year: EUR 30,933,309 Tsd) was provided by the savings banks for Erste Group Bank AG's own liabilities.

In addition to the above-mentioned collaterals, the company's own issued mortgage bonds, which were not placed on the market, with a nominal volume of EUR 500,000,000.00 (previous year: EUR 3,000,000 thousand) were provided as collateral in repurchase agreements and with a nominal volume of EUR 0.00 (previous year: EUR 900,000 thousand) lent as part of securities lending transactions.

Furthermore, securities with a carrying amount of EUR 702,841,732.98 (previous year: EUR 0 thousand) have been pledged as collateral for borrowed securities, which are not recognized as liabilities in the balance sheet.

26. Total volume of unsettled derivatives

Dec 24 in EUR	Remaining maturity nominals			Total
	< 1 years	1-5 years	> 5 years	
Interest rate contracts	**66,887,021,553.71**	**134,594,516,943.60**	**75,345,756,372.06**	**276,827,294,869.37**
OTC products	66,097,684,232.72	134,457,613,677.21	75,345,756,372.06	275,901,054,281.99
Options	2,046,762,425.32	11,517,205,835.80	680,583,764.94	14,244,552,026.06
Other (f.i.: Interest rate swaps)	64,050,921,807.40	122,940,407,841.41	74,665,172,607.12	261,656,502,255.93
Exchange-traded products	789,337,320.99	136,903,266.39	0.00	926,240,587.38
Options	0.00	0.00	0.00	0.00
Other (f.i.: Futures)	789,337,320.99	136,903,266.39	0.00	926,240,587.38
Securities related business	**1,279,948,563.39**	**2,431,828,384.30**	**510,812,736.15**	**4,222,589,683.84**
OTC products	1,076,961,986.87	2,431,828,384.30	510,812,736.15	4,019,603,107.32
Options	468,889,517.37	977,794,106.79	63,366,736.15	1,510,050,360.31
Other (f.i.: Stock swaps)	608,072,469.50	1,454,034,277.51	447,446,000.00	2,509,552,747.01
Exchange-traded products	202,986,576.52	0.00	0.00	202,986,576.52
Options	51,371,814.96	0.00	0.00	51,371,814.96
Other (f.i.: Futures)	151,614,761.56	0.00	0.00	151,614,761.56
Currency contracts	**46,506,844,851.15**	**15,564,936,885.70**	**3,200,892,119.01**	**65,272,673,855.86**
OTC products	46,490,452,283.77	15,564,936,885.70	3,200,892,119.01	65,256,281,288.48
Options	2,954,215,460.85	439,023,060.98	0.00	3,393,238,521.83
Other (f.i.: Currency swap)	43,536,236,822.92	15,125,913,824.72	3,200,892,119.01	61,863,042,766.65
Exchange-traded products	16,392,567.38	0.00	0.00	16,392,567.38
Options	0.00	0.00	0.00	0.00
Other (f.i.: Futures)	16,392,567.38	0.00	0.00	16,392,567.38
Credit derivatives	**123,904,000.00**	**213,848,437.77**	**0.00**	**337,752,437.77**
OTC products	123,904,000.00	213,848,437.77	0.00	337,752,437.77
Credit default options	0.00	0.00	0.00	0.00
Other (f.i.: Credit Default Swaps)	123,904,000.00	213,848,437.77	0.00	337,752,437.77
Exchange-traded products	0.00	0.00	0.00	0.00
Options	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Commodity contracts	**6,892,597.94**	**0.00**	**0.00**	**6,892,597.94**
OTC products	0.00	0.00	0.00	0.00
Options	0.00	0.00	0.00	0.00
Other (f.i.: Commodity swaps)	0.00	0.00	0.00	0.00
Exchange-traded products	6,892,597.94	0.00	0.00	6,892,597.94
Options	0.00	0.00	0.00	0.00
Other (f.i.: Futures)	6,892,597.94	0.00	0.00	6,892,597.94
Other	**7,500,000.00**	**1,199,824,398.72**	**124,443,464.80**	**1,331,767,863.52**
OTC products	7,500,000.00	1,199,824,398.72	124,443,464.80	1,331,767,863.52
Options	0.00	125,000,000.00	20,000,000.00	145,000,000.00
Other (f.i.: Inflation swaps)	7,500,000.00	1,074,824,398.72	104,443,464.80	1,186,767,863.52
Exchange-traded products	0.00	0.00	0.00	0.00
Options	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Total	**114,812,111,566.19**	**154,004,955,050.09**	**79,181,904,692.02**	**347,998,971,308.30**
OTC products	**113,796,502,503.36**	**153,868,051,783.70**	**79,181,904,692.02**	**346,846,458,979.08**
Exchange-traded products	**1,015,609,062.83**	**136,903,266.39**	**0.00**	**1,152,512,329.22**

The nominal values were presented without netting the transactions with central counterparties.

Dec 23 in EUR thousand	Remaining maturity nominals < 1 years	1-5 years	> 5 years	Total
Interest rate contracts	**76,160,719**	**101,940,951**	**58,316,236**	**236,417,906**
OTC products	73,630,709	101,936,629	58,316,236	233,883,574
Options	1,574,760	5,320,310	884,096	7,779,166
Other (f.i.: Interest rate swaps)	72,055,949	96,616,319	57,432,140	226,104,409
Exchange-traded products	2,530,010	4,322	0	2,534,332
Options	0	0	0	0
Other (f.i.: Futures)	2,530,010	4,322	0	2,534,332
Securities related business	**1,060,047**	**3,577,446**	**672,102**	**5,309,595**
OTC products	654,481	3,572,200	672,102	4,898,784
Options	379,208	1,670,491	111,216	2,160,915
Other (f.i.: Stock swaps)	275,273	1,901,710	560,886	2,737,869
Exchange-traded products	405,566	5,246	0	410,812
Options	186,888	5,224	0	192,112
Other (f.i.: Futures)	218,678	21	0	218,699
Currency contracts	**51,825,260**	**14,255,977**	**2,687,321**	**68,768,557**
OTC products	51,813,749	14,255,977	2,687,321	68,757,047
Options	2,256,834	415,002	65,619	2,737,455
Other (f.i.: Currency swap)	49,556,916	13,840,975	2,621,702	66,019,592
Exchange-traded products	11,510	0	0	11,510
Options	0	0	0	0
Other (f.i.: Futures)	11,510	0	0	11,510
Credit derivatives	**232,638**	**377,884**	**0**	**610,522**
OTC products	232,638	377,884	0	610,522
Credit default options	0	0	0	0
Other (f.i.: Credit Default Swaps)	232,638	377,884	0	610,522
Exchange-traded products	0	0	0	0
Options	0	0	0	0
Other	0	0	0	0
Commodity contracts	**7,242**	**0**	**0**	**7,242**
OTC products	0	0	0	0
Options	0	0	0	0
Other (f.i.: Commodity swaps)	0	0	0	0
Exchange-traded products	7,242	0	0	7,242
Options	0	0	0	0
Other (f.i.: Futures)	7,242	0	0	7,242
Other	**16,000**	**862,830**	**355,285**	**1,234,115**
OTC products	16,000	862,830	355,285	1,234,115
Options	4,000	120,000	45,000	169,000
Other (f.i.: Inflation swaps)	12,000	742,830	310,285	1,065,115
Exchange-traded products	0	0	0	0
Options	0	0	0	0
Other	0	0	0	0
Total	**129,301,906**	**121,015,088**	**62,030,944**	**312,347,938**
OTC products	**126,347,578**	**121,005,520**	**62,030,944**	**309,384,042**
Exchange-traded products	**2,954,328**	**9,568**	**0**	**2,963,896**

27. Derivative financial instruments and fixed-asset financial instruments

Derivative financial instruments

Dec 24 in EUR	Notional amount	thereof sells	Carrying amount Assets (+) / Liabilities (-)	Fair value Positive	Negative
Interest rate contracts	**276,827,294,869.37**	**3,847,797,107.19**	**-54,065,032.01**	**5,222,410,252.21**	**-5,546,345,001.84**
OTC products	275,901,054,281.99	3,847,797,107.19	-54,065,032.01	5,222,410,252.21	-5,546,345,001.84
Options	14,244,552,026.06	3,847,797,107.19	39,309,458.53	78,800,676.82	-39,535,247.14
Other (f.i.: Interest rate swaps)	261,656,502,255.93		-93,374,490.54	5,143,609,575.39	-5,506,809,754.70
Exchange-traded products	926,240,587.38	0.00	0.00	0.00	0.00
Options	0.00	0.00	0.00	0.00	0.00
Other (f.i.: Futures)	926,240,587.38		0.00	0.00	0.00
Securities related business	**4,222,589,683.84**	**570,325,481.78**	**23,195,346.41**	**242,640,152.06**	**-223,363,694.89**
OTC products	4,019,603,107.32	532,292,187.39	24,078,169.07	241,228,942.57	-221,069,662.74
Options	1,510,050,360.31	532,292,187.39	65,525,251.20	134,619,405.58	-115,169,323.94
Other (f.i.: Stock swaps)	2,509,552,747.01		-41,447,082.13	106,609,536.99	-105,900,338.80
Exchange-traded products	202,986,576.52	38,033,294.39	-882,822.66	1,411,209.49	-2,294,032.15
Options	51,371,814.96	38,033,294.39	-882,822.66	1,411,209.49	-2,294,032.15
Other (f.i.: Futures)	151,614,761.56		0.00	0.00	0.00
Currency contracts	**65,272,673,855.86**	**1,899,018,645.82**	**-69,091,038.84**	**706,105,566.43**	**-774,113,264.73**
OTC products	65,256,281,288.48	1,899,018,645.82	-69,091,038.84	706,105,566.43	-774,113,264.73
Options	3,393,238,521.83	1,899,018,645.82	-1,392,395.13	29,125,983.70	-30,518,378.83
Other (f.i.: Currency swap)	61,863,042,766.65		-67,698,643.71	676,979,582.73	-743,594,885.90
Exchange-traded products	16,392,567.38	0.00	0.00	0.00	0.00
Options	0.00	0.00	0.00	0.00	0.00
Other (f.i.: Futures)	16,392,567.38		0.00	0.00	0.00
Credit derivatives	**337,752,437.77**	**0.00**	**-2,408,586.15**	**2,106,014.96**	**-7,105,816.77**
OTC products	337,752,437.77	0.00	-2,408,586.15	2,106,014.96	-7,105,816.77
Credit default options	0.00	0.00	0.00	0.00	0.00
Other (f.i.: Credit Default Swaps)	337,752,437.77	0.00	-2,408,586.15	2,106,014.96	-7,105,816.77
Exchange-traded products	0.00	0.00	0.00	0.00	0.00
Options	0.00	0.00	0.00	0.00	0.00
Other	0.00		0.00	0.00	0.00
Commodity contracts	**6,892,597.94**	**0.00**	**0.00**	**0.00**	**0.00**
OTC products	0.00	0.00	0.00	0.00	0.00
Options	0.00	0.00	0.00	0.00	0.00
Other (f.i.: Commodity swaps)	0.00		0.00	0.00	0.00
Exchange-traded products	6,892,597.94	0.00	0.00	0.00	0.00
Options	0.00	0.00	0.00	0.00	0.00
Other (f.i.: Futures)	6,892,597.94		0.00	0.00	0.00
Other	**1,331,767,863.52**	**0.00**	**1,819,439.28**	**14,770,050.07**	**-16,493,811.57**
OTC products	1,331,767,863.52	0.00	1,819,439.28	14,770,050.07	-16,493,811.57
Options	145,000,000.00	0.00	0.00	0.00	0.00
Other (f.i.: Inflation swaps)	1,186,767,863.52		1,819,439.28	14,770,050.07	-16,493,811.57
Exchange-traded products	0.00	0.00	0.00	0.00	0.00
Options	0.00	0.00	0.00	0.00	0.00
Other	0.00		0.00	0.00	0.00
Total	**347,998,971,308.30**	**6,317,141,234.79**	**-100,549,871.31**	**6,188,032,035.73**	**-6,567,421,589.80**
thereof external/internal deals					
external deals	315,867,037,277.84	6,083,899,643.23	25,226,061.21	5,250,715,609.89	-5,630,105,163.96
internal deals	32,131,934,030.46	233,241,591.56	-125,775,932.52	937,316,425.84	-937,316,425.84
thereof OTC/Exchange-traded products					
OTC products	346,846,458,979.08	6,279,107,940.40	-99,667,048.65	6,186,620,826.24	-6,565,127,557.65
Exchange-traded products	1,152,512,329.22	38,033,294.39	-882,822.66	1,411,209.49	-2,294,032.15
thereof trading book/banking book					
Trading Book	309,680,555,112.06	6,285,531,234.79	-35,437,499.25	5,431,261,972.33	-5,355,074,391.49
Banking Book	38,318,416,196.24	31,610,000.00	-65,112,372.06	756,770,063.40	-1,212,347,198.31
thereof hedges	34,788,798,435.68	31,610,000.00	-63,340,504.33	746,702,942.88	-1,203,576,563.17

Nominal Values and fair values are presented without netting transactions with central counterparties.

The carrying amounts of derivatives are reported after netting transactions with central counterparties. The netting includes derivatives on the asset and liability side as well as cash collateral provided or received to cover the fair values of derivatives not yet matured (cash collaterals). Netted carrying amounts are shown on the balance sheet on other assets or other liabilities.

Dec 23 in EUR thousand	Notional amount	thereof sells	Carrying amount Assets (+) / Liabilities (-)	Fair value Positive	Negative
Interest rate contracts	**236,417,906**	**3,990,240**	**-8,996**	**5,959,330**	**-6,671,649**
OTC products	233,883,574	3,990,240	-8,996	5,959,330	-6,671,649
Options	7,779,166	3,990,240	34,295	114,553	-80,347
Other (f.i.: Interest rate swaps)	226,104,409	0	-43,291	5,844,777	-6,591,302
Exchange-traded products	2,534,332	0	0	0	0
Options	0	0	0	0	0
Other (f.i.: Futures)	2,534,332	0	0	0	0
Securities related business	**5,309,595**	**872,932**	**47,205**	**238,257**	**-229,991**
OTC products	4,898,784	764,439	63,264	232,964	-208,638
Options	2,160,915	764,439	55,492	122,490	-99,771
Other (f.i.: Stock swaps)	2,737,869	0	7,773	110,473	-108,867
Exchange-traded products	410,812	108,493	-16,059	5,293	-21,352
Options	192,112	108,493	-16,059	5,293	-21,352
Other (f.i.: Futures)	218,699	0	0	0	0
Currency contracts	**68,768,557**	**1,641,470**	**-213,031**	**761,110**	**-968,805**
OTC products	68,757,047	1,641,470	-213,031	761,110	-968,805
Options	2,737,455	1,641,470	-3,537	35,517	-39,106
Other (f.i.: Currency swap)	66,019,592	0	-209,494	725,593	-929,699
Exchange-traded products	11,510	0	0	0	0
Options	0	0	0	0	0
Other (f.i.: Futures)	11,510	0	0	0	0
Credit derivatives	**610,522**	**7,500**	**-538**	**5,826**	**-12,570**
OTC products	610,522	7,500	-538	5,826	-12,570
Credit default options	0	0	0	0	0
Other (f.i.: Credit Default Swaps)	610,522	7,500	-538	5,826	-12,570
Exchange-traded products	0	0	0	0	0
Options	0	0	0	0	0
Other	0	0	0	0	0
Commodity contracts	**7,242**	**0**	**0**	**0**	**0**
OTC products	0	0	0	0	0
Options	0	0	0	0	0
Other (f.i.: Commodity swaps)	0	0	0	0	0
Exchange-traded products	7,242	0	0	0	0
Options	0	0	0	0	0
Other (f.i.: Futures)	7,242	0	0	0	0
Other	**1,234,115**	**0**	**802**	**12,306**	**-14,406**
OTC products	1,234,115	0	802	12,306	-14,406
Options	169,000	0	156	156	0
Other (f.i.: Inflation swaps)	1,065,115	0	647	12,151	-14,406
Exchange-traded products	0	0	0	0	0
Options	0	0	0	0	0
Other	0	0	0	0	0
Total	**312,347,938**	**6,512,141**	**-174,557**	**6,976,830**	**-7,897,420**
thereof external/internal deals					
external deals	287,076,740	6,035,339	-135,490	6,049,456	-6,970,046
internal deals	25,271,198	476,803	-39,067	927,374	-927,374
thereof OTC/Exchange-traded products					
OTC products	309,384,042	6,403,648	-158,498	6,971,536	-7,876,068
Exchange-traded products	2,963,896	108,493	-16,059	5,293	-21,352
thereof trading book/banking book					
Trading Book	281,300,627	6,425,003	-116,667	6,320,545	-6,291,661
Banking Book	31,047,311	87,139	-57,890	656,285	-1,605,759
thereof hedges	30,266,727	86,430	-43,861	652,959	-1,591,167

Book values are represented in the following balance sheet items:

in EUR or in EUR thousand	Dec 24	thereof internal trades	Dec 23	thereof internal trades
A12 Other assets	2,292,804,635.95	587,321,315.61	2,603,893	652,417
A14 Prepayments and accrued income	9,313,247.97	9,046,698.25	12,184	11,847
P04 Other liabilities	2,241,584,213.27	640,343,101.15	2,618,674	601,939
P05 Accruals and deferred income	152,275,583.32	79,523,052.87	169,963	99,913
P06 Provisions	8,807,958.64	2,277,792.36	1,996	1,479

Embedded derivates

in EUR or in EUR thousand	Dec 24			Dec 23		
	Notional amount	Fair value		Notional amount	Fair value	
		Positive	Negative		Positive	Negative
Securities related business	1,209,137,220.00	27,347,870.81	-83,290,245.79	1,363,048	56,018	-61,020
Credit derivatives	32,695,000.00	474,319.69	-821,166.79	93,256	1,363	-2,039
Other	241,400,000.00	1,005,653.76	-5,325,175.71	235,000	2,375	-3,133
Total	**1,483,232,220.00**	**28,827,844.26**	**-89,436,588.29**	**1,691,304**	**59,756**	**-66,192**

Embedded derivatives are reported together with the underlying liability in accordance with AFRAC Statement 15 (2020), as the embedded derivatives are fully hedged. Therefore, the table does not include any book values.

Fixed assets instruments

In the following table the figures are displayed without contractual interest accruals.

in EUR or in EUR thousand	Carrying amount	Positive fair value	Hidden losses	Hidden reserves
Dec 24				
Treasury bills	7,675,715,095.95	7,120,833,016.69	-554,882,079.26	
	5,452,061,271.02	5,542,225,079.74		90,163,808.72
Loans and advances to credit institutions	636,336,614.20	622,244,336.15	-14,092,278.05	
	1,512,952,221.86	1,534,129,915.43		21,177,693.57
Loans and advances to customers	131,435,767.17	129,937,948.49	-1,497,818.68	
	416,122,136.18	417,764,462.04		1,642,325.86
Debt securities	1,969,331,660.43	1,865,876,104.40	-103,455,556.03	
	2,086,221,736.22	2,125,320,683.58		39,098,947.36
Shares and other variable-yield securities	532,975,289.10	532,914,251.50	-61,037.60	
	866,514,236.12	907,312,808.81		40,798,572.69
Financial instruments carried as fixed assets	**10,945,794,426.85**	**10,271,805,657.23**	**-673,988,769.62**	
	10,333,871,601.40	**10,526,752,949.60**		**192,881,348.20**
Dec 23				
Treasury bills	3,811,285	3,265,690	-545,595	
	1,710,892	1,777,164		66,272
Loans and advances to credit institutions	1,022,107	993,220	-28,886	
	465,637	471,901		6,264
Loans and advances to customers	684,913	654,402	-30,511	
	633,302	636,964		3,662
Debt securities	3,271,009	3,089,519	-181,490	
	1,522,496	1,553,443		30,947
Shares and other variable-yield securities	357,875	357,822	-53	
	744,120	754,596		10,476
Financial instruments carried as fixed assets	**9,147,189**	**8,360,654**	**-786,535**	
	5,076,447	**5,194,068**		**117,621**

Fixed assets were not written down because the impairments are not expected to be permanent. Analyses in this regard showed that there were no credit rating related impairments in the reporting period. Interest induced impairments are not realized because there is an ability and intention to hold these securities until maturity. Fair value is the amount that could be obtained in an active market through the sale of a financial instrument, or correspondingly the amount that would be payable for its purchase. If market prices were available, these are used to determine fair value. In the absence of market prices, valuation models, in particular the present value method, were used.

28. Market value for securities in inactive markets

Erste Group Bank AG calculates theoretical prices for securities in an inactive market. A market is assumed to be inactive when prices for the relevant securities are formed only sporadically, there is only small-volume trading or no current prices are available.

Of securities traded on stock exchanges and valued at market price, theoretical prices were used for the following volumes. The values shown in the following tables do not include contractual accrued interest.

in EUR or in EUR thousand	Dec 24	Dec 23
Carrying amount of securities not marked on the basis of market prices	781,107,486.35	394,696
Fair value on the basis of the price in the inactive market	759,656,449.70	375,279
Difference	-21,451,036.65	-19,417

The last available rates are used as rates for inactive markets. Out of the difference from the reporting year in the amount of EUR 21,451,036.65 (prior year: EUR 19,417 thousand), EUR 22,134,490.43 (prior year: EUR 21,067 thousand) can be attributed to a zero-coupon bond (for which the last available market price dates from 2001) with a term of 30 years, from which further nominal values were acquired in the financial year 2024.

29. Reclassification in securities positions

In 2024 no need for reclassification of security positions to the current asset portfolio occured.

30. Hedging transactions

Erste Group Bank AG uses interest rate swaps, cross currency swaps, credit derivatives and options in order to hedge against the market risk (interest-change risk and price risk) from balance sheet assets (bonds) and liabilities (own issues) on an individual basis.

Derivatives are used as specified by the hedging strategy in accordance with the Commercial Code (UGB) to hedge the fair value or the variable future cash flow of underlying transactions and thereby reducing the interest rate risk of Erste Group Bank AG to the level defined under the interest risk strategy.

Erste Group Bank AG uses interest rate swaps to hedge the interest rate risk of the variable future cash flows from the ECB deposit facility.

in EUR	Dec 24	Dec 23	Change
Fair value hedge			
Positive market value fair value hedge	612,018,992.15	518,691,631.67	93,327,360.48
Negative market value fair value hedge	-1,063,946,379.70	-1,426,455,149.12	362,508,769.42
Cash flow hedge			
Positive market value cash flow hedge	5,765,145.19	0.00	5,765,145.19
Negative market value cash flow hedge	0.00	-9,325,328.03	9,325,328.03
Total			
Total positive market values	617,784,137.34	518,691,631.67	99,092,505.67
Total negative market values	-1,063,946,379.70	-1,435,780,477.15	371,834,097.45

The table above represents the proportion of the fair value (Dirty Price) of derivatives in a hedging relationship that were not recognized in the balance sheet (prior to netting). As of 31 December 2024, fair value hedges with maturity up to 2053 and cash flow hedges with maturity up to 2027 were held.

The Commercial Code hedging efficiency measurement is carried out for Erste Group Bank AG for the year 2024 in form of a critical term match and for cash flow hedges within the framework of a regression test, prospectively and retrospectivly.

31. Consideration of CVA/DVA in derivative valuation

Credit value adjustments (CVA) for counterparty default risks and debt value adjustments (DVA) for own credit risk are applied for all OTC derivatives. No CVA was recognized for counterparties fully backed by credit support annex – agreements (CSA). The CVA adjustment depends on the expected positive exposure and the counterparty's credit worthiness. DVA is determined by the expected negative exposure and by the credit quality of Erste Group Bank AG. The calculation of expected exposure is based on a model that relies on replicated options and on a Monte Carlo simulation, respectively, the probability of default is based on market information.

For portfolios that are marked-to-market, both CVA and a DVA in the amount of EUR -8,355,168.92 (prior year: EUR -6,602 thousand) and EUR 7,003,688.98 (prior year: EUR 7,768 thousand), respectively were recognized. For the banking book portfolio as in prior years, no CVA (prior year: EUR 0 thousand) was recognized, since hedging transactions are carried out via a central counterparty whereby trades are collateralized.

32. Risk provisions

Changes in risk provisions (loans and advances to credit institutions and to customers, receivables and similar financial instruments to credit institutions, receivables and similar financial instruments to customers, and contingent liabilities):

in EUR or in EUR thousand	1-12 24	1-12 23
Opening balance	**238,087,710.94**	**433,082**
Allocations / Releases (-)	15,198,764.59	-129,219
Use	-22,061,686.09	-65,355
Reclassification	0.00	0
Exchange rate changes	974,777.20	-420
Closing balance	**232,199,566.64**	**238,088**

33. Contingent liabilities

Within the off-balance item contingent liabilities in the amount of EUR 12,627,167,030.47 (prior year: EUR 6,795,798 thousand) necessary provisions were deducted. The largest part of the amount totaling EUR 6,503,158,009.97 (prior year: EUR 6,624,576 thousand) relates to liabilities and guarantees from collateralization. This amount also includes comfort letters in the amount of EUR 335,051,840.83 (prior year: EUR 363,020 thousand). A large part of this sum totaling EUR 242,404,003.40 (prior year: EUR 265,983 thousand) was issued by Erste Group Bank AG in 2015 for affiliated companies in case they do not meet their rent payment obligations for the Erste Campus. Moreover, this item also includes credit derivatives in the amount of EUR 59,950,000.00 (prior year: EUR 171,222 thousand).

In this chapter the contingent liabilities of the cross-guarantee scheme are included. The contingent liability of the cross-guarantee scheme relates to the reciprocal obligation of the liable members to provide financial support for savings banks in financial difficulties or, in the event of distress, to ensure the timely fulfillment of certain monetary cleamis of customers against another liable member. A case of distress is the opening of bankruptcy proceedings against a member of the cross-guarantee system. With regard to the abolition of the extended deposit guarantee of the cross-guarantee system, please refer to chapter A.

34. Credit risk

There is credit risk in the amount of EUR 19,781,993,725.55 (prior year: EUR 17,001,809 thousand) primarily for loan and guarantee commitments which have not yet been exercised. These amounts are net of the appropriate provisions.

35. Gross income – regional breackdown

Gross income of Erste Group Bank AG was broken down as follows (according to the location of branches):

	1-12 24			1-12 23		
in EUR or in EUR thousand	Domestic	Abroad	Total	Domestic	Abroad	Total
Interest and similar income	7,123,529,118.98	1,631,024,334.11	8,754,553,453.09	8,555,824	1,559,365	10,115,189
Income from securities and participating interests	1,978,454,839.16	0.00	1,978,454,839.16	1,533,567	0	1,533,567
Fee and commission income	234,149,914.56	9,485.93	234,159,400.49	215,787	35	215,822
Net profit or loss on financial operations	68,894,526.27	-33,458,179.38	35,436,346.89	-96,793	120,020	23,227
Other operating income	163,082,452.02	4,049,649.63	167,132,101.65	104,220	927	105,147
Gross income	**9,568,110,850.99**	**1,601,625,290.29**	**11,169,736,141.28**	**10,312,605**	**1,680,345**	**11,992,951**

36. Net interest income

Erste Group Bank AG recognizes negative interest charged on loans from money market claims, particularly with credit institutions (assets) in the amount of EUR 90,212.81 (prior year: EUR 293 thousand) under interest and similar expenses. Negative interest on deposits (liabilities) in the amount of EUR 30,495.87 (prior year: EUR 347 thousand) is recognized under interest and similar income. Securities (assets) show negative interest in the amount of EUR 191,593.35 (prior year: EUR 1,588 thousand) under interest and

similar expenses. Securities (liabilities) show negative interest in the amount of EUR 2,737,385.27 (prior year: EUR 3,092 thousand) under interest and similar income.

37. Income from participating interests and shares in affiliated companies

The balance sheet item income from participating interests and shares in affiliated companies includes EUR 477,287,373.86 (prior year: EUR 311,210 thousand) and the balance sheet item extraordinary income includes EUR 1,000,000.00 (prior year: EUR 36,075 thousand) from group members, which are subsidiaries belonging to the fiscal group of Erste Group Bank AG within the framework of the group taxation regulations which came into power in 2005.

38. Other operating income

Other operating income of EUR 167,132,101.65 (prior year: EUR 105,147 thousand) included income from personnel and other administrative expenses reimbursed to group members in the amount of EUR 95,060,715.25 (prior year: EUR 82,271 thousand), fees for early prepaid loans in the amount EUR 45,309,862.83 (prior year: EUR 357 thousand) and rental income in the amount of EUR 10,935,819.74 (prior year: EUR 8,392 thousand).

39. Personnel expenses

In terms of personnel expenses, the position expenses for severance payments and payments to severance-payment funds included expenses for severance payments in the amount of EUR 1,791,284.64 (prior year: EUR 3,419 thousand).

Expenses for pensions are accounted for as follows:
- For defined pension payments in the amount of EUR 6,044,336.68 as income from the release of pension provisions included in the other operating income position (prior year: expenses EUR 12,154 thousand in personnel expenses) and interest expenses in the amount of EUR 7,573,672.62 (prior year: 8,842 thousand) as interest costs.
- Current pension fund contributions in the amount of EUR 10,305,396.24 (prior year: EUR 10,721 thousand) also as personnel costs.

40. Other administrative expenses

Other administrative expenses include fees paid for auditing and tax advisory services. The table below lists the fees or charges, including value added tax, charged by the external auditors (Sparkassen-Prüfungsverband and PwC Wirtschaftsprüfung GmbH):

in EUR or in EUR thousand	1-12 24	1-12 23
Fees charged for auditing the financial statements	4,132,270.07	3,304
Fees charged for audit-related services	2,516,253.91	1,786
Fees charged for tax advisory services	0.00	0
Fees charged for other services	387,364.54	149
Total	**7,035,888.52**	**5,238**

As statutory auditors, Sparkassen-Prüfungsverband (auditing agency) provided auditing services for affiliated companies of Erste Group Bank AG in the amount of EUR 7,725,481.00 (prior year: EUR 5,931 thousand). Other advisory services were charged to other affiliated companies in the amount of EUR 139,383.00 (prior year: EUR 88 thousand). The amount charged for other services for affiliated companies came up to EUR 48,130.00 (prior year: EUR 54 thousand).

PwC Wirtschaftsprüfung GmbH provided auditing services for affiliated companies of Erste Group Bank AG in the amount of EUR 734,272.00 (prior year: EUR 827 thousand). Other advisory services were charged to other affiliated companies in the amount of EUR 268,278.00 (prior year: EUR 215 thousand).

41. Other operating expenses

Other operating expenses in the amount of EUR 31,713,488.57 (prior year: EUR 49,208 thousand) mainly comprise expenses for the provision for interbank VAT exemption in the amount of EUR 14,518,902.20 (prior year: EUR 0 thousand) as well as the expenses for

the Operational Risk Insurance Program in the amount of EUR EUR 6,185,538.22 (prior year: EUR 6,379 thousand). In the prior year also expenses for the Resolution Fund in the amount of EUR 36,945 thousand were included in this item.

42. Value adjustments as well as results from purchases and sales in respect of participating interests and shares in affiliated Companies

In 2024, the balance from value adjustments as well as results from sales of participating interests and shares in affiliated companies results in a write-up of EUR 575,211,265.21 (prior year: EUR 514,795 thousand). This amount is largely attributable to the write-up of Banca Comercială Română S.A. of EUR 289,700,000.00 (prior year: EUR 461,800 thousand), of Erste Bank Hungary Zrt. of EUR 267,383,894.35 (prior year: EUR 74,500 thousand) and of Erste Group Immorent GmbH of EUR 25,600,000.00 (prior year: write down EUR 17,500 thousand) as well as the writedown of OM Objektmanagement GmbH of EUR 5,800,000.00 (prior year: EUR 13,300 thousand).

For group members (subsidiaries that are considered a tax group with Erste Group Bank AG under the group taxation regulations of 2005) revaluation requirements in the amount of EUR 13,240,800.10 (prior year: EUR 34,630 thousand) and write-ups amounting to EUR 31,722,029.00 (prior year: EUR 5,335 thousand) are included in this item. As in the prior year, no group members were sold affecting results in the reporting year.

43. Taxes on profit and loss

The item taxes on profit or loss shows expense amounting to EUR 2,493,609.46 (prior year: income EUR 71,261 thousand). This includes income in the amount of EUR 196,157,555.01 (prior year: income EUR 224,860 thousand) from the current tax allocation, an income of EUR 3,966,565.66 (prior year: income EUR 7,063 thousand) from the retroactive accounting of prior years according to section 9 Corporate Tax Act on group taxation, as well as an expense of EUR 159,789,872.20 (prior year: expense EUR 73,875 thousand) from deferred tax assets. For current corporate income tax to Austrian tax authority, an expense amounting to EUR 52,686,550.99 (prior year: expense EUR 65,800 thousand) was recorded, as well as an aperiodic corporate income tax profit of EUR 18,893,654.96 (prior year: expense EUR 4,186 thousand).

Since 2005, Erste Group Bank AG and its main domestic subsidiaries have formed a tax group in accordance with section 9 Corporate Tax Act, with Erste Group Bank AG as parent company of the group. Group and tax equalisation agreements were concluded with all affiliated companies. Under these agreements, affiliated companies allocate amounts equivalent to the corporation tax on taxable profits to Erste Group Bank AG. Since tax losses from prior years are recorded and offset against their current tax liability by the affiliated companies themselves, there is no obligation to make tax allocation payments to Erste Group Bank AG. Moreover, Erste Group Bank AG undertakes to make compensatory payments for any tax losses utilized up to that point to any affiliated company leaving the Group.

Foreign income taxes and other foreign income related taxes are expenses of EUR 4,219,315.83 (prior year: EUR 15,133 thousand).

The company is fully consolidated in the consolidated financial statements of Erste Group and is therefore subject to the provisions of the MinBestG. In accordance with Section 198 Paragraph 10 Clause 3 Item 4 of the Austrian Commercial Code (UGB), no deferred taxes resulting from the application of the MinBestG or a comparable foreign law were recognized. The MinBestG increased the company's current income tax expense by EUR 1,705,091.34. Group companies from Serbia and Bosnia-Herzegovina have not achieved the required minimum taxation of 15%. These countries have not yet passed a national minimum taxation law, so Austria, as the headquarters of the parent company, is subject to taxation in this regard. The tax expense is proportionally distributed to the relevant companies. Future tax burdens from the MinBestG or comparable foreign laws depend in particular on the earnings situation of foreign group companies.

44. Other taxes

The balance sheet item other taxes not shown under item 18 in the amount of EUR 26,774,687.67 (prior year: EUR 18,881 thousand) includes mainly the bank levy to the amount of EUR 26,686,461.34 (prior year: EUR 24,533 thousand). In 2024 provisions from past years in the amount of EUR 0.00 (prior year: EUR 6,251 thousand) were released.

45. Branches on a consolidated basis

Business Areas Branches Country of domicile	Commercial lending to foreign banks, leasing companies and sovereign debtors New York USA	 Hong Kong China	Institutional sales-business Berlin, Stuttgart Germany
Dec 24			
Net interest income in EUR	70,562,433.15	-15,307,607.57	-15,986.74
Operating result in EUR	74,224,205.45	-12,071,745.52	-15,875.82
Headcount / as of reporting date	23	24	13
Profit or loss from ordinary activities in EUR	62,987,586.34	-19,874,750.32	-4,356,073.33
Taxes on income in EUR	-1,837,074.25	-2,609,300.52	-34,246.40
Public benefits received	none	none	none
Dec 23			
Net interest income in EUR thousand	61,856	-20,486	-2
Operating result in EUR thousand	61,985	-17,388	0
Headcount / as of reporting date	24	24	13
Profit or loss from ordinary activities in EUR thousand	50,237	-24,426	-4,037
Taxes on income in EUR thousand	-13,392	-1,795	-34
Public benefits received	none	none	none

The consolidated negative result before tax of Hong Kong branch is due to internal trades with Vienna headquarter for the purpose of refinancing and hedging. These trades are to be eliminated for the presentation of the table. The overall unconsolidated branch result is positive.

46. Return on assets

Profit for the year after tax before changes in reserves expressed in proportion to the average total assets was at balance sheet date 2.3% in 2024 (prior year: 1.8%).

47. Events after balance sheet date

There were no significant events after the balance sheet reporting date.

D. BOARD MEMBERS AND EMPLOYEES

The average number of employees at Erste Group Bank AG (weighted, excluding employees on leave and management board members) was 2,006 during the financial year 2024 (previous year: 1,965).

In 2024, 109 employees (previous year: 117) worked at other companies against reimbursement of expenses. The reimbursement costs of EUR 25,821,586.07 (previous year: EUR 24,905 thousand) are included in other operating income.

Overview remuneration of management and supervisory board members

The following table displays the total remuneration of the management board and the supervisory board. The expenses were recognised on an accrued basis. The amounts indicated correspond to the expected payments on the balance sheet date and can deviate from those amounts, which are actually paid out.

The distribution of remuneration to active members of the management and supervisory boards is as follows:

	1-12 24			1-12 23		
in EUR or in EUR thousand	Management Board	Supervisory Board	Total	Management Board	Supervisory Board	Total
Short-term benefits	8,251,487.21	2,157,487.00	10,408,974.21	8,241	2,083	10,324
Other long-term benefits	1,848,111.05	0.00	1,848,111.05	1,707	0	1,707
Post-employment benefits	1,354,291.69	0.00	1,354,291.69	1,404	0	1,404
Share-based payments	4,588,018.02	0.00	4,588,018.02	3,503	0	3,503
Total	**16,041,907.97**	**2,157,487.00**	**18,199,394.97**	**14,855**	**2,083**	**16,938**

Neither in 2024 nor in the previous year, Erste Group Bank AG granted loans directly to members of the board or supervisory board. Remuneration paid to board members, who left during this financial year, is reported as active board members. The members of the management board of Erste Group Bank AG were granted a total compensation of 0.5% (previous year: 0.5%) related to Erste Group's total personnel expenses for their activities in the financial year. Total remuneration of EUR 2,811,392.68 (previous year: EUR 3,062 thousand) was granted to former board members and their surviving dependents in the financial year 2024 and 40,607 (previous year: 43,651) share equivalents were awarded

SHORT-TERM BENEFITS

This category includes salaries, payments in kind, social security contributions and other short-term benefits. These also include variable remuneration components, which are paid in cash within a year. The supervisory board remuneration indicated includes supervisory board remuneration, attendance fees and remuneration for serving on the boards of affiliated companies.

POST-EMPLOYMENT BENEFITS

The members of the management board participate in the defined contribution pension plan of Erste Group Bank AG according to the same principles as the employees of the Group (see Annex chapter C point 16). Termination benefits primarily include contributions paid to pension funds and employee provision funds.

OTHER LONG-TERM BENEFITS

These primarily include variable remuneration components, which are paid in cash only after a year and distributed over several years. Moreover, expenses for provisions for jubilee benefits (see Annex chapter C point 16) are presented in this category.

SHARE-BASED PAYMENTS

This category includes expenses for share-based variable compensation components.

Supervisory board members

The supervisory board consists of at least three and a maximum of fourteen members elected in the annual general meeting. Unless the annual general meeting has determined a shorter term of the mandate for individual, several or all supervisory board members on the occasion of their appointment, the term of office of the members of the supervisory board ends at the close of the annual general meeting that resolves on the approvals of their actions for the fourth financial business year following their election; re-election is permitted. In addition, membership of the supervisory board ceases upon death, revocation, resignation or in the event of a defined impediment. Revocation requires a majority of three quarters of valid votes cast and a majority of three-quarters of the registered capital represented at the time of the resolution.

BREACKDOWN OF SUPERVISORY BOARD REMUNERATION

Pursuant to the decision passed at the annual general meeting of 22. Mai 2024, the supervisory board adopted in its constituent meeting the following yearly remuneration structure for the financial year 2021 and the following years:

in EUR	Allowance per person
Chairman	240,000.00
1st Vice Chairman	110,000.00
2nd Vice Chairman	90,000.00
Member	75,000.00

In addition, the chairmen of the risk and the audit committee each receive further annual compensation of EUR 24,000.00, the chairman of the IT committee of EUR 18,000.00 and the chairmen of the remuneration, strategy and sustainability committee each of EUR 15,000.00. The chairman of the nomination committee receives an annual compensation of EUR 12.000,00. If there is no personal identity between the financial expert and the chairperson of the audit committee, the former also receives an additional annual remuneration of EUR 20,000.00.

The additional attendance fee to be paid to the members of the supervisory board was set at EUR 1,200.00 per meeting of the supervisory board or one of its committees.

Erste Group Bank AG did not conclude other legal transactions with its members of the supervisory board.

Transactions and shares held by management board and supervisory board members

The tables below provide information on Erste Group Bank AG shares held by management board and supervisory board members as well as transactions carried out with Erste Group Bank AG shares (numbers of shares). Erste Group Bank AG shares held by management board and supervisory board members, whose office term began or ended during the financial year, as at the date of inception or termination of their term in office were recognised as additions or disposals.

Members of the Management Board	31 December 2023	Additions	Disposals	31 December 2024
Bleier Ingo	6,494	5,080	0	11,574
Bosek Peter (Chairman since 1 July 2024)	0	10,351	0	10,351
Cernko Willibald (Chairman until 30 June 2024)	10,517	3,654	14,171	0
Dörfler Stefan	9,970	5,245	0	15,215
Habeler-Drabek Alexandra	6,842	5,080	0	11,922
O'Mahony David (until 30 June 2024)	10,970	5,126	16,096	0
Poletto Maurizio	4,294	3,893	0	8,187

Supervisory board members did not receive any options on Erste Group Bank AG shares for exercising their mandate.

Members of the Supervisory Board	31 December 2023	Additions	Disposals	31 December 2024
Catasta Christine	0	0	0	0
Egerth-Stadlhuber Henrietta	0	0	0	0
Flatz Alois	0	0	0	0
Grießer Martin	180	42	0	222
Haag Markus	377	49	0	426
Haberhauer Regina	354	42	0	396
Hardegg Maximilian (until 22 May 2024)	240	0	240	0
Hofstädter Jakob (since 8 May 2024)	0	701	0	701
Khüny Marion	0	0	0	0
Kuhnert Caroline (since 1 August 2024)	0	0	0	0
Kühnel Mariana	593	0	593	0
Krainer Senger-Weiss Elisabeth	0	1,592	0	1,592
Lachs Andreas (until 8 May 2024)	166	0	166	0
Pichler Barbara	675	67	0	742
Pinter Jozef (until 16 Jannuary 2024)	166	0	166	0
Rödler Friedrich (Chairman)	3,802	0	0	3,802
Santner Friedrich	0	0	0	0
Schuster Michael	30[1]	0	0	30
Schuster Walter (since 22 May 2024)	0	0	0	0
Simor András (until 15 Jannuary 2024)	0	0	0	0
Sutter-Rüdisser Michèle F. (until 22 May 2024)	2,222	0	2,222	0
Tusek Christiane	0	0	0	0
Zeisel Karin	114	8	0	122

1) balance 31 December 2023 corrected by 30 shares

For further details on shares held by supervisory board refer to the published "Director's Dealings" of Erste Group Bank AG.

Persons related to management board or supervisory board members held 1,690 pieces (previous year: 1,640 pc.) of Erste Group Bank AG shares as of 31 December 2024.

Share-based payments

The total expense recognised during the reporting period arising from share-based payment transactions amounts to EUR 18,555,243.37 (previous year: EUR 11,781 thousand), thereof EUR 5,939,179.47 (previous year: EUR 4,936 thousand) relates to equity-settled sharebased payment transactions. At the end of the reporting period, the provision arising from share-based payment transactions amounts to EUR 26,387,345.77 (previous year: EUR 19,780 thousand). The intrinsic value of the provision is EUR 38,420,813.49 (previous year: EUR 24,479 thousand).

SHARE-BASED PAYMENT FOR THE MANAGEMENT BOARD OF ERSTE GROUP BANK AG

The outstanding amount for variable compensation components to members of the Management Board as of 31 December 2024 amounts to EUR 9,942,831.94 (previous year: EUR 7,707 thousand). This amount includes amounts from the Long Term Incentive Plan (LTI) program (first for the performance year 2021) as well as tranches not yet disbursed from the phantom share program (for performance years until 2023).

In 2021, a new remuneration plan in shares applies to the Executive Board of Erste Group Bank AG. The plan comprises short-term and long-term variable remuneration components. The total amount of variable compensation is determined in the following year by a resolution of the supervisory board.

Upfront share-based remuneration: 20% of the bonus will be converted into shares on the date of this supervisory board resolution and is transferred to the participant's securities deposit after one year.

Deferred share-based remuneration: 30% of the bonus is converted into performance share units (PSUs) on the day of the supervisory board resolution using the average share price of the last 30 trading days (Long Term Incentive Plan). A PSU represents an unsecured, conditional right to receive shares of Erste Group Bank AG in the future. In the following five years, the initial number of PSUs is adjusted in a range from 120% to 0% to the group's performance based on performance criteria, which will be determined by the supervisory board. The final number of PSUs corresponds to the number of shares, which is transferred to the participant's securities deposit after a retention period of another year.

The shares and PSUs granted are equity-settled share-based payments that vest by the end of the performance year. The share-based

payments are recognized at the fair value of the shares or PSUs at the grant date, i.e., the date when the parties on both sides have a common understanding of all the terms and conditions. The determination of the grant date requires the judgment of all circumstances. As the Supervisory Board has significant discretionary powers in connection with the assessment of performance in the performance year, the grant date is the date of the supervisory board's resolution on the bonus awarded for the past performance year.

For the performance year 2024, it is expected that 20,630 shares and 30,945 PSUs (previous year: 29,571 shares and 44,356 PSUs) will be granted to participants. The fair value of PSUs on the measurement date is calculated based on a Monte Carlo simulation model considering the achievement level of Erste Group performance over the next five years and the share price of Erste Group Bank AG. The estimated fair value on the balance sheet date is EUR 2,943,060.59 (previous year: EUR 2,442 thousand). Personnel expenses of EUR 3,547,276.11 (previous year: EUR 2,980 thousand) and a corresponding reserve for share-based remuneration was recognised.

Phantom shares program

Erste Group Bank AG awards selected employees every year a bonus for services rendered in the past year (vesting period). If the individual bonus exceeds a certain limit, the final payout amount of at least 25% depends on the development of the average, volume-weighted, daily price of Erste Group shares in subsequent years (phantom share program). The share equivalents (phantom shares) are divided into several tranches, which differ in the duration of the observation period for the development of the Erste Group share price.

The phantom share program meets the criteria for cash-settled share-based payments in accordance with AFRAC 3.

The estimated fair value of variable compensation for share equivalents is recognised in profit or loss. The provision for stock equivalents that have not yet been paid out is continuously measured at fair value until payment is made. Fair value changes and changes of the final allocation in subsequent years are recognised in profit or loss. The fair values of the share equivalents for the respective payout year are determined using an option pricing model (Black-Scholes model). The main parameters are the share price of the Erste Group Bank AG on the balance sheet date and the dividend payments expected until payment.

For 2024 it is expected that 90,987 (previous year: 115,385) share equivalents with a fair value of EUR 5,000,208.26 (previous year: EUR 3,663 thousand) will be granted to eligible employees. The total expense recognised in the reporting period for the phantom share program amounts to EUR 12,616,063.90 (previous year: EUR 6,845 thousand).

EMPLOYEE SHARE PROGRAMS

The WeShare by Erste Group-Participation program and the WeShare by Erste Group-Investment Plus program are equity-settled sharebased payment transactions. Both programs are offered to employees of Erste Group provided that specific requirements (e.g. capital and liquidity requirements, payment of dividends, ECB approval) are met.

Under the WeShare by Erste Group-Investment Plus program all employees, who had been employed by an entity of the Erste Group, from March/April 2024 until June 2024 could voluntarily invest in Erste Group shares and receive free shares depending on the amount of their personal investment. The WeShare by Erste Group-Investment Plus program was settled in June 2024. The number of free shares, which were granted under this program for the reporting period to employees of Erste Group Bank AG, is 35,696 (previous year: 53,236). Personnel expenses in the amount of EUR 1,595,630.10 (previous year: 1,664) were recorded.

Under the WeShare by Erste Group-Participation program all employees, who have been employed by an entity of the Erste Group for at least six months in year 2024 and are still employed until the transfer of the shares to the employees in June 2025 are entitled to receive shares in an equivalent amount of EUR 350. The expected number of free shares, which are granted under this program for the period, is 34,696 (previous year: 17,223). Based on the number of entitled employees, personnel expenses in the amount of EUR 796,273.26 (previous year: EUR 292 thousand) were recorded and a corresponding reserve in retained earnings was created.

Severance payments and pensions

The income for severance payments and pensions for members of the management board and managers amounted to EUR 5,227,639.31 (previous year: expense EUR 1,761 thousand). Expenses for severance payments and pensions for other employees amounted to EUR 14,837,483.41 (previous year: expense EUR 27,691 thousand). Expenses for surviving dependents and pensioners are included in the reported amounts. In accordance with section 239 (2) Commercial Code, statements regarding members of the executive and supervisory boards are disclosed separately in section F.

E. APPROPRIATION OF PROFIT

At the annual general meeting, the board will suggest that a dividend in the amount of EUR 3.00 per share (prior year: EUR 2.70 per share) be paid to the shareholders from the total net retained earnings. The amount blocked according to section 235 (1) Commercial Code is EUR 0,00 (prior year: EUR 0 thousand).

F. MANAGEMENT BODIES OF ERSTE GROUP BANK AG AS OF 31 DECEMBER 2024

Supervisory Board

Position	Name	Year of birth	Occupation	Date of initial appointment	Expiration date of current period
Chairman	Rödler Friedrich	1950	Auditor and tax advisor	4 May 2004	AGM 2025
1st Vice Chairman (until 22 May 2024)	Hardegg Maximilian	1966	Entrepreneur	12 May 2015	22 May 2024
1st Vice Chairman (since 22 May 2024, before 2nd Vice Chairman)	Krainer Senger-Weiss Elisabeth	1972	Lawyer	21 May 2014	AGM 2027
2nd Vice Chairman (since 22 May 2024)	Catasta Christine	1958	Auditor and tax advisor	1 July 2022	AGM 2026
Member	Egerth-Stadlhuber Henrietta	1971	Managing Director	26 June 2019	AGM 2026
Member	Flatz Alois	1966	Investor	18 May 2022	AGM 2025
Member	Khüny Marion	1969	Consultant	17 May 2017	AGM 2026
Member	Kuhnert Caroline	1963	Executive Board Member (Banking), ret.	1 August 2024	AGM 2027
Member	Kühnel Mariana	1983	Deputy general secretary, Austrian Chamber of Commerce	18 May 2022	AGM 2025
Member	Santner Friedrich	1960	Entrepreneur	10 November 2020	AGM 2027
Member	Schuster Michael	1980	Investor	19 May 2021	AGM 2028
Member	Schuster Walter	1955	Consultant	22 May 2024	AGM 2027
Member	Simor András	1954	Former Gouverneur of the hungarian National Bank	10 November 2020	15 January 2024
Member	Sutter-Rüdisser Michèle F.	1979	University Professor	15 May 2019	22 May 2024
Member	Tusek Christiane	1975	Vice director of finance and entrepreneurship	12 May 2023	AGM 2026
Delegated by the employees' council					
Member	Grießer Martin	1969	-	26 June 2019	until further notice
Member	Haag Markus	1980	-	21 November 2011	until further notice
Member	Haberhauer Regina	1965	-	12 May 2015	until further notice
Member	Hofstätter Jakob	1962	-	8 May 2024	until further notice
Member	Lachs Andreas	1964	-	9 August 2008	8 May 2024
Member	Pichler Barbara	1969	-	9 August 2008	until further notice
Member	Pinter Jozef	1974	-	25 June 2015	16 January 2024
Member	Zeisel Karin	1961	-	9 August 2008	until further notice

Representatives of the supervisory authority

Name	Position
Bartsch Wolfgang	State Commissioner
Kremser Michael	Deputy State Commissioner.
BINDER GRÖSSWANG Rechtsanwälte GmbH	Deputy trustee under the Mortgage Bank Act (Pfandbriefgesetz)

Management Board

Management Board Members	Year of birth	Date of initial appointment	Expiration date of current period
Bosek Peter (Chairman since 1 July 2024)	1968	1 July 2024	30 June 2027
Bleier Ingo	1970	1 July 2019	30 June 2026
Dörfler Stefan	1971	1 July 2019	31 December 2027
Habeler-Drabek Alexandra	1970	1 July 2019	31 December 2027
Poletto Maurizio	1973	1 January 2021	31 December 2027
Cernko Willibald (Chairman until 30 June 2024)	1956	1 July 2022	30 June 2024
O'Mahony David (until 30 June 2024)	1965	1 January 2020	30 June 2024

Vienna, 28 February 2025

Management Board

Peter Bosek e.h.
Chairman

Ingo Bleier e.h.
Member

Stefan Dörfler e.h.
Member

Alexandra Habeler-Drabek e.h.
Member

Maurizio Poletto e.h.
Member

IV. Management Report

ECONOMIC ENVIRONMENT AND BUSINESS DEVELOPMENT

Economic environment

From an economic point of view 2024 was mainly characterised by declining inflation, central bank responses, major elections across the globe, and regional conflicts. Inflation levels returned by and large to central bank targets, even though price pressures persisted in some countries. The global economy remained resilient throughout this disinflationary process. On the monetary policy side, after the tightening cycle implemented in 2021 and 2022, most of the world's major central banks started to gradually reduce their restrictive policy stance and to cut their policy rates in 2024. The presidential election in the United States, the European Parliamentary elections as well as those in the United Kingdom and France also characterised the year. Against this backdrop the global economy achieved a growth rate of 3,2%.

Among advanced economies, the United States again outperformed the euro area and Japan. Despite its elevated trade tensions with China, the US economy grew by 2,8% driven by private consumption, investments and government spending. In response to easing inflation, the US Federal Reserve (Fed) decreased the federal funds rate in three steps from 5.50% to 4.50%. The US government deficit remained high in 2024. In Europe, strong demand for services was supportive, important tourism destinations such as Italy, Spain or Croatia performed well. Germany, Europe's largest economy, on the other hand remained relatively weak. The European Central Bank (ECB) cut the key policy rate from 4.00% to 3.00% in four steps during the year. Both the asset purchase programme (APP) and the pandemic emergency purchase programme (PEPP) portfolios declined. The Governing Council decided to discontinue reinvestments under the PEPP at the end of 2024.

Austria's economic performance was weaker than originally expected and the country's economy underperformed the European Union average. After the recessionary environment in 2023 Austria's economy continued to decline. Despite increasing real wages private consumption remained subdued. High interest rates and energy costs continued to weigh on investments, especially in the construction and industry sectors. The industrial performance impacted Austria's exports which are geared towards producing intermediate goods and machinery. The deteriorating performance of Germany, Austria's main trading partner, negatively impacted Austria's exports. Exports to the US and Switzerland, on the other hand, grew strongly. The service sector did not show adverse effects due to the recessionary environment. Tourism boomed with summer season's overnight stays reaching one of the highest levels for decades. The agricultural sector, although not a major contributor to GDP, also performed well. Overall, the Austrian economy shrank by 0.7%.

Inflation decreased further during the year with average inflation in Austria amounting to 2.9%, still above the EU average of 2.4%. Service prices, especially in the hotel and restaurant industries, remained the main inflation driver. Energy prices, on the other hand, declined sharply, although from high levels. The increase of the savings rate was partially due to a weaker consumer confidence. Austria's labour market remained stable throughout the year, the unemployment rate stood at 5.3%. The general government deficit increased from 78.6% of GDP to 79.7%.

Central and Eastern European economies experienced slightly accelerated economic growth primarily driven by household consumption on robust labour markets, easing inflation and, in most cases, higher real wages. Investment activity was fuelled by Next Generation European Union funds. Exports, on the other hand, were negatively impacted by limited growth of the region's main trading partners which took a toll on production output. Deterioration of foreign demand was most pronounced in countries with a high dependency on Germany's economy, such as the Czech Republic and Hungary. Therefore, growth expectations were moderately revised down during the year in these two countries. Romania's economy underperformed as well. The economies in Croatia and Serbia posted the highest growth dynamics. Croatia benefitted from its booming tourism sector and was again one of the best performing economies in the region. Overall, CEE economies achieved GDP growth rates ranging from 0.5% in Hungary to 3,9% in Serbia in 2024.

Labour markets remained very strong in Central and Eastern Europe with the Czech Republic again posting one of the lowest unemployment rates among the European Union countries. Inflation dropped significantly, to low single-digits in most CEE countries by the end of the year. This was mainly due to the drop of energy and food prices. Most of the central banks in CEE continued with monetary easing. The Hungarian, Czech, and Polish central banks cut interest rates already in the last quarter of 2023, while the Serbian and Romanian central banks waited until the second and third quarters of 2024, respectively. Slovakia and Croatia are part of the euro area, therefore the ECB policy rates applies. CEE governments maintained a range of measures such as caps on electricity and fuel prices and direct energy subsidies. Windfall taxes, special banking taxes, and financial transaction taxes were

introduced in a number of CEE countries. While the Hungarian forint depreciated against the euro, most CEE currencies were relatively stable during the year.

Analysis of the business performance

NOTES ON THE BALANCE SHEET DEVELOPMENT

The **balance sheet total** as of December 31, 2024 increased by 5.3% from EUR 102.7 billion to EUR 108.1 billion compared to the end of 2023. The individual positions developed as follows:

As a result of lower overnight balances with central banks in euros, the item **cash in hand, balances with central banks** decreased by 61.6% from EUR 18.1 billion to EUR 6.9 billion. The 155.0% increase in **public-sector debt instruments** to EUR 16.1 billion (previous year: EUR 6.3 billion) was mainly due to the purchase of bonds eligible for refinancing with central banks in euros of the European Union as well as the Austrian Republic in fixed assets on the one hand, and the inclusion of bonds eligible for refinancing with foreign central banks on the other. The 12.2% increase in **loans and advances to credit institutions** from EUR 28.9 billion in the previous year to EUR 32.4 billion is attributable to growth in repurchase agreements, which more than offset the sale of unlisted securities from the trading portfolio and the decline in interbank transactions. In particular, new business with foreign customers in euros increased the item **loans and advances to customers** by 7.3% to EUR 23.7 billion compared to the end of 2023 (previous year: EUR 22.1 billion); Securities that are eligible for refinancing with foreign central banks were no longer included in this item. **Debt securities and other fixed-income securities** increased by 7.3% year-on-year, from EUR 13.0 billion to EUR 14.0 billion. There were increases in the repurchased listed own issues, which more than compensated for the declines in bonds in fixed assets from the public sector. Mainly due to write-ups and a capital increase at Erste Asset Management GmbH, the carrying amounts of the items **participating interests** and **shares in affiliated companies** increased by 7.9% from EUR 9.2 billion to EUR 10.0 billion as of December 31, 2024. The item **other assets** of EUR 2.9 billion (previous year: EUR 3.1 billion) decreased by 7.4%, mainly due to the 11.9% decrease in receivables from derivative products - resulting from the maturation of legacy transactions (payer swaps) - which now account for 79.4% (previous year: 83.5%) of the item.

As the growth in genuine repurchase agreements with foreign banks in euros and in foreign interbank transactions in foreign currencies more than offset the expiry of the last TLTRO III tranche (EUR 1.5 billion at the end of March), the item **liabilities to credit institutions** increased by 7.4% to EUR 35.6 billion (previous year: EUR 33.1 billion). The 31.0% decrease in the item **liabilities to customers** from EUR 15.5 billion to EUR 10.7 billion was mainly due to time deposits of foreign public sector clients in euros. Due to the increased issuance of listed mortgage securities and certificates of deposit in euros, the item **securitized liabilities** increased by 19.7% to EUR 38.9 billion (previous year: EUR 32.5 billion). The item **other liabilities** of EUR 3.1 billion (previous year: EUR 3.4 billion) decreased by 10.5%, mainly due to the 14.4% decrease in liabilities from derivative products - resulting from the maturation of legacy transactions (receiver swaps) - which now account for 72.9% (previous year: 76.2%) of the item. Since the scheduled repayments and partial closures were more than offset by new issues, **supplementary** and **additional Tier 1 capital** increased by 14.8% to EUR 7.4 billion (previous year: EUR 6.5 billion).

After making the deductions and filters set out in the Capital Requirements Regulation (CRR), **Tier 1 capital** (CET 1 and AT1) amounted to EUR 12.1 billion (previous year: EUR 12.0 billion) and **Common Equity Tier 1 capital** (CET 1) to EUR 9.4 billion (previous year: EUR 9.6 billion). Erste Group Bank AG's **eligible own funds** in accordance with Part 2 of EU Regulation No. 575/2013 (primarily core and supplementary capital) amounted to EUR 15.9 billion as of 31 December 2024 (previous year: EUR 15.0 billion). The **Common Equity Tier 1** (CET1) **ratio** was 23.0% (previous year: 23.4%) and the **total capital ratio** was 38.9% (previous year: 36.5%).

DETAILS ON EARNINGS

Since the higher interest income from the securities and lending business as a result of increased volumes more than offset the lower interest income from deposits with central banks and higher interest expense on own issues, **net interest income** of Erste Group Bank AG improved by 7.8% to EUR 204.4 million (previous year: EUR 189.6 million). The 29.0% increase in **income from securities and participating interests** to EUR 1,978.5 million (previous year: EUR 1,533.6 million) is mainly attributable to the higher dividend payouts of Erste Bank Hungary Zrt, Erste Bank der oesterreichischen Sparkassen AG and Slovenska sporitelna, a. s. – all affiliated companies. Thanks in particular to higher income from the share commission business, the balance of **fee and commission income and expenses** increased by 3.7% from EUR 49.4 million in the previous year to EUR 51.3 million in the 2024 financial year. The significant increase in **net profit or loss on financial operations** by 52.6% to EUR 35.4 million (previous year: EUR 23.2 million) was attributable to successes in the FX business. The 59.0% increase in **other operating income** to EUR 167.1 million (previous year: EUR 105.1 million) was mainly due to realizations of EUR 45.3 million in the course of early loan terminations. Overall, this resulted in a 28.2% improvement in **operating income** to EUR 2,436.6 million in 2024 (previous year: EUR 1,901.0 million).

In addition to fixed and variable salary costs and statutory contributions, **personnel expenses** also include costs from long-term social provisions and expenses from the payment of pension fund contributions. Overall, personnel expenses increased by 6.8% to EUR 325.6 million (previous year: EUR 304.8 million), mainly due to salary increases under collective agreements.

The number of employees at Erste Group Bank AG (weighted by level of employment) increased by 3.0% compared to 31 December 2023 and is as follows compared to the previous year:

	31 December 2024	31 December 2023
Domestic	**2,052.7**	**1,990.8**
Foreign branches	**60.0**	**61.0**
New York	23.0	24.0
Hong Kong	24.0	24.0
Berlin, Stuttgart	13.0	13.0
Total	**2,112.7**	**2,051.8**
thereof maternity/paternity leave	106.2	104.9

Mainly due to increased IT and consulting costs other **administrative expenses** increased by 12.7% to EUR 323.6 million (previous year: EUR 287.0 million). The 13.8% increase in **depreciation and amortization of tangible and intangible fixed assets** from EUR 11.9 million to EUR 13.5 million is attributable to the launch of an expansion of the George digital platform at the beginning of the year. Although provisions in connection with the VAT interbank exemption pursuant to sec. 6 (1) no. 28 of the Austrian VAT Act were allocated in the 2024 reporting year in the amount of 14.5 million euros - this could be classified by the European Court of Justice or the European Commission as aid incompatible with Union law and reclaimed - **other operating expenses** decreased by 35.6% to EUR 31.7 million (previous year: EUR 49.2 million), since expenses for the Resolution Fund were eliminated when the target level was reached (previous year: EUR 36.9 million). As a result, **operating expenses** increased by 6.4% to EUR 694.4 million (previous year: EUR 652.9 million).

After deducting total operating expenses from operating income, **operating result** amounted to EUR 1,742.2 million in the 2024 financial year (previous year: EUR 1,248.1 million). At 28.5%, the cost/income ratio (operating expenses as a percentage of operating income) was significantly below the previous year's figure of 34.3%.

In the year under review, Erste Group Bank AG reported a **net allocation of loan loss provisions** (including write-downs on receivables netted with income from receipts on write-off receivables) of EUR 10.5 million (previous year: net release of EUR 138.8 million), which in 2024 was mainly due to the deterioration in the economic situation of a major customer in the automotive sector by concluding a settlement with a major customer in the construction sector and the change in the stage overlay in the energy sector. The result from **securities held as current assets** (valuation and realizations) as well as from the items income and value adjustments on **participations and securities held as fixed assets** amounted to EUR 701.5 million in 2024 (previous year: EUR 342.8 million). In the year under review, the valuation of participations - primarily write-up of Banca Comercială Română S.A. and Erste Bank Hungary Zrt.) - at EUR 574.9 million (previous year: EUR 514.4 million) and the valuation of the non-fixed-interest Additional Tier 1 bonds issued by subsidiaries at EUR 153.2 MEUR (previous year: expense: EUR 82.1 million) had a positive impact on earnings, while the sale of bonds held as fixed assets with long maturities resulted in a loss of EUR 27.4 million (previous year: EUR 96.4 million).

Consequently, the **result from ordinary activities** in 2024 is positive at EUR 2,433.3 million (previous year: EUR 1,729.8 million).

Since Erste Group Bank AG received profit distributions - not resulting from operating income - **extraordinary income** amounted to EUR 1.6 million in the financial year 2024 (previous year: EUR 36.1 million). In 2024, Erste Group Bank AG generated – like in the previous year – a taxable profit. 75% of which was offset against tax loss carryforwards in accordance with the statutory regulation and current corporate tax expense was recognized for the remaining 25%. Thus, **taxes on income and earnings** in 2024 resulted in an expense of EUR 2.5 million (previous year: income EUR 71.3 million). The year-on-year change was mainly due to higher expenses from the reversal of deferred tax assets. **Other taxes** increased by 41.8% to EUR 26.8 million in 2024 (previous year: EUR 18.9 million) since provisions were released in the previous year.

After considering the **changes in reserves**, which resulted in a net allocation (for details, see Annex C, item 20) of EUR 1,177.6 million (previous year: EUR 678.3 million), the result was a **net profit for the year after distribution on capital** of EUR 1,228.0 million and a **net profit for the year** of EUR 1,231.5 million, each of which was above the previous year's level of EUR 1,140.0 million.

Branches

Erste Group Bank AG maintains branches in New York, Hong Kong and Germany (Berlin and Stuttgart) that provide commercial lending to foreign banks, leasing companies and sovereign debtors as well as institutional sales. For further quantitative information, please refer to the notes, Chapter C point 45.

ANTICIPATED DEVELOPMENT AND RISKS OF BUSINESS

Long-term growth trends in Central and Eastern Europe

In line with growing economic performances disposable income have risen significantly in recent decades compared to Western Europe. In addition, most countries of Central and Eastern Europe have labour markets that are considerably more flexible. These advantages are complemented by, on average, highly competitive export industries that benefit from wage costs that are low relative to workforce productivity and from investor-friendly tax and welfare systems.

A comparison of per capita private debt levels in Central and Eastern Europe with those of Western economies reveals the gap that exists between these markets. Private debt levels, and particularly household debt, are substantially lower than in the advanced economies. Erste Group firmly believes that credit expansion accompanied by economic growth in this region will prove to be a lasting trend.

Over the upcoming 15 to 20 years, on average, the countries of the eastern part of the European Union are therefore expected to experience higher growth rates than the countries of Western Europe, even though periods of expansion may alternate with times of economic stagnation or even setbacks on this long-term path of sustainable growth.

Customer business in Central and Eastern Europe

The basis of Erste Group's banking business are essentially the business segments of retail business, corporate business and the capital markets business.

RETAIL BUSINESS

Erste Group’s key business is the retail business, covering the entire spectrum from lending, deposit and investment products to current accounts and credit cards. Erste Group’s core competence in retail banking has historical roots. In 1819, wealthy Viennese citizens donated funds to establish Erste Group’s predecessor, the first savings bank in Central Europe. It was their aim to bring basic banking services such as safe savings accounts and mortgage loans to wide sections of the population. Today, the bank serves over 16.5 million customers in its markets and operates nearly 1,900 branches. Wealthy private clients, trusts and foundations are served by the bank’s private banking staff and benefit from services that are tailored to the needs of this target group.

In addition, the bank uses and promotes digital distribution channels such as internet and mobile banking not only to meet the increasing importance of digital banking, but also to actively shape the digital future. George, Erste Group’s digital platform, is already available in Austria, the Czech Republic, Slovakia, Romania, Croatia and Hungary. Following its introduction in Serbia end 2025, George will be available in all seven core markets.

Retail banking is attractive to Erste Group for a number of reasons: It offers a compelling business case that is built on market leadership, an attractive risk-reward profile and the principle of self-funding. In addition, it benefits from a comprehensive range of products that are simple and easy to understand and provide substantial cross-selling potential. Erste Group takes advantage of these factors in all core markets and makes best use of its resulting position of strength by pursuing a hybrid business model. Erste Group’s integrated-channel approach integrates the various sales and communication channels. Customers decide on how, when and where they do their banking business. Contact centers serve as interfaces between digital banking and traditional branch business. These contact centers offer advice and sales, thus going far beyond the traditional help desk function.

In addition to the expansion of digital sales channels, the branch network remains an important component of the business strategy. Only a retail bank that offers modern digital services and operates an extensive distribution network is able to offer tailor-made solutions and fund loans in local currency mainly from deposits made in the same currency. In short, Erste Group's retail banking model supports sustainable and deposit-funded growth even in economically more challenging times. Another positive factor is the diversification of the retail business across countries that are at differing stages of economic development, which is the case across the seven banking markets in which Erste Group has a direct presence.

CORPORATE BUSINESS

The second main business line, which contributes significantly to Erste Group's earnings, is business with small and medium- sized enterprises, regional and multi-national groups, commercial real estate and public sector companies. Erste Group's corporate strategy is based on a universal service approach, following an organic growth strategy aimed at increasing the number of primary clients and share of wallet across all corporate sub-segments.

Erste Group strives to be the go-to bank for outstanding service including financial health and sustainable business conduct. Based on the specific client needs, Erste Group serves small and medium-sized enterprises locally in branches or dedicated commercial centers, while large, multinational groups are serviced by the Group Corporates, commercial real estate or public sector units. In addition, the digital channel is gaining more and more importance for Erste Group's clients in the corporate segment. The outlined approach permits Erste Group to combine industry specific and product expertise with an understanding of regional needs and the experience of the bank's local customer relationship managers.

CAPITAL MARKETS BUSINESS

Client-driven capital markets activities are also part of the comprehensive portfolio of products and services that Erste Group offers to its retail and corporate customers. The strategic significance of the bank's centrally governed and locally rooted capital markets operations consists in supporting all other business areas in their dealings with the capital markets and, hence, in providing the bank's customers with professional access to the financial markets. Erste Group, therefore, views its capital markets business as a link between financial markets and its customers. As a key capital markets player in the region, Erste Group also performs important functions such as market making, capital market research and product structuring.

The capital markets business serves the needs of Erste Group's retail and corporate customers, as well as those of banks and non-bank financial institutions. On account of Erste Group's strong network in the eastern part of the European Union, the bank has a thorough understanding of local markets and customer needs. In Erste Group's capital markets business, too, the bank concentrates on core markets of the Retail, SME, Large corporate, Corporate Real Estate and Public Sector business.

For institutional customers, specialized teams have been established in Germany and Poland, as well as in Hong Kong and New York, that offer these customers a tailor-made range of products.

In many countries where Erste Group operates, the local capital markets are not yet as highly developed as in Western Europe or in the United States of America. That means Erste Group's banking subsidiaries are pioneers in some of these markets. Therefore, building more efficient capital markets in the region is another strategic objective of Erste Group's capital markets activities.

Customer Experience Index

As a profit-driven enterprise, Erste Group has a strong interest in its customers' future behaviour and loyalty to the bank. The CXI is an index that measures such loyalty and is derived from the evaluation of satisfaction ratings, referrals, readiness to switch to another bank, customer effort score and the repurchase rate of the main customers of the individual banks.

It thus reflects all conscious and unconscious experiences and decisions that our customers make with our bank in the courses of their lives and that have an impact on our customers' relations with Erste Group.

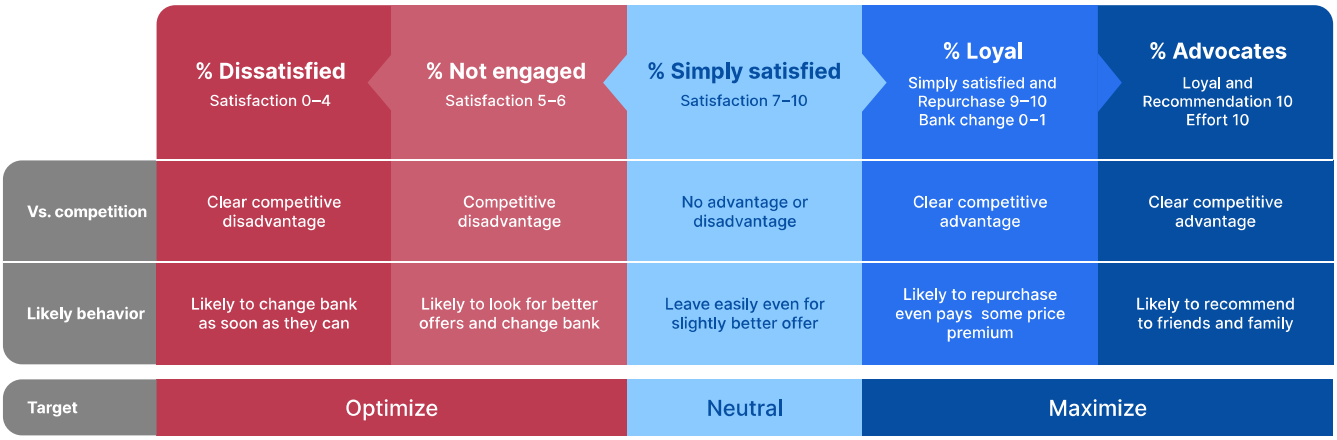
MEASURING CUSTOMER SATISFACTION

The Customer Experience Index (CXI) is determined by Group Customer Experience, which is part of Group Brand Management & Communications, which in turn reports to the CEO. In the retail segment, a representative survey called the Banking Market Monitor is carried out on a quarterly basis. 2,400 telephone interviews (with customers and non-customers) are conducted annually across Erste Group's markets. In the corporate customer segment, an extensive survey with at least 1,500 companies per country is carried out once a year. These analyses are conducted by an external market research institute and provide data for a performance comparison

both within Erste Group and with its most important competitors. Based on these surveys, our customer relations are rated in five categories (advocate, loyal, simply satisfied, non-engaged and dissatisfied) and successful improvement of customer service is measured using the CXI (Customer Experience Index).

Based on these categories we calculate the CXI as follows:
% advocates + % loyal customers + 0.5 x % simply satisfied - % non-engaged - % dissatisfied.

The CXI rating therefore ranges on a scale from -100 to +100. This value is put in relation to the top three competitors in each country and in each segment and is used to identify the strengths and weaknesses of the local banks as compared to the market leaders.



The CXI is of great relevance for Erste Group as it is also used as input in the bonus assessment for members of the management board of Erste Group, local banks and all employees. Targets for bonus evaluation purposes are set jointly by Group People & Culture, Group Customer Experience and relevant business lines.

DETAILED RESULTS

The table shows the relative difference to the Top 3 competitiors in the market and the ranking of the bank in the respective market.

Differences in relation to the top 3 competitors

	PI		Micro		SME		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Erste Group	2.4	2.7	-0.9	-0.4	2.9	1.5	1.9	2.0
Erste Bank Oesterreich	18.6	15.4	3.2	3.3	-2.0	-2.5	12.0	9.7
Erste Bank Hungary	1.5*	6.4*	2.2	-1.5	0.0	0.6	1.3	4.5
Česká spořitelna	-2.3	-2.1	-15.0	-9.8	0.9	5.4	-3.7	-2.4
Slovenská sporiteľňa	1.0	1.9	6.1	7.7	4.7**	5.4**	1.8	2.7
Banca Comercială Română	-0.4	-0.5	1.5	1.2	1.6	-3.3	0.3	-0.5
Erste Bank Croatia	13.2	13.6	6.8	2.2	9.3	8.2	11.1	10.2
Erste Bank Serbia	4.1	3.3	-3.0*	-6.9*	-0.8	-7.6	2.1	-1.0

number 1 in the respective market is highlighted
* no comparison to the previous year, because of changes in the Top 3 Banks
**no comparison to the previous year, because of changes in the definition of the SME Segment

In 2024, Erste Group again succeeded in maintaining the excellent customer satisfaction scores of the previous year.

CXI Privates (PI)

In the segment of private customers Erste Bank Oesterreich and Erste Bank Croatia attained the best scores in their respective markets. All banks in all markets are stable (compared to the competition), with Erste Bank Oesterreich even improving in comparison to the top 3 competitors.

CXI Micro Segment

In the Micro Segment, the subsidiary banks Erste Bank Hungary, Erste Bank Serbia and Erste Bank Croatia managed to improve on the top 3 competitors. Erste Bank Croatia also managed to take the lead in the banking market here. With the exception of Ceska Sporitelna, the performance of all other banks is stable.

CXI SME Segment

In the SME segment, BCR, Erste Bank Croatia and Slovenska Sporitelna achieved the first place in their markets. The development in this segment is stable in relation to the top 3 competitors in most markets - the exceptions are Ceska Sporitelna, which is decreasing, and Erste Bank Serbia and BCR, which are developing positively.

Erste Group's strategy

Erste Group has devised a comprehensive and forward-looking strategy to secure its position as a leading financial institution in the eastern part of the EU while addressing the challenges of rapidly changing market dynamics. Erste Group's strategy addresses significant global developments, including economic shifts, demographic changes, technological advancements, geopolitical fragmentation, and climate change, to ensure sustainable growth and resilience even in the event of a different future.

The political landscape in Europe and globally is changing rapidly, with rising populism, sentiments and measures hostile to the European idea, and potential political interventions in such forms as tariffs and new or expanded taxes posing challenges to some or all of the bank's core markets and to Europe more broadly. These challenges increase pressure on the continent's politicians, often leading to more interventionist policies and a distancing from the norms and practices that have so far shaped the European Union. Monitoring and appropriately responding to these developments on both global and CEE-specific levels is crucial for a large publicly-listed firm with a prominent presence across the region.

Technological advancements, including AI, virtual/augmented reality, tokenized finance, and quantum technology, are evolving quickly. For Erste Group, data science and AI are expected to impact business operations and customer interactions, further enabling high-quality and highly individualized digital advice and driving the demand for such advice on the part of the bank's clients.

The continuing convergence potential of CEE countries with the EU-27 remains a core principle of the bank's business model. However, rising wages and the end of cheap energy in Europe present growth challenges for the CEE economies, necessitating adaptations to their long-term growth strategy.

The demographic shifts apparent across Europe will also impact the bank's core markets, leading to shrinking workforces, intensifying competition for talent and increasing wage pressures. Addressing these challenges through digitization and AI to improve workforce productivity is essential. Against the backdrop of ageing populations, Erste Group's mission to provide access to financial health across all age groups and customer segments takes on even more importance.

Environmental risks are also becoming increasingly significant. Projections indicate that five of the top ten global risks in the next decade are likely to be environmental, such as extreme weather events and biodiversity loss. Erste Group is dedicated to sustainability and aims to support social inclusion and is actively taking steps to support the net-zero transition being pursued by its customers and region.

Erste Group's strategy centers on five overarching objectives, designed to drive sustainable growth, improve customer experience and strengthen operational excellence. These objectives emphasize the need for transformation, innovation, and efficiency while integrating principles of sustainability to ensure the bank remains competitive and relevant in a rapidly changing financial landscape.

BUILDING A DISTINCTIVE BRAND IDENTITY

At the heart of Erste Group's strategic goals is the creation of a unique and highly recognizable brand identity that resonates across its markets. Erste Group seeks to differentiate itself from competition in the financial sector that is increasingly becoming commoditized. This involves positioning Erste Group as more than just a bank, focusing instead on being a trusted partner that understands and meets the needs of its customers at every stage of their financial journey.

To achieve this, Erste Group is committed to developing innovative and tailored products and services that cater to the specific demands of regional markets and address the needs and interests of its customers at an individual level. This customer-first approach is not only designed to foster customer-loyalty, but also to build long-term relationships by providing value that extends beyond conventional banking. The group's strong branding initiatives also seek to reinforce its reputation as a forward-thinking and customer-focused financial institution.

PROVIDING EVERYONE WITH ACCESS TO FINANCIAL EXPERTISE AND FINANCIAL ADVICE

Erste Group proactively empowers every customer to improve their financial health. Modern technologies, particularly artificial intelligence (AI), are at the core of Erste Group's strategic objective to provide everyone with access to financial advice. The bank aims to make high-quality financial expertise accessible to a much broader customer base by applying AI and data-driven solutions.

This represents a significant shift from traditional models, where personalized financial advice was often limited only to higher-income clients.

Erste Group's use of technology enables customized insights and recommendations tailored to individual financial needs. Whether customers are seeking advice on investments, savings or retirement planning, this approach ensures they receive relevant information and product offers in an easy-to-understand format to improve their financial health. Importantly, these technological advancements will complement but not replace human interaction, ensuring that customers can still benefit from face-to-face or conversation-based support when needed.

Through these efforts, Erste Group aims to bridge the gap between technology and personal service, creating a seamless, hybrid advisory model that enhances the customer experience. Erste Group is also committed to integrating sustainability and ESG principles and to improving financial literacy across its markets as a means of fostering informed decision-making on the part of its clients.

DRIVING EFFICIENCY THROUGH DIGITIZATION

A critical element of Erste Group's transformation is its commitment to comprehensive digitization. The bank plans to digitize all key processes across its operations, from customer-facing interactions to internal workflows, creating a more efficient and agile organization. This focus on end-to-end digital solutions will not only enhance the speed and convenience of banking for customers but also deliver significant cost savings and reduce operational risk through lowering the share of manual processes and improving operational efficiency.

Digitization efforts range from streamlining customer journeys, enabling seamless interactions through platforms such as Erste Group's flagship digital banking platform George, to digitizing internal functions. This ensures that customers can manage their banking needs independently while receiving a premium, user-friendly digital experience. By making banking faster, more intuitive, and more accessible, Erste Group can free up resources, allowing employees to dedicate more time to high-value activities. This is essential for providing high-quality advisory services.

INNOVATIVE FINANCIAL HEALTH PROPOSITIONS

As part of its strategic focus, Erste Group is committed to developing innovative financial products and services that address the evolving needs of its customers. This includes broadening the bank's product offering in areas such as wealth management, as well as introducing insurance and pension schemes designed to improve customers' financial health and resilience. By aligning its product portfolio with the priorities of its customers, Erste Group ensures that it remains relevant in an increasingly competitive market.

Erste Group facilitates the green transition of its corporate customers and, in order to align the retail business with the sustainability strategy, Erste Group offers products and services that promote decarbonization and improve both financial health and environmental sustainability. These products are aimed at not only providing financial security, but also empowering customers to achieve their long-term goals.

By delivering value-driven and innovative solutions, Erste Group is positioning itself as a partner that genuinely cares about the prosperity of its clients.

EXPANDING THROUGH ORGANIC AND INORGANIC GROWTH

Recognizing the growth potential within the CEE region's banking sector, Erste Group is actively pursuing opportunities for both organic expansion and strategic acquisitions. By strengthening its presence in existing markets or potentially entering new ones, the bank aims to consolidate its position as a leading player in the region. Pursuing strategic mergers and acquisitions will allow the group to scale its operations, tap into new customer bases and achieve greater synergies across its network.

The group's growth ambitions are supported by its robust financial position, which provides the necessary resources to seize opportunities as they arise.

SUSTAINABILITY AS A STRATEGIC DRIVER

Sustainability is an integral part of Erste Group's long-term vision to ensure future success by taking into account environmental, social and governance (ESG) factors. Erste Group's sustainability strategy is based on two main pillars: leading the green transition and promoting social inclusion.

The Group supports the green transition in the CEE region by promoting a sustainable real estate sector and reducing emissions in the energy sector, in line with the Paris Climate Agreement and net zero targets. Erste Group offers sustainable financing, sustainable

investment funds and advisory services to help businesses and private clients reduce their environmental footprint and positions itself as a preferred partner for sustainability-oriented clients. In addition to sustainable mortgage loans, new renovation products for improving the energy efficiency of buildings have been created in the private customer business. Corporate customers are supported in taking advantage of the benefits of decarbonization through a range of advisory services and financing to support cost-efficient measures. These include renewable energy projects and highly efficient buildings in the commercial real estate sector. Internally, Erste Group is reducing its carbon footprint by increasing the energy efficiency of its buildings and switching to alternative energy sources where possible.

Social responsibility is embedded in Erste Group's DNA, with initiatives aimed at reducing inequality, increasing financial access, and supporting community development. The bank also focuses on governance, ensuring transparency, ethical decision-making, and accountability..

Innovation is key in this sphere too, with advanced technologies like AI and data analytics enhancing sustainability solutions. Erste Group's holistic approach to sustainability aligns its business goals with ESG principles, ensuring inclusive, responsible growth. This strategy combines customer-centric initiatives, technological innovation, operational efficiency, and sustainable growth, positioning Erste Group as a trusted financial institution in the CEE region.

Outlook statement

Erste Group's goal for 2025 is to achieve a return on tangible equity (ROTE) of about 15%. This ambition is built on the following key assumptions:
(1) 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 and on average, improves moderately versus 2024. Consequently, Erste Group expects robust loan growth of about 5% in 2025, supported by growth in the retail as well as the corporate business. (2) Operating performance as defined by operating result to stay broadly stable versus 2024, as net interest income is projected to remain flat year-on-year, fee and commission income continues to grow by about 5%, net trading and fair result produces a similar revenue contribution as in 2024, and operating expenses grow on the order of 5%. Consequently, the cost/income ratio is expected to be below 50%. (3) Risk costs increase only slightly to about 25 basis points of average customer loans from levels seen in 2024, as the asset quality environment remains strong across Central and Eastern Europe while only deteriorating moderately in Austria. (4) 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 an announced increased banking tax in Austria.

While a forecast for the other operating result, which is primarily impacted by regulatory costs excluding deposit insurance contributions as well as extra profit tax in Slovakia, and various categories of gains and losses from financial instruments not measured at fair value is challenging, this combined item is likely to stay flat versus 2024 in the absence of significant one-off effects. Assuming an effective group tax rate of about 21% and lower minority charges compared to 2024, all of the above should result in return on tangible equity of about 15% in 2025.

In line with the projected strong profit performance, the CET1 ratio is expected to increase in 2025, providing enhanced capital return and/or M&A flexibility. The adjusted net profit of 2024 (net profit after deduction of AT1-dividends) allows Erste Group to target a regular dividend equalling 41.2% of adjusted net profit as well as the execution of a third share buyback in the amount of 23.7% of adjusted net profit, subject to regulatory approval.

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. International (military) conflicts, such as the war in Ukraine and in the Middle East do not impact Erste Group directly, as it has no operating presence in the 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.

Detailed 2025 financial outlook statement: discussion of key assumptions

(1) Assumptions on 2025 macroeconomic environment
(2) Assumptions on 2025 operating performance
(3) Assumptions on 2025 risk/asset quality environment
(4) Assumptions on 2025 regulatory costs

Ad 1) Erste Group evaluates the macroeconomic environment, amongst others, along the following key parameters: real GDP growth, consumer price inflation, unemployment rate, current account balance, general government balance and public debt. Its economists

forecast that real GDP growth will improve in all of Erste Group's core markets, except for Croatia and Serbia, where it will consolidate close to the healthy levels registered in 2024. Overall, 2025 GDP growth is expected in the range of 0.6% (Austria) to 3.8% (Serbia), mainly supported by a recovery in private consumption. Consumer price inflation is projected to moderate or consolidate in most core markets in the low to mid-single-digit range, as the moderate acceleration of economic growth is not expected to lead to additional inflationary pressure. The unemployment rate is expected to remain at similarly low levels, as recorded in 2024, driven by the generally supportive economic backdrop and the continued strong competitiveness of the CEE region. In line with historic patterns, the continuation of diverging trends is expected for external and internal (fiscal) balances. The former is forecast to stay at sustainable levels in most core markets, while remaining significantly negative in Romania and Serbia. The latter is projected to improve in all countries in 2025, but remain elevated in Romania, Slovakia and Hungary. This notwithstanding public debt to GDP is forecast to remain broadly unchanged at sustainable levels in all core markets of Erste Group, especially when viewed in a broader European context. This macroeconomic scenario is based on information available at 15 February 2025. Consequently, any changes to the global and, in particular, European political, economic and regulatory landscape, thereafter, may lead to significant deviations in actual economic performance from the scenario presented.

Ad 2) Operating performance, essentially the operating result, is expected to remain broadly stable year-on-year, while the cost/income ratio is forecast to stay below 50%. Operating income is forecast to be unchanged, supported by stable year-on-year net interest income and net trading and fair value result. Net fee and commission income is expected to grow by about 5%. Stable net interest income should result from negative effects being balanced by positives. The primary net interest income headwind is projected to be central bank rate cuts to 3.25%, 5.75%, 6.00%, 5.00% and 2.00% by year-end 2025 in Czechia, Romania, Hungary, Serbia and the euro zone, respectively. Lower interest rates, in turn, will mainly be driven by moderate economic growth and limited inflation pressures. On the positive side, Erste Group expects loan growth of about 5% in 2025, higher income from the bond book, continued upward fixed loan repricing in certain geographies, such as Czechia and Slovakia, and swift downward repricing of deposits in all markets. The most volatile revenue line item is net trading and fair value result, as it is fundamentally driven by the development of market interest rates and valuations related to such market interest rates. Based on current expectations Erste Group forecasts this line item to be broadly unchanged year-on-year. Net fee and commission income is projected to grow by about 5% as income from payment services, securities business (including asset management) and insurance brokerage are all expected to grow, assuming the above-mentioned constructive macroeconomic backdrop and a stable to positive capital markets environment. The remaining income components are forecast to remain, by and large, stable. Overall, operating income is therefore expected to be flat in 2025. Operating expenses are expected to increase by about 5% in 2025. While wage inflation is forecast to recede, particularly in Austria, other administrative expenses are projected to rise on the back of higher costs associated with business digitisation targeting improved digital advice, further expansion of the digital customer offering and digital process optimisation.

Ad 3) Risk costs are expected to amount to about 25 basis points as of average gross customer loans in 2025. This assumes that the risk and asset quality environment will continue to stay benign across Central and Eastern Europe, while only deteriorating mildly in Austria. The deterioration in Austria is tied to the protracted economic weakness in both 2023 and 2024 and the projection of only moderate improvement in 2025. Furthermore, the risk guidance assumes that an additional EUR 190 million in overlay and forward-looking indicator (FLI) provisions will be released during 2025.

Ad 4) The total regulatory cost burden, over and above general taxation, in 2024 amounted to about EUR 450 million. This included deposit insurance and resolution fund contributions, banking levies such as banking and financial transaction taxes as well as sector-specific profit taxes, and the cost of supervision. For 2025 Erste Group expects this cost to rise to approximately EUR 550 million, primarily due to an announced increase of the banking tax in Austria.

Risk Management

RISK PROFIL OF ERSTE GROUP BANK AG

In light of the business strategy of Erste Group Bank AG, besides participation risk, the main risks included credit risk, market risk, interest-change risk in the banking book, liquidity risk and non-financial risks. In addition, a risk materiality assessment is undertaken on an annual basis. It is ensured that all relevant material risks are covered by Erste Group Bank AG's control and risk management framework. This entails a set of different tools and governance to ensure adequate oversight of the overall risk profile and sound execution of the risk strategy, including appropriate monitoring and escalation of issues that could materially impact the risk profile of the group.

PARTICIPATION RISK

Participation risk refers to the risk of potential value losses from providing equity, as current-value write-offs, capital losses from sales, omissions of dividends or decline of hidden reserves as well liability risks from letters of comfort or capital payment commitments. The majority of direct and indirect participations are fully consolidated in the group balance sheet and thus these risks are recorded

ascertained. Consequently, potential risks of investments are usually covered by other types of risks and correspondingly considered in their monitoring and control methods.

The participations entered into by Erste Group Bank AG took place in line with the strategic objective to invest in retail banking whereby own experience and expertise could be contributed. In order to participate more in growth markets, geographic diversification was increased by investing in central and eastern European states. In order to reduce the political, legal and economic risks, the management focuses on countries within the EU or on potential EU candidate countries.

RISK MANAGEMENT, INCLUDING RISK MANAGEMENT OBJECTIVES AND -METHODS RELATED TO THE USE OF FINANCIAL INSTRUMENTS

In 2024, geopolitical developments remained the focus of management's attention. The development of current international (military) conflicts, in particular Russia's war of aggression against Ukraine and in the Middle East, has no direct impact on Erste Group Bank AG, as it is not represented by local companies in these regions. However, indirect consequences, such as volatility in the financial markets, the effects of sanctions or the occurrence of deposit guarantee or resolution cases, cannot be ruled out. Furthermore, even three years after the start of the Russia-Ukraine war, Europe does not have a stress-resilient energy supply. Prices for electricity and gas are still trading at a geopolitical risk premium, which puts companies at a competitive disadvantage from an international perspective. In addition, there are the significant wage cost increases of recent years.

The special risks of the lending business are taken into account to an appropriate extent by the recognition of risk provisions (value adjustments for off-balance sheet credit transactions and provisions for off-balance sheet credit transactions). Details on this are presented in the notes to the financial statement, section B “Impairment for credit risks”.

Due to the multiple crises in recent years and their different effects on economic development, Erste Group Bank AG applied a collective assessment of the significant increase in credit risk (stage overlays) at the end of December 2024 in addition to the standard valuation of forward-looking information. This led to a shift to Stage 2 based on predefined portfolio characteristics. This procedure was agreed in the savings bank sector and approved by the respective management bodies of Erste Group Bank AG. Exceptions to the collective assessment of the significant increase in credit risk were necessary when specificities were identified and properly documented as to why they behaved differently from the rest of the portfolio.

Certain industrial sectors are vulnerable to the distortions of the current environment of multiple crises with geopolitical and macroeconomic shocks. Persistently high inflation and dilution of disposable income continue to dampen private consumption, while high global uncertainty and high refinancing conditions are having a negative impact on investment and industrial activity. While certain industries have performed robustly, others continue to face high inventories, ongoing supply chain issues and cost inflation, as well as lower demand.

Therefore, the rules for stage overlays (industry overlays) were defined as a combination of industries with a high risk profile (according to the industry strategy) or medium risk profile and a hold/decrease strategy as well as one-year default probabilities according to UGB/IFRS. Exceptions to this are permissible on the basis of an individual review and documentation.

The measurement of credit risk for the impacts of climate change is carried out on the one hand via the LGD models, where the climate risk is indirectly reflected via the collateral value, and on the other hand ESG factors are taken into account when assessing the soft facts in the corporate rating models. In addition, as of December 31, 2024, no collective assessment of the significant increase in credit risk (stage overlays) is considered necessary.

For credit risk, the most important risk category, Erste Group Bank AG applies the internal ratings-based (IRB) approach according to the Capital Requirements Regulation (CRR) and adopts this approach also for the assessment of economic capital requirements according to Pillar 2. Furthermore, all methods and processes affiliated with and necessary for this approach are applied. At Erste Group Bank AG, all essential internal models are validated annually and revised if necessary, whereby both observations made by the supervisory authorities and foreseeable future amendments to the legal requirements are taken into consideration.

The market risks in the trading book are backed by equity capitalown funds on the basis of an internal model. In order to hedge the market risk from balance sheet assets (bonds, repurchase agreements on the asset side) and liabilities (own issues), the bank uses interest swaps, currency swaps, credit derivatives and options as hedging instruments in micro-hedge relationships. Together with the hedged underlying transaction, these hedging instruments are recorded in the balance sheet as a valuation unit based on section 201 Commercial Code (UGB).

Value at risk values (confidence level 99%, equally weighted market data, holding period 1 day)

in EUR or in EUR thousand	Total	Interest	Credit spread	Currency	Shares	Commodity	Volatility
Dec 24							
Erste Group Bank AG	**54,709,372.76**	**52,561,212.34**	**8,309,302.04**	**639,419.00**	**1,049,207.88**	**197,485.97**	**648,394.19**
Banking Book	51,059,961.01	49,233,067.59	8,309,302.04	-	-	-	-
Trading Book	3,649,411.75	3,328,144.75	-	639,419.00	1,049,207.88	197,485.97	648,394.19
Dec 23							
Erste Group Bank AG	**47,366**	**46,875**	**5,048**	**973**	**969**	**120**	**784**
Banking Book	41,407	40,644	5,048	-	-	-	-
Trading Book	5,959	6,231	-	973	969	120	784

The banking book value at risk has increased driven by higher investments on the assets side.

The requirements for the generation of valuation units are fulfilled by the fair value hedge accounting processes which are applied at Erste Group Bank AG. Details on these processes are presented in the notes to the financial statement, section C note 30.

In accordance with the Advanced Measurement Approach (AMA), operational risk for Erste Group Bank AG is backed by equity.

In order to provide a comprehensive overview of current and future risk and the cover pools of the Bank, the bank's risk-bearing capacity is determined by the Internal Capital Adequacy Assessment Process (ICAAP). The risk-bearing capacity provides regular updates on the risk profile and capital adequacy, forming the basis for defining and implementing any measures that may be necessary.

Erste Group Bank AG defines its risk strategy and risk appetite within the framework of the annual strategic planning process, during which adequate orientation of the risk, capital and results and earnings targets is ensured. Strategic limits and principles are defined for all types of risk on the basis of the RAS in the risk strategy. These limits and principles support the implementation of medium and long-term risk decisions. Risk Management governance ensures the comprehensive overview of all risk decisions and the proper execution of the risk strategy. Risk-reducing measures are carried out as part of the ordinary risk management process in order to make sure that the Group acts in accordance with the defined risk appetite.

Statements concerning value adjustments for credit risks can be found in Annex section C note 32 and concerning off-balance sheet risk items in Annex section C note 33 of this financial statement. Litigations are dealt with in Annex section A (Ongoing legal cases).

RESEARCH AND DEVELOPMENT

Erste Group Bank AG ´s business purpose is to provide banking services. The production process of a bank is therefore not connected with research and development in an industrial sense. However, development work impacts permanently the current business of the bank.

Digitalisation in Erste Group

Digitalisation and innovative technologies have fundamentally transformed the banking sector, with change unfolding at an ever faster pace. Digital technologies reshape not only consumer expectations. Erste Group is convinced that digital banking will further gain in importance and will be essential for sustainable economic success in the long term and is therefore committed to digital innovation. Intra-group interdisciplinary teams are developing innovative solutions with the goal of offering everyone access to financial literacy and financial advice and helping the bank's customers to strengthen their financial health in a sustainable manner.

The centre-piece of Erste Group's digital strategy is the digital platform George, designed to provide customers access to personalised products of Erste Group. APIs support a wide range of co-operation arrangements with fintechs, start-ups and even across industries and can therefore help to open up new markets and attract new customers. George is available to retail customers in Austria, the Czech Republic, Slovakia, Romania, Croatia and Hungary. It will be rolled out in Serbia in 2025. At present, George is being actively used by more than ten million customers. The portfolio of digitally available products and services is being constantly expanded. Customers can activate applications via plug-ins and use them to manage their finances.

George Business was developed to provide excellent digital banking to corporate customers as well. It was implemented in Austria in 2022 and in Romania in 2023. In the Czech Republic, roll-out will be completed in 2025. It is the aim to offer all customer segments across the group an outstanding digital user experience on a single platform.

Digital innovation such as artificial intelligence and deep customer data analysis are the key to success. Erste Group's holistic approach combines the broadening of financial expertise through the use of modern technologies ("digital advisory") with the digitalisation of all relevant bank processes.

REPORTING ON MATERIAL CHARACTERISTICS OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM WITH REGARD TO THE ACCOUNTING PROCESS

Internal Control System Framework Requirements

The internal control system (ICS) is an essential element of the corporate governance system of Erste Group Bank AG contributing to the safeguarding of shareholders' investments and company's assets. Erste Group Bank AG's ICS plays a key role in identifying risks associated with the respective internal processes.

The ICS policy provides the framework conditions for the internal control system at Erste Group Bank AG. It defines current standards concerning general tasks and responsibilities as well as minimum criteria for ICS documentation. In Erste Group Bank AG, a top down, risk oriented, decentralised ICS approach is applied, designed based on the local process map, which promotes adequacy by focusing on all material risks. This means, that all material risks identified must be mitigated by key controls which are involved in the ICS process. The following criteria are applied for an adequate ICS:

— Completeness: The process landscape as well as policies and procedures issued within the Group Policy Framework ensure that all identified risks and potential risk scenarios are considered, regulated and managed, aiming to set up a comprehensive and integrated control environment throughout the entity. All material risks must be covered with key controls, to demonstrate the importance at local level.
— Effectiveness and traceability: The functionality of key controls are regularly checked, the optimal control environment is reviewed and challenged during monitoring activity of risk appetite/tolerance.
— Comprehensibility: The process landscape together with local policies and procedures constitute documentation of identified key controls, which ensures that relevant employees are aware of all key controls and their role in the internal control process is transparent and accountable within the entire local entity.

The risk profile, which includes the current and target situation, is monitored by each individual risk function unit and is illustrated in the framework of the consolidated risk reporting (GRR) for the management or relevant risk committee.

Control environment

The control environment provides the framework for the introduction, implementation and monitoring of IKS principles, procedures and measures. The management board of Erste Group Bank AG is responsible for the establishment, structure and application of an appropriate internal control and risk management system that meets the company's needs in its group accounting procedures.

The Code of Conduct provides orientation for all employees of Erste Group Bank AG, defines mandatory rules for day-to-day business life, describes the corporate values, affirms the obligation to act responsibly as a company and ensures compliance with legal provisions and internal guidelines (compliance).

The awareness of potential compliance issues and a sustainable risk culture enable risks to be identified quickly and well-considered decision-making when dealing with existing regulations. The main component of the risk culture are internal guidelines and, above all, open communication in order to create the broadest possible awareness of all employees for all risks that Erste Group Bank AG is confronted with.

Accounting AT & Group Statutory Reporting, which are part of Group Accounting, coordinate and verify the final accounts' compilation for Erste Group Bank AG. The assignment of powers, the process description and the necessary control procedures are defined in the operating instructions.

Risk assessment and controls measures

The main risk in the financial reporting procedures is that errors or deliberate action (fraud) prevent facts from adequately reflecting the company's financial position and performance. This is the case if the data provided in the financial statements and notes is essentially inconsistent with the correct figures, i.e. whenever, alone or in aggregate, they are apt to influence the decisions made by the users of financial statements. Such a decision may incur serious damage, such as financial loss, the imposition of sanctions by the banking supervisor or reputational harm.

The relevant units are obliged to comply with the accounting and measurement principles that are applicable for capturing, posting and accounting transactions and laid out in the operating instructions relating to the UGB and in the IFRS Accounting Manual. The basic components of the internal control system (IKS) at Erste Group Bank AG are:

— controlling as a permanent financial/business analysis (e.g. comparison of target and actual data between accounting and controlling) and control of the company and/or individual corporate divisions.
— systemic, automatic control systems and measures in the formal procedure and structure, e.g. programmed controls during data processing.
— principles of functional separation and checks performed by a second person (the four-eye principle).

The areas of responsibility assigned to the individual positions are documented and are continuously updated. Special attention is paid to a functioning deputy regulation in order not to jeopardize the ability to meet deadlines if one person is absent. The annual financial statements including the management report are reviewed by the audit committee of the supervisory board and are also presented to the supervisory board for approval. It is published on the electronic announcement and information platform of the Federal Government (elektronische Verlautbarungs- und Informationsplattform des Bundes (EVI)) and finally filed with the Commercial Register.

Information und Communication

In accordance with Austrian Commercial Code (UGB)/Austrian Banking Act (BWG), the final accounts are prepared in a standardized format and in compliance with the control measures described above. Before being passed on to the Audit Committee of the Supervisory Board, the financial statements to be published are submitted to the managers and CFO for approval. During the year the UGB-result is presented to the responsible board member (CFO) on a quarterly basis.

Reporting is almost fully automated, based on source systems and automated interfaces, and guarantees up-to-date data for controlling, segment reporting and other analyses. Accounting information is derived from the same data source and is reconciled monthly for reporting purposes. Close collaboration between accounting and controlling permits continual target/actual comparisons for control and reconciliation purposes. Monthly and quarterly reports to the management board and the supervisory board ensure a regular flow of financial information and monitoring of the internal control system.

In addition, when introducing new core banking systems and implementing new products, accounting is in contact with the relevant departments in order to provide information at an early stage on accounting-specific aspects and implications for new product launches.

Monitoring

In order to monitor and at the same time support strong governance and risk management, Erste Group Bank AG applies three lines of defence to review the structures and processes that enable the achievement of the objectives for their effectiveness.

The first line of defence includes the business lines in which the department heads are responsible for monitoring including internal controls of their business areas. This line is in constant dialogue with the business areas and reports on planned, actual and expected results in connection with the goals of the organisation as well as on risks.

The role of the second line of defence is covered by specific areas of expertise, in addition to providing expertise, support, monitoring and risk management tasks. At Erste Group Bank AG, these activities are carried out among others by the departments Risk Management, BWG Compliance, WAG Compliance, Anti Money Laundering Prevention, Group Data and Reporting Governance and Group Security. Above all, the departments should support the business lines in the control steps, validate the actual controls, bring state-of-the-art practices into the organisation and cover tasks related to risk management.

The third line of defence is responsible for providing independent and objective assurance and advice on the adequacy and effectiveness of governance and risk management. Internal Audit is in charge of auditing and evaluating all areas of the bank based on risk-oriented audit areas (according to the annual audit plan as approved by the management board and reported to the audit committee). The main focus of audit reviews is to monitor the completeness and functionality of the internal control system. Internal Audit has the duty of reporting its findings to the group's management board, supervisory board and audit committee several times within one year.

Internal Audit is according to section 42 Austrian Banking Act (BWG) a control body that is directly subordinate to the management board. Its sole purpose is to comprehensively verify the lawfulness, propriety and expediency of the banking business and banking operation on an on-going basis. The mandate of Internal Audit is therefore to support the management board in its efforts to secure the bank's assets and promote economic and operational performance and thus in the management board's pursuit of its business and operating policy. The activities of Internal Audit are governed in particular by the currently applicable Rules of Procedure, which were drawn up under the authority of all management board members and approved as well as implemented by them. The Rules of Procedure are reviewed on a regular basis and whenever required and adapted should the need arise.

HOLDINGS, PURCHASE AND SALE OF OWN SHARES

The presentation of own shares at trade date follows the disclosure requirements of the Austrian Stock Corporation Act (AktG).

Holdings of own shares

the number of shares	Dec 24	Dec 23
Erste Group Bank AG	-257,675	7,762,984
Affiliated companies	761,329	1,106,329
thereof pledged	0	0

As of 31 December 2024, other liabilites include a short position in Erste Group Bank AG shares amounting to 257,675 units (prior year: long-position 7,762,984 units, therof 8.137.141 units resulting from the share buy-back program 2023), which is covered by securities lending deals.

From the purchase and sale of its own shares in the long portfolio Erste Group Bank AG generated selling gains in course of securities trading in the amount of EUR 18,993.11 (prior year: EUR 0 thousand) and in course of the employee share program in the amount of EUR 147,504.00 (prior year: selling losses 791 thousand recognized in other retained earnings) respectively, which were recognized in the commited capital reserve.

Purchase of own shares

	Erste Group Bank AG				Affiliated companies of Erste Group Bank AG			
	Number of shares	Portion of share capital	Purchase price in EUR	Purchase intension	Number of shares	Portion of share capital	Purchase price in EUR	Purchase intension
January	48,053	96,106.00	1,842,221.74	Securities trading				
	30,084	60,168.00	1,165,356.10	Share buy-back				
February	180,596	361,192.00	6,981,962.48	Securities trading				
	719,867	1,439,734.00	28,450,704.61	Share buy-back				
March	329,452	658,904.00	12,680,200.42	Securities trading	20,000	40,000.00	742,310.00	Core shareholder program
	24,405	48,810.00	996,199.26	Employee participation program				
April	52,582	105,164.00	2,241,557.69	Securities trading				
May	62,722	125,444.00	2,916,181.39	Securities trading				
	42,243	84,486.00	1,889,681.90	Employee participation program				
June	428,024	856,048.00	18,508,342.87	Securities trading				
	57,942	115,884.00	2,555,060.77	Share buy-back				
	632,757	1,265,514.00	27,870,519.73	Employee participation program				
July	143,475	286,950.00	6,739,907.59	Securities trading				
	2,356,840	4,713,680.00	109,997,877.36	Share buy-back				
August	87,800	175,600.00	3,986,741.84	Securities trading				
	3,400,047	6,800,094.00	159,031,959.08	Share buy-back				
September	350,649	701,298.00	17,046,773.35	Securities trading				
	1,859,142	3,718,284.00	89,558,150.31	Share buy-back				
October	219,917	439,834.00	10,824,647.10	Securities trading				
	1,169,476	2,338,952.00	57,529,333.85	Share buy-back				
November	111,854	223,708.00	5,883,740.77	Securities trading				
	1,555,077	3,110,154.00	81,327,572.39	Share buy-back				
December	230,493	460,986.00	13,406,864.27	Securities trading				
Total	**14,093,497**	**28,186,994.00**	**663,431,556.87**		**20,000**	**40,000.00**	**742,310.00**	

The purpose of trading was in particular "market making" and hedging positions in the Austrian Stock Exchange Index (ATX).

The aim of the principal shareholder program is to strengthen the group structure and cooperation with the savings banks.

For further details on the employee share program, please refer to chapter D Share-based payments and regarding the share buy-back program to section C 20.

Sale of own shares

	Erste Group Bank AG			Affiliated companies of Erste Group Bank AG		
	Number of shares	Portion of share capital	Selling price in EUR	Number of shares	Portion of share capital	Selling price in EUR
January	121,767	243,534.00	4,684,820.73			
February	8,945,946	17,891,892.00	2,318,439.88			
March	264,314	528,628.00	10,309,147.62	365,000	730,000.00	14,950,400.00
April	75,472	150,944.00	3,234,258.49			
May	105,862	211,724.00	4,644,813.53			
June	950,735	1,901,470.00	41,714,977.98			
July	101,983	203,966.00	4,761,891.39			
August	102,402	204,804.00	4,706,893.59			
September	442,476	884,952.00	21,550,260.67			
October	119,368	238,736.00	6,014,070.12			
November	74,130	148,260.00	3,907,867.78			
December	10,809,701	21,619,402.00	23,797,314.01			
Total	**22,114,156**	**44,228,312.00**	**131,644,755.79**	**365,000**	**730,000.00**	**14,950,400.00**

CAPITAL, SHARE, VOTING AND CONTROL RIGHTS AND ASSOCIATED AGREEMENTS

The mandatory disclosure requirements of Section 243a (1) UGB are met as follows:

Capital structure and class of shares (No 1)

Subscribed capital on 31 December 2024 was EUR 821,028,768.00 (prior year: EUR 859,600 thousand), represented by 410,514,384 voting bearer shares (ordinary shares). For additional information reference is made to the notes, section C 20 respectively section A General Information regarding details to the cross-guarantee scheme (Haftungsverbund).

Restrictions of voting rights and of the transfer of shares (No 2)

The Articles of Association do not contain any restrictions affecting voting rights or the transfer of shares.

In shareholder agreements ERSTE Stiftung which, together with its syndicate partners, held 25.41% capital shares as of 31 December 2024 (previous year: 24.11%) agreed the following: concerning the appointment of the members of the supervisory board the partners are obliged to vote as required by ERSTE Stiftung. The partners can dispose of shares according to a predefined sale procedure and can purchase shares only within the quotas agreed with ERSTE Stiftung (of a maximum of 3% per calendar year); with this regulation an unwanted creeping-in according to takeover law shall be prevented. In addition, the partners have committed themselves not to make a hostile takeover bid, nor to participate in a hostile takeover bid nor to act together with a hostile bidder in any other way.

Direct or indirect shareholdings amounting at least 10% (No 3)

Apart from ERSTE Foundation, the Management Board is not aware of any other direct or indirect shareholdings that amount to at least 10%. For additional information please refer to the notes to the financial statements, section A and section C 22.

Special rights of control associated with holding shares (No 4)

There are no shareholders with special control rights.

Voting rights control in the case of capital participation of employees (No 5)

The voting rights of shares held by Erste Mitarbeiterbeteiligung Privatstiftung in trust or by proxy for the employees of employer companies participating in employee share programs according to section 4d (5) (1) Income Tax Act (EStG) are exercised by the Board of Directors of Erste Mitarbeiterbeteiligung Privatstiftung. The members of the Board of Directors are appointed and dismissed by

the Advisory Board through resolution with simple majority, whereby the delegation rights of Erste Group Bank AG as well as the existing statutory employee representatives of Erste Group Bank AG and Erste Bank der oesterreichischen Sparkassen AG shall be taken into account. A further member of the Board of Directors to be appointed by the Advisory Board shall be a former member of the management board or a former (freelance) employee of an employer company pursuant to section 4d (5) (1) Income Tax Act (EStG). The Advisory Board of Erste Mitarbeiterbeteiligung Privatstiftung consists of up to five members.

Special control rights, bodies and amendments of the articles of association (No 6)

This concerns:

— Art. 15.1 of the Articles of Association, which provides that ERSTE Stiftung will be granted the right to nominate up to one third of the members of the Supervisory Board to be elected by the shareholders' meeting, as long as ERSTE Stiftung is liable for all present and future liabilities of the company in the case of its insolvency pursuant to Section 92 (9) Banking Act,

— Art. 15.4 of the Articles of Association, which provides that a three-quarter majority of valid votes cast and a three-quarter majority of the subscribed capital represented at the meeting considering the proposal are required to pass a motion for removal of Supervisory Board members, and

— Art. 19.9 of the Articles of Association, which provides that amendments to the Articles of Association, in so far as they do not alter the business purpose, may be passed by simple majority of votes cast and simple majority of the subscribed capital represented at the shareholders meeting considering the amendment. Where higher majority votes are required by individual provisions of the Articles of Association, these provisions can only be amended with the same higher majority vote. Moreover, amendments to Art. 19.9 require a three-quarter majority of the votes cast and a three-quarter majority of the subscribed capital represented at the meeting considering the proposal.

Powers of the Management Board to issue and repurchase shares (No 7)

As per decision of the General Meeting of 12 May 2023:

— The Management Board is entitled to purchase up to 10% of the share capital in own shares for the purpose of securities trading according to section 65 (1) (7) Austrian Stock Corporation Act (AktG). However, the trading volume of shares acquired may not exceed 5% of the share capital at the end of each day. The consideration for the shares to be purchased must not be less than 50% of the closing price at the Vienna Stock Exchange on the last trading day prior to the purchase and must not exceed the closing price at the Vienna Stock Exchange on the last trading day prior to the purchase by more the 20%. This authorization is valid for a period of 30 months from the date of the resolution, i.e. until 12 November 2025.

As per decision of the General Meeting of 22 May 2024:

— The Management Board is entitled, pursuant to section 65 (1) (8) as well as (1a) and (1b) Stock Corporation Act and for a period of 30 months from the date of the resolution, i.e. until 22 November 2026, to acquire own shares in the amount of up to 10% of the share capital, subject to approval by the Supervisory Board and without any further resolution of the General Meeting at a lowest consideration of EUR 2.00 per share and a highest consideration not exceeding 50% above the average Vienna Stock Exchange price, weighted according to trading volumes, of the last 20 trading days prior to the respective acquisition of the shares; in the case of a public offer, the cut-off date for the end of the calculation period shall be the day on which the intention to make a public offer is announced (sec 5 (2) and (3) Austrian Takeover Act [ÜbG]). The acquisition may, at the discretion of the Management Board and with the consent of the Supervisory Board, be effected on the stock exchange or by means of a public offer or in any other legally permissible and expedient manner, in particular also off the stock exchange and/or from individual shareholders and excluding the pro rata tender right (reverse subscription right). The authorization may be exercised in whole or in part or in several partial amounts and in pursuit of one or more purposes by the Company, its affiliated companies (sec. 189a (8) Commercial Code [UGB]) or for their account by third parties. Pursuant to section 65 (1b) Stock Corporation Act, the Management Board is authorized for a period of five years from the date of the resolution, i.e. until 22 May 2029, with the consent of the Supervisory Board, to sell or dispose the company's own shares, also in a way other than via the stock exchange or by means of a public offer for any legally permissible purpose, to determine the terms and conditions of the sale and to decide on the exclusion of the shareholders' subscription rights. These authorizations include the sale of own shares in particular for the following purposes: (i) in order to be able to sell the shares for a consideration other than cash, provided that this serves the purpose of acquiring (also indirectly) companies, businesses, parts of businesses, shares in one or more companies domestically or abroad; (ii) to transfer shares free of charge or at a reduced price to employees, executives and members of the Management Board of the Company or of an affiliated company (sec 189a (8) Commercial Code [UGB]) or of any other company within the meaning of sec 4d (5) (1) Austrian Income Tax Act (EStG), as well as to Erste Mitarbeiterbeteiligung Privatstiftung and its beneficiaries; and (iii) to resell own shares with partial or full exclusion of the subscription rights in any manner permitted by law, including over-the-counter. The authorizations in this resolution may be exercised once or several times, in whole or in part, individually or jointly.

— The Management Board is authorized to redeem shares without further resolution at the General Meeting with the approval of the Supervisory Board.

All sales and purchases were carried out as authorized at the General Meeting.

According to section 8.3 of the Articles of Association, the Management Board is authorized to issue until 18 May 2027, with the consent of the Supervisory Board, convertible bonds (including Contingent Convertible Bonds according to section 26 Austrian Banking Act), which have the conversion or subscription right for shares of the Company, observing or excluding the subscription rights of the shareholders. The terms and conditions may, in addition or instead of a conversion or subscription right, also provide for the mandatory conversion at the end of the term or at any other time. The issuance of convertible bonds is limited to the extent that all conversion or subscription rights, and in case of a mandatory conversion stipulated in the terms and conditions, the mandatory conversion, are covered by conditional capital. Section 5.3 shall apply to the issue of convertible bonds without subscription rights. The issue amount, the terms and conditions of the issue of the convertible bonds and the exclusion of the subscription rights for the shareholders will be determined by the Management Board with the consent of the Supervisory Board.

Significant agreements which become effective, are amended or are rendered ineffective when there is a change in the control of the company and their effects (No 8)

CROSS-GUARENTEE SCHEME AGREEMENT

The agreement in principle of the cross-guarantee scheme (Haftungsverbund) provides for the possibility of early cancellation for good cause. Good cause, allowing the respective other contracting parties to cancel the agreement, is deemed to exist if:

— one contracting party grossly harms the duties resulting from the present agreement,
— the ownership structure of a party to the contract changes in such a way – particularly by transfer or capital increase – that one or more third parties from outside the savings bank sector directly and/or indirectly gain a majority of the equity capital or voting rights in the contracting party or
— one contracting party resigns from the savings bank sector irrespective of the reason.

The cross-guarantee scheme's agreement in principle and supplementary agreements expire if and as soon as any entity that is not a member of the savings bank sector association acquires more than 25% of the voting power or equity capital of Erste Group Bank AG in any manner whatsoever and a member savings bank notifies the cross-guarantee scheme's steering company and Erste Group Bank AG by registered letter within twelve weeks from the change of control that it intends to withdraw from the cross-guarantee scheme.

DIRECTORS & OFFICERS-INSURANCE

In the event that any of the following transactions or processes occur during the term of the insurance policy (each constituting a 'change in control') in respect of the insured:

— the insured ceases to exist as a result of a merger or consolidation, unless the merger or consolidation occurs between two insured parties, or
— another company, person or group of companies or persons acting in consent, who are not insured parties, acquire more than 50% of the insured's outstanding equity or more than 50% of its voting power (resulting in the right to control the voting power represented by the shares, and the right to appoint the Management Board members of the insured),

then the insurance cover under this policy remains in full force and effect for claims relating to unlawful acts committed or alleged to have been committed before this change in control took effect. However, no insurance cover is provided for claims relating to unlawful acts committed or allegedly committed after that time (unless the insured and insurer agree otherwise). The premium for this insurance cover is deemed to be completely earned.

In the event that a subsidiary ceases to be a subsidiary during the insurance period, the insurance cover under this policy shall remain in full force and effect for that entity for the remainder of the insurance period or (if applicable) until the end of the extended discovery period, but only in respect of claims brought against an insured in relation to unlawful acts committed or alleged to have been committed by the insured during the existence of this entity as a subsidiary. No insurance cover is provided for claims brought against an insured in relation to unlawful acts committed or allegedly committed after this entity ceased to exist.

COOPERATION BETWEEN ERSTE GROUP BANK AG AND VIENNA INSURANCE GROUP (VIG)

Erste Group Bank AG and Vienna Insurance Group AG Wiener Versicherung Gruppe (VIG) are parties to a general distribution agreement (the Agreement) concerning the framework of the cooperation of Erste Group and VIG in Austria and CEE with respect to bank and insurance products. Originally concluded in 2008 (between Erste Bank der österreichischen Sparkassen AG and Vienna Insurance Group der WIENER STÄDTISCHE Versicherung AG), the Agreement was renewed and extended in 2018 until the end of 2033. The objective for the renewal and extension in particular was to adapt the Agreement to the corporate restructuring of the

original parties, to amend some commercial parameters and to align the Agreement with recent developments in the legal framework. Already in the original Agreement the parties stipulated that both parties have the right to terminate the Agreement in case of a change of control of one of the parties. In case of change of control of Erste Group Bank AG, VIG has the right to terminate the Agreement. In case of change of control of VIG, Erste Group Bank AG has the reciprocal right. A change of control is defined, with respect to Erste Group Bank AG, as the acquisition of Erste Group Bank AG by any person/entity other than DIE ERSTE österreichische Spar-Casse Privatstiftung or Austrian savings banks of 50% plus one share of Erste Group Bank AG's shares or voting rights. In respect to VIG, the aforementioned provisions apply analogously, except for share purchases by Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group.

Apart from this regulation on the termination of the Agreement, the parties agreed in the renewal and extension of the Agreement for an additional termination for cause if based on new legal or regulatory provisions, the continuation of the Agreement is unreasonable for each or both of the parties.

Erste Group Bank AG and VIG are furthermore parties to an asset management agreement, pursuant to which Erste Group undertakes to manage certain parts of VIG's and its group companies' securities assets. In case of a change of control (as described above), each party has the termination right. The asset management agreement has been renewed and extended until 2033 concurrently with the renewal and extension of the Agreement outlined above.

Indemnification agreements (No 9)

In the event of a public takeover offer, there are no compensation agreements between Erste Group Bank AG and its executive board and supervisory board members or employees.

NON-FINANCIAL REPORTING

Non-financial reporting for Erste Group Bank AG pursuant to Section 243b of the Commercial Code (UGB) is integrated in the group management report and published in the annual report of Erste Group. The annual report is published on the website at www.erstegroup.com/ir.

EVENTS AFTER BALANCE SHEET DATE

For events of particular importance that occurred after the end of the fiscal year, please refer to the notes, Chapter C, Item 47.

GLOSSARY

CEE (Central and Eastern Europe)

English abbreviation also commonly used in German applied to the economic area of Central and Eastern Europe. Includes the new EU member states from expansion in 2004 and 2007 as well as the successor states to Yugoslavia and the Soviet Union and Albania.

Cost-Income Ratio

Operating expenses as a % of the operating income.

Common Equity Tier 1 Capital Ratio

Common Equity Tier 1 capital (CET1) according to Art 50 CRR expressed in % of the total risk amount according to Art 92 (3) CRR.

Erste Group Bank AG

Erste Group Bank AG as individual company.

Erste Group

Erste Group as group of affiliated companies.

Forbearance

Concessions to the debtor due to financial difficulties.

Operating Expenses

Sum of general administrative expenses, value adjustments in respect of assets items 9 and 10 as well as other operating expenses.

Operating Income

Sum of net interest income, net commissions income, income from securities and participating interests, net profit or loss on financial operations and other operating income.

Operating Result

Operating income less operating expenses.

Return on Assets

The annual net profit before allocation to reserves divided by the average balance sheet total (average of the last 5 quarterly cut-off dates).

Return on Tangible Equity (ROTE)

Results from profit or loss for the year after tax before changes in reserves divided by the average equity adjusted for intangible assets. The average is calculated on the basis of quarterly final values.

Risk Appetite Statement (RAS)

The RAS is a strategic explanation that describes the maximum risk that a company is prepared to take to achieve its goals.

Tier 1 Capital Ratio

Tier 1 Capital according to Art 25 CRR in % of the total risk amount according to Art 92 (3) CRR.

Total Capital Ratio

The total eligible own capital according to Art 72 CRR expressed in % of the total risk amount according to Art 92 (3) CRR.

Vienna, 28 February 2025

Management Board

Peter Bosek e.h.
Chairman

Ingo Bleier e.h.
Member

Stefan Dörfler e.h.
Member

Alexandra Habeler-Drabek e.h.
Member

Maurizio Poletto e.h.
Member

We draw attention to the fact that the English translation of this auditor's report according to Section 274 of the Austrian Company Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

V. Auditor's Report

REPORT ON THE FINANCIAL STATEMENTS

AUDIT OPINION

The Sparkassen-Prüfungsverband (Prüfungsstelle) and PwC Wirtschaftsprüfung GmbH, Vienna, – hereinafter referred to as "we" – have audited the financial statements of Erste Group Bank AG, Vienna, which comprise the balance sheet as at December 31, 2024, the income statement for the fiscal year then ended, and the notes.

In our opinion, the accompanying financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as at December 31, 2024, and of its financial performance for the fiscal year then ended in accordance with the Austrian Company Code and the special legal requirements.

Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 (hereinafter EU Regulation) and Austrian generally accepted auditing standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with Austrian Generally Accepted Accounting Principles, the provisions of the Austrian Banking Act and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the fiscal year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have structured key audit matters as follows:
— Description
— Audit approach
— Reference to related disclosures

Impairments of Loans and Advances to Customers (expected credit losses)

DESCRIPTION

Impairments of Loans and Advances represent management's best estimate of the credit losses expected with respect to the loan portfolio at balance sheet date. The calculation of impairments is carried out in line with the AFRAC 14 (June 2021) by using the IFRS 9 model in the Austrian Company Code (UGB).

For loans and advances to customers in the amount of EUR 23.7 billion, measured at amortized cost, Erste Group Bank AG has recognized credit loss allowances in the amount of EUR 0.2 billion as at December 31, 2024.

For the estimation of expected credit losses Erste Group Bank AG has implemented internal guidelines and specific processes.

As part of these processes to estimate expected credit losses the management relies significantly on complex criteria and judgements subject to considerable discretion.

The models used for determining loss allowances are specific to the types of loan portfolios. There are country-specific and forward-looking features both with regard to products and economic environment that are relevant to the respective loss estimate resulting in heightened complexity of models and input factors.

The uncertainty inherent in the estimation of impairments of loans and advances, in particular the consideration of future economic conditions, are in 2024 significant due to the geopolitical and economic developments.

Erste Group Bank AG has taken this into account by collective staging and in-model adjustments (overlays).

Details on the methodology are presented in management's disclosures under item Credit Loss Allowances.

Due to
— the volume of risk provisions
— the complexity of models and interdependent assumptions and the resulting audit effort
— a high degree of uncertainty of future economic developments, which led to a high degree of auditor judgement and
— the substantial judgement to be applied by the management in designing overlays, incl. determination and definition of weights for future macroeconomic scenarios

we identified this area to be a key audit matter.

AUDIT APPROACH

To assess the appropriateness of impairments of loans and advances to customers, we:
— updated our understanding of the Expected Credit Loss calculation methodology applied by Erste Group Bank AG based on policies, documentation and interviews and assessed its compliance with the requirements of IFRS 9. We focused specifically on adjustments to methods and processes made in order to capture the increased uncertainties of the present and future environment in expected credit losses.
— evaluated the control activities in credit risk management and lending business processes and tested key controls, in particular with respect to the approval of loans, ongoing monitoring and the early warning system as well as the processes around the early identification of default, as well as understood and evaluated the UTP-assessment (unlikeness to pay assessment).
— evaluated control activities and tested key controls in the area of rating models and collateral valuation and critically assessed the valuation of collaterals based on risk adjusted sampling.
— assessed model governance and validation processes and critically reviewed the information brought to the attention of the management. We evaluated, with the support from our internal credit risk modelling experts, the results of back-testing and model validations.
— examined and critically assessed the appropriateness of credit risk parameters and models, taking into account possible structural breaks in the observable data, and assessed the plausibility of expectations and estimates made on the basis of such biases, to identify significant increases in the credit risk of individual customers or groups of customers.
— assessed the correctness of the stage allocation for selected portfolios based on applicable policies.
— analyzed sensitivities and impacts of IFRS 9 specific model aspects.
— evaluated whether key components of the calculation of expected credit losses are correctly incorporated in the models by performing walkthroughs and reviewing steering tables.
— assessed the correctness of the expected credit loss calculation (ECL calculation) for selected portfolios.
— evaluated whether forward-looking information integrated into the estimates is appropriate and reasonable. In particular, we have compared the underlying macro-economic forecasts with external sources of information and critically assessed the individual weights attributed to scenarios.
— tested, on a sample basis, whether default events have been identified in accordance with applicable policies and evaluated whether events occurred that significantly affect the borrower's ability to repay loans and advances. Furthermore, we tested, on a sample basis, the adequacy of individual loan loss allowances assessing the scenarios adopted and the estimation of expected cash flows made.

REFERENCE TO RELATED DISCLOSURES

For further details regarding the process of determining loss allowances as well as regarding the design of the models involved, we refer to the management's disclosures under item B. Credit Loss Allowances.

OTHER INFORMATION

Management is responsible for other information. Other information comprises any information included in the annual report, but does not include the financial statements, the management report and the auditor's report.

We obtained the corporate governance report in accordance with Section 243c UGB and the non-financial statement in accordance with Section 243b UGB as part of the group management report prior to the date of this auditor`s report, all other parts of the annual report are expected to be made available to us after that date.

Our opinion on the financial statements does not cover other information and we will not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THE AUDIT COMMITTEE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Austrian Company Code and the special legal requirements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation and with Austrian generally accepted auditing standards, which require the application of ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU Regulation and with Austrian generally accepted auditing standards, which require the application of ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with all relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Management Report

Pursuant to the Austrian Company Code, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the management report was prepared in accordance with the applicable legal requirements. In relation to the non-financial statement contained in the group management report, our responsibility is to check whether it has been prepared, to read it and to assess whether this other information shows significant discrepancies with the annual financial statement or with our knowledge gained during the audit, or otherwise appears to be misrepresented.

Management is responsible for the preparation of the management report in accordance with the Austrian Company Code and the special legal requirements.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report.

Opinion

In our opinion, the management report for the Company was prepared in accordance with the applicable legal requirements, includes accurate statement pursuant to Section 243a UGB and is consistent with the financial statements

Statement

Based on the findings during the audit of the financial statements and the obtained understanding concerning the Company and its circumstances no material misstatements in the management report came to our attention.

Additional Information in accordance with Article 10 of the EU Regulation

Pursuant to Sections 23 and 24 Austrian Savings Bank Act (SpG), the Sparkassen-Prüfungsverband (Prüfungsstelle) is the statutory auditor of Erste Group Bank AG, Vienna.

At the annual general meeting dated May 12, 2023 and pursuant to Section 1 (1) of the Auditing Rules for Savings Banks, Annex to Section 24 SpG, PwC Wirtschaftsprüfung GmbH, Vienna, was appointed as additional auditor for the financial year 2024 and, subsequently, was engaged by the supervisory board. At the annual general meeting dated May 22, 2024 PwC Wirtschaftsprüfung GmbH, Vienna, was appointed as additional auditor for the financial year 2025 and, subsequently, was engaged by the supervisory board. Since 2017 PwC Wirtschaftsprüfung GmbH, Vienna, has constantly been appointed as additional auditor.

We confirm that the audit opinion in the "Report on the Financial Statements" section is consistent with the additional report to the audit committee referred to in Article 11 of the EU Regulation.

We declare that we did not provide any prohibited non-audit services (Article 5 (1) of the EU Regulation) and that we remained independent of the audited company in conducting the audit.

Responsible Engagement Partner

Responsible for the proper performance of the engagement are Mr. Herwig Hierzer, Austrian Certified Public Accountant (Prüfungsstelle des Sparkassen-Prüfungsverbandes), Mr. Gregor Seisser, Austrian Certified Public Accountant, (appointed auditor within the meaning of Section 3 (1) of the Auditing Rules for Savings Banks) and Mr. Marius Richter, Austrian Certified Public Accountant (PwC Wirtschaftsprüfung GmbH, Vienna).

Vienna, 28 February 2025

Sparkassen-Prüfungsverband
(Prüfungsstelle)

(Bank Auditor)

Herwig Hierzer
Austrian Certified Public Accountant

Gregor Seisser
Austrian Certified Public Accountant

PwC Wirtschaftsprüfung GmbH

Marius Richter
Austrian Certified Public Accountant

This report is a translation of the original report in German, which is solely valid. Publication and sharing with third parties of the consolidated financial statements together with our auditor's opinion is only allowed if the financial statements and the management report are identical with the German audited version. This audit opinion is only applicable to the German and complete financial statements with the management report. For deviating versions, the provisions of Section 281 (2) UGB apply.

VI. Statements of all members of the management board

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

Vienna, 28 February 2025

Management Board

Peter Bosek e.h.
Chairman

Ingo Bleier e.h.
Member

Stefan Dörfler e.h.
Member

Alexandra Habeler-Drabek e.h.
Member

Maurizio Poletto e.h.
Member