Interim Report
Third quarter 2024

Key financial data

Income statement					
in EUR million	Q3 23	Q2 24	Q3 24	1-9 23	1-9 24
Net interest income	1,861	1,835	1,903	5,422	5,591
Net fee and commission income	663	711	735	1,938	2,158
Net trading result and gains/losses from financial instruments at FVPL	113	109	110	320	358
Operating income	2,692	2,734	2,798	7,853	8,319
Operating expenses	-1,202	-1,265	-1,262	-3,675	-3,809
Operating result	**1,489**	**1,468**	**1,536**	**4,178**	**4,510**
Impairment result from financial instruments	-156	-31	-86	-128	-211
Post-provision operating result	**1,333**	**1,437**	**1,451**	**4,051**	**4,299**
Other operating result	-44	-131	-35	-327	-289
Levies on banking activities	-27	-48	-59	-148	-194
Pre-tax result from continuing operations	1,283	1,308	1,394	3,720	3,986
Taxes on income	-231	-275	-286	-670	-817
Net result for the period	1,052	1,033	1,108	3,050	3,169
Net result attributable to non-controlling interests	233	187	222	741	653
Net result attributable to owners of the parent	**820**	**846**	**886**	**2,310**	**2,516**
Earnings per share	1.90	1.87	2.14	5.26	5.87
Return on equity	17.7%	16.1%	18.2%	16.7%	16.7%
Net interest margin (on average interest-bearing assets)	2.50%	2.43%	2.45%	2.50%	2.46%
Cost/income ratio	44.7%	46.3%	45.1%	46.8%	45.8%
Provisioning ratio (on average gross customer loans)	0.30%	0.06%	0.16%	0.08%	0.13%
Tax rate	18.0%	21.0%	20.5%	18.0%	20.5%

Balance sheet					
in EUR million	Sep 23	Jun 24	Sep 24	Dec 23	Sep 24
Cash and cash balances	31,922	26,231	23,972	36,685	23,972
Trading, financial assets	63,504	64,161	68,446	63,690	68,446
Loans and advances to banks	28,094	34,966	33,212	21,432	33,212
Loans and advances to customers	206,153	211,276	213,462	207,828	213,462
Intangible assets	1,313	1,282	1,277	1,313	1,277
Miscellaneous assets	6,175	6,225	6,160	6,206	6,160
Total assets	**337,161**	**344,141**	**346,529**	**337,155**	**346,529**
Financial liabilities held for trading	2,428	2,003	1,770	2,304	1,770
Deposits from banks	23,223	17,484	16,889	22,911	16,889
Deposits from customers	235,773	240,238	239,734	232,815	239,734
Debt securities issued	41,089	47,917	51,265	43,759	51,265
Miscellaneous liabilities	6,961	7,527	6,759	6,864	6,759
Total equity	**27,687**	**28,973**	**30,112**	**28,502**	**30,112**
Total liabilities and equity	**337,161**	**344,141**	**346,529**	**337,155**	**346,529**
Loan/deposit ratio	87.4%	87.9%	89.0%	89.3%	89.0%
NPL ratio	2.0%	2.4%	2.4%	2.3%	2.4%
NPL coverage ratio (based on AC loans, ex collateral)	96.7%	80.6%	78.7%	85.1%	78.7%
CET1 ratio (final)	14.5%	15.5%	15.1%	15.7%	15.1%

Ratings	Sep 23	Jun 24	Sep 24
Fitch			
Long-term	A	A	A
Short-term	F1	F1	F1
Outlook	Stable	Stable	Stable
Moody´s			
Long-term	A1	A1	A1
Short-term	P-1	P-1	P-1
Outlook	Stable	Stable	Stable
Standard & Poor´s			
Long-term	A+	A+	A+
Short-term	A-1	A-1	A-1
Outlook	Stable	Stable	Stable

Letter from the CEO

Dear shareholders,

Erste Group posted a net profit of EUR 2,516 million for the first nine months of 2024. The third quarter was again marked by a strong operating performance, with continued robust income momentum. Net interest income benefited from excellent results in Central and Eastern Europe and a largely stable net interest margin and was up 3.1% year on year. The continued positive trend in our second most important income driver – net fee and commission income – is highly satisfactory, with major contributions to the 11.4% rise coming from payment services and asset management. Cost growth remained well-behaved at 3.7%. The reduction of deposit insurance contributions offset part of the rise in personnel expenses and higher IT costs. Continued solid asset quality and moderate risk costs also contributed to Erste Group's profitability. Risk provisions were booked primarily in the Austrian segments while defaults in Central and Eastern Europe remained at very low levels.

After a weak start to the year, lending saw a slight improvement in growth trends, particularly in the retail business. Geographically, growth was most visible in the CEE markets while in Austria the demand for loans was slightly more subdued. Overall, loans to customers (net) grew by 2.7% to EUR 214 billion year-to-date. Customer deposits were up 3.0% at EUR 240 billon. The loan-to-deposit ratio of 89.0% is a reflection of Erste Group's solid business model.

These developments mirrored trends in the economic environment. 2024 is generally expected to see a moderate upturn in economic activity in our region even though economic performance varies. While growth in Austria has remained below expectations, the forecasts for Croatia and Serbia have been raised to 3.5% and 4.0%, respectively. Inflation has subsided in all of our core countries to low to medium single-digit rates, which has led to policy rate cuts in all markets. Other economic parameters, such as labour market and current account data, have so far developed in 2024 as projected.

In view of the strong first three quarters of the year, we have once again revised material parts of the financial outlook for 2024 upwards. Based on the stable net interest margin, we now expect net interest income to increase by more than 2% for the full year (versus the stable forecast issued after the first six months). Where fee and commission income is concerned, we maintain our projection of around 10% growth. Based on a rise in costs by about 5% we now forecast a cost/income ratio of around or less than 48% for 2024 (an improvement over the less than 50% forecast previously). As asset quality was again solid in all our core markets – with an NPL ratio of 2.4% across the Group at the end of September – we reiterate the risk-cost forecast of less than 20 basis points. Overall, this will result in an expected return on tangible equity (ROTE) of above 16% (instead of the previous above 15%).

As regards capital, the (pro forma) common equity tier 1 ratio (final) has been stable at 15.6% since year-end 2023, as the dividend planned for the 2024 financial year has been deducted on a pro-rata basis and the full volume of the current share buyback programme of EUR 500 million has likewise been accounted for. Capitalisation was thus not only far above the regulatory requirements, but also clearly above the management's target of 14%. We are thus in the comfortable situation of being excellently positioned not only for organic growth: we can and will keep assessing M&A opportunities through consolidation in existing core markets or by entering new markets in the eastern part of the EU. Should our capital position remain above our target level and we do not see any opportunities for acquisitions that will sustainably result in more growth and added value, share buyback programmes will remain on our agenda going forward.

Erste Group has also been active in the wholesale funding market. The issuing plan for 2024 has already been completed through several benchmark transactions in various asset classes and private placements. Most recently, a EUR 750 million tier 2 bond was successfully placed in October.

As the digital transition is key to Erste Group's long-term success, we are working hard on expanding the digital advisory services on our cross-border digital platform George, most notably in asset management, pension products and insurance brokerage. Our product portfolio will be streamlined further to facilitate the digitisation of back-office processes. Both measures are key components in our ongoing efforts to operate the banking business more efficiently.

Peter Bosek m.p.

Erste Group on the capital markets

EQUITY MARKET REVIEW

Global equity markets continued their positive performance in the quarter ended. A series of weak economic data that triggered concerns of a recession among investors as well as current geopolitical crises boosted market volatility. Ultimately, it was most notably the major central banks' monetary policy measures that kept the uptrend on track, among them most importantly the US Federal Reserve's (Fed's) rate cut in September. Along with the global equity index, US indices such as the S&P 500 and the Dow Jones Industrial as well as the European Stoxx 600 Index hit all-time highs at the end of the third quarter. The central banks of the advanced economies reacted to falling inflation rates and growing risks to growth by easing their rate polices. Having reduced its key interest rate for the first time since 2019 in June, the European Central Bank (ECB) cut its rate once again in September and October by 0.25% each to 3.25% in October. The Fed lowered its key rate by 50 basis points to 5.0% in a move aimed at relaxing its restrictive monetary policy stance. Further rate adjustments will depend on macroeconomic developments and inflation data. The broader Standard & Poor's 500 Index ended the reporting period up 5.5% at a historic high of 5,762.48 points, 20.8% up since year-end 2023. The Dow Jones Industrial Average likewise marked a record high at 42,330.15 points, having gained 8.2% in the third quarter and 12.3% year-to-date. The Nasdaq Composite technology index advanced 2.6% in the third quarter, thereby underperforming the two above-mentioned indices owing to falling prices of large-cap technology stocks that had previously seen dynamic growth. At 18,189.17 points, the index was up 21.2% year-to-date. The European Stoxx 600 Index closed the third quarter up 2.2% at 522.89 points, another all-time high. Year-to-date it gained 9.2%. The Dow Jones Euro Stoxx Banks Index, which is composed of the leading European bank shares, climbed by another 6.1%. Year-to-date the index rose by 22.6% to 145.19 points. The Vienna Stock Exchange also recorded a solid third quarter. The Austrian Traded Index (ATX) ended the quarter up 1.3% and, at 3,655.09 points, was 6.4% higher than at the beginning of the year, supported by the strong performance of the heavily weighted banking sector.

SHARE PERFORMANCE

The Erste Group share continued its positive year-to-date performance by advancing by another 11.3% in the third quarter. At the end of September, the Erste Group share closed at EUR 49.25, up 34.1% year-to-date. The share saw its lowest price at EUR 43.55 on 5 August and its highest at EUR 49.79 on 2 September. The Erste Group share thus outperformed both the ATX and the European banking index. Its main drivers were the upbeat view of the industry as well as analysts' higher consensus estimates based on the management's improved outlook for 2024. A special focus was on capital distribution, potential M&A activities and further share buybacks. The Erste Group share is listed on the stock exchanges Vienna, Prague and Bucharest. Its main stock exchange is Vienna. In the quarter ended, trading volume there averaged 454,343 shares per day.

ISSUING ACTIVITIES

After the summer break, Erste Group returned to the European capital market by issuing a EUR 750 million 8NC7 format senior preferred bond, which was met by strong investor demand as evidenced by the MS+90bps spread. In October, in view of the supportive market sentiment, it was decided to opportunistically place a EUR 750 million tier-2 bond before the end of the year. Due to its 2-year absence from the syndicated tier-2 market, Erste Group met with strong demand and was able to place the bond at MS+170bps, without new issue concession.

INVESTOR RELATIONS

In the third quarter of 2024, Erste Group's management and the investor relations team held a large number of one-on-one and group meetings, in which questions raised by investors and analysts were answered. The economic development and the strategy of Erste Group against the backdrop of the current economic environment were presented at international banking and investor conferences hosted by the Vienna Stock Exchange, Barclays, the European Covered Bond Council (ECBC), Natixis, mBank and Bank of America.

Interim management report

In the interim management report, financial results from January to September 2024 are compared with those from January to September 2023 and balance sheet positions as of 30 September 2024 with those as of 31 December 2023.

EARNINGS PERFORMANCE IN BRIEF

Net interest income increased to EUR 5,591 million (+3.1%; EUR 5,422 million), in all core markets except Austria, on the back of larger loan volume and lower interest expenses on customer deposits. **Net fee and commission income** rose to EUR 2,158 million (+11.4%; EUR 1,938 million). Growth was registered across all core markets, most notably in payment services and asset management. **Net trading result** increased to EUR 428 million (EUR 337 million); the line item **gains/losses from financial instruments measured at fair value through profit or loss** deteriorated to EUR -70 million (EUR -18 million). The development of these two line items was mostly attributable to valuation effects. **Operating income** increased to EUR 8,319 million (+5.9%; EUR 7,853 million). **General administrative expenses** were up at EUR 3,809 million (+3.7%; EUR 3,675 million). Personnel expenses rose to EUR 2,318 million (+5.6%; EUR 2,195 million) driven by salary increases. Other administrative expenses were higher at EUR 1,086 million (+2.3%; EUR 1,062 million). While contributions to deposit insurance schemes included in other administrative expenses – mostly already posted upfront for the full year of 2024 – declined to EUR 72 million (EUR 119 million), IT expenses increased to EUR 451 million (EUR 403 million). Amortisation and depreciation amounted to EUR 405 million (-2.9%; EUR 417 million). Overall, the **operating result** increased markedly to EUR 4,510 million (+7.9%; EUR 4,178 million), the **cost/income ratio** improved to 45.8% (46.8%).

The **impairment result from financial instruments** amounted to EUR -211 million or 13 basis points of average gross customer loans (EUR 128 million or 8 basis points). Allocations to provisions for loans and advances were posted primarily in Austria. Positive contributions came from the recovery of loans already written off, likewise most notably in Austria. The **NPL ratio** based on gross customer loans increased slightly to 2.4% (2.3%). The **NPL coverage ratio** (excluding collateral) declined to 78.7% (85.1%).

Other operating result amounted to EUR -289 million (EUR -327 million). This includes an allocation in the amount of EUR 90 million to a provision relating to the interbank exemption pursuant to Art 6 sec 1 subsec 28 (2nd sentence) Austrian VAT Act. This exemption might be classified by the European Court of Justice or the EU Commission as aid that is not compatible with EU law and might therefore have to be refunded. Expenses for annual contributions to resolution funds included in this line item already for the full year of 2024 declined significantly to EUR 28 million (EUR 113 million), as no regular annual contributions will be collected in the euro zone in 2024. Banking levies have been paid in four core markets. EUR 194 million (EUR 148 million) are reflected in other operating result: thereof, EUR 137 million (EUR 119 million) were charged in Hungary. In Austria, banking tax equaled EUR 30 million (EUR 29 million), in Romania EUR 27 million (newly introduced in 2024). The banking tax in Slovakia of EUR 74 million is posted in the line item taxes on income.

Taxes on income amounted to EUR 817 million (EUR 670 million). The decline in the minority charge to EUR 653 million (EUR 741 million) was attributable to lower profitability at the savings banks. The **net result attributable to owners of the parent** rose to EUR 2,516 million (EUR 2,310 million) on the back of the strong operating result and improved other operating result.

Total equity not including AT1 instruments rose to EUR 27.4 billion (EUR 26.1 billion). After regulatory deductions and filtering in accordance with the Capital Requirements Regulation (CRR), **common equity tier 1 capital** (CET1, final) equalled EUR 23.6 billion (EUR 22.9 billion), total **own funds** (final) EUR 29.9 billion (EUR 29.1 billion). While interim profit for the first half of the year is included in the above figures, interim profit for the third quarter is not. Total risk (**risk-weighted assets** including credit, market and operational risk, CRR final) rose to EUR 155.9 billion (EUR 146.5 billion). The **common equity tier 1 ratio** (CET1, final) stood at 15.1% (15.7%), the **total capital ratio** at 19.2% (19.9%).

Total assets increased to EUR 346.5 billion (+2.8%; EUR 337.2 billion). On the asset side, cash and cash balances declined to EUR 24.0 billion (EUR 36.7 billion); loans and advances to banks rose – most notably in Austria and the Czech Republic – to EUR 33.2 billion (EUR 21.4 billion). Year to date, **loans and advances to customers** rose to EUR 213.5 billion (+2.7%; EUR 207.8 billion). On the liability side, deposits from banks declined to EUR 16.9 billion (EUR 22.9 billion). **Customer deposits** rose – most strongly in the Czech Republic and Romania – to EUR 239.7 billion (+3.0%; EUR 232.8 billion). The **loan-to-deposit ratio** stood at 89.0% (89.3%).

OUTLOOK

Following the good business development in the first nine months of the year, Erste Group again upgrades its financial outlook for 2024, now targeting a return on tangible equity (ROTE) of more than 16%, as opposed to higher than 15% previously.

Better than expected net profitability is principally expected to be driven by higher net interest income, which is now forecast to grow by more than 2% versus 2023 (previously: flat year-on-year). This is attributable to positive effects from customer deposit and fixed rate customer loan repricing as well as loan growth of about 5% (unchanged) and better income from the bond portfolio, all of which more than offset the negative effect of interest rate cuts performed by central banks. The expectations for net fee and commission income growth (up by about 10% versus 2023) and operating expense inflation (up by about 5% vs 2023) remain unchanged.

Consequently, the outlook for operating efficiency has also improved. Erste Group now projects a cost/income ratio of around or less than 48%. The forecast for risk costs remains unchanged at 20 basis points of average gross customer loans, as economic performance of the countries in which Erste Group operates – while showing some GDP growth divergence in the range of approximately 0% to 4% for 2024 - remains broadly unchanged.

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 Mid 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.

PERFORMANCE IN DETAIL

in EUR million	1-9 23	1-9 24	Change
Net interest income	5,422	5,591	3.1%
Net fee and commission income	1,938	2,158	11.4%
Net trading result and gains/losses from financial instruments at FVPL	320	358	12.1%
Operating income	7,853	8,319	5.9%
Operating expenses	-3,675	-3,809	3.7%
Operating result	**4,178**	**4,510**	**7.9%**
Impairment result from financial instruments	-128	-211	65.8%
Other operating result	-327	-289	-11.6%
Levies on banking activities	-148	-194	31.0%
Pre-tax result from continuing operations	**3,720**	**3,986**	**7.1%**
Taxes on income	-670	-817	22.0%
Net result for the period	**3,050**	**3,169**	**3.9%**
Net result attributable to non-controlling interests	741	653	-11.9%
Net result attributable to owners of the parent	**2,310**	**2,516**	**8.9%**

Net interest income

Net interest income rose especially in the CEE markets. Increases were recorded primarily in the Czech Republic, Romania and Hungary due to higher loan volumes and lower interest expenses on customer deposits. The net interest margin (calculated as the annualised sum of net interest income, dividend income and net result from equity method investments over average interest-bearing assets) remained nearly stable at 2.46% (2.50%).

Net fee and commission income

Growth was achieved across all core markets and income categories. Significant rises were recorded in payment services, driven by a larger number of transactions and repricing, as well as in asset management.

Net trading result & gains/losses from financial instruments measured at fair value through profit or loss

Net trading result as well as the line item gains/losses from financial instruments measured at fair value through profit or loss are materially affected by the fair value measurement of debt securities issued. The related valuation is shown in the fair value result, the valuation of corresponding hedges in the net trading result.

Net trading result rose to EUR 428 million (EUR 337 million) on the back of strong foreign exchange business and valuation effects resulting from interest rate developments in the securities and derivatives business. Gains/losses from financial instruments measured at fair value through profit or loss trended in the opposite direction and deteriorated to EUR -70 million (EUR -18 million), primarily due to losses from the valuation of debt securities in issue at fair value.

General administrative expenses

in EUR million	1-9 23	1-9 24	Change
Personnel expenses	2,195	2,318	5.6%
Other administrative expenses	1,062	1,086	2.3%
Depreciation and amortisation	417	405	-2.9%
General administrative expenses	**3,675**	**3,809**	**3.7%**

Personnel expenses increased in nearly all core markets – most significantly in Austria – driven mostly by collective salary agreements. The rise in **other administrative expenses** was primarily attributable to higher IT, marketing and consulting expenses. Contributions to deposit insurance schemes declined to EUR 72 million (EUR 119 million). In Austria, contributions fell to EUR 36 million (EUR 78 million), in the Czech Republic to EUR 16 million (EUR 20 million).

The **cost/income ratio** improved to 45.8% (46.8%).

Headcount as of end of the period

	Dec 23	Sep 24	Change
Austria	**16,188**	**16,495**	**1.9%**
Erste Group Bank AG, Erste Bank Oesterreich and subsidiaries	9,019	9,163	1.6%
Haftungsverbund savings banks	7,168	7,332	2.3%
Outside Austria	**29,535**	**28,936**	**-2.0%**
Česká spořitelna Group	9,829	9,583	-2.5%
Banca Comercială Română Group	5,444	5,195	-4.6%
Slovenská sporiteľňa Group	3,520	3,507	-0.4%
Erste Bank Hungary Group	3,359	3,374	0.4%
Erste Bank Croatia Group	3,291	3,286	-0.1%
Erste Bank Serbia Group	1,310	1,272	-2.9%
Savings banks subsidiaries	1,539	1,551	0.8%
Other subsidiaries and foreign branch offices	1,242	1,168	-6.0%
Total	**45,723**	**45,431**	**-0.6%**

Impairment result from financial instruments

The impairment result from financial instruments amounted to EUR -211 million (EUR -128 million). Net allocations to provisions for loans and advances rose to EUR 233 million (EUR 202 million), most notably in Austria (in particular in the minority owned savings banks). Positive contributions came from income from the recovery of loans already written off, primarily in Austria, in the amount of EUR 50 million (EUR 57 million).

Other operating result

Other operating result is significantly affected by contributions to resolution funds and taxes and levies on banking activities. Contributions to resolution funds declined in all markets to EUR 28 million (EUR 113 million). The sharp decline is mainly due to the discontinuation of annual regular contributions from credit institutions in the euro zone in 2024. Taxes and levies on banking activities included in this line item rose to EUR 194 million (EUR 148 million). Thereof, EUR 30 million (EUR 29 million) were payable by Austrian entities. In Hungary, banking levies rose to a total of EUR 137 million (EUR 119 million): in addition to regular Hungarian banking tax of EUR 22 million (EUR 17 million), a windfall tax based on the previous year's net revenues was posted in the amount of EUR 52 million (EUR 48 million). Financial transaction tax amounted to EUR 61 million (EUR 53 million). In Romania, the newly introduced banking tax amounted to EUR 27 million. The Austrian entities posted allocations of EUR 90 million to a provision relating to the interbank exemption pursuant to Art 6 sec 1 subsec 28 (2nd sentence) Austrian VAT Act. This exemption might be classified by the European Court of Justice or the EU Commission as incompatible with EU law and may have to be refunded. The balance of allocations/releases of other provisions amounted to EUR 34 million (EUR 19 million).

FINANCIAL RESULTS – QUARTER-ON-QUARTER COMPARISON

Third quarter of 2024 compared with second quarter of 2024

in EUR million	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24
Income statement					
Net interest income	1,861	1,806	1,852	1,835	1,903
Net fee and commission income	663	702	712	711	735
Dividend income	6	9	4	24	7
Net trading result	67	417	106	31	291
Gains/losses from financial instruments measured at fair value through profit or loss	46	-288	33	78	-181
Net result from equity method investments	4	5	4	8	4
Rental income from investment properties & other operating leases	44	48	77	47	39
Personnel expenses	-736	-796	-746	-787	-785
Other administrative expenses	-324	-406	-402	-343	-341
Depreciation and amortisation	-142	-143	-134	-135	-136
Gains/losses from derecognition of financial assets at AC	-2	-10	-2	0	-25
Other gains/losses from derecognition of financial instruments not at FVPL	-3	-128	-1	2	3
Impairment result from financial instruments	-156	0	-95	-31	-86
Other operating result	-44	-141	-123	-131	-35
Levies on banking activities	-27	-36	-86	-48	-59
Pre-tax result from continuing operations	**1,283**	**1,075**	**1,284**	**1,308**	**1,394**
Taxes on income	-231	-205	-257	-275	-286
Net result for the period	**1,052**	**870**	**1,027**	**1,033**	**1,108**
Net result attributable to non-controlling interests	233	182	244	187	222
Net result attributable to owners of the parent	**820**	**688**	**783**	**846**	**886**

Net interest income was up 3.7%, most notably in the Czech Republic. **Net fee and commission income** increased by 3.4%, primarily from payment services and insurance brokerage commissions.

Net trading result improved on the back of strong foreign exchange business and securities and derivatives trading. **Gains/losses from financial instruments measured at fair value through profit or loss** deteriorated primarily due to valuation losses of debt securities in issue in Austria.

General administrative expenses remained stable. The operating result increased to EUR 1,536 million (EUR 1,468 million) and the **cost/income ratio** improved to 45.1% (46.3%).

Gains/losses from derecognition of financial instruments not measured at fair value through profit or loss amounted to EUR -22 million (EUR 2 million). This reflects mainly losses from the sale of fixed-interest securities in the Czech Republic, Romania and Austria.

The deterioration in the **impairment result from financial instruments** was mainly attributable to net allocations to provisions for commitments and guarantees.

Other operating result improved. In the comparative quarter, allocations had been posted to a provision in the amount of EUR 90 million relating to the interbank exemption pursuant to Art 6 sec 1 subsec 28 (2nd sentence) Austrian VAT Act. The balance of allocations/releases of other provisions however deteriorated to EUR 7 million (EUR 15 million). Taxes and levies on banking activities amounted to EUR 59 million (EUR 48 million). Thereof, EUR 40 million (EUR 29 million) were charged in Hungary. In Austria, banking tax amounted to EUR 10 million (EUR 10 million), in Romania to EUR 9 million (EUR 9 million).

DEVELOPMENT OF THE BALANCE SHEET

in EUR million	Dec 23	Sep 24	Change
Assets			
Cash and cash balances	36,685	23,972	-34.7%
Trading, financial assets	63,690	68,446	7.5%
Loans and advances to banks	21,432	33,212	55.0%
Loans and advances to customers	207,828	213,462	2.7%
Intangible assets	1,313	1,277	-2.8%
Miscellaneous assets	6,206	6,160	-0.7%
Total assets	**337,155**	**346,529**	**2.8%**
Liabilities and equity			
Financial liabilities held for trading	2,304	1,770	-23.2%
Deposits from banks	22,911	16,889	-26.3%
Deposits from customers	232,815	239,734	3.0%
Debt securities issued	43,759	51,265	17.2%
Miscellaneous liabilities	6,864	6,759	-1.5%
Total equity	28,502	30,112	5.6%
Total liabilities and equity	**337,155**	**346,529**	**2.8%**

The decline in **cash and cash balances** to EUR 24.0 billion (EUR 36.7 billion) was primarily due to a decrease in cash balances at central banks. **Trading and investment securities** held in various categories of financial assets increased to EUR 68.4 billion (EUR 63.7 billion).

Loans and advances to credit institutions (net), including demand deposits other than overnight deposits, grew – primarily due to repo business in Austria and in the Czech Republic – to EUR 33.2 billion (EUR 21.4 billion). **Loans and advances to customers (net)** increased to EUR 213.5 billion (EUR 207.8 billion), most notably in the Czech Republic and Romania. Growth was recorded in mainly in retail business.

Loan loss allowances for loans to customers were unchanged at EUR 4.1 billion (EUR 4.1 billion). The **NPL ratio** – non–performing loans as a percentage of gross customer loans – worsened slightly to 2.4% (2.3%), the **NPL coverage ratio** (based on gross customer loans) declined to 78.7% (85.1%).

Financial liabilities – held for trading amounted to EUR 1.8 billion (EUR 2.3 billion). **Deposits from banks**, including term deposits of TLTRO III funds with a carrying amount of EUR 0.2 billion (EUR 6.4 billion), declined to EUR 16.9 billion (EUR 22.9 billion); **deposits from customers** increased to EUR 239.7 billion (EUR 232.8 billion) due to growth in term deposits of retail and corporate customers. The **loan-to-deposit ratio** stood at 89.0% (89.3%). **Debt securities in issue** rose to EUR 51.3 billion (EUR 43.8 billion) on increased issuance activity.

Total assets rose to EUR 346.5 billion (EUR 337.2 billion). **Total equity** increased to EUR 30.1 billion (EUR 28.5 billion). This includes AT1 instruments in the amount of EUR 2.7 billion. After regulatory deductions and filtering according to the Capital Requirements Regulation (CRR), **common equity tier 1 capital** (CET1, CRR final) equalled EUR 23.6 billion (EUR 22.9 billion), **total own funds** (CRR final) EUR 29.9 billion (EUR 29.1 billion). While the interim profit for the first half of the year is included in the above figures, the profit of the third quarter is not. Total risk – **risk-weighted assets** including credit, market and operational risk (CRR final) – increased to EUR 155.9 billion (EUR 146.5 billion).

The **total capital ratio**, total eligible qualifying capital in relation to total risk, was well above the legal minimum requirement at 19.2% (19.9%). The **tier 1 ratio** stood at 16.9% (17.3%), the **common equity tier 1 ratio** at 15.1% (15.7%). All ratios are CRR final.

BUSINESS DEVELOPMENT IN THE CORE MARKETS

January- September 2024 compared with January- September 2023

The tables and information below provide a brief overview of the development in the core markets by geographical segments (operating segments) focusing on selected and summarized items. For more details please see Note 28 Segment reporting. At www.erstegroup.com/investorrelations additional information is available in Excel format.

Operating income consists of net interest income, net fee and commission income, net trading result, gains/losses from financial instruments measured at fair value through profit or loss, dividend income, net result from equity method investments and rental income from investment properties & other operating leases. The latter three listed items are not shown in the tables below. Net trading result and gains/losses from financial instruments measured at fair value through profit or loss are summarized under one position. Operating expenses correspond to the position general administrative expenses. Operating result is the net amount of operating income and operating expenses. Risk provisions for loans and receivables are included in the position impairment result from financial instruments. Other result summarizes the positions other operating result and gains/losses from financial instruments not measured at fair value through profit or loss, net. The cost/income ratio is calculated as operating expenses in relation to operating income. The return on allocated capital is defined as the net result after tax/before minorities in relation to the average allocated capital.

Austria

ERSTE BANK OESTERREICH & SUBSIDIARIES

in EUR million	1-9 23	1-9 24	Change
Net interest income	897	834	-7.0%
Net fee and commission income	371	406	9.4%
Net trading result and gains/losses from financial instruments at FVPL	5	11	>100.0%
Operating income	1,322	1,306	-1.2%
Operating expenses	-558	-574	2.7%
Operating result	763	732	-4.1%
Cost/income ratio	42.2%	43.9%	
Impairment result from financial instruments	-35	-118	>100.0%
Other result	-45	-31	-29.8%
Net result attributable to owners of the parent	500	417	-16.7%
Return on allocated capital	32.4%	25.2%	

The Erste Bank Oesterreich & Subsidiaries (EBOe & Subsidiaries) segment comprises Erste Bank der oesterreichischen Sparkassen AG (Erste Bank Oesterreich) and its main subsidiaries (e.g. s Bausparkasse, Salzburger Sparkasse, Tiroler Sparkasse, Sparkasse Hainburg).

Net interest income decreased due to the repricing of customer deposits and a shift from current accounts to term deposits and savings accounts. This was only partially offset by the repricing of the asset side due to higher average interest rates and higher customer loan volumes. Net fee and commission income rose mainly on the back of higher payment and securities fees. Net trading result and gains/losses from financial instruments at FVPL increased on valuation effects. Operating expenses went up due to higher personnel and IT expenses which was partially compensated by the lower contribution to the deposit insurance fund of EUR 12 million (EUR 32 million). Overall, operating result decreased, and the cost/income ratio worsened. Impairment result from financial instruments worsened due to rating downgrades and new defaults. Other result improved on the discontinuation of payments into the resolution fund as the target level was reached (2023: EUR 16 million) and a release of provision for legal expenses, which was partially offset by the provision for interbank VAT exemption. Banking tax decreased slightly to EUR 5 million (EUR 7 million). Overall, the net result attributable to owners of the parent decreased.

SAVINGS BANKS

in EUR million	1-9 23	1-9 24	Change
Net interest income	1,405	1,378	-1.9%
Net fee and commission income	487	531	9.0%
Net trading result and gains/losses from financial instruments at FVPL	30	32	6.6%
Operating income	1,958	1,980	1.1%
Operating expenses	-913	-961	5.2%
Operating result	1,044	1,019	-2.5%
Cost/income ratio	46.7%	48.5%	
Impairment result from financial instruments	-94	-164	75.4%
Other result	-20	-42	>100.0%
Net result attributable to owners of the parent	97	82	-15.4%
Return on allocated capital	22.0%	16.4%	

The Savings Banks segment includes those savings banks which are members of the Haftungsverbund (cross-guarantee system) of the Austrian savings banks sector and in which Erste Group does not hold a majority stake but which are fully controlled according to IFRS 10. The fully or majority owned savings banks Erste Bank Oesterreich, Tiroler Sparkasse, Salzburger Sparkasse, and Sparkasse Hainburg are not part of the Savings Banks segment.

Net interest income decreased due to repricing of customer deposits and the shift from current accounts to term deposits and savings accounts, only partially compensated by higher income from customer loans. Net fee and commission income increased on the back of higher payment and securities fees. Valuation effects led to a moderate improvement of the net trading result and gains/losses from financial instruments at FVPL. Operating expenses increased due to higher personnel and IT expenses, partially compensated by a lower contribution to the deposit insurance fund of EUR 23 million (EUR 47 million). Consequently, operating result decreased, and the cost/income ratio worsened. Impairment result from financial instruments deteriorated mainly due to downgrades and higher defaults. The deterioration of other result was driven mainly by the provision for interbank VAT exemption partially offset by the discontinuation of payments into the resolution fund in 2024 (2023: EUR 12 million) – the target level was reached – as well as release of provisions for commitments and pending legal cases and tax litigations. Banking tax increased slightly to EUR 5 million (EUR 4 million). Overall, the net result attributable to the owners of the parent decreased.

OTHER AUSTRIA

in EUR million	1-9 23	1-9 24	Change
Net interest income	495	420	-15.2%
Net fee and commission income	241	265	10.1%
Net trading result and gains/losses from financial instruments at FVPL	35	41	15.7%
Operating income	812	773	-4.8%
Operating expenses	-289	-309	7.2%
Operating result	524	464	-11.5%
Cost/income ratio	35.5%	40.0%	
Impairment result from financial instruments	73	51	-29.9%
Other result	10	-8	n/a
Net result attributable to owners of the parent	460	385	-16.3%
Return on allocated capital	23.9%	18.1%	

The Other Austria segment comprises the Corporates and Group Markets business of Erste Group Bank AG (Holding), Erste Group Immorent, Erste Asset Management and Intermarket Bank.

Net interest income decreased primarily due to a lower contribution of money market and interest related derivatives business in Group Markets, and a non-recurring positive one-off income in the corporate portfolio of the Holding. Net fee and commission income improved mainly due to higher asset management fees, as well as higher securities fees in Group Markets and higher lending fees in the corporate business of the Holding. Net trading result and gains/losses from financial instruments at FVPL improved on valuation effects. Operating expenses increased on the back of higher personnel and project related costs. Consequently, operating result as well as the cost/income ratio deteriorated. The impairment result from financial instruments deteriorated mostly due to fewer rating upgrades and recoveries resulting in a lower net release. Other result deteriorated due to lower selling gains in Erste Group Immorent and the provision associated with the interbank VAT exemption, only partially compensated by the discontinuation of payments into the resolution fund in 2024 (2023: 6 million) and lower provisions for other commitments in the Corporate portfolio of the Holding. Overall, the net result attributable to owners of the parent declined.

Central and Eastern Europe

CZECH REPUBLIC

in EUR million	1-9 23	1-9 24	Change
Net interest income	978	1,084	10.9%
Net fee and commission income	325	369	13.4%
Net trading result and gains/losses from financial instruments at FVPL	90	107	19.8%
Operating income	1,407	1,574	11.9%
Operating expenses	-714	-704	-1.3%
Operating result	693	870	25.5%
Cost/income ratio	50.7%	44.7%	
Impairment result from financial instruments	-20	1	n/a
Other result	-29	-16	-46.4%
Net result attributable to owners of the parent	542	705	30.0%
Return on allocated capital	16.4%	21.3%	

The segment analysis is done on a constant currency basis. The CZK depreciated by 5.2% against the EUR in the reporting period. Net interest income in the Czech Republic segment (comprising Česká spořitelna Group) increased on the positive contribution of lending business supported by the newly acquired portfolios of Hellobank. The increase in net fee and commission income was mainly driven by higher securities fees. Net trading result and gains/losses from financial instruments at FVPL improved on positive valuation effects. Operating expenses increased in FX-adjusted terms mainly due to higher IT costs. Contributions into the deposit insurance fund decreased to EUR 16 million (EUR 20 million). Overall, the operating result increased, and the cost/income ratio improved. Impairment result from financial instruments improved due to a parameter update (the forward-looking information considered in PDs was reviewed) and the non-recurrence of higher provisions related to the integration of the Sberbank portfolio last year. Other result improved on a lower contribution to the resolution fund of EUR 20 million (EUR 32 million) and a release of impairment on non-financial assets. These positive developments were partially offset by higher selling losses from bonds. Altogether, these developments led to an increase in the net result attributable to the owners of the parent.

SLOVAKIA

in EUR million	1-9 23	1-9 24	Change
Net interest income	383	407	6.3%
Net fee and commission income	154	172	11.5%
Net trading result and gains/losses from financial instruments at FVPL	18	16	-10.7%
Operating income	559	600	7.2%
Operating expenses	-243	-258	6.0%
Operating result	316	341	8.1%
Cost/income ratio	43.5%	43.0%	
Impairment result from financial instruments	-28	-23	-20.6%
Other result	-6	0	-99.5%
Net result attributable to owners of the parent	219	192	-12.3%
Return on allocated capital	19.3%	16.7%	

Net interest income in the Slovakia segment (comprising Slovenská sporitel'ňa Group) increased due to higher customer loan volumes and higher average interest rates, which was partially offset by the repricing of liabilities and a shift within customer deposits to term deposits and savings accounts as well as higher expenses for issued bonds. Net fee and commission income increased on the back of higher securities, payment and insurance brokerage fees. Net trading result and gains/losses from financial instruments at FVPL decreased on valuation effects. Operating expenses increased mainly due to higher personnel and IT expenses. The contributions into the deposit insurance fund amounted to EUR 3 million (EUR 2 million). Operating result increased and the cost/income ratio improved slightly. Impairment result from financial instruments improved mainly due to a methodological change in risk parameter estimation in Retail business, which was partially offset by higher new defaults. Other result improved due to the discontinuation of the payments into the resolution fund as the target level was reached (2023: EUR 4 million) and a release of legal provisions. Overall, the net result attributable to the owners of the parent declined, which was primarily driven by the allocation for the banking levy in the amount of EUR 74 million booked in the taxes on income line.

ROMANIA

in EUR million	1-9 23	1-9 24	Change
Net interest income	465	562	20.8%
Net fee and commission income	147	164	12.1%
Net trading result and gains/losses from financial instruments at FVPL	81	83	2.2%
Operating income	701	817	16.5%
Operating expenses	-307	-326	6.2%
Operating result	395	491	24.5%
Cost/income ratio	43.7%	39.9%	
Impairment result from financial instruments	-38	13	n/a
Other result	-24	-58	>100.0%
Net result attributable to owners of the parent	280	378	35.2%
Return on allocated capital	20.4%	24.6%	

The segment analysis is done on a constant currency basis. The RON depreciated by 0.7% against the EUR in the reporting period. Net interest income in the Romania segment (comprising Banca Comercială Română Group) was positively impacted by higher business volumes and central bank placements. Net fee and commission income went up mainly on higher payment and insurance brokerage fees. The increase of the net trading result and gains/losses from financial instruments at FVPL was attributable to valuation effects. Operating expenses increased mainly due to higher marketing and IT expenses, while personnel expenses declined and the contributions into the deposit insurance fund decreased to EUR 4 million (EUR 5 million). Overall, operating result and the cost/income ratio improved. Impairment result from financial instruments improved due to a parameter update (the forward-looking information considered in PDs was reviewed). The deterioration of other result was driven by the new banking tax of EUR 27 million, partially offset by lower payments to the resolution fund of EUR 6 million (EUR 10 million). Overall, the net result attributable to the owners of the parent increased.

HUNGARY

in EUR million	1-9 23	1-9 24	Change
Net interest income	261	335	28.3%
Net fee and commission income	185	221	19.3%
Net trading result and gains/losses from financial instruments at FVPL	107	81	-24.5%
Operating income	561	645	15.0%
Operating expenses	-196	-218	10.7%
Operating result	364	428	17.3%
Cost/income ratio	35.0%	33.7%	
Impairment result from financial instruments	-11	14	n/a
Other result	-117	-150	28.1%
Net result attributable to owners of the parent	211	252	19.3%
Return on allocated capital	18.3%	25.2%	

The segment analysis is done on a constant currency basis. The HUF depreciated by 2.5% against the EUR in the reporting period. Net interest income in the Hungary segment (comprising Erste Bank Hungary Group) was positively impacted by lower interest expense on customer deposits. Net fee and commission income rose on higher securities and payment fees. Net trading result and gains/losses from financial instruments at FVPL declined due to valuation effects. Operating expenses increased due to higher personnel and IT expenses. The contributions into the deposit insurance fund amounted to EUR 8 million (EUR 5 million). Consequently, both operating result and the cost/income ratio improved. Impairment result from financial instruments improved due to a parameter update (the forward-looking information considered in PDs was reviewed) as well as rating upgrades. The deterioration of the other result was primarily driven by higher regulatory charges: the banking tax increased to EUR 76 million (EUR 66 million), it included the regular banking tax and a windfall profit tax of EUR 52 million (EUR 48 million). Financial transaction tax went up to EUR 61 million (EUR 53 million). The contribution to the resolution fund was stable at EUR 2 million. Overall, the net result attributable to the owners of the parent increased.

CROATIA

in EUR million	1-9 23	1-9 24	Change
Net interest income	296	316	6.6%
Net fee and commission income	91	99	8.3%
Net trading result and gains/losses from financial instruments at FVPL	12	13	5.6%
Operating income	406	434	6.9%
Operating expenses	-192	-207	7.4%
Operating result	214	228	6.5%
Cost/income ratio	47.4%	47.6%	
Impairment result from financial instruments	36	26	-26.7%
Other result	-7	-5	-26.6%
Net result attributable to owners of the parent	137	136	-0.5%
Return on allocated capital	23.1%	26.3%	

Net interest income in the Croatia segment (comprising Erste Bank Croatia Group) increased due to higher average interest rates, higher customer loan volumes as well as higher income from securities. Net fee and commission income went up mainly on higher payment fees. Net trading result and gains/losses from financial instruments at FVPL remained largely stable. Operating expenses increased on the back of higher personnel, IT, as well as legal and consultancy costs. The contribution into the deposit insurance fund amounted to EUR 2 million (EUR 5 million). Despite the increase of the operating result the cost/income ratio worsened marginally. Impairment result from financial instruments still benefited from net releases due to upgrades and recoveries from defaults, albeit at a lower level. Overall, the net result attributable to the owners of the parent declined moderately, driven among others by an additional windfall tax in the amount of EUR 6 million booked in the taxes on income line.

SERBIA

in EUR million	1-9 23	1-9 24	Change
Net interest income	81	86	5.2%
Net fee and commission income	17	20	17.0%
Net trading result and gains/losses from financial instruments at FVPL	5	9	72.9%
Operating income	105	118	12.6%
Operating expenses	-65	-66	1.3%
Operating result	40	53	30.7%
Cost/income ratio	61.5%	55.4%	
Impairment result from financial instruments	-10	-8	-21.5%
Other result	-1	1	n/a
Net result attributable to owners of the parent	22	32	47.9%
Return on allocated capital	11.8%	15.0%	

The segment analysis is done on a constant currency basis. The Serbian Dinar (RSD) was largely stable against the EUR in the reporting period. Net interest income in the Serbia segment (comprising Erste Bank Serbia Group) increased due to higher loan volumes and higher average interest rates. Net fee and commission income increased mainly due to higher payments, documentary and insurance brokerage fees. The net trading result and gains/losses from financial instruments at FVPL improved on a higher contribution of foreign currency transactions. Operating expenses rose mainly due to higher depreciation. The deposit insurance contribution remained unchanged at EUR 4 million. Consequently, operating result increased and the cost/income ratio improved significantly. Impairment result from financial instruments improved due to rating upgrades and recoveries from defaults. Other result improved on lower provisions for legal expenses. Overall, the net result attributable to owners of the parent increased.

Condensed interim consolidated financial statements

Interim report – 1 January to 30 September 2024

Consolidated statement of income

in EUR million	Notes	1-9 23	1-9 24
Net interest income	1	5,422	5,591
Interest income	1	11,125	11,670
Other similar income	1	3,342	2,933
Interest expenses	1	-4,979	-5,808
Other similar expenses	1	-4,066	-3,204
Net fee and commission income	2	1,938	2,158
Fee and commission income	2	2,290	2,540
Fee and commission expenses	2	-353	-382
Dividend income	3	29	35
Net trading result	4	337	428
Gains/losses from financial instruments measured at fair value through profit or loss	5	-18	-70
Net result from equity method investments		18	15
Rental income from investment properties & other operating leases	6	126	163
Personnel expenses	7	-2,195	-2,318
Other administrative expenses	7	-1,062	-1,086
Depreciation and amortisation	7	-417	-405
Gains/losses from derecognition of financial assets measured at amortised cost	8	-3	-27
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	9	-1	3
Impairment result from financial instruments	10	-128	-211
Other operating result	11	-327	-289
Levies on banking activities	11	-148	-194
Pre-tax result from continuing operations		**3,720**	**3,986**
Taxes on income	12	-670	-817
Net result for the period		**3,050**	**3,169**
Net result attributable to non-controlling interests		741	653
Net result attributable to owners of the parent		**2,310**	**2,516**

Earnings per share

		1-9 23	1-9 24
Net result attributable to owners of the parent	in EUR million	2,309,552	2,515,909
Dividend on AT1 capital (after tax effect)	in EUR million	-58,691	-63,860
Net result for the period attributable to owners of the parent after deduction of AT1 capital dividend	in EUR million	2,250,862	2,452,050
Weighted average undiluted number of outstanding shares		427,526,716	417,807,285
Earnings per share	in EUR	**5.26**	**5.87**
Weighted average diluted number of outstanding shares		427,890,543	418,128,084
Diluted earnings per share	in EUR	**5.26**	**5.86**

Development of the number of shares

	1-9 23	1-9 24
Shares outstanding at the beginning of the period	407,175,838	399,294,699
Acquisition of treasury shares	-7,845,325	-11,195,879
Disposal of treasury shares	4,050,637	2,851,685
Shares outstanding at the end of the period	403,381,150	390,950,505
Treasury shares	26,418,850	29,962,403
Number of shares issued at the end of the period	**429,800,000**	**420,912,908**
Weighted average undiluted number of outstanding shares	427,526,716	417,807,285
Weighted average diluted number of outstanding shares	427,890,543	418,128,084

As of 24 February, 8,887,092 treasury shares have been withdrawn via capital reduction.

Consolidated statement of comprehensive income

in EUR million	1-9 23	1-9 24
Net result for the period	**3,050**	**3,169**
Other comprehensive income		
Items that may not be reclassified to profit or loss	**-25**	**-65**
Remeasurement of defined benefit plans	4	-13
Fair value reserve of equity instruments	-2	-2
Own credit risk reserve	-16	-76
Deferred taxes relating to items that may not be reclassified	-11	26
Items that may be reclassified to profit or loss	**201**	**-39**
Fair value reserve of debt instruments	127	76
Gain/loss during the period	119	73
Reclassification adjustments	8	4
Credit loss allowances	1	-1
Cash flow hedge reserve	146	60
Gain/loss during the period	272	115
Reclassification adjustments	-125	-56
Currency reserve	-33	-143
Gain/loss during the period	-33	-145
Net investment hedge gains/losses during the period	0	2
Deferred taxes relating to items that may be reclassified	-40	-32
Gain/loss during the period	-63	-44
Reclassification adjustments	24	11
Total other comprehensive income	**176**	**-105**
Total comprehensive income	**3,227**	**3,064**
Total comprehensive income attributable to non-controlling interests	753	652
Total comprehensive income attributable to owners of the parent	**2,474**	**2,412**

Quarterly results

in EUR million	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24
Income statement					
Net interest income	1,861	1,806	1,852	1,835	1,903
Interest income	3,972	3,919	3,966	3,885	3,819
Other similar income	1,112	1,103	1,081	956	896
Interest expenses	-1,855	-1,894	-1,982	-1,952	-1,874
Other similar expenses	-1,368	-1,323	-1,212	-1,054	-939
Net fee and commission income	663	702	712	711	735
Fee and commission income	790	814	836	832	872
Fee and commission expenses	-127	-112	-124	-122	-137
Dividend income	6	9	4	24	7
Net trading result	67	417	106	31	291
Gains/losses from financial instruments measured at fair value through profit or loss	46	-288	33	78	-181
Net result from equity method investments	4	5	4	8	4
Rental income from investment properties & other operating leases	44	48	77	47	39
Personnel expenses	-736	-796	-746	-787	-785
Other administrative expenses	-324	-406	-402	-343	-341
Depreciation and amortisation	-142	-143	-134	-135	-136
Gains/losses from derecognition of financial assets at AC	-2	-10	-2	0	-25
Other gains/losses from derecognition of financial instruments not at FVPL	-3	-128	-1	2	3
Impairment result from financial instruments	-156	0	-95	-31	-86
Other operating result	-44	-141	-123	-131	-35
Levies on banking activities	-27	-36	-86	-48	-59
Pre-tax result from continuing operations	**1,283**	**1,075**	**1,284**	**1,308**	**1,394**
Taxes on income	-231	-205	-257	-275	-286
Net result for the period	**1,052**	**870**	**1,027**	**1,033**	**1,108**
Net result attributable to non-controlling interests	233	182	244	187	222
Net result attributable to owners of the parent	**820**	**688**	**783**	**846**	**886**
Statement of comprehensive income					
Net result for the period	**1,052**	**870**	**1,027**	**1,033**	**1,108**
Other comprehensive income					
Items that may not be reclassified to profit or loss	**19**	**-54**	**-44**	**-11**	**-10**
Remeasurement of defined benefit plans	38	-63	0	7	-21
Fair value reserve of equity instruments	2	12	1	-3	0
Own credit risk reserve	-11	-35	-59	-19	1
Deferred taxes relating to items that may not be reclassified	-9	32	13	3	10
Items that may be reclassified to profit or loss	**-143**	**199**	**-144**	**68**	**37**
Fair value reserve of debt instruments	26	274	18	-24	82
Gain/loss during the period	20	154	15	-23	81
Reclassification adjustments	5	131	2	0	2
Credit loss allowances	2	-11	0	0	-1
Cash flow hedge reserve	41	59	27	15	18
Gain/loss during the period	122	107	80	5	31
Reclassification adjustments	-80	-48	-53	10	-12
Currency reserve	-208	-68	-180	78	-40
Gain/loss during the period	-208	-68	-180	78	-42
Net investment hedge gains/losses during the period	0	0	0	0	2
Deferred taxes relating to items that may be reclassified	-2	-66	-8	-1	-24
Gain/loss during the period	-17	-49	-19	2	-26
Reclassification adjustments	15	-17	11	-2	2
Total	**-124**	**145**	**-188**	**56**	**27**
Total comprehensive income	**929**	**1,015**	**839**	**1,090**	**1,135**
Total comprehensive income attributable to non-controlling interests	250	178	248	183	221
Total comprehensive income attributable to owners of the parent	**678**	**837**	**591**	**907**	**914**

Consolidated balance sheet

in EUR million	Notes	Dec 23	Sep 24
Assets			
Cash and cash balances	13	36,685	23,972
Financial assets held for trading		8,773	10,645
Derivatives	19	1,262	1,103
Other financial assets held for trading	20	7,511	9,542
Pledged as collateral		245	146
Non-trading financial assets at fair value through profit and loss	21	3,004	3,084
Pledged as collateral		0	0
Equity instruments		415	521
Debt securities		1,551	1,435
Loans and advances to customers		1,038	1,129
Financial assets at fair value through other comprehensive income	17	8,905	9,149
Pledged as collateral		356	119
Equity instruments		110	100
Debt securities		8,794	9,050
Financial assets at amortised cost	14	264,721	284,698
Pledged as collateral		3,125	3,260
Debt securities		44,047	46,696
Loans and advances to banks		21,432	33,212
Loans and advances to customers		199,241	204,790
Finance lease receivables	18	4,970	5,218
Hedge accounting derivatives	22	183	185
Fair value changes of hedged items in portfolio hedge of interest rate risk		-25	-16
Property and equipment		2,605	2,612
Investment properties		1,524	1,513
Intangible assets		1,313	1,277
Investments in associates and joint ventures		241	272
Current tax assets		72	63
Deferred tax assets		468	341
Assets held for sale		163	151
Trade and other receivables	15	2,579	2,325
Other assets	23	976	1,040
Total assets		**337,155**	**346,529**
Liabilities and equity			
Financial liabilities held for trading		2,304	1,770
Derivatives	19	1,614	1,015
Other financial liabilities held for trading	24	690	755
Financial liabilities at fair value through profit or loss		11,152	10,478
Deposits from customers		593	96
Debt securities issued	25	10,429	10,255
Other financial liabilities		130	128
Financial liabilities at amortised cost		289,842	298,596
Deposits from banks	16	22,911	16,889
Deposits from customers	16	232,223	239,638
Debt securities issued	16	33,330	41,011
Other financial liabilities		1,378	1,058
Lease liabilities		670	707
Hedge accounting derivatives	22	286	224
Provisions	26	1,612	1,607
Current tax liabilities		265	287
Deferred tax liabilities		14	16
Liabilities associated with assets held for sale		113	8
Other liabilities	27	2,396	2,725
Total equity		**28,502**	**30,112**
Equity attributable to non-controlling interests		6,853	7,459
Additional equity instruments		2,405	2,688
Equity attributable to owners of the parent		19,243	19,965
Subscribed capital		843	827
Additional paid-in capital		1,494	1,511
Retained earnings and other reserves		16,906	17,627
Total liabilities and equity		**337,155**	**346,529**

Consolidated statement of changes in equity

in EUR million	Subscribed capital	Additional paid-in capital	Retained earnings	Cash flow hedge reserve	Fair value reserve	Own credit risk reserve	Currency reserve	Remeasure-ment of defined benefit plans	Equity attributable to owners of the parent	Additional equity instruments	Equity attributable to non-controlling interests	Total equity
As of 1 January 2024	**843**	**1,494**	**18,143**	**-31**	**51**	**-69**	**-694**	**-495**	**19,243**	**2,405**	**6,853**	**28,502**
Changes in treasury shares	0	0	-4	0	0	0	0	0	-4	0	0	-4
Dividends paid	0	0	-1,144	0	0	0	0	0	-1,144	0	-132	-1,276
Capital increase/decrease	-17	17	-7	0	0	0	0	0	-7	283	4	279
Changes in scope of consolidation and ownership interest	0	0	-30	0	0	0	0	0	-30	0	82	52
Reclassification from other comprehensive income to retained earnings	0	0	3	0	-3	0	0	0	0	0	0	-1
Share-based payments	0	0	-2	0	0	0	0	0	-2	0	0	-2
Other changes	0	0	-502	0	0	0	0	0	-502	0	0	-503
Total comprehensive income	0	0	2,516	47	41	-47	-144	-2	2,412	0	652	3,064
Net result for the period	0	0	2,516	0	0	0	0	0	2,516	0	653	3,169
Other comprehensive income	0	0	0	47	41	-47	-144	-2	-104	0	-1	-105
Change from remeasurement of defined benefit plans	0	0	0	0	0	0	0	-2	-2	0	-9	-10
Change in fair value reserve	0	0	0	0	41	0	0	0	41	0	14	55
Change in cash flow hedge reserve	0	0	0	47	0	0	0	0	47	0	0	47
Change in currency reserve	0	0	0	0	0	0	-144	0	-144	0	0	-144
Change in own credit risk reserve	0	0	0	0	0	-47	0	0	-47	0	-7	-53
As of 30 September 2024	**827**	**1,511**	**18,972**	**16**	**89**	**-116**	**-838**	**-496**	**19,965**	**2,688**	**7,459**	**30,112**

	Subscribed capital	Additional paid-in capital	Retained earnings	Cash flow hedge reserve	Fair value reserve	Own credit risk reserve	Currency reserve	Remeasure-ment of defined benefit plans	Equity attributable to owners of the parent	Additional equity instruments	Equity attributable to non-controlling interests	Total equity
As of 1 January 2023	**860**	**1,478**	**16,324**	**-197**	**-264**	**-24**	**-594**	**-471**	**17,111**	**2,236**	**5,957**	**25,305**
Changes in treasury shares	0	0	3	0	0	0	0	0	3	0	0	3
Dividends paid	0	0	-827	0	0	0	0	0	-827	0	-61	-888
Capital increase/decrease	-8	8	-133	0	0	0	0	0	-133	158	0	24
Changes in scope of consolidation and ownership interest	0	0	-5	0	0	0	0	0	-5	0	22	17
Reclassification from other comprehensive income to retained earnings	0	0	2	0	0	-1	0	0	0	0	1	1
Share-based payments	0	0	-3	0	0	0	0	0	-3	0	0	-3
Other changes	0	0	1	0	0	0	0	0	1	0	0	1
Total comprehensive income	0	0	2,310	118	105	-29	-33	3	2,474	0	753	3,227
Net result for the period	0	0	2,310	0	0	0	0	0	2,310	0	741	3,050
Other comprehensive income	0	0	0	118	105	-29	-33	3	164	0	12	176
Change from remeasurement of defined benefit plans	0	0	0	0	0	0	0	3	3	0	0	3
Change in fair value reserve	0	0	0	0	105	0	0	0	105	0	10	115
Change in cash flow hedge reserve	0	0	0	118	0	0	0	0	118	0	0	118
Change in currency reserve	0	0	0	0	0	0	-33	0	-33	0	0	-33
Change in own credit risk reserve	0	0	0	0	0	-29	0	0	-29	0	2	-27
As of 30 September 2023	**851**	**1,486**	**17,671**	**-78**	**-159**	**-54**	**-627**	**-469**	**18,621**	**2,394**	**6,672**	**27,687**

Consolidated statement of cash flows

in EUR million	1-9 23	1-9 24
Net result for the period	**3,050**	**3,169**
Non-cash adjustments for items in net profit/loss for the year		
Depreciation, amortisation and net impairment of non-financial assets	417	398
Net allocation to credit loss allowances and other provisions	152	212
Gains/losses from measurement and derecognition of financial assets and financial liabilities	281	-641
Other adjustments	-135	-71
Changes in assets and liabilities from operating activities after adjustment for non-cash components		
Financial assets held for trading	855	-1,809
Non-trading financial assets at fair value through profit and loss		
Equity instruments	-38	-106
Debt securities	6	155
Loans and advances to banks	0	0
Loans and advances to customers	-29	-57
Financial assets at fair value through other comprehensive income: debt securities	-572	-217
Financial assets at amortised cost		
Debt securities	-3,749	-2,670
Loans and advances to banks	-9,667	-11,794
Loans and advances to customers	-3,708	-5,782
Finance lease receivables	-321	-250
Hedge accounting derivatives - assets	72	46
Other assets from operating activities	301	353
Financial liabilities held for trading	-1,157	164
Financial liabilities at fair value through profit or loss	-25	-884
Financial liabilities at amortised cost		
Deposits from banks	-5,598	-6,021
Deposits from customers	12,138	7,415
Debt securities issued	4,714	7,680
Other financial liabilities	216	-320
Hedge accounting derivatives - liabilities	-73	-62
Other liabilities from operating activities	184	176
Cash flow from operating activities	**-2,685**	**-10,916**
Proceeds of disposal		
Financial assets at fair value through other comprehensive income: equity instruments	15	0
Investments in associates and joint ventures	1	-17
Property and equipment and intangible assets	29	36
Investment properties	13	5
Acquisition of		
Financial assets at fair value through other comprehensive income: equity instruments	0	0
Property and equipment and intangible assets	-301	-388
Investment properties	-6	-60
Cash flow from investing activities	**-249**	**-424**
Capital increases	24	-75
Changes in ownership interests that do not result in a loss of control	17	52
Dividends paid to equity holders of the parent	-827	-1,144
Dividends paid to non-controlling interests	-61	-132
Cash flow from financing activities	**-847**	**-1,299**
Cash and cash equivalents at the beginning of the period	**35,685**	**36,685**
Cash flow from operating activities	-2,685	-10,916
Cash flow from investing activities	-249	-424
Cash flow from financing activities	-847	-1,299
Effect of currency translation	18	-74
Cash and cash equivalents at the end of period	**31,922**	**23,972**
Cash flows related to taxes, interest and dividends (included in cash flow from operating activities)	6,117	5,399
Payments for taxes on income	-236	-560
Interest received	15,894	16,801
Dividends received	29	35
Interest paid	-9,571	-10,876

Cash and cash equivalents are equal to cash in hand, cash balances at central banks and other demand deposits.

Condensed notes to the interim consolidated financial statements

1 January to 30 September 2024

BASIS OF PREPARATION

The condensed consolidated interim financial statements (“interim financial statements”) of the group of Erste Group Bank AG (“Erste Group”) for the period from 1 January to 30 September 2024 were prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”) and are presented in accordance with the requirements of IAS 34 “Interim Financial Reporting”.

These interim financial statements were neither audited nor reviewed by an auditor.

CONSOLIDATION SCOPE

IFRS consolidation scope - evolvement of number of entities and funds included

As of 31 December 2023	**301**
Additions	
Entities newly added to the scope of consolidation	1
Disposals	
Companies sold or liquidated	-6
Mergers	-2
As of 30 September 2024	**294**

ACCOUNTING AND MEASUREMENT METHODS

The interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” and are presented in euro, which is the functional currency of the parent company. The interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements. Therefore, the interim financial statements should be read in conjunction with Erste Group’s consolidated financial statements as of 31 December 2023.

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the group’s last annual financial statements for the year ended 31 December 2023, with the exception of the calculation of the current income taxes for the interim reporting period for which the estimated effective tax rate for the group is applied.

1. Net interest income

in EUR million	1-9 23	1-9 24
Financial assets at AC	10,846	11,383
Financial assets at FVOCI	280	287
Interest income	11,125	11,670
Non-trading financial assets at FVPL	62	71
Financial assets HfT	3,168	2,608
Derivatives - hedge accounting, interest rate risk	-78	22
Other assets	176	222
Negative interest from financial liabilities	14	10
Other similar income	3,342	2,933
Interest and other similar income	**14,468**	**14,603**
Financial liabilities at AC	-4,979	-5,808
Interest expenses	-4,979	-5,808
Financial liabilities at FVPL	-250	-272
Financial liabilities HfT	-3,455	-2,451
Derivatives - hedge accounting, interest rate risk	-321	-442
Other liabilities	-39	-39
Negative Interest from financial assets	-2	-1
Other similar expenses	-4,066	-3,204
Interest and other similar expenses	**-9,045**	**-9,012**
Net interest income	**5,422**	**5,591**

An amount of EUR 127 million (EUR 128 million) relating to impaired financial assets is included in various line items of net interest income.

2. Net fee and commission income

	1-9 23		1-9 24	
in EUR million	Income	Expenses	Income	Expenses
Securities	216	-43	233	-42
Issues	43	-1	41	-1
Transfer orders	158	-32	183	-32
Other	14	-10	9	-8
Clearing and settlement	2	-1	2	-1
Asset management	421	-38	485	-32
Custody	91	-12	112	-15
Fiduciary transactions	1	0	1	0
Payment services	1,090	-209	1,190	-220
Card business	334	-141	368	-144
Current accounts from customers	566	0	505	0
Other	191	-69	318	-76
Customer resources distributed but not managed	204	-8	231	-10
Collective investment	17	-2	21	-2
Insurance products	166	-1	189	-2
Foreign exchange transactions	18	-2	19	-1
Other	2	-3	2	-5
Structured finance	0	0	4	0
Servicing fees from securitization activities	0	0	0	-1
Lending business	183	-23	185	-33
Guarantees given, guarantees received	76	-4	75	-4
Loan commitments given, loan commitments received	38	-1	42	-1
Other lending business	70	-19	68	-28
Other	81	-18	97	-29
Total fee and commission income and expenses	**2,290**	**-353**	**2,540**	**-382**
Net fee and commission income	**1,938**		**2,158**	

Asset management, custody and fiduciary transactions fees relate to fees earned by Erste Group on trust and fiduciary activities in which Erste Group holds or invests assets on behalf of its customers.

3. Dividend income

in EUR million	1-9 23	1-9 24
Financial assets HfT	4	6
Non-trading financial assets at FVPL	16	18
Financial assets at FVOCI	9	10
Dividend income	**29**	**35**

4. Net trading result

in EUR million	1-9 23	1-9 24
Securities and derivatives trading	86	159
Foreign exchange transactions	256	277
Result from hedge accounting	-5	-8
Net trading result	**337**	**428**

5. Gains/losses from financial instruments measured at fair value through profit or loss

in EUR million	1-9 23	1-9 24
Result from measurement/sale of financial assets designated at FVPL	4	3
Result from measurement/repurchase of financial liabilities designated at FVPL	-112	-163
Result from financial assets and liabilities designated at FVPL	**-108**	**-160**
Result from measurement/sale of financial assets mandatorily at FVPL	90	90
Gains/losses from financial instruments measured at fair value through profit or loss	**-18**	**-70**

6. Rental income from investment properties & other operating leases

in EUR million	1-9 23	1-9 24
Investment properties	92	100
Other operating leases	35	62
Rental income from investment properties & other operating leases	**126**	**163**

7. General administrative expenses

in EUR million	1-9 23	1-9 24
Personnel expenses	**-2,195**	**-2,318**
Wages and salaries	-1,674	-1,789
Compulsory social security	-399	-425
Long-term employee provisions	-15	-15
Other personnel expenses	-108	-88
Other administrative expenses	**-1,062**	**-1,086**
Deposit insurance contribution	-119	-72
IT expenses	-403	-451
Expenses for office space	-148	-145
Office operating expenses	-117	-120
Advertising/marketing	-132	-155
Legal and consulting costs	-83	-98
Sundry administrative expenses	-60	-44
Depreciation and amortisation	**-417**	**-405**
Software and other intangible assets	-140	-133
Owner occupied real estate	-125	-121
Investment properties	-24	-25
Customer relationships	-6	-3
Office furniture and equipment and sundry property and equipment	-122	-123
General administrative expenses	**-3,675**	**-3,809**

8. Gains/losses from derecognition of financial assets measured at amortised cost

in EUR million	1-9 23	1-9 24
Gains from derecognition of financial assets at AC	0	0
Losses from derecognition of financial assets at AC	-3	-27
Gains/losses from derecognition of financial assets measured at amortised cost	**-3**	**-27**

9. Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss

in EUR million	1-9 23	1-9 24
Sale of financial assets at FVOCI	-8	-2
Derecognition of financial liabilities at AC	7	5
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	**-1**	**3**

10. Impairment result from financial instruments

in EUR million	1-9 23	1-9 24
Financial assets at FVOCI	-1	-1
Financial assets at AC	-154	-200
Allocation/reversal to credit loss allowances (net)	-198	-231
Direct write-offs	-5	-4
Recoveries recorded directly to the income statement	56	48
Modification gains or losses	-7	-13
Finance lease receivables	-4	0
Allocation/reversal to credit loss allowances (net)	-4	-2
Recoveries recorded directly to the income statement	1	1
Credit loss allowances for loan commitments and financial guarantees given	31	-10
Impairment result from financial instruments	**-128**	**-211**

11. Other operating result

in EUR million	1-9 23	1-9 24
Other operating expenses	**-342**	**-263**
Allocation to other provisions	-74	-32
Levies on banking activities	-148	-194
Banking tax	-95	-133
Financial transaction tax	-53	-61
Other taxes	-7	-10
Resolution fund contributions	-113	-28
Impairment of goodwill	0	0
Other operating income	**92**	**66**
Release of other provisions	92	66
Result from properties and equipment, investment properties and other intangible assets	7	28
Result from other operating expenses/income	-84	-120
Other operating result	**-327**	**-289**

12. Taxes on income

The consolidated net tax expenses for the reporting period amounted to EUR 817 million (EUR 670 million), including EUR 121 million (EUR 115 million) of deferred tax expenses.

13. Cash and cash balances

in EUR million	Dec 23	Sep 24
Cash on hand	3,200	2,852
Cash balances at central banks	32,586	17,411
Other demand deposits at credit institutions	899	3,709
Cash and cash balances	**36,685**	**23,972**

14. Financial assets at amortised cost

Debt securities

	Gross carrying amount				Credit loss allowances				
in EUR million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Carrying amount
Sep 24									
Central banks	22	0	0	22	0	0	0	0	22
General governments	36,220	74	0	36,294	-4	0	0	-4	36,290
Credit institutions	8,138	1	0	8,138	-3	0	0	-3	8,135
Other financial corporations	1,054	32	1	1,086	0	-1	-1	-2	1,084
Non-financial corporations	1,116	52	3	1,171	-1	-2	-3	-6	1,165
Total	**46,549**	**159**	**4**	**46,712**	**-9**	**-3**	**-4**	**-16**	**46,696**
Dec 23									
Central banks	15	0	0	15	0	0	0	0	15
General governments	34,693	100	0	34,793	-4	0	0	-5	34,788
Credit institutions	7,813	11	0	7,824	-4	0	0	-4	7,820
Other financial corporations	364	30	1	395	0	-1	-1	-2	392
Non-financial corporations	949	84	4	1,037	-1	-2	-3	-6	1,031
Total	**43,834**	**225**	**5**	**44,064**	**-10**	**-3**	**-4**	**-17**	**44,047**

Loans and advances to banks

	Gross carrying amount				Credit loss allowances				
in EUR million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Carrying amount
Sep 24									
Central banks	23,669	0	0	23,669	0	0	0	0	23,669
Credit institutions	9,539	12	0	9,551	-7	0	0	-8	9,543
Total	**33,208**	**12**	**0**	**33,220**	**-8**	**0**	**0**	**-8**	**33,212**
Dec 23									
Central banks	14,741	0	0	14,741	0	0	0	0	14,741
Credit institutions	6,541	162	0	6,703	-8	-3	0	-12	6,692
Total	**21,282**	**162**	**0**	**21,444**	**-8**	**-3**	**0**	**-12**	**21,432**

Loans and advances to customers

	Gross carrying amount					Credit loss allowances					
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount
Sep 24											
General governments	8,016	360	60	14	8,449	-5	-21	-4	0	-30	8,419
Other financial corporations	4,133	828	70	0	5,032	-10	-18	-31	0	-59	4,973
Non-financial corporations	71,289	21,871	2,909	231	96,300	-199	-829	-1,190	-61	-2,279	94,021
Households	84,306	12,698	1,887	120	99,011	-157	-473	-985	-20	-1,635	97,376
Total	**167,744**	**35,757**	**4,926**	**366**	**208,792**	**-371**	**-1,341**	**-2,209**	**-81**	**-4,002**	**204,790**
Dec 23											
General governments	7,706	302	59	10	8,077	-5	-19	-5	0	-29	8,048
Other financial corporations	4,475	697	61	0	5,233	-9	-10	-28	0	-47	5,186
Non-financial corporations	65,767	24,730	2,452	287	93,235	-188	-835	-1,082	-60	-2,165	91,070
Households	83,524	11,144	1,821	121	96,611	-155	-536	-957	-25	-1,673	94,938
Total	**161,472**	**36,873**	**4,393**	**418**	**203,156**	**-357**	**-1,401**	**-2,072**	**-85**	**-3,915**	**199,241**

15. Trade and other receivables

in EUR million	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Sep 24											
Central banks	1	0	0	0	1	0	0	0	0	0	1
General governments	40	26	0	0	66	0	0	0	0	0	65
Credit institutions	54	1	0	0	56	0	0	0	0	0	56
Other financial corporations	80	20	0	0	99	0	0	0	0	-1	99
Non-financial corporations	1,271	715	30	1	2,016	-9	-3	-16	-1	-29	1,987
Households	108	14	14	0	136	-2	-4	-13	0	-19	117
Total	**1,554**	**775**	**44**	**1**	**2,374**	**-11**	**-8**	**-29**	**-1**	**-48**	**2,325**
Dec 23											
Central banks	0	0	0	0	0	0	0	0	0	0	0
General governments	48	18	0	0	66	0	0	0	0	0	66
Credit institutions	35	4	0	0	39	0	0	0	0	0	39
Other financial corporations	66	20	0	0	87	0	0	0	0	0	86
Non-financial corporations	1,504	781	41	1	2,326	-9	-5	-29	-1	-44	2,283
Households	91	20	13	0	125	-2	-5	-12	0	-19	106
Total	**1,743**	**843**	**55**	**1**	**2,642**	**-11**	**-10**	**-41**	**-1**	**-63**	**2,579**

16. Financial liabilities at amortised costs

Deposits from banks

in EUR million	Dec 23	Sep 24
Overnight deposits	1,969	2,917
Term deposits	16,934	9,663
Repurchase agreements	4,007	4,309
Deposits from banks	**22,911**	**16,889**

Deposits from customers

in EUR million	Dec 23	Sep 24
Overnight deposits	**161,382**	**164,507**
Savings deposits	51,650	54,823
Other financial corporations	270	318
Non-financial corporations	3,268	3,958
Households	48,112	50,548
Non-savings deposits	109,732	109,683
General governments	7,532	9,250
Other financial corporations	5,421	5,324
Non-financial corporations	32,531	31,614
Households	64,248	63,496
Term deposits	**67,496**	**71,340**
Deposits with agreed maturity	65,384	69,728
Savings deposits	29,643	28,125
Other financial corporations	783	128
Non-financial corporations	2,997	1,357
Households	25,864	26,640
Non-savings deposits	35,741	41,603
General governments	4,225	5,331
Other financial corporations	11,480	9,874
Non-financial corporations	9,723	12,759
Households	10,313	13,639
Deposits redeemable at notice	2,112	1,612
General governments	1	0
Other financial corporations	132	120
Non-financial corporations	292	252
Households	1,687	1,241
Repurchase agreements	**3,345**	**3,790**
General governments	845	1,637
Other financial corporations	2,484	2,153
Non-financial corporations	16	0
Deposits from customers	**232,223**	**239,638**
General governments	12,603	16,218
Other financial corporations	20,570	17,917
Non-financial corporations	48,826	49,939
Households	150,223	155,564

The carrying amount of the TLTRO III liabilities as of 30 September 2024 was EUR 0.2 billion (EUR 6.4 billion).

Debt securites issued

in EUR million	Dec 23	Sep 24
Subordinated debt securities issued	2,549	2,616
Senior non-preferred bonds	4,393	5,519
Other debt securities issued	26,388	32,875
Bonds	10,517	12,059
Certificates of deposit	1,988	5,433
Other certificates of deposits/name certificates	113	93
Mortgage covered bonds	13,769	15,291
Debt securities issued	**33,330**	**41,011**

17. Financial assets at fair value through other comprehensive income

Equity instruments

The carrying amount of Erste Group's equity instruments FVOCI as of 30 September 2024 amounted to EUR 100 million (EUR 110 million), the cumulative fair value change for equity instruments FVOCI before taxes recognized in other comprehensive income amounted to EUR 60 million (EUR 66 million).

Debt instruments

Debt securities

	Gross carrying amount				Credit loss allowances						
in EUR million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Amortised cost	Accumulated OCI changes	Fair value
Sep 24											
General governments	6,525	9	0	6,534	-2	0	0	-2	6,532	18	6,550
Credit institutions	1,521	0	0	1,521	-1	0	0	-1	1,520	24	1,544
Other financial corporations	139	32	1	171	0	0	-1	-1	171	-2	169
Non-financial corporations	602	200	2	804	0	-10	-1	-11	793	-7	786
Total	**8,786**	**241**	**3**	**9,030**	**-3**	**-10**	**-2**	**-15**	**9,016**	**34**	**9,050**
Dec 23											
General governments	6,259	14	0	6,273	-2	0	0	-2	6,271	-31	6,240
Credit institutions	1,465	5	0	1,470	-2	0	0	-2	1,469	11	1,479
Other financial corporations	226	4	1	231	0	0	-1	-1	230	-5	225
Non-financial corporations	626	248	2	877	0	-9	0	-9	867	-18	850
Total	**8,577**	**271**	**3**	**8,851**	**-5**	**-9**	**-1**	**-14**	**8,837**	**-43**	**8,794**

As defined in IFRS 9, the gross carrying amount of debt instruments at FVOCI equals the amortised cost before deducting any credit loss allowances.

18. Finance lease receivables

	Gross carrying amount					Credit loss allowances					
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount
Sep 24											
General governments	250	10	0	0	261	-1	-1	0	0	-2	259
Credit institutions	1	0	0	0	1	0	0	0	0	0	1
Other financial corporations	247	4	1	0	251	-1	0	0	0	-1	250
Non-financial corporations	3,029	784	95	1	3,909	-13	-30	-29	0	-72	3,837
Households	800	70	13	0	883	-4	-2	-5	0	-12	871
Total	**4,328**	**867**	**110**	**1**	**5,305**	**-19**	**-34**	**-35**	**0**	**-87**	**5,218**
Dec 23											
General governments	254	9	0	0	263	-1	-1	0	0	-2	261
Credit institutions	1	0	0	0	1	0	0	0	0	0	1
Other financial corporations	159	14	0	0	174	0	0	0	0	-1	173
Non-financial corporations	2,865	810	87	0	3,762	-11	-30	-34	0	-75	3,687
Households	776	68	15	0	860	-5	-2	-6	0	-12	847
Total	**4,055**	**901**	**103**	**0**	**5,059**	**-17**	**-33**	**-40**	**0**	**-90**	**4,970**

19. Derivatives held for trading

in EUR million	Dec 23			Sep 24		
	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Derivatives held in the trading book	**224,717**	**4,699**	**4,737**	**240,158**	**4,033**	**3,964**
Interest rate	165,404	4,017	3,959	173,467	3,582	3,486
Equity	468	7	22	569	10	10
Foreign exchange	58,384	668	744	65,295	427	442
Credit	229	4	11	516	11	24
Commodity	7	0	0	9	0	0
Other	225	3	1	303	3	2
Derivatives held in the banking book	**23,988**	**462**	**568**	**27,565**	**505**	**436**
Interest rate	17,760	346	458	21,443	379	339
Equity	1,257	66	43	1,025	79	41
Foreign exchange	4,663	49	63	4,871	47	51
Credit	118	1	0	57	0	0
Other	190	0	4	170	0	4
Total gross amounts	**248,706**	**5,161**	**5,305**	**267,724**	**4,537**	**4,399**
Offset		-3,899	-3,691		-3,435	-3,385
Total		**1,262**	**1,614**		**1,103**	**1,015**

Erste Group undertakes a part of interest rate derivative and credit derivative transactions via clearing houses. These derivatives and related cash margin balances fulfil the requirements for balance sheet offsetting.

20. Other financial assets held for trading

in EUR million	Dec 23	Sep 24
Equity instruments	146	161
Debt securities	7,365	9,381
Central banks	3,129	3,302
General governments	2,200	3,520
Credit institutions	1,670	1,898
Other financial corporations	286	543
Non-financial corporations	80	119
Other financial assets held for trading	**7,511**	**9,542**

21. Non-trading financial assets at fair value through profit and loss

in EUR million	Dec 23		Sep 24	
	Designated	Mandatorily	Designated	Mandatorily
Equity instruments	0	415	0	521
Debt securities	178	1,373	51	1,384
General governments	0	308	0	352
Credit institutions	146	125	24	119
Other financial corporations	33	869	27	844
Non-financial corporations	0	71	0	69
Loans and advances to customers	0	1,038	0	1,129
General governments	0	1	0	0
Non-financial corporations	0	27	0	26
Households	0	1,010	0	1,102
Financial assets designated and mandatorily at FVPL	178	2,826	51	3,033
Non-trading financial assets at fair value through profit and loss	**3,004**		**3,084**	

22. Hedge accounting derivatives

in EUR million	Dec 23			Sep 24		
	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Fair value hedges	**24,254**	**495**	**1,458**	**27,995**	**572**	**1,225**
Interest rate	24,254	495	1,458	27,995	572	1,225
Cash flow hedges	**4,667**	**127**	**84**	**3,243**	**117**	**26**
Interest rate	2,859	46	68	1,656	58	10
Foreign exchange	1,808	81	16	1,588	59	16
Hedge of net investments in a foreign operation	**0**	**0**	**0**	**273**	**2**	**0**
Total gross amounts	**28,921**	**623**	**1,542**	**31,512**	**691**	**1,251**
Offset		-440	-1,256		-507	-1,027
Total		**183**	**286**		**185**	**224**

Erste Group undertakes a part of interest rate derivative and credit derivative transactions via clearing houses. These derivatives and related cash margin balances fulfil the requirements for balance sheet offsetting.

23. Other assets

in EUR million	Dec 23	Sep 24
Prepayments	135	175
Inventories	98	115
Sundry assets	742	750
Other assets	**976**	**1,040**

24. Other financial liabilities held for trading

in EUR million	Dec 23	Sep 24
Short positions	637	690
Equity instruments	95	43
Debt securities	542	647
Debt securities issued	53	65
Other financial liabilities held for trading	**690**	**755**

25. Financial liabilities at fair value through profit and loss

Debt securities issued

in EUR million	Dec 23	Sep 24
Subordinated debt securities issued	2,016	2,082
Other debt securities issued	8,413	8,172
Bonds	6,128	5,757
Other certificates of deposits/name certificates	1,069	1,148
Mortgage covered bonds	1,089	1,193
Public sector covered bonds	126	74
Debt securities issued	**10,429**	**10,255**

26. Provisions

in EUR million	Dec 23	Sep 24
Defined employee benefit plans	812	796
Loan commitments and financial guarantees given in scope of IFRS 9	416	418
Pending legal issues and tax litigation	289	252
Commitments and guarantees given out of scope of IFRS 9	24	13
Other provisions	71	128
Provisions	**1,612**	**1,607**

Effects from the change in material valuation parameters. For the calculation of the defined benefit obligation for pension and severance payment provisions as well as for jubilee provisions, the interest rate used has been increased to 3.40% p.a. as of 30 September 2024 (31 December 2023: 3.27% p.a.) to reflect the actual interest rate levels. All other calculation parameters remained unchanged in principle. However, the collective agreement trend and social insurance trend were increased once by 2.1% p.a. and 1.3% p.a. respectively to compensate for inflation. According to IAS 19 the resulting measurement adjustments have been recognised as an expense in other comprehensive income amounting to EUR 13 million for pension and severance payment provisions while for jubilee provisions an expense of EUR 1 million has been considered in the income statement.

27. Other liabilities

in EUR million	Dec 23	Sep 24
Deferred income	114	120
Sundry liabilities	2,282	2,604
Other liabilities	**2,396**	**2,725**

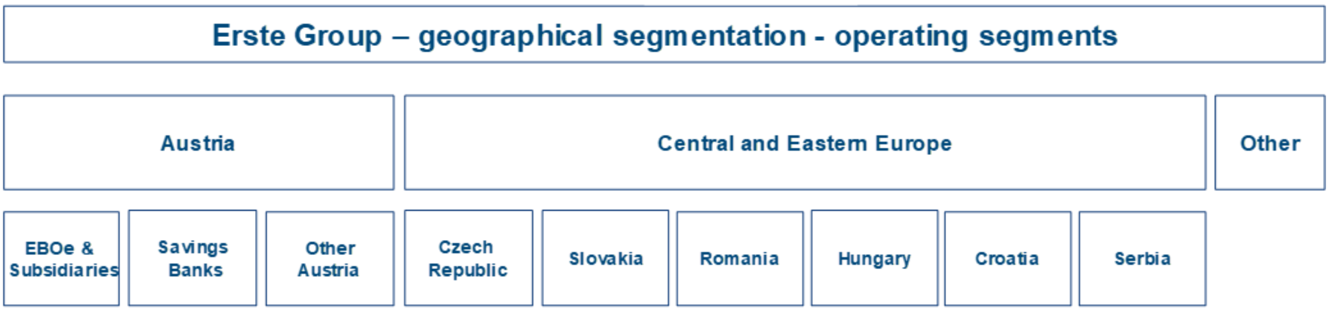
28. Segment reporting

Erste Group's segment reporting is based on IFRS 8 Operating Segments, which adopts the management approach. Accordingly, segment information is prepared on the basis of internal management reporting that is regularly reviewed by the chief operating decision maker to assess the performance of the segments and make decisions regarding the allocation of resources. Within Erste Group the function of the chief operating decision maker is exercised by the management board. Erste Group uses a matrix organisational structure with geographical segmentation and business segments. Since the chief operating decision maker performs the steering primarily based on geographical segments, those are defined as operating segments according to IFRS 8. In order to provide more comprehensive information, the performance of the business segments is reported additionally.

Geographical segmentation (operating segments)

For the purpose of segment reporting geographical segments are defined as operating segments, for which the information is presented on the basis of the booking entity's location (not the country of risk). In case of information regarding a partial group, the allocation is based on the location of the respective parent entity according to the local management responsibility.

Geographical areas are defined according to the core markets in which Erste Group operates. Based on the locations of the banking and other financial institution participations, the geographical areas consist of two core markets, Austria and Central and Eastern Europe and a residual segment Other that comprises the remaining business activities of Erste Group outside its core markets as well as the reconciliation to the consolidated accounting result.



The geographical area Austria consists of the following three operating segments:
_ The **Erste Bank Oesterreich & Subsidiaries** (EBOe & Subsidiaries) segment comprises Erste Bank der oesterreichischen Sparkassen AG (Erste Bank Oesterreich) and its main subsidiaries (e.g. sBausparkasse, Salzburger Sparkasse, Tiroler Sparkasse, Sparkasse Hainburg).
_ The **Savings banks** segment includes those savings banks which are members of the Haftungsverbund (cross-guarantee system) of the Austrian savings banks sector and in which Erste Group does not hold a majority stake but which are fully controlled according to IFRS 10. The fully or majority owned Erste Bank Oesterreich, Tiroler Sparkasse, Salzburger Sparkasse, and Sparkasse Hainburg are not part of the Savings Banks segment.
_ The **Other Austria** segment comprises Erste Group Bank AG (Holding) with its Corporates and Group Markets business, Erste Group Immorent GmbH, Erste Asset Management GmbH and Intermarket Bank AG.

The geographical area Central and Eastern Europe (CEE) consists of six operating segments covering Erste Group's banking subsidiaries located in the respective CEE countries:
— **Czech Republic** (comprising Česká spořitelna Group)
— **Slovakia** (comprising Slovenská sporiteľňa Group)
— **Romania** (comprising Banca Comercială Română Group)
— **Hungary** (comprising Erste Bank Hungary Group)
— **Croatia** (comprising Erste Bank Croatia Group)
— **Serbia** (comprising Erste Bank Serbia Group).

The residual segment **Other** covers mainly centrally managed activities and items that are not directly allocated to other segments. It comprises the corporate center of Erste Group Bank AG (and thus dividends and the refinancing costs from participations, general administrative expenses), internal service providers (facility management, IT, procurement), the banking tax of Erste Group Bank AG as well as free capital of Erste Group (defined as the difference of the total average IFRS equity and the average economical equity allocated to the segments). Asset/Liability Management of Erste Group Bank AG as well as the reconciliation to the consolidated accounting result (e.g. intragroup eliminations, dividend eliminations) are also part of the segment Other. Intragroup eliminations are equal to the Intragroup eliminations shown in the business segmentation view (see the table 'Business segments (2)').

Business segmentation

Apart from geographical segments, which are Erste Group's operating segments, business segments are reported as well.

Retail. The Retail segment comprises the business with private individuals, micros and free professionals within the responsibility of account managers in the retail network. This business is operated by the local banks in cooperation with their subsidiaries such as leasing and asset management companies with a focus on simple products ranging from mortgage and consumer loans, investment products, current accounts, savings products to credit cards and cross selling products such as leasing, insurance and building society products.

Corporates. The Corporates segment comprises business done with corporate customers of different turnover size (small and medium-sized enterprises and Large Corporate customers) as well as commercial real estate and public sector business.

Group Markets. The Group Markets (GM) segment comprises trading and markets services as well as customer business with financial institutions. It includes all activities related to the trading books of Erste Group, including the execution of trade, market making and short-term liquidity management. In addition, it comprises business connected with servicing financial institutions as clients.

Asset/Liability Management & Local Corporate Center. The Asset/Liability Management & Local Corporate Center (ALM & LCC) segment includes all asset/liability management functions – local and of Erste Group Bank AG (Holding) – as well as the local corporate centers which comprise all non-core banking business activities such as internal service providers and reconciliation items to local entity results. The corporate center of Erste Group Bank AG is included in the Group Corporate Center segment.

Savings Banks. The Savings Banks segment is identical to the operating segment Savings banks.

Group Corporate Center. The Group Corporate Center (GCC) segment covers mainly centrally managed activities and items that are not directly allocated to other segments. It comprises the corporate center of Erste Group Bank AG (and thus dividends and the refinancing costs from participations, general administrative expenses), internal service providers (facility management, IT, procurement), the banking tax of Erste Group Bank AG as well as free capital of Erste Group (defined as the difference of the total average IFRS equity and the average economical equity allocated to the segments).

Intragroup Elimination. Intragroup Elimination (IC) is not defined as a segment but is the reconciliation to the consolidated accounting result. It includes intragroup eliminations between participations of Erste Group (e.g. intragroup funding, internal cost charges). Intragroup eliminations within partial groups are disclosed in the respective segments.

Dividend elimination between Erste Group Bank AG and its fully consolidated subsidiaries is performed in Group Corporate Center. Consolidation differences arising between the segments, which are eliminated over the lifespan of the underlying transaction, are part of Group Corporate Center.

Measurement

The profit and loss statement of the segment report is based on the measures reported to the Erste Group management board for the purpose of allocating resources to the segments and assessing their performance. Management reporting as well as the segment report of Erste Group are based on IFRS. Accounting standards and methods as well as measurements used in segment reporting are the same as for the consolidated financial statements of accounting.

Interest revenues are not reported separately from interest expenses for each reportable segment. Those measures are reported on a net basis within the position 'Net interest income' as interest revenues and interest expenses are neither included into the measure of segment profit or loss reviewed by the chief operating decision maker nor otherwise regularly provided to the chief operating decision maker. The chief operating decision maker relies solely on net interest income to assess the performance of the segments and make decisions about resources to be allocated to the segments. For the same reason, net fee and commission income and other operating result are also reported on a net basis.

Capital consumption per segment is regularly reviewed by the management of Erste Group to assess the performance of the segments. The average allocated capital is determined by the credit risk, market risk, operational risk and business strategic risk. According to the regular internal reporting to Erste Group management board, total assets and total liabilities as well as risk weighted assets and allocated capital are disclosed per segment. Total average allocated capital for the Group equals average total equity of the Group.

For measuring and assessing the profitability of segments within Erste Group, such key measures as return on allocated capital and cost/income ratio are used. Return on allocated capital is defined as net result for the period before minorities in relation to the average allocated capital of the respective segment. Cost/income ratio is defined as operating expenses (general administrative expenses) in relation to operating income (total of net interest income, net fee and commission income, dividend income, net trading result, gains/losses from financial instruments measured at fair value through profit or loss, net result from equity method investments, rental income from investment properties and other operating lease).

Operating segments: Geographical segmentation – overview

	Austria		Central and Eastern Europe		Other		Total Group	
in EUR million	1-9 23	1-9 24	1-9 23	1-9 24	1-9 23	1-9 24	1-9 23	1-9 24
Net interest income	2,797	2,632	2,464	2,790	161	169	5,422	5,591
Net fee and commission income	1,098	1,201	920	1,045	-80	-88	1,938	2,158
Dividend income	17	24	3	4	9	7	29	35
Net trading result	50	88	286	269	2	72	337	428
Gains/losses from financial instruments at FVPL	21	-3	27	41	-66	-107	-18	-70
Net result from equity method investments	1	2	11	11	6	3	18	15
Rental income from investment properties & other operating leases	108	116	28	30	-10	17	126	163
General administrative expenses	-1,760	-1,844	-1,717	-1,778	-197	-188	-3,675	-3,809
Gains/losses from financial assets and liabilities not at FVPL, net								
Gains/losses from derecognition of financial assets at AC	0	-4	-2	-22	-1	-1	-3	-27
Other gains/losses from derecognition of financial instruments not at FVPL	-3	-1	-5	-15	7	19	-1	3
Impairment result from financial instruments	-55	-231	-71	23	-1	-4	-128	-211
Other operating result	-51	-76	-177	-191	-99	-21	-327	-289
Levies on banking activities	-10	-10	-119	-163	-18	-20	-148	-194
Pre-tax result from continuing operations	**2,222**	**1,902**	**1,767**	**2,207**	**-269**	**-123**	**3,720**	**3,986**
Taxes on income	-499	-443	-288	-440	117	66	-670	-817
Net result for the period	**1,724**	**1,459**	**1,479**	**1,766**	**-152**	**-56**	**3,050**	**3,169**
Net result attributable to non-controlling interests	667	575	68	71	6	7	741	653
Net result attributable to owners of the parent	**1,057**	**884**	**1,411**	**1,696**	**-158**	**-63**	**2,310**	**2,516**
Operating income	4,092	4,058	3,740	4,189	21	72	7,853	8,319
Operating expenses	-1,760	-1,844	-1,717	-1,778	-197	-188	-3,675	-3,809
Operating result	**2,332**	**2,214**	**2,023**	**2,411**	**-176**	**-116**	**4,178**	**4,510**
Risk-weighted assets (credit risk, eop)	65,610	67,242	57,040	60,268	2,450	2,629	125,099	130,139
Average allocated capital	9,220	10,348	10,778	10,723	6,614	8,189	26,612	29,260
Cost/income ratio	43.0%	45.4%	45.9%	42.4%	>100%	>100%	46.8%	45.8%
Return on allocated capital	25.0%	18.8%	18.3%	22.0%	-3.1%	-0.9%	15.3%	14.5%
Total assets (eop)	208,656	207,259	155,447	163,244	-26,942	-23,975	337,161	346,529
Total liabilities excluding equity (eop)	161,703	156,263	141,627	148,306	6,145	11,849	309,474	316,417
Impairments	**-56**	**-231**	**-72**	**44**	**-1**	**-4**	**-128**	**-190**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-105	-200	-72	1	18	-3	-159	-202
Net impairment loss on commitments and guarantees given	50	-31	0	23	-19	-1	31	-10
Impairment of goodwill	0	0	0	0	0	0	0	0
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	0	0	0	0	0	0
Net impairment on other non-financial assets	0	0	0	21	0	0	0	21

Operating segments: Geographical area Austria

in EUR million	EBOe & Subsidiaries 1-9 23	EBOe & Subsidiaries 1-9 24	Savings Banks 1-9 23	Savings Banks 1-9 24	Other Austria 1-9 23	Other Austria 1-9 24	Austria 1-9 23	Austria 1-9 24
Net interest income	897	834	1,405	1,378	495	420	2,797	2,632
Net fee and commission income	371	406	487	531	241	265	1,098	1,201
Dividend income	7	7	5	9	5	8	17	24
Net trading result	11	16	13	30	25	41	50	88
Gains/losses from financial instruments at FVPL	-6	-6	17	3	10	0	21	-3
Net result from equity method investments	0	1	0	0	1	1	1	2
Rental income from investment properties & other operating leases	42	48	30	29	35	39	108	116
General administrative expenses	-558	-574	-913	-961	-289	-309	-1,760	-1,844
Gains/losses from financial assets and liabilities not at FVPL, net								
Gains/losses from derecognition of financial assets at AC	0	-3	0	0	0	-1	0	-4
Other gains/losses from derecognition of financial instruments not at FVPL	0	0	-3	-1	1	0	-3	-1
Impairment result from financial instruments	-35	-118	-94	-164	73	51	-55	-231
Other operating result	-45	-28	-16	-41	10	-7	-51	-76
Levies on banking activities	-7	-5	-4	-5	0	0	-10	-10
Pre-tax result from continuing operations	**684**	**583**	**931**	**812**	**608**	**508**	**2,222**	**1,902**
Taxes on income	-162	-150	-199	-179	-137	-114	-499	-443
Net result for the period	**522**	**433**	**732**	**633**	**470**	**393**	**1,724**	**1,459**
Net result attributable to non-controlling interests	22	16	635	551	11	8	667	575
Net result attributable to owners of the parent	**500**	**417**	**97**	**82**	**460**	**385**	**1,057**	**884**
Operating income	1,322	1,306	1,958	1,980	812	773	4,092	4,058
Operating expenses	-558	-574	-913	-961	-289	-309	-1,760	-1,844
Operating result	**763**	**732**	**1,044**	**1,019**	**524**	**464**	**2,332**	**2,214**
Risk-weighted assets (credit risk, eop)	16,155	16,088	28,302	29,275	21,153	21,879	65,610	67,242
Average allocated capital	2,150	2,294	4,437	5,153	2,633	2,901	9,220	10,348
Cost/income ratio	42.2%	43.9%	46.7%	48.5%	35.5%	40.0%	43.0%	45.4%
Return on allocated capital	32.4%	25.2%	22.0%	16.4%	23.9%	18.1%	25.0%	18.8%
Total assets (eop)	57,245	55,810	80,797	83,223	70,614	68,226	208,656	207,259
Total liabilities excluding equity (eop)	54,283	52,602	74,003	75,599	33,416	28,062	161,703	156,263
Impairments	**-35**	**-118**	**-94**	**-164**	**74**	**51**	**-56**	**-231**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-46	-118	-108	-135	48	53	-105	-200
Net impairment loss on commitments and guarantees given	11	0	14	-30	25	-2	50	-31
Impairment of goodwill	0	0	0	0	0	0	0	0
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	0	0	0	0	0	0
Net impairment on other non-financial assets	0	0	0	0	0	0	0	0

Operating segments: Geographical area Central and Eastern Europe

in EUR million	Czech Republic		Slovakia		Romania		Hungary		Croatia		Serbia		Central and Eastern Europe	
	1-9 23	1-9 24	1-9 23	1-9 24	1-9 23	1-9 24	1-9 23	1-9 24	1-9 23	1-9 24	1-9 23	1-9 24	1-9 23	1-9 24
Net interest income	978	1,084	383	407	465	562	261	335	296	316	81	86	2,464	2,790
Net fee and commission income	325	369	154	172	147	164	185	221	91	99	17	20	920	1,045
Dividend income	2	2	1	0	1	1	0	0	0	0	0	0	3	4
Net trading result	145	110	16	14	81	79	27	45	12	12	5	9	286	269
Gains/losses from financial instruments at FVPL	-55	-2	2	2	0	4	80	36	0	1	0	0	27	41
Net result from equity method investments	6	5	3	4	1	2	0	0	1	1	0	0	11	11
Rental income from investment properties & other operating leases	7	7	0	0	7	5	8	9	5	5	1	3	28	30
General administrative expenses	-714	-704	-243	-258	-307	-326	-196	-218	-192	-207	-65	-66	-1,717	-1,778
Gains/losses from financial assets and liabilities not at FVPL, net														
Gains/losses from derecognition of financial assets at AC	-1	-16	0	0	0	-5	0	-1	0	0	0	0	-2	-22
Other gains/losses from derecognition of financial instruments not at FVPL	0	0	0	0	0	-1	0	-14	-5	0	0	0	-5	-15
Impairment result from financial instruments	-20	1	-28	-23	-38	13	-11	14	36	26	-10	-8	-71	23
Other operating result	-28	1	-6	0	-24	-52	-117	-136	-2	-5	0	1	-177	-191
Levies on banking activities	0	0	0	0	0	-27	-119	-136	0	0	0	0	-119	-163
Pre-tax result from continuing operations	**645**	**855**	**281**	**319**	**332**	**446**	**236**	**292**	**243**	**249**	**30**	**46**	**1,767**	**2,207**
Taxes on income	-102	-150	-63	-127	-52	-68	-25	-40	-43	-50	-3	-5	-288	-440
Net result for the period	**542**	**705**	**219**	**192**	**280**	**379**	**211**	**252**	**200**	**199**	**27**	**40**	**1,479**	**1,766**
Net result attributable to non-controlling interests	0	0	0	0	0	0	0	0	63	62	5	8	68	71
Net result attributable to owners of the parent	**542**	**705**	**219**	**192**	**280**	**378**	**211**	**252**	**137**	**136**	**22**	**32**	**1,411**	**1,696**
Operating income	1,407	1,574	559	600	701	817	561	645	406	434	105	118	3,740	4,189
Operating expenses	-714	-704	-243	-258	-307	-326	-196	-218	-192	-207	-65	-66	-1,717	-1,778
Operating result	**693**	**870**	**316**	**341**	**395**	**491**	**364**	**428**	**214**	**228**	**40**	**53**	**2,023**	**2,411**
Risk-weighted assets (credit risk, eop)	24,684	26,794	10,111	9,875	9,127	9,873	4,971	4,724	6,182	6,868	1,965	2,134	57,040	60,268
Average allocated capital	4,417	4,429	1,517	1,534	1,836	2,059	1,544	1,335	1,157	1,007	307	359	10,778	10,723
Cost/income ratio	50.7%	44.7%	43.5%	43.0%	43.7%	39.9%	35.0%	33.7%	47.4%	47.6%	61.5%	55.4%	45.9%	42.4%
Return on allocated capital	16.4%	21.3%	19.3%	16.7%	20.4%	24.6%	18.3%	25.2%	23.1%	26.3%	11.8%	15.0%	18.3%	22.0%
Total assets (eop)	77,167	81,488	25,722	26,127	21,052	23,538	12,793	12,378	15,483	16,108	3,231	3,606	155,447	163,244
Total liabilities excluding equity (eop)	71,467	75,561	23,332	23,707	18,691	20,812	11,431	10,766	13,883	14,331	2,822	3,130	141,627	148,306
Impairments	**-20**	**18**	**-26**	**-22**	**-40**	**12**	**-11**	**18**	**36**	**26**	**-10**	**-8**	**-72**	**44**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-23	-9	-36	-21	-38	-8	-13	12	49	34	-11	-7	-72	1
Net impairment loss on commitments and guarantees given	4	10	7	-2	0	21	2	3	-13	-8	1	-1	0	23
Impairment of goodwill	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net impairment on other non-financial assets	-1	17	2	1	-1	-1	0	4	0	0	0	0	0	21

Business segments (1)

in EUR million	Retail		Corporates		Group Markets		ALM&LCC	
	1-9 23	1-9 24	1-9 23	1-9 24	1-9 23	1-9 24	1-9 23	1-9 24
Net interest income	2,449	2,381	1,458	1,403	293	231	-442	-87
Net fee and commission income	1,012	1,157	300	318	234	247	-72	-74
Dividend income	0	0	2	2	3	6	10	12
Net trading result	129	129	95	83	107	107	50	85
Gains/losses from financial instruments at FVPL	79	34	3	-7	7	7	-125	-135
Net result from equity method investments	6	6	5	2	0	0	0	4
Rental income from investment properties & other operating leases	6	8	81	110	0	0	21	27
General administrative expenses	-1,776	-1,868	-486	-496	-195	-211	-120	-96
Gains/losses from financial assets and liabilities not at FVPL, net								
Gains/losses from derecognition of financial assets at AC	-1	0	0	-6	0	0	-1	-3
Other gains/losses from derecognition of financial instruments not at FVPL	0	0	0	0	1	0	2	-11
Impairment result from financial instruments	-109	-58	71	6	-2	0	6	10
Other operating result	-82	-71	-50	-74	-27	-13	-74	-67
Levies on banking activities	-62	-77	-40	-47	-12	-8	-12	-37
Pre-tax result from continuing operations	**1,713**	**1,718**	**1,478**	**1,340**	**423**	**374**	**-743**	**-336**
Taxes on income	-307	-334	-282	-253	-83	-76	129	11
Net result for the period	**1,406**	**1,384**	**1,196**	**1,088**	**340**	**298**	**-614**	**-325**
Net result attributable to non-controlling interests	28	30	58	50	3	4	10	12
Net result attributable to owners of the parent	**1,377**	**1,354**	**1,138**	**1,038**	**337**	**294**	**-624**	**-337**
Operating income	3,681	3,716	1,944	1,910	645	598	-557	-168
Operating expenses	-1,776	-1,868	-486	-496	-195	-211	-120	-96
Operating result	**1,904**	**1,848**	**1,457**	**1,414**	**450**	**387**	**-677**	**-265**
Risk-weighted assets (credit risk, eop)	24,533	26,595	57,377	60,602	4,357	4,533	9,203	7,436
Average allocated capital	3,731	3,987	6,219	6,723	990	1,058	6,719	6,137
Cost/income ratio	48.3%	50.3%	25.0%	26.0%	30.2%	35.3%	-21.5%	-57.3%
Return on allocated capital	50.4%	46.4%	25.7%	21.6%	45.9%	37.6%	-12.2%	-7.1%
Total assets (eop)	76,484	79,625	79,916	82,201	53,029	50,126	88,014	91,977
Total liabilities excluding equity (eop)	113,025	116,283	46,181	48,006	48,097	43,021	69,684	74,927
Impairments	**-109**	**-58**	**71**	**5**	**-2**	**0**	**7**	**32**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-118	-63	54	-11	-7	2	2	9
Net impairment loss on commitments and guarantees given	8	5	18	17	5	-2	4	1
Impairment of goodwill	0	0	0	0	0	0	0	0
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	0	0	0	0	0	0
Net impairment on other non-financial assets	0	0	-1	-1	0	0	1	22

Business segments (2)

in EUR million	Savings Banks		Group Corporate Center		Intragroup Elimination		Total Group	
	1-9 23	1-9 24	1-9 23	1-9 24	1-9 23	1-9 24	1-9 23	1-9 24
Net interest income	1,405	1,378	169	263	90	22	5,422	5,591
Net fee and commission income	487	531	-1	7	-22	-28	1,938	2,158
Dividend income	5	9	9	7	0	0	29	35
Net trading result	13	30	19	0	-76	-7	337	428
Gains/losses from financial instruments at FVPL	17	3	1	29	0	0	-18	-70
Net result from equity method investments	0	0	6	3	0	0	18	15
Rental income from investment properties & other operating leases	30	29	-11	5	-1	-17	126	163
General administrative expenses	-913	-961	-797	-870	613	694	-3,675	-3,809
Gains/losses from financial assets and liabilities not at FVPL, net								
Gains/losses from derecognition of financial assets at AC	0	0	-1	0	0	-18	-3	-27
Other gains/losses from derecognition of financial instruments not at FVPL	-3	-1	0	-3	0	18	-1	3
Impairment result from financial instruments	-94	-164	-1	-5	0	0	-128	-211
Other operating result	-16	-41	526	643	-604	-665	-327	-289
Levies on banking activities	-4	-5	-18	-20	0	0	-148	-194
Pre-tax result from continuing operations	**931**	**812**	**-81**	**78**	**0**	**0**	**3,720**	**3,986**
Taxes on income	-199	-179	73	13	0	0	-670	-817
Net result for the period	**732**	**633**	**-8**	**92**	**0**	**0**	**3,050**	**3,169**
Net result attributable to non-controlling interests	635	551	6	7	0	0	741	653
Net result attributable to owners of the parent	**97**	**82**	**-15**	**85**	**0**	**0**	**2,310**	**2,516**
Operating income	1,958	1,980	192	313	-9	-29	7,853	8,319
Operating expenses	-913	-961	-797	-870	613	694	-3,675	-3,809
Operating result	**1,044**	**1,019**	**-605**	**-557**	**604**	**665**	**4,178**	**4,510**
Risk-weighted assets (credit risk, eop)	28,302	29,275	1,327	1,698	0	0	125,099	130,139
Average allocated capital	4,437	5,153	4,518	6,203	0	0	26,612	29,260
Cost/income ratio	46.7%	48.5%	>100%	>100%	>100%	>100%	46.8%	45.8%
Return on allocated capital	22.0%	16.4%	-0.3%	2.0%			15.3%	14.5%
Total assets (eop)	80,797	83,223	3,915	3,946	-44,993	-44,568	337,161	346,529
Total liabilities excluding equity (eop)	74,003	75,599	3,554	3,177	-45,070	-44,596	309,474	316,417
Impairments	**-94**	**-164**	**-1**	**-5**	**0**	**0**	**-128**	**-190**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-108	-135	18	-3	0	0	-159	-202
Net impairment loss on commitments and guarantees given	14	-30	-18	-1	0	0	31	-10
Impairment of goodwill	0	0	0	0	0	0	0	0
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	0	0	0	0	0	0
Net impairment on other non-financial assets	0	0	0	0	0	0	0	21

29. Risk management

A core function of a bank is taking risks in a conscious and selective manner and professionally steering those risks. Adequate risk policy and risk strategy is essential to a bank's fundamental financial health and operational business success. Concerning risk policy and strategy as well as regarding risk management organisation, reference is made to the note of the same name in the annual report 2023.

Credit risk

For the disclosure of asset quality Erste Group assigns each customer to one of the following four risk categories:

Low risk. Typically, regional customers with well-established and rather long-standing relationships with Erste Group or large internationally recognised customers. Very good to satisfactory financial position and low likelihood of financial difficulties relative to the respective market in which the customers operate. Retail clients having long relationships with the bank, or clients with a wide product pool use. No relevant late payments currently or in the most recent 12 months. New business is generally done with clients in this risk category.

Management attention. Vulnerable non-retail clients, who may have overdue payments or defaults in their credit history or may encounter debt repayment difficulties in the medium term. Retail clients with possible payment problems in the past triggering early collection reminders. These clients typically have a good recent payment history.

Substandard. The borrower is vulnerable to short-term negative financial and economic developments and shows an elevated probability of failure. In some cases, restructuring measures are possible or already in place. As a rule, such loans are managed in specialised risk management departments.

Non-performing. One or more of the default criteria under Article 178 of the CRR are met, which include full repayment unlikely, interest or principal payments on a material exposure more than 90 days past due, restructuring resulting in a loss to the lender, realisation of a loan loss, or initiation of bankruptcy proceedings. Erste Group applies the customer view for all customer segments, including retail clients; if an obligor defaults on one deal, then the customer's performing transactions are classified as non-performing as well. All non-performing exposures are also defaulted.

Credit risk exposure

Credit risk exposure relates to the sum of the following balance sheet items:

- cash and cash balances – demand deposits to credit institutions;
- instruments (derivatives and debt securities) held for trading (HfT);
- non-trading debt instruments at fair value through profit or loss (FVPL);
- debt instruments at fair value through other comprehensive income (FVOCI);
- debt instruments at amortised cost (AC), other than trade and other receivables;
- trade and other receivables (for disclosure purposes in the tabular summaries below, any contract assets are also included in this category);
- finance lease receivables;
- debt instruments held for sale in disposal groups;
- positive fair value of hedge accounting derivatives;
- off-balance sheet exposures (primarily financial guarantees and undrawn loan commitments).

The credit risk exposure equates the gross carrying amount (or nominal value in the case of off-balance sheet positions) excluding:

- credit loss allowances for financial assets;
- credit loss allowances for loan commitments and financial guarantees;
- provisions for other commitments;
- any collateral held (including risk transfer to guarantors);
- netting effects;
- other credit enhancements;
- credit risk mitigating transactions.

In the reporting period, the credit risk exposure increased by 8% or EUR 28,262 million.

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

in EUR million	Credit risk exposure	Allowances	Adjustments	Carrying amount
Sep 24				
Cash and cash balances - demand deposits to credit institutions	3,711	-2	0	3,709
Instruments HfT	10,484	0	0	10,484
Non-trading debt instruments at FVPL	2,564	0	0	2,564
Debt securities	1,435	0	0	1,435
Loans and advances to banks	0	0	0	0
Loans and advances to customers	1,129	0	0	1,129
Debt instruments at FVOCI	9,030	-15	34	9,050
Debt securities	9,030	-15	34	9,050
Loans and advances to banks	0	0	0	0
Loans and advances to customers	0	0	0	0
Debt instruments at AC	288,724	-4,026	0	284,698
Debt securities	46,712	-16	0	46,696
Loans and advances to banks	33,220	-8	0	33,212
Loans and advances to customers	208,792	-4,002	0	204,790
Trade and other receivables	2,374	-48	0	2,325
Finance lease receivables	5,305	-87	0	5,218
Debt instruments held for sale in disposal groups	0	0	0	0
Positive fair value of hedge accounting derivatives	185	0	0	185
Off balance-sheet exposures	70,335	-431	0	0
Total	**392,712**	**-4,610**	**34**	**318,232**
Dec 23				
Cash and cash balances - demand deposits to credit institutions	901	-2	0	899
Instruments HfT	8,627	0	0	8,627
Non-trading debt instruments at FVPL	2,590	0	0	2,590
Debt securities	1,551	0	0	1,551
Loans and advances to banks	0	0	0	0
Loans and advances to customers	1,038	0	0	1,038
Debt instruments at FVOCI	8,851	-14	-43	8,794
Debt securities	8,851	-14	-43	8,794
Loans and advances to banks	0	0	0	0
Loans and advances to customers	0	0	0	0
Debt instruments at AC	268,664	-3,944	0	264,721
Debt securities	44,064	-17	0	44,047
Loans and advances to banks	21,444	-12	0	21,432
Loans and advances to customers	203,156	-3,915	0	199,241
Trade and other receivables	2,642	-63	0	2,579
Finance lease receivables	5,059	-90	0	4,970
Debt instruments held for sale in disposal groups	153	-4	0	150
Positive fair value of hedge accounting derivatives	183	0	0	183
Off balance-sheet exposures	66,779	-440	0	0
Total	**364,450**	**-4,556**	**-43**	**293,512**

Credit loss allowances comprise impairments for financial assets measured at amortised cost (including finance lease and trade and other receivables) and at fair value through other comprehensive income (FVOCI), as well as credit loss allowances and provisions for off-balance sheet exposures. Adjustments refer to the fair value changes of the carrying amount for financial assets at FVOCI.

Credit risk exposure by industry and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Sep 24					
Natural resources & commodities	10,177	2,731	686	374	13,969
Energy	16,255	1,304	401	44	18,003
Construction and building materials	13,260	3,739	897	375	18,272
Automotive	6,385	1,358	267	158	8,168
Cyclical cconsumer products	5,705	1,799	456	354	8,314
Non-cyclical consumer products	8,526	1,915	295	186	10,922
Machinery	5,639	1,343	229	187	7,398
Transportation	7,652	1,428	221	128	9,429
TMT	6,332	1,092	129	103	7,657
Healthcare & services	9,056	2,289	361	169	11,876
Hotels & leisure industry	7,316	1,848	517	372	10,053
Real estate	36,939	6,444	1,780	1,381	46,543
Public sector	85,161	537	67	74	85,840
Financial institutions	33,022	1,107	269	31	34,429
Private households	84,200	11,965	3,738	1,619	101,522
Other	189	91	33	4	317
Total	**335,815**	**40,992**	**10,345**	**5,560**	**392,712**
Dec 23					
Natural resources & commodities	10,984	2,219	454	408	14,064
Energy	15,235	1,430	365	47	17,077
Construction and building materials	13,498	2,951	657	376	17,481
Automotive	6,776	1,021	295	134	8,227
Cyclical cconsumer products	6,911	1,562	533	330	9,336
Non-cyclical consumer products	8,822	1,603	302	163	10,891
Machinery	5,719	896	177	226	7,018
Transportation	7,286	1,040	175	132	8,632
TMT	6,855	723	144	151	7,873
Healthcare & services	8,382	1,697	341	226	10,645
Hotels & leisure industry	7,272	1,688	420	404	9,784
Real estate	36,906	6,156	1,157	869	45,089
Public sector	71,670	370	64	78	72,182
Financial institutions	26,008	872	686	33	27,599
Private households	83,309	10,126	3,177	1,562	98,173
Other	233	30	112	5	380
Total	**315,865**	**34,383**	**9,058**	**5,144**	**364,450**

Credit risk exposure by region and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Sep 24					
Core markets	**276,921**	**37,805**	**9,580**	**5,016**	**329,323**
Austria	119,855	14,052	4,330	2,955	141,192
Czech Republic	78,036	8,883	1,576	763	89,258
Romania	23,297	4,057	924	391	28,669
Slovakia	24,531	4,676	1,649	406	31,262
Hungary	14,664	2,704	576	166	18,110
Croatia	12,591	2,653	431	271	15,947
Serbia	3,947	781	94	63	4,885
Other EU	**37,042**	**1,431**	**439**	**344**	**39,256**
Other industrialised countries	**16,211**	**182**	**53**	**8**	**16,453**
Emerging markets	**5,641**	**1,574**	**274**	**191**	**7,680**
Southeastern Europe/CIS	3,191	890	231	112	4,424
Asia	1,709	65	5	10	1,789
Latin America	314	0	2	0	316
Middle East/Africa	427	619	36	68	1,150
Total	**335,815**	**40,992**	**10,345**	**5,560**	**392,712**
Dec 23					
Core markets	**267,695**	**31,998**	**7,960**	**4,538**	**312,190**
Austria	120,585	11,701	3,526	2,432	138,245
Czech Republic	71,296	7,452	1,541	816	81,105
Romania	20,956	3,406	605	373	25,339
Slovakia	24,871	3,873	1,309	378	30,431
Hungary	15,013	2,572	505	191	18,281
Croatia	11,186	2,329	382	287	14,185
Serbia	3,787	665	92	60	4,605
Other EU	**31,179**	**1,268**	**468**	**387**	**33,302**
Other industrialised countries	**11,733**	**156**	**78**	**27**	**11,995**
Emerging markets	**5,258**	**962**	**552**	**192**	**6,963**
Southeastern Europe/CIS	3,036	855	222	113	4,226
Asia	1,628	74	6	10	1,717
Latin America	236	1	1	0	238
Middle East/Africa	358	33	324	68	782
Total	**315,865**	**34,383**	**9,058**	**5,144**	**364,450**

The geographic analysis of credit risk exposure is based on the country of risk of borrowers and counterparties. It also includes obligors domiciled in other countries if the economic risk exists in the respective country of risk. Accordingly, the distribution by regions differs from the composition of the credit risk exposure by geographical segments of Erste Group.

Credit risk exposure by geographical segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Sep 24					
Austria	**177,461**	**16,908**	**5,023**	**3,465**	**202,857**
EBOe & Subsidiaries	46,758	4,270	1,423	948	53,400
Savings Banks	64,791	10,832	3,295	2,090	81,007
Other Austria	65,911	1,805	306	427	68,450
Central and Eastern Europe	**146,266**	**24,064**	**5,322**	**2,094**	**177,746**
Czech Republic	78,074	9,090	1,644	801	89,609
Romania	21,160	4,088	893	395	26,535
Slovakia	22,425	4,662	1,688	401	29,177
Hungary	8,274	2,644	556	160	11,634
Croatia	13,018	2,813	456	275	16,560
Serbia	3,316	768	86	62	4,231
Other	**12,088**	**21**	**0**	**0**	**12,109**
Total	**335,815**	**40,992**	**10,345**	**5,560**	**392,712**
Dec 23					
Austria	**168,910**	**13,815**	**4,414**	**2,997**	**190,136**
EBOe & Subsidiaries	47,230	3,392	1,155	765	52,542
Savings Banks	66,135	9,506	2,478	1,821	79,939
Other Austria	55,545	918	781	411	57,655
Central and Eastern Europe	**136,959**	**20,531**	**4,594**	**2,145**	**164,229**
Czech Republic	71,121	7,596	1,596	853	81,166
Romania	19,065	3,412	618	382	23,477
Slovakia	22,437	3,914	1,396	375	28,123
Hungary	9,402	2,514	489	185	12,589
Croatia	11,782	2,450	415	291	14,937
Serbia	3,152	645	81	59	3,937
Other	**9,997**	**37**	**49**	**2**	**10,085**
Total	**315,865**	**34,383**	**9,058**	**5,144**	**364,450**

Credit risk exposure by business segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Sep 24					
Retail	66,856	13,087	3,787	1,574	85,304
Corporates	104,945	16,357	3,028	1,888	126,217
Group Markets	32,761	617	166	1	33,545
ALM & LCC	66,339	81	70	7	66,496
Savings Banks	64,791	10,832	3,295	2,090	81,007
GCC	123	18	0	0	141
Total	**335,815**	**40,992**	**10,345**	**5,560**	**392,712**
Dec 23					
Retail	65,966	11,588	3,470	1,509	82,533
Corporates	104,163	12,827	2,460	1,805	121,254
Group Markets	23,066	382	520	0	23,967
ALM & LCC	56,433	76	80	6	56,596
Savings Banks	66,135	9,506	2,478	1,821	79,939
GCC	104	4	49	2	160
Total	**315,865**	**34,383**	**9,058**	**5,144**	**364,450**

Credit risk exposure by geographical segment and IFRS 9 treatment

in EUR million	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total
Sep 24						
Austria	**155,377**	**28,390**	**3,373**	**60**	**15,658**	**202,857**
EBOe & Subsidiaries	44,324	7,568	932	18	558	53,400
Savings Banks	59,539	17,056	2,054	43	2,316	81,007
Other Austria	51,513	3,766	387	0	12,784	68,450
Central and Eastern Europe	**148,565**	**15,106**	**1,902**	**317**	**11,855**	**177,746**
Czech Republic	77,455	7,485	714	93	3,861	89,609
Romania	22,401	2,388	383	34	1,328	26,535
Slovakia	23,211	2,150	364	124	3,328	29,177
Hungary	8,270	1,104	136	31	2,093	11,634
Croatia	14,122	1,575	261	17	585	16,560
Serbia	3,105	404	44	18	660	4,231
Other	**12,038**	**7**	**0**	**0**	**64**	**12,109**
Total	**315,979**	**43,503**	**5,275**	**377**	**27,577**	**392,712**
Dec 23						
Austria	**143,871**	**29,852**	**2,923**	**72**	**13,419**	**190,136**
EBOe & Subsidiaries	44,173	7,032	746	21	570	52,542
Savings Banks	58,970	16,983	1,775	50	2,161	79,939
Other Austria	40,728	5,837	403	0	10,687	57,655
Central and Eastern Europe	**134,811**	**16,098**	**1,902**	**360**	**11,058**	**164,229**
Czech Republic	69,299	7,015	746	90	4,014	81,166
Romania	18,882	3,522	335	73	664	23,477
Slovakia	22,549	1,993	350	121	3,109	28,123
Hungary	9,336	1,105	156	35	1,957	12,589
Croatia	12,060	2,125	271	23	458	14,937
Serbia	2,685	337	42	18	855	3,937
Other	**10,029**	**3**	**2**	**0**	**51**	**10,085**
Total	**288,711**	**45,953**	**4,827**	**431**	**24,527**	**364,450**

Credit risk exposure by business segment and IFRS 9 treatment

in EUR million	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total
Sep 24						
Retail	71,769	10,637	1,513	113	1,273	85,304
Corporates	96,517	15,416	1,700	222	12,362	126,217
Group Markets	21,818	299	1	0	11,428	33,545
ALM & LCC	66,262	88	6	0	139	66,496
Savings Banks	59,539	17,056	2,054	43	2,316	81,007
GCC	75	7	0	0	59	141
Total	**315,979**	**43,503**	**5,275**	**377**	**27,577**	**392,712**
Dec 23						
Retail	70,058	9,742	1,446	116	1,172	82,533
Corporates	89,235	18,761	1,599	265	11,395	121,254
Group Markets	14,086	309	0	0	9,572	23,967
ALM & LCC	56,256	155	6	0	179	56,596
Savings Banks	58,970	16,983	1,775	50	2,161	79,939
GCC	106	3	2	0	49	160
Total	**288,711**	**45,953**	**4,827**	**431**	**24,527**	**364,450**

Stage 1 and Stage 2 comprise not impaired credit risks, while Stage 3 includes impaired credit risks. POCI (purchased or originated credit impaired) exposure consists of credit risks already impaired when purchased or originated.

The defaulted part of POCI amounted to EUR 183 million (EUR 234 million), the non-defaulted part to EUR 194 million (EUR 197 million).

Measurement of expected credit loss

The general principles and standards for credit loss allowances are governed by internal policies in Erste Group. According to IFRS 9, credit loss allowances are calculated for all components of credit risk exposures which are measured at amortised cost (AC) or at fair value through other comprehensive income. They include debt securities, loans and advances, demand deposits on nostro accounts with commercial banks as well as finance lease and trade receivables. In addition, credit loss allowances are calculated for loan commitments and financial guarantees if they meet the applicable IFRS 9 definitions.

For more details, please refer to Erste Group's annual report 2023, group consolidated financial statements, risk and capital management notes.

Development of credit loss allowances

Development of credit loss allowances for debt securities

in EUR million	As of	Additions	Derecognitions	Transfer between stages	Other changes in credit risk (net)	Other	As of
	Jan 24						**Sep 24**
Stage 1	-10	-2	2	1	0	0	-9
Stage 2	-3	0	0	-2	1	0	-3
Stage 3	-4	0	0	0	0	0	-4
Total	**-17**	**-2**	**2**	**-1**	**1**	**0**	**-16**
	Jan 23						**Sep 23**
Stage 1	-13	-5	2	2	-2	0	-15
Stage 2	-5	0	0	-2	3	0	-4
Stage 3	-3	0	0	0	-1	0	-4
Total	**-22**	**-5**	**2**	**0**	**0**	**0**	**-24**

Development of credit loss allowances for loans and advances to banks

in EUR million	As of	Additions	Derecognitions	Transfer between stages	Other changes in credit risk (net)	Other	As of
	Jan 24						**Sep 24**
Stage 1	-8	-10	7	0	4	0	-8
Stage 2	-3	0	3	0	0	0	0
Stage 3	0	0	0	0	0	0	0
Total	**-12**	**-11**	**10**	**0**	**4**	**0**	**-8**
	Jan 23						**Sep 23**
Stage 1	-6	-15	10	0	2	0	-8
Stage 2	0	0	1	-2	-3	0	-5
Stage 3	0	0	14	0	-14	0	0
Total	**-6**	**-16**	**25**	**-2**	**-14**	**0**	**-12**

Development of credit loss allowances for loans and advances to customers

in EUR million	As of	Additions	Derecog-nitions	Transfer between stages	Other changes in credit risk (net)	Write-offs	Other	As of
	Jan 24							Sep 24
Stage 1	**-357**	**-227**	**62**	**513**	**-359**	**0**	**-3**	**-371**
General governments	-5	-1	1	1	-1	0	0	-5
Other financial corporations	-9	-8	5	10	-6	0	0	-10
Non-financial corporations	-188	-123	37	209	-133	0	0	-199
Households	-155	-94	19	293	-219	0	-2	-157
Stage 2	**-1,401**	**-203**	**232**	**-606**	**627**	**0**	**10**	**-1,341**
General governments	-19	0	0	-1	-1	0	0	-21
Other financial corporations	-10	-9	2	-12	11	0	0	-18
Non-financial corporations	-835	-172	183	-291	284	0	4	-829
Households	-536	-22	47	-301	333	0	6	-473
Stage 3	**-2,072**	**-99**	**266**	**-58**	**-485**	**218**	**22**	**-2,209**
General governments	-5	0	0	0	2	0	0	-4
Other financial corporations	-28	-1	1	0	-3	1	0	-31
Non-financial corporations	-1,082	-77	174	-30	-318	134	9	-1,190
Households	-957	-21	91	-28	-166	84	13	-985
POCI	**-85**	**0**	**5**	**0**	**-6**	**4**	**0**	**-81**
General governments	0	0	0	0	0	0	0	0
Other financial corporations	0	0	0	0	0	0	0	0
Non-financial corporations	-60	0	2	0	-4	1	0	-61
Households	-25	0	3	0	-1	3	0	-20
Total	**-3,915**	**-529**	**564**	**-151**	**-223**	**222**	**29**	**-4,002**
	Jan 23							Sep 23
Stage 1	**-335**	**-195**	**48**	**327**	**-193**	**0**	**-3**	**-352**
General governments	-4	-2	1	2	-2	0	0	-5
Other financial corporations	-8	-4	2	6	-8	0	1	-10
Non-financial corporations	-162	-115	27	111	-41	0	-2	-182
Households	-161	-75	18	207	-141	0	-2	-154
Stage 2	**-1,415**	**-134**	**152**	**-569**	**437**	**0**	**9**	**-1,519**
General governments	-28	0	0	-2	14	0	-1	-17
Other financial corporations	-20	-6	1	-9	17	0	0	-17
Non-financial corporations	-773	-102	104	-244	135	0	7	-872
Households	-594	-26	47	-314	271	0	3	-613
Stage 3	**-1,994**	**-32**	**196**	**-74**	**-237**	**135**	**21**	**-1,985**
General governments	-1	0	0	0	-6	1	0	-6
Other financial corporations	-37	0	1	0	-4	3	0	-38
Non-financial corporations	-1,043	-23	104	-23	-57	49	15	-977
Households	-913	-9	91	-51	-169	82	5	-964
POCI	**-86**	**0**	**14**	**0**	**-21**	**4**	**-7**	**-96**
General governments	0	0	0	0	0	0	0	0
Other financial corporations	0	0	0	0	0	0	0	0
Non-financial corporations	-65	0	12	0	-17	3	-8	-75
Households	-22	0	2	0	-3	2	1	-20
Total	**-3,830**	**-362**	**410**	**-316**	**-13**	**140**	**20**	**-3,952**

Development of credit loss allowances for trade and other receivables

in EUR million	As of	Additions	Derecog-nitions	Transfer between stages	Other changes in credit risk (net)	Write-offs	Other	As of
	Jan 24							**Sep 24**
Stage 1	-11	-6	4	1	1	0	0	-11
Stage 2	-10	0	2	-1	1	0	0	-8
Stage 3	-41	0	3	-2	8	4	0	-29
POCI	-1	0	0	0	0	0	0	-1
Total	**-63**	**-6**	**9**	**-2**	**10**	**4**	**0**	**-48**
	Jan 23							**Sep 23**
Stage 1	-9	-7	4	1	1	0	0	-11
Stage 2	-11	0	3	-1	0	0	0	-10
Stage 3	-44	0	4	-2	-4	4	0	-42
POCI	-1	0	0	0	0	0	0	-1
Total	**-65**	**-8**	**10**	**-2**	**-4**	**4**	**1**	**-63**

Development of credit loss allowances for debt instruments held

in EUR million	As of	Additions	Derecog-nitions	Transfer between stages	Other changes in credit risk (net)	Other	As of
	Jan 24						**Sep 24**
Stage 1	-5	-1	2	0	1	0	-3
Stage 2	-9	0	0	0	-1	0	-10
Stage 3	-1	0	0	0	-1	0	-2
Total	**-14**	**-1**	**2**	**0**	**-1**	**0**	**-15**
	Jan 23						**Sep 23**
Stage 1	-7	-2	2	0	0	0	-7
Stage 2	-16	-3	1	-1	1	0	-17
Stage 3	-1	0	0	-1	1	0	-1
Total	**-24**	**-5**	**3**	**-1**	**3**	**0**	**-25**

Development of credit loss allowances for finance lease receivables

in EUR million	As of	Additions	Derecog-nitions	Transfer between stages	Other changes in credit risk (net)	Write-offs	Other	As of
	Jan 24							**Sep 24**
Stage 1	-17	-6	0	8	-4	0	0	-19
Stage 2	-33	0	1	-10	9	0	0	-34
Stage 3	-40	0	4	-5	2	5	0	-35
POCI	0	0	0	0	0	0	0	0
Total	**-90**	**-6**	**5**	**-7**	**6**	**5**	**0**	**-87**
	Jan 23							**Sep 23**
Stage 1	-17	-5	0	6	-1	0	-1	-18
Stage 2	-28	0	1	-8	5	0	1	-30
Stage 3	-41	0	4	-3	-1	1	0	-41
POCI	0	0	0	0	0	0	0	0
Total	**-86**	**-5**	**5**	**-6**	**2**	**1**	**0**	**-90**

Scenarios used in forward looking information and crises effects

Overview on scenarios used in forward-looking information

Parameters are determined to reflect the risk as a 'point-in-time' measure and with consideration of forward-looking information (FLI). This results in using a baseline forecast and several alternative scenarios for selected macroeconomic variables. The alter-native scenarios (upside and downside) are derived, together with their weights of scenario outcome, as a deviation from baseline forecasts. The base-line forecasts are, with a few exceptions, internally determined by Erste Group's research department. Given multiple scenarios, the 'neutral' PDs (and partially included in LGDs) are adjusted using macro models that link relevant macroeconomic variables with risk drivers. The same macro-shift models as for external and internal stress test are used. Forward-looking information is incorporated for first three years of ECL measurement. Measurement of the parameters for the remaining lifetime returns to through-the-cycle observations immediately in year four.

For more details, please refer to Erste Group's annual report 2023, group consolidated financial statements, risk and capital management notes.

In the second and third quarter of 2024, the FLI was reviewed according to the disclosed forecasts for baseline, downside, and upside scenarios. Moreover, based on the assessment of conditions (exit triggers) for applying in-model adjustments in FLI models (incorporation of comprehensive stress test (CST) scenario into the downside scenario and expertly set up weights for downside and upside scenarios), Erste Group decided:

_ to keep unchanged the approach of including the CST scenario into the downside scenario (however, the CST scenario was updated according to the assumptions considered in comprehensive stress test 2024); and
_ to apply the modelled weights for downside and upside scenarios, instead of expertly set weights, in the remaining local models used in Romania, Croatia and Hungary. In case of the local models used in Slovakia and Serbia, the modelled weights are applied since the second quarter of 2024; in Austria, Czechia, and the Group (Large) Corporate models since December 2023.

Below, the expected development of the GDP for all regions are summarized, all scenarios and scenario weights, as main indicator of the macro-economic situation. In case of Group (Large) Corporate clients, the applied weights are 25%, 50%, and 25% (2023: 23%, 50%, and 27%) assigned to upside, baseline, and downside scenarios respectively.

Additionally, we are disclosing the most relevant variables for the macro-shift model in the most significant regions.

Austria, Czechia, Slovakia, and Romania are presented as they have the highest share of credit risk exposure, expected credit loss and the highest share of FLI component in the expected credit loss measurement. Macro-shift models are calibrated for the three main sub-portfolios: private individuals, micro enterprises, and another corporate business. Models' calibration and variables disclosed below are incorporated into expected credit loss measurement as of 30 September 2024. The baseline and weighted scenario outcome for the major variables is disclosed in the tabular format for the years 2024-2026 if the FLI was reviewed in the second quarter or for 2025-2027 if the review was done in the third quarter of 2024.

Baseline, upside and downside scenarios of GDP growth by geographic region

	Scenario	Probability weights Weights	GDP growth in % 2024	2025	2026	2027
Sep 24						
Austria	Upside	24%		3.3	3.3	3.6
	Baseline	50%		0.9	0.9	1.2
	Downside	26%		-4.7	-3.3	-0.9
Czechia	Upside	19%	4.4	5.3	5.0	
	Baseline	50%	2.4	3.2	2.9	
	Downside	31%	-4.0	-1.8	0.2	
Slovakia	Upside	27%		4.8	4.8	4.4
	Baseline	50%		2.5	2.5	2.1
	Downside	23%		-4.6	-2.5	-0.6
Romania	Upside	24%	4.9	6.4	7.6	
	Baseline	50%	1.4	2.9	4.1	
	Downside	26%	-2.8	-0.7	0.6	
Hungary	Upside	18%		5.6	5.9	5.7
	Baseline	50%		3.2	3.5	3.3
	Downside	32%		-3.8	-1.8	0.6
Croatia	Upside	27%		4.6	5.4	4.5
	Baseline	50%		2.8	2.7	2.5
	Downside	23%		-3.0	-1.3	0.2
Serbia	Upside	19%	6.0	6.2	6.3	
	Baseline	50%	3.8	4.0	4.1	
	Downside	31%	-1.1	0.4	1.2	
Dec 23						
Austria	Upside	28%	3.1	4.1	4.1	
	Baseline	50%	0.6	1.6	1.6	
	Downside	22%	-3.3	-1.4	-0.5	
Czechia	Upside	21%	3.8	5.3	4.8	
	Baseline	50%	1.8	3.3	2.8	
	Downside	29%	-2.5	-0.9	0.3	
Slovakia	Upside	1%	4.7	5.1	4.8	
	Baseline	50%	2.3	2.7	2.4	
	Downside	49%	-2.5	-1.3	-0.3	
Romania	Upside	1%	4.5	6.0	7.2	
	Baseline	50%	1.4	2.9	4.1	
	Downside	49%	-3.0	-1.1	0.6	
Hungary	Upside	1%	5.5	5.7	5.6	
	Baseline	50%	3.2	3.4	3.3	
	Downside	49%	-2.0	-0.5	0.6	
Croatia	Upside	1%	4.3	5.2	4.9	
	Baseline	50%	2.4	2.6	2.5	
	Downside	49%	-2.0	-1.2	0.1	
Serbia	Upside	1%	5.5	5.8	6.0	
	Baseline	50%	3.3	3.6	3.8	
	Downside	49%	-1.4	-0.2	0.9	

Baseline and scenario weighted values of the main variables in the most significant regions

	Baseline scenario				Scenario weighted outcome			
	2024	2025	2026	2027	2024	2025	2026	2027
Sep 24								
Austria								
GDP growth		0.9	0.9	1.2		0.0	0.4	1.2
Inflation		2.2	1.9	1.9		2.9	2.7	1.7
Yields_10Y		3.0	3.0	3.0		3.3	3.2	3.2
Czechia								
Unemployment Rate	3.7	4.0	4.0		4.0	4.5	4.5	
Inflation (PPI)	147.4	151.7	155.1		148.3	152.5	155.9	
Slovakia								
Unemployment Rate		5.4	5.3	5.1		5.3	5.6	5.4
Inflation		2.4	2.5	2.3		2.9	2.8	2.1
Romania								
GDP growth	1.4	2.9	4.1		1.1	2.8	4.0	
Interest Rate (ROBOR 3M)	5.8	5.0	3.9		5.9	5.1	4.0	
Inflation (CPI)	5.4	3.7	3.2		5.8	3.8	3.0	
Dec 23								
Austria								
GDP growth	0.6	1.6	1.6		0.4	1.6	1.8	
Inflation	4.0	2.7	2.3		3.8	2.5	2.1	
Yields_10Y	2.9	2.8	2.9		3.0	2.9	2.9	
Czechia								
Unemployment Rate	3.7	4.0	4.0		3.7	4.3	4.4	
Inflation (PPI)	141.8	144.3	147.2		142.2	144.7	147.6	
Slovakia								
Unemployment Rate	6.0	5.7	5.4		6.6	6.9	6.6	
Inflation	5.0	3.5	2.5		6.8	5.1	3.8	
Romania								
GDP growth	1.4	2.9	4.1		-0.7	1.0	2.4	
Interest Rate (ROBOR 3M)	6.3	5.3	4.3		7.7	6.7	5.7	
Inflation (CPI)	6.6	4.3	3.2		8.2	5.4	3.8	

Collective assessment

In addition to standard SICR assessment, Erste Group applied collective SICR assessment, i.e., transfer into Stage 2 based on pre-defined portfolio characteristics, due to emerging risks not covered by standard models. This approach is aligned with all affected entities and business lines and approved by the respective governance bodies of Erste Group. It requires, after the assessment of the outliers from the common portfolio characteristics, to have exemptions from the collective SICR assessment, if properly documented why they would behave differently than the rest of the portfolio.

In December 2023, Erste Group applied collective staging assessment in case of cyclical industries, identified based on the correlation to economic downturn and in case of selected industries from energy sector (production & distribution of energy and heating), including energy intensive industries (Metals and Chemicals). For more details, please refer to the annual report 2023, group consolidated financial statements, risk and capital management, Note 37 Measurement of expected credit loss.

Based on the regular evaluation of the conditions (exit triggers) for applying of collective SICR assessment, performed on quarterly basis, it was concluded that the risk was mitigated in case of energy sector/energy intensive industries (sufficient gas reserves in Europe, stabilized energy prices) and therefore these industries were excluded from collective SICR assessment in June 2024. The rules for collective SICR assessment applied in case of cyclical industries were kept the same as in December 2023.

Out of the overall credit risk exposure of EUR 393 billion (EUR 364 billion), portfolio under collective staging assessment represents EUR 102 billion of cyclical industries, EUR 24 billion thereof is in Stage 2.

In 2022, local risk management in Czechia and Croatia assessed that the recalibration of private individuals' macro shift FLI model did not bring feasible results and does not sufficiently address the current situation. Therefore, the additional SICR collective assessment on the Private individual side was introduced and is still in place. This triggered as of 30 September 2024 additional Stage 2 exposure of EUR 902 million (EUR 2 billion) and an increase of allocated ECL by EUR 14 million (EUR 19 million).

In September 2024, because of floods, new SICR collective assessment rules were introduced in Austria and Czechia to cover the physical risk. It triggered additional Stage 2 exposure of EUR 4.5 billion and an increase of allocated ECL by EUR 23 million.

Effect on expected credit loss

The analysis tables below present the effects of the collective SICR assessment and FLI on both exposure migration to Stage 2 and the resulting increase of ECL. Additional sensitivities to the baseline, upside and downside scenarios are simulated. Effects on geographical segments are disclosed.

In September 2024, the exposure in Stage 2 due to the application of the rules for collective SICR assessment for cyclical industries stood at EUR 8,312 million (EUR 10,232 million), with additional ECL allocated in the amount of EUR 168 million (EUR 195 million).

As described above, FLI were reassessed in the second and third quarter of 2024. The Stage 2 exposure triggered by FLI decreased to EUR 4,529 million as of September 2024 (EUR 5,274 million). The overall level of ECL allocated in Stage 2 due to FLI decreased to EUR 383 million (EUR 478 million).

Scenario simulation presents sensitivity analyses taking into consideration only changes due to the different values of PDs, if baseline, upside or downside FLI scenarios had 100% weight. Sensitivities of these scenarios are calculated in comparison to current production - weighted scenarios FLI shifted - PDs (weights and scenarios are disclosed in the 'Incorporation of forward-looking information' section above). Both staging and resulting ECL were simulated with the scenario PDs.

The incorporation of 100% baseline scenario instead of the currently applied weighted scenario outcome would lead to a decrease of Stage 2 exposure by EUR 1,203 million (EUR 598 million), resulting in an ECL drop by EUR 61 million (EUR 77 million).

The downside scenario would lead to additional EUR 5,997 million of exposure migration to Stage 2 in comparison with scenario weighted FLI (EUR 2,402 million), resulting in an ECL increase of EUR 392 million (EUR 207 million).

For the ECL change a positive sign (+) equals a release while a negative sign (-) equals an allocation. Values presented sensitivities are results of internal simulations.

Forward looking information (FLI) and collective SICR assessment

Impact on credit risk exposure by geographical segment

	Current status - parameters (FLI shifted)							Simulations - difference to FLI shifts effect		
	Stage 1	Stage 2	Total	Stage 2 impacted by				Upside scenario	Baseline scenario	Downside scenario
				Collective assessment			FLI shifts			
in EUR million				Cyclical	Energy	PI				
Sep 24										
Austria	**155,377**	**28,390**	**183,766**	**5,353**	**0**	**0**	**2,881**	**-2,131**	**-940**	**4,269**
EBOe & Subs.	44,324	7,568	51,892	1,324	0	0	841	-661	-329	1,288
Savings Banks	59,539	17,056	76,595	3,655	0	0	1,608	-1,206	-553	2,188
Other Austria	51,513	3,766	55,279	374	0	0	432	-264	-57	794
CEE	**148,565**	**15,106**	**163,671**	**2,959**	**0**	**902**	**1,648**	**-944**	**-263**	**1,728**
Czechia	77,455	7,485	84,941	1,564	0	533	1,023	-487	-171	927
Slovakia	23,211	2,150	25,361	353	0	0	39	-38	-4	93
Romania	22,401	2,388	24,789	547	0	0	242	-306	-71	545
Hungary	8,270	1,104	9,374	60	0	0	175	-51	-4	96
Croatia	14,122	1,575	15,698	343	0	369	39	-7	0	27
Serbia	3,105	404	3,509	92	0	0	129	-55	-13	40
Other	**12,038**	**7**	**12,045**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**315,979**	**43,503**	**359,482**	**8,312**	**0**	**902**	**4,529**	**-3,075**	**-1,203**	**5,997**
Dec 23										
Austria	**143,871**	**29,852**	**173,723**	**7,592**	**3,984**	**0**	**3,699**	**-1,285**	**-273**	**1,492**
EBOe & Subs.	44,173	7,032	51,205	1,849	413	0	906	-301	-73	508
Savings Banks	58,970	16,983	75,953	5,107	1,559	0	1,747	-494	-69	905
Other Austria	40,728	5,837	46,565	636	2,012	0	1,046	-491	-131	78
CEE	**134,811**	**16,098**	**150,910**	**2,639**	**2,541**	**1,577**	**1,574**	**-1,165**	**-326**	**911**
Czechia	69,299	7,015	76,315	1,390	1,156	1,224	621	-346	-36	485
Slovakia	22,549	1,993	24,543	260	16	0	175	-193	-43	19
Romania	18,882	3,522	22,404	582	282	0	514	-469	-162	189
Hungary	9,336	1,105	10,441	60	469	0	110	-100	-50	64
Croatia	12,060	2,125	14,185	308	521	353	28	-13	-5	112
Serbia	2,685	337	3,022	39	97	0	127	-44	-29	43
Other	**10,029**	**3**	**10,032**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**288,711**	**45,953**	**334,664**	**10,232**	**6,525**	**1,577**	**5,274**	**-2,450**	**-598**	**2,402**

Impact on credit loss allowances by geographical segment

in EUR million	Current status - parameters (FLI shifted)							Simulations - difference to FLI shifts effect		
	Stage 1	Stage 2	Total	Out of which:				Upside scenario	Baseline scenario	Downside scenario
				Collective assessment due to			FLI shifts			
				Cyclical	Energy	PI				
Sep 24										
Austria	**-178**	**-779**	**-957**	**-88**	**0**	**0**	**-181**	**83**	**34**	**-191**
EBOe & Subs.	-37	-183	-220	-21	0	0	-39	21	9	-50
Savings Banks	-93	-518	-610	-62	0	0	-107	52	22	-107
Other Austria	-48	-79	-127	-5	0	0	-35	10	4	-33
CEE	**-338**	**-830**	**-1,167**	**-79**	**0**	**-14**	**-202**	**124**	**27**	**-201**
Czechia	-102	-325	-428	-40	0	-7	-92	33	8	-49
Slovakia	-35	-122	-158	-9	0	0	-4	6	2	-13
Romania	-120	-235	-355	-16	0	0	-60	77	16	-128
Hungary	-23	-52	-75	-1	0	0	-19	3	0	-6
Croatia	-45	-80	-124	-13	0	-7	-18	1	0	-2
Serbia	-12	-16	-28	-1	0	0	-9	3	1	-3
Other	**-2**	**0**	**-2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**-518**	**-1,609**	**-2,127**	**-168**	**0**	**-14**	**-383**	**207**	**61**	**-392**
Dec 23										
Austria	**-167**	**-755**	**-923**	**-113**	**-27**	**0**	**-204**	**65**	**15**	**-104**
EBOe & Subs.	-38	-160	-198	-24	-3	0	-43	14	3	-24
Savings Banks	-88	-508	-596	-84	-17	0	-128	31	7	-56
Other Austria	-41	-88	-129	-4	-8	0	-33	20	5	-24
CEE	**-326**	**-911**	**-1,237**	**-82**	**-21**	**-19**	**-274**	**173**	**61**	**-103**
Czechia	-108	-316	-424	-40	-8	-14	-100	28	3	-30
Slovakia	-42	-115	-157	-9	-0	0	-2	8	4	-2
Romania	-100	-316	-416	-22	-2	0	-124	116	44	-52
Hungary	-28	-54	-82	-1	-2	0	-25	15	7	-8
Croatia	-36	-94	-130	-11	-8	-5	-14	3	1	-8
Serbia	-11	-16	-27	-1	-1	0	-9	3	2	-3
Other	**-2**	**0**	**-2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**-495**	**-1,666**	**-2,161**	**-195**	**-49**	**-19**	**-478**	**238**	**77**	**-207**

Loans and advances to customers

The tables on the following pages present the structure of the customer loan book, excluding loans to central banks and credit institutions broken down by different categories. Loans and advances to customers comprise:

_ loans and advances to customers at FVPL;
_ loans and advances to customers at AC;
_ finance lease receivables;
_ trade and other receivables.

The presentation is by gross carrying amount not taking into consideration loan loss allowances and collateral.

Loans and advances to customers by geographical segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Sep 24					
Austria	**101,807**	**13,432**	**4,459**	**3,296**	**122,995**
EBOe & Subsidiaries	35,994	3,612	1,332	916	41,854
Savings Banks	45,454	9,109	3,004	2,002	59,570
Other Austria	20,359	711	122	378	21,570
Central and Eastern Europe	**69,495**	**18,629**	**4,456**	**1,967**	**94,547**
Czech Republic	34,051	7,237	1,352	766	43,406
Romania	9,601	2,738	789	365	13,493
Slovakia	14,174	3,637	1,327	373	19,512
Hungary	2,964	2,372	522	138	5,995
Croatia	7,077	2,146	394	266	9,883
Serbia	1,629	499	71	59	2,258
Other	50	8	0	0	58
Total	**171,352**	**32,069**	**8,915**	**5,264**	**217,600**
Dec 23					
Austria	**102,984**	**11,568**	**3,473**	**2,803**	**120,828**
Erste Bank Oesterreich & Subsidiaries	36,303	2,906	1,067	724	41,000
Savings Banks	47,015	8,022	2,177	1,732	58,946
Other Austria	19,667	640	228	347	20,882
Central and Eastern Europe	**68,775**	**16,378**	**3,881**	**1,979**	**91,013**
Czech Republic	33,377	6,255	1,317	771	41,720
Romania	9,324	2,212	496	354	12,386
Slovakia	14,418	3,258	1,200	357	19,232
Hungary	3,344	2,116	449	156	6,065
Croatia	6,694	2,103	361	282	9,439
Serbia	1,619	435	58	59	2,171
Other	35	13	5	2	56
Total	**171,794**	**27,959**	**7,359**	**4,784**	**211,898**

Loans and advances to customers by business segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Sep 24					
Retail	60,326	11,865	3,567	1,555	77,314
Corporates	64,259	11,017	2,282	1,699	79,257
Group Markets	1,127	30	9	1	1,168
ALM & LCC	182	39	52	6	280
Savings Banks	45,454	9,109	3,004	2,002	59,570
GCC	3	8	0	0	12
Total	**171,352**	**32,069**	**8,915**	**5,264**	**217,600**
Dec 23					
Retail	59,182	10,709	3,268	1,489	74,648
Corporates	64,560	9,170	1,850	1,554	77,135
Group Markets	689	12	6	0	707
ALM & LCC	348	43	52	6	449
Savings Banks	47,015	8,022	2,177	1,732	58,946
GCC	0	4	5	2	12
Total	**171,794**	**27,959**	**7,359**	**4,784**	**211,898**

In the following tables, the non-performing loans and advances to customers divided by segments are contrasted with allowances for customer loans (all allowances for loans and advances to customers within the scope of IFRS 9) and the collateral for non-performing loans (NPL). The NPL ratio, the NPL coverage ratio (excluding collateral), and the NPL collateralisation ratio are also included.

Total gross customer loans, total non-performing loans, and total collateral include both AC and FVPL portfolios.

The NPL ratio of loans and advances to customers is calculated by dividing the gross carrying amount of non-performing loans and advances to customers by the total gross carrying amount of loans and advances to customers. Consequently, it differs from the NPE ratio in section 'Credit risk exposure'. Collaterals for non-performing loans mainly consist of real estates.

The NPL coverage ratio is calculated by dividing total loss allowances by the gross carrying amount of the non-performing loans and advances to customers. Collateral is not considered.

Non-performing loans and advances to customers by geographical segment and coverage by loan loss allowances and collateral

	Non-performing		Customer loans		Allowances	Collateral for NPL		NPL ratio		NPL coverage ratio (exc collateral)	NPL collateralisation ratio	
in EUR million	Total	AC	Total	AC	AC	Total	AC	Total	AC	AC	Total	AC
Sep 24												
Austria	**3,296**	**3,296**	**122,995**	**122,968**	**-1,814**	**1,951**	**1,951**	**2.7%**	**2.7%**	**55.0%**	**59.2%**	**59.2%**
EBOe & Subs	916	916	41,854	41,847	-453	555	555	2.2%	2.2%	49.5%	60.6%	60.6%
Savings Banks	2,002	2,002	59,570	59,569	-1,220	1,158	1,158	3.4%	3.4%	60.9%	57.8%	57.8%
Other Austria	378	378	21,570	21,552	-142	237	237	1.8%	1.8%	37.5%	62.8%	62.9%
CEE	**1,967**	**1,963**	**94,547**	**93,445**	**-2,323**	**732**	**728**	**2.1%**	**2.1%**	**118.4%**	**37.2%**	**37.1%**
Czech Republic	766	766	43,406	43,405	-851	248	248	1.8%	1.8%	111.2%	32.3%	32.3%
Romania	365	365	13,493	13,493	-597	121	121	2.7%	2.7%	163.6%	33.2%	33.2%
Slovakia	373	373	19,512	19,512	-373	184	184	1.9%	1.9%	100.0%	49.3%	49.3%
Hungary	138	133	5,995	4,895	-155	59	55	2.3%	2.7%	116.2%	42.8%	41.0%
Croatia	266	266	9,883	9,883	-282	106	106	2.7%	2.7%	105.9%	40.0%	40.0%
Serbia	59	59	2,258	2,258	-65	13	13	2.6%	2.6%	109.2%	22.6%	22.6%
Other	0	0	58	58	-1	0	0	0.3%	0.3%	307.4%	0.0%	0.0%
Total	**5,264**	**5,259**	**217,600**	**216,471**	**-4,138**	**2,682**	**2,678**	**2.4%**	**2.4%**	**78.7%**	**51.0%**	**50.9%**
Dec 23												
Austria	**2,803**	**2,803**	**120,828**	**120,800**	**-1,712**	**1,633**	**1,633**	**2.3%**	**2.3%**	**61.1%**	**58.3%**	**58.3%**
EBOe & Subs	724	724	41,000	40,992	-403	411	411	1.8%	1.8%	55.6%	56.7%	56.7%
Savings Banks	1,732	1,732	58,946	58,944	-1,122	1,057	1,057	2.9%	2.9%	64.8%	61.0%	61.0%
Other Austria	347	347	20,882	20,864	-188	166	166	1.7%	1.7%	54.0%	47.8%	47.8%
CEE	**1,979**	**1,975**	**91,013**	**90,003**	**-2,355**	**763**	**760**	**2.2%**	**2.2%**	**119.2%**	**38.5%**	**38.5%**
Czech Republic	771	771	41,720	41,719	-857	258	258	1.8%	1.8%	111.1%	33.4%	33.4%
Romania	354	354	12,386	12,386	-596	115	115	2.9%	2.9%	168.5%	32.6%	32.6%
Slovakia	357	357	19,232	19,232	-363	183	183	1.9%	1.9%	101.6%	51.2%	51.2%
Hungary	156	153	6,065	5,056	-172	65	62	2.6%	3.0%	112.8%	41.8%	40.7%
Croatia	282	282	9,439	9,439	-303	129	129	3.0%	3.0%	107.6%	45.6%	45.6%
Serbia	59	59	2,171	2,171	-64	13	13	2.7%	2.7%	108.8%	22.8%	22.8%
Other	2	2	56	56	0	0	0	4.1%	4.1%	20.1%	0.0%	0.0%
Total	**4,784**	**4,781**	**211,898**	**210,858**	**-4,068**	**2,396**	**2,393**	**2.3%**	**2.3%**	**85.1%**	**50.1%**	**50.1%**

Non-performing loans and advances to customers by business segment and coverage by loan loss allowances and collateral

in EUR million	Non-performing		Customer loans		Allowances	Collateral for NPL		NPL ratio		NPL coverage ratio (exc collateral)	NPL collateralisation ratio	
	Total	AC	Total	AC	AC	Total	AC	Total	AC	AC	Total	AC
Sep 24												
Retail	1,555	1,550	77,314	76,211	-1,544	594	590	2.0%	2.0%	99.6%	38.2%	38.1%
Corporates	1,699	1,698	79,257	79,232	-1,359	929	929	2.1%	2.1%	80.0%	54.7%	54.7%
Group Markets	1	1	1,168	1,168	-4	0	0	0.1%	0.1%	344.8%	0.0%	0.0%
ALM & LCC	6	6	280	280	-11	1	1	2.3%	2.3%	169.2%	17.3%	17.3%
Savings Banks	2,002	2,002	59,570	59,569	-1,220	1,158	1,158	3.4%	3.4%	60.9%	57.8%	57.8%
GCC	0	0	12	12	0	0	0	1.6%	1.6%	249.8%	0.0%	0.0%
Total	**5,264**	**5,259**	**217,600**	**216,471**	**-4,138**	**2,682**	**2,678**	**2.4%**	**2.4%**	**78.7%**	**51.0%**	**50.9%**
Dec 23												
Retail	1,489	1,486	74,648	73,637	-1,543	606	603	2.0%	2.0%	103.8%	40.7%	40.6%
Corporates	1,554	1,554	77,135	77,111	-1,389	734	734	2.0%	2.0%	89.4%	47.2%	47.2%
Group Markets	0	0	707	707	-1	0	0	0.0%	0.0%	6865.9%	0.0%	0.0%
ALM & LCC	6	6	449	448	-13	0	0	1.4%	1.4%	204.9%	0.9%	0.9%
Savings Banks	1,732	1,732	58,946	58,944	-1,122	1,057	1,057	2.9%	2.9%	64.8%	61.0%	61.0%
GCC	2	2	12	12	0	0	0	18.9%	18.9%	16.7%	0.0%	0.0%
Total	**4,784**	**4,781**	**211,898**	**210,858**	**-4,068**	**2,396**	**2,393**	**2.3%**	**2.3%**	**85.1%**	**50.1%**	**50.1%**

Loans and advances to customers at AC and coverage by loan loss allowances by geographical segment and IFRS 9 treatment

in EUR million	Loans to customers				Allowances				Coverage ratio		
	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI	Stage 2	Stage 3	POCI
Sep 24											
Austria	**95,118**	**24,533**	**3,257**	**60**	**-120**	**-623**	**-1,071**	**0**	**2.5%**	**32.9%**	**0.0%**
EBOe & Subs	34,299	6,630	901	18	-28	-147	-278	0	2.2%	30.9%	0.0%
Savings Banks	42,659	14,890	1,978	42	-71	-429	-720	0	2.9%	36.4%	0.0%
Other AT	18,160	3,014	378	0	-21	-48	-73	0	1.6%	19.3%	0.0%
CEE	**78,451**	**12,865**	**1,822**	**307**	**-281**	**-759**	**-1,201**	**-82**	**5.9%**	**65.9%**	**26.8%**
Czech Republic	36,292	6,328	694	92	-91	-301	-437	-22	4.8%	62.9%	23.6%
Romania	11,207	1,899	354	33	-95	-209	-287	-6	11.0%	81.1%	18.5%
Slovakia	17,068	1,966	358	120	-32	-113	-201	-28	5.7%	56.0%	23.1%
Hungary	3,726	1,020	120	28	-18	-48	-82	-7	4.7%	67.8%	25.4%
Croatia	8,261	1,351	253	17	-33	-73	-164	-11	5.4%	64.9%	63.6%
Serbia	1,897	301	42	18	-11	-15	-30	-9	4.9%	71.7%	49.8%
Other	**57**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0.0%**	**79.5%**	**0.0%**
Total	**173,625**	**37,399**	**5,080**	**367**	**-401**	**-1,382**	**-2,272**	**-82**	**3.7%**	**44.7%**	**22.4%**
Dec 23											
Austria	**92,808**	**25,167**	**2,754**	**71**	**-118**	**-621**	**-973**	**0**	**2.5%**	**35.4%**	**0.0%**
EBOe & Subs	34,236	6,029	706	21	-30	-133	-239	0	2.2%	33.9%	0.0%
Savings Banks	42,591	14,603	1,701	50	-70	-429	-624	0	2.9%	36.7%	0.0%
Other AT	15,981	4,536	347	0	-19	-59	-110	0	1.3%	31.8%	0.0%
CEE	**74,389**	**13,471**	**1,795**	**349**	**-267**	**-823**	**-1,180**	**-86**	**6.1%**	**65.7%**	**24.7%**
Czech Republic	34,874	6,055	703	88	-96	-298	-441	-23	4.9%	62.7%	25.6%
Romania	9,371	2,637	307	71	-75	-268	-246	-7	10.2%	80.0%	10.4%
Slovakia	16,926	1,847	344	115	-38	-109	-190	-26	5.9%	55.3%	22.3%
Hungary	4,052	834	136	34	-21	-48	-94	-9	5.8%	69.4%	26.7%
Croatia	7,351	1,802	263	23	-27	-85	-179	-13	4.7%	67.9%	55.2%
Serbia	1,815	297	42	18	-10	-15	-30	-9	5.0%	72.2%	49.7%
Other	**50**	**3**	**2**	**0**	**0**	**0**	**0**	**0**	**0.0%**	**3.5%**	**0.0%**
Total	**167,247**	**38,641**	**4,551**	**420**	**-385**	**-1,443**	**-2,153**	**-86**	**3.7%**	**47.3%**	**20.5%**

Stage 1 and Stage 2 comprise not credit impaired loans and advances while Stage 3 includes credit impaired loans and advances. POCI (purchased or originated credit impaired) consists of loans already credit impaired when purchased or originated.

The defaulted part of POCI loans amounted to EUR 179 million (EUR 230 million), the non-defaulted part to EUR 188 million (EUR 189 million).

Loans and advances to customers at AC and coverage by loan loss allowances by business segment and IFRS 9 treatment

	Loans to customers				Allowances				Coverage ratio		
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI	Stage 2	Stage 3	POCI
Sep 24											
Retail	64,880	9,727	1,495	109	-160	-468	-895	-21	4.8%	59.9%	19.7%
Corporates	64,879	12,539	1,599	216	-167	-479	-653	-61	3.8%	40.8%	28.1%
Group Markets	937	230	1	0	-2	-3	0	0	1.1%	0.2%	0.0%
ALM & LCC	261	13	6	0	-1	-5	-5	0	36.1%	78.8%	89.2%
Savings Banks	42,659	14,890	1,978	42	-71	-429	-720	0	2.9%	36.4%	0.0%
GCC	10	1	0	0	0	0	0	0	0.0%	79.5%	0.0%
Total	**173,625**	**37,399**	**5,080**	**367**	**-401**	**-1,382**	**-2,272**	**-82**	**3.7%**	**44.7%**	**22.4%**
Dec 23											
Retail	63,169	8,929	1,428	111	-153	-521	-843	-26	5.8%	59.0%	23.6%
Corporates	60,480	14,958	1,414	259	-160	-488	-681	-60	3.3%	48.2%	23.1%
Group Markets	592	115	0	0	-1	0	0	0	0.4%	10.7%	100.0%
ALM & LCC	409	33	6	0	-2	-5	-6	0	14.9%	97.9%	94.2%
Savings Banks	42,591	14,603	1,701	50	-70	-429	-624	0	2.9%	36.7%	0.0%
GCC	7	3	2	0	0	0	0	0	0.0%	3.5%	0.0%
Total	**167,247**	**38,641**	**4,551**	**420**	**-385**	**-1,443**	**-2,153**	**-86**	**3.7%**	**47.3%**	**20.5%**

Loans and advances to customers by geographical segment and currency

in EUR million	EUR	CEE-LCY	CHF	USD	Other	Total
Sep 24						
Austria	**115,643**	**0**	**1,615**	**3,157**	**2,581**	**122,995**
Erste Bank Oesterreich & Subsidiaries	41,136	0	660	40	18	41,854
Savings Banks	57,014	0	934	75	1,547	59,570
Other Austria	17,493	0	20	3,042	1,015	21,570
Central and Eastern Europe	**45,549**	**48,750**	**10**	**159**	**80**	**94,547**
Czech Republic	8,888	34,389	2	61	66	43,406
Romania	3,865	9,545	0	83	0	13,493
Slovakia	19,495	0	0	3	13	19,512
Hungary	1,815	4,178	0	2	0	5,995
Croatia	9,867	0	7	9	0	9,883
Serbia	1,620	637	0	1	0	2,258
Other	**11**	**19**	**0**	**0**	**29**	**58**
Total	**161,203**	**48,768**	**1,625**	**3,315**	**2,689**	**217,600**
Dec 23						
Austria	**113,703**	**0**	**1,857**	**2,809**	**2,459**	**120,828**
Erste Bank Oesterreich & Subsidiaries	40,159	0	780	38	23	41,000
Savings Banks	56,539	0	1,045	57	1,305	58,946
Other Austria	17,006	0	32	2,714	1,131	20,882
Central and Eastern Europe	**43,681**	**47,052**	**11**	**183**	**86**	**91,013**
Czech Republic	7,902	33,685	1	63	69	41,720
Romania	3,782	8,497	0	105	1	12,386
Slovakia	19,214	0	0	3	15	19,232
Hungary	1,698	4,365	0	2	0	6,065
Croatia	9,423	0	8	8	0	9,439
Serbia	1,662	506	0	2	0	2,171
Other	**12**	**0**	**0**	**5**	**39**	**56**
Total	**157,396**	**47,052**	**1,867**	**2,998**	**2,584**	**211,898**

Market risk

The following table shows the value at risk of the trading book at the 99% confidence level using equally weighted market data and with a holding period of one day.

in EUR million	Dec 23	Sep 24
Interest	6.6	7.0
Currency	1.2	0.9
Shares	1.0	0.9
Commodity	0.1	0.2
Volatility	0.8	0.8
Total	**6.5**	**6.5**

The method used is subject to limitations that may result in the information not fully reflecting the fair value of the assets and liabilities involved. This restriction applies to the inclusion of credit spreads in the calculation of the VaR. Issuer specific spreads are applied to sovereign issuers, while sector specific spreads are applied to non-sovereign issuers.

Liquidity risk

For 2024, Erste Group Bank AG budgeted long-term issuance in the amount of EUR 4.5 billion. In the first nine months of 2024 about EUR 3.65 billion were issued, thereof two benchmark covered bonds. The liquidity situation remained stable in the CEE entities as well. On group level, total TLTRO participation was reduced to EUR 150 million.

Leverage ratio

The leverage ratio represents the relationship between core capital (tier 1) and the leverage exposure according to Article 429 Capital Requirements Regulation (CRR). Essentially, the leverage exposure represents the sum of unweighted on- and off-balance-sheet positions considering valuation and risk adjustments as defined within the CRR.

As of 30 June 2024, the leverage ratio for Erste Group Bank AG at consolidated level amounted to 7.1%, comfortably above the 3.0% minimum requirement defined in Article 92 Capital Requirements Regulation (CRR). Tier 1 capital amounted to EUR 26.3 billion at the reference date, while total leverage exposure stood at EUR 369.3 billion.

The calculation and disclosure of the leverage ratio are based on the European Commission's Delegated Regulation (EU) 2015/62 of 10 October 2014 and on the Regulation (EU) 2019/876 (CRR2) of the European Parliament and of the Council of 20 May 2019.

30. Related party transactions

The foundation DIE ERSTE oesterreichische Spar-Casse Privatstiftung (Privatstiftung) controls a total of 25.58% interest in Erste Group Bank AG. Privatstiftung is the largest single investor in Erste Group Bank AG. At the end of the reporting period, Erste Group had, in relation to Privatstiftung, accounts payable of EUR 35 million (EUR 16 million) and no accounts receivable. Privatstiftung held bonds issued by Erste Group of EUR 46 million (EUR 0 million). From the mentioned transactions, interest expenses for Erste Group amounted to EUR 1 million (EUR 0 million). Erste Group did not receive fee and commission income or rental income.

31. Contingent liabilities – legal proceedings

There have not been any material changes since year-end 2023 in the assessment of the influence of the outcome of the litigation cases in which Erste Group Bank AG and some of its subsidiaries are involved with respect of the financial and/or earnings situation of Erste Group.

32. Fair value of financial instruments

The measurement of fair value at Erste Group is based primarily on external sources of data (stock market prices or broker quotes in highly liquid market segments). Financial instruments for which the fair value is determined on the basis of quoted market prices are mainly listed securities and listed derivatives as well as liquid OTC bonds.

Where the fair values of financial assets and financial liabilities recorded on the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data is not available judgement is required to establish fair values. Using of unobservable inputs is particularly relevant for models used for valuations of loans and unquoted equity investments. Disclosures on valuation models, the fair value hierarchy and fair values of financial instruments can be found subsequently.

For all financial instruments the fair value is measured on recurring basis.

Financial instruments carried at fair value

Description of valuation models and parameters

Erste Group uses valuation models that have been tested internally and for which the valuation parameters (such as interest rates, exchange rates, volatilities and credit spreads) have been determined independently.

Loans. Not SPPI compliant loans are to be valued at fair value. The methodology to compute fair value of these loans corresponds to the basic present value technique. The credit risk is recognized by adjusting contractual cash flows to come to expected cash flows accounting for customer's probability of default ('PD') and loss given default ('LGD'). These adjusted cash flows are then discounted by a yield curve which consists of a risk-free rate and a funding spread for senior unsecured issues.

Debt securities. For plain vanilla (fixed and floating rate) debt securities the fair value is calculated by discounting the future cash flows using a discounting curve depending on the interest rate for the respective issuance currency and a spread adjustment. The spread adjustment is usually derived from the credit spread curve of the issuer. If no issuer curve is available the spread is derived from a proxy instrument and adjusted for differences in the risk profile of the instruments. If no close proxy is available, the spread adjustment is estimated using other information, including estimation of the credit spread based on internal ratings and PDs or management judgment. For more complex debt securities (e.g. including option-like features such as callable, cap/floor, index-linked) the fair value is determined using combinations of discounted cash flow models and more sophisticated modeling techniques including methods described for OTC-derivatives.

Equity instruments. For non-trading equity instruments which do not have quoted market prices in an active market the fair value is determined by standard valuation models using also unobservable input parameters. These models include the adjusted net asset value method, the simplified income approach, the dividend discount model and the comparable company multiple method.

The adjusted net asset method requires an investor to measure the fair value of the individual assets and liabilities recognized in an investee's statement of financial position as well as the fair value of any unrecognized assets and liabilities at the measurement date. The resulting fair values of the recognized and unrecognized assets and liabilities should therefore represent the fair value of the investee's equity.

The dividend discount model assumes that the price of equity instruments issued by an entity equals the present value of all its expected future dividends in perpetuity. Similar to the dividend discount model, the simplified income approach estimates the fair value based on the future income. However, it can be used also when only one year planned income is available. The simplified income approach and the dividend discount model discount future income and dividends using the cost of equity. The cost of equity is dependent on the risk-free rate, the market risk premium, the levered beta and the country risk premium. The levered beta is derived from the industry classification which is published and maintained by Damodaran.

In rare cases, techniques for non-trading equity instruments may also include comparable company multiple methods. These are valuation techniques that use prices and other relevant information generated by market transactions involving comparable company peers of an investee to derive a valuation multiple from which the indicated fair value of the investee's equity or enterprise value can be inferred.

Liabilities. For issued debt securities where the fair value cannot be retrieved from quoted market prices, the fair value is calculated by discounting the future cash flows. Significant input factors for the spread adjustment of Erste Group's own credit risk for the respective seniority class are credit spreads derived from liquid benchmark bonds and additional indications from external investments banks, which are provided on a regular basis. The applied spreads are validated on a regular basis from an independent Risk Management unit. In case of issued securities with structured features, optionality is taken into account as well when calculating the fair value.

OTC-derivative financial instruments. Derivative instruments traded in liquid markets (e.g. interest rate swaps and options, foreign exchange forward and options, options on listed securities and indices, credit default swaps and commodity swaps) are valued by using standard valuation models. These models include discounting cash flow models, option models of the Black-Scholes and Hull-White type as well as hazard rate models. Models are calibrated on quoted market data (including implied volatilities). Valuation models for more complex instruments also use Monte-Carlo simulation. For instruments in less liquid markets, data obtained from less frequent transactions or extrapolation techniques are used. For determining the fair value of collateralised derivatives a discounting interest rate reflecting the interest rate of the corresponding cash collateral is used.

Erste Group values derivatives at mid-market levels. To reflect the potential bid-ask-spread of the relevant positions an adjustment based on market liquidity is performed. The adjustment parameters depend on product type, currency, maturity, liquidity and notional size. Parameters are reviewed on a regular basis or in case of significant market moves.

Credit value adjustments (CVA) for counterparty risk and debit value adjustments (DVA) for own default credit risk are applied to OTC derivatives. For the CVA the adjustment is driven by the expected positive exposure of the derivative and the probability of default of the counterparty. The DVA is driven by the expected negative exposure of the derivative and Erste Group's probability of default. The modeling of the expected exposure is based on option replication strategies or Monte-Carlo simulation techniques.

The accumulated CVA-adjustments amounted to EUR 11 million (2023: EUR 14 million) and the total DVA-adjustment amounted to EUR 7 million (2023: EUR 12 million).

Based on an analysis carried out by Erste Group it was decided that for the valuation of OTC derivatives no Funding Value Adjustment ('FVA') would be considered.

Validation and control

The responsibility for valuation of financial instruments measured at fair value is independent of the trading units. In addition, Erste Group has implemented an independent validation function in order to ensure separation between units responsible for model development, fair value measurement and validation. The aim of independent model validation is to evaluate model risks arising from the models' theoretical foundation, the appropriateness of input data (market data) and model calibration.

Fair value hierarchy

Financial assets and financial liabilities measured at fair value are categorized under the three levels of the IFRS fair value hierarchy.

Level 1 of the fair value hierarchy

Level 1 measurements include exchange traded derivatives (options), shares, government bonds as well as other bonds and funds, which are traded in highly liquid and active markets.

Level 2 of the fair value hierarchy

In case a market quote is used for valuation but due to restricted liquidity the market does not qualify as active (derived from available market liquidity indicators) the instrument is classified as Level 2. If no market prices are available the fair value is measured by using valuation models which are based on observable market data. For Level 2 valuations typically yield curves, credit spreads and implied volatilities are used as observable market parameters.

Level 2 measurements include OTC derivatives, theoretically priced exchange traded derivatives, less liquid shares, bonds and funds as well as asset backed securities (ABS), collateralized debt obligations (CDO), own issues and deposits.

Level 3 of the fair value hierarchy

If any unobservable input in the valuation model is significant or the price quote used is updated infrequently the instrument is classified as Level 3 of the fair value hierarchy. Typically credit spreads derived from internally calculated historical probability of default (PD) and loss given default (LGD) measures are used as unobservable parameters. Furthermore, internally calculated cost of equity and adjustments made on the equity (in the adjusted net asset value method) are unobservable parameters for the valuation of non-trading equity instruments.

The volume of Level 3 financial assets can be allocated to the following categories:

_ Derivatives where the credit value adjustment (CVA) has a material impact and is calculated based on unobservable parameters (i.e. internal estimates of PDs and LGDs).
_ Illiquid bonds, shares, participations and funds not quoted in an active market where either valuation models with non-observable parameters have been used (e.g. credit spreads) or broker quotes have been used that cannot be allocated to Level 1 or Level 2.
_ Loans which do not comply with the contractual cash flow criteria.
_ Fund units issued by investment funds fully consolidated by Erste Group as well as own issues, if price updates are not provided on a regular basis

The allocation of the appropriate level of positions is determined at the end of the reporting period.

A reclassification from Level 1 into Level 2 or Level 3 as well as vice versa will be performed if the financial instrument does no longer meet the criteria described above for the respective level.

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

in EUR million	Dec 23 Level 1	Dec 23 Level 2	Dec 23 Level 3	Dec 23 Total	Sep 24 Level 1	Sep 24 Level 2	Sep 24 Level 3	Sep 24 Total
Assets								
Financial assets HfT	2,816	5,817	139	8,773	4,239	6,281	125	10,645
Derivatives	1	1,186	75	1,262	4	1,051	48	1,103
Other financial assets held for trading	2,816	4,631	64	7,511	4,235	5,230	77	9,542
Non trading financial assets - FVPL	1,404	156	1,444	3,004	1,341	121	1,623	3,084
Equity instruments	65	17	333	415	82	6	433	521
Debt securities	1,339	139	73	1,551	1,259	115	61	1,435
Loans and advances	0	0	1,038	1,038	0	0	1,129	1,129
Financial assets at FVOCI	7,319	1,194	392	8,905	7,482	1,336	332	9,149
Hedge accounting derivatives	0	183	0	183	0	185	0	185
Total assets	**11,540**	**7,350**	**1,975**	**20,864**	**13,062**	**7,922**	**2,080**	**23,064**
Liabilities								
Financial liabilities HfT	607	1,687	10	2,304	690	1,079	0	1,770
Derivatives	3	1,600	10	1,614	5	1,010	0	1,015
Other financial liabilities held for trading	603	86	0	690	686	69	0	755
Financial liabilities at FVPL	0	11,152	0	11,152	0	10,478	0	10,478
Deposits from customers	0	593	0	593	0	96	0	96
Debt securities issued	0	10,429	0	10,429	0	10,255	0	10,255
Other financial liabilities	0	130	0	130	0	128	0	128
Hedge accounting derivatives	0	286	0	286	0	224	0	224
Total liabilities	**607**	**13,125**	**10**	**13,742**	**690**	**11,781**	**0**	**12,472**

Derivatives transacted via Clearing Houses are presented after netting in compliance with their balance sheet treatment. The netted derivatives are allocated to Level 2.

Valuation process for financial instruments categorised as Level 3

The valuation of financial instruments categorized as Level 3 involves one or more significant inputs that are not directly observable on the market. Additional price verification steps need to be done. These may include reviewing relevant historical data and benchmarking for similar transactions, among others. This involves estimation and expert judgment. Further details regarding input parameters used and the results of the sensitivity analysis are disclosed in the sub-chapter Unobservable inputs and sensitivity analysis for Level 3 measurements below.

Changes in volumes of Level 1 and Level 2

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

in EUR million	Dec 23 Level 1 to Level 2	Dec 23 Level 2 to Level 1	Sep 24 Level 1 to Level 2	Sep 24 Level 2 to Level 1
Financial assets HfT	**28**	**42**	**33**	**93**
Bonds	28	41	33	92
Funds	0	0	0	0
Shares	0	1	0	1
Non-trading financial assets at FVPL	**3**	**16**	**0**	**2**
Bonds	3	16	0	1
Funds	0	0	0	0
Shares	0	0	0	1
Financial assets at FVOCI	**18**	**268**	**47**	**25**
Bonds	18	268	47	25
Total	**49**	**326**	**80**	**120**

Transfers into and out of Level 1 and Level 2 are caused by changes in market activities and consequently due to the quality and observability of valuation parameters.

Movements in Level 3

Development of fair value of financial instruments in Level 3

in EUR million		Gain/loss in profit or loss	Gain/loss in other compre-hensive income	Purchases	Sales	Settlements	Additions to Group	Disposal out of Group	Transfer into Level 3	Transfer out of Level 3	Currency translation	
	Jan 24											Sep 24
Assets												
Financial assets HfT	139	18	0	33	-28	0	0	0	21	-59	0	125
Derivatives	75	15	0	0	0	0	0	0	4	-46	0	48
Other financial assets held for trading	64	3	0	33	-28	0	0	0	18	-13	0	77
Non-trading financial assets at FVPL	1,444	68	0	224	-13	-55	0	0	4	-7	-41	1,623
Equity instruments	333	30	0	75	-1	0	0	0	0	-1	-2	433
Debt securities	73	5	0	2	-12	-3	0	0	4	-6	-2	61
Loans and advances	1,038	34	0	147	0	-52	0	0	0	0	-38	1,129
Financial assets at FVOCI	392	-2	0	11	0	-14	0	-1	149	-200	-2	332
Hedge accounting derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Total assets	**1,975**	**84**	**0**	**268**	**-41**	**-70**	**0**	**-1**	**174**	**-267**	**-43**	**2,080**
Liabilities												
Financial liabilities HfT	10	0	0	0	0	0	0	0	0	-10	0	0
Derivatives	10	0	0	0	0	0	0	0	0	-10	0	0
Other trading financial liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Financial liabilities at FVPL	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0
Other financial liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Hedge accounting derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Total liabilities	**10**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-10**	**0**	**0**
	Jan 23											Sep 23
Assets												
Financial assets HfT	313	0	0	21	-3	-228	0	0	13	-53	0	62
Derivatives	32	1	0	0	0	0	0	0	5	-16	0	22
Other financial assets held for trading	281	-1	0	21	-3	-228	0	0	8	-36	0	40
Non-trading financial assets at FVPL	1,198	72	0	153	-8	-84	0	0	8	-20	19	1,337
Equity instruments	277	-5	0	54	-4	0	0	0	0	-11	-1	310
Debt securities	82	-4	0	5	-4	0	0	0	7	-9	0	78
Loans and advances	839	81	0	94	0	-84	0	0	0	-1	20	949
Financial assets at FVOCI	398	0	-3	31	0	-19	0	0	7	-126	1	289
Hedge accounting derivatives	3	0	0	0	0	0	0	0	0	-4	0	0
Total assets	**1,912**	**72**	**-3**	**205**	**-11**	**-332**	**0**	**0**	**27**	**-202**	**20**	**1,689**
Liabilities												
Financial liabilities HfT	12	0	0	0	0	0	0	0	0	-9	0	3
Derivatives	11	0	0	0	0	0	0	0	0	-9	0	3
Other trading financial liabilities	1	0	0	0	0	0	0	0	0	-1	0	0
Financial liabilities at FVPL	151	4	0	26	-37	-1	0	-9	0	0	0	134
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0
Other financial liabilities	151	4	0	26	-37	-1	0	-9	0	0	0	134
Hedge accounting derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Total liabilities	**163**	**4**	**0**	**26**	**-38**	**-1**	**0**	**-9**	**0**	**-9**	**0**	**137**

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

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

in EUR million	1-9 23	1-9 24
Assets		
Financial assets HfT	1	18
Derivatives	2	15
Other financial assets held for trading	-1	3
Non-trading financial assets at FVPL	72	69
Equity instruments	-5	30
Debt securities	-4	5
Loans and advances	81	33
Financial assets at FVOCI	0	-2
Debt securities	0	-2
Hedge accounting derivatives	0	0
Total	**72**	**85**
Liabilities		
Financial liabilities HfT	0	0
Derivatives	0	0
Financial liabilities at FVPL	-4	0
Other financial liabilities	-4	0
Hedge accounting derivatives	0	0
Total	**-4**	**0**

Unobservable inputs and sensitivity analysis for Level 3 measurements

In case the fair value measurement of a financial asset is retrieved from input parameters which are not observable in the market, those parameters can be retrieved from a range of alternative parameters. For the preparation of the balance sheet the parameters were chosen to reflect the market situation at the reporting date.

Range of unobservable valuation parameters used in Level 3 measurement

			Fair value in EUR million			Range of unobservable inputs (weighted average)	
Financial assets / liabilities	**Type of instrument**	**Valuation technique**	**Dec 23**	**Sep 24**	**Significant unobservable inputs**	**Dec 23**	**Sep 24**
Positive / negative fair value of derivatives	Forwards, swaps, options	DCF and option models with CVA adjustment based on potential future exposure	88	48	PD	1.17%-14.87% (2.36%)	0.91%-23.37% (1.83%)
					LGD	60%	60%
	Fixed and variable coupon bonds	DCF	31	29	Credit Spread	-0.78%-2.50% (-0.26%)	-0.63%-9.54% (0.04%)
					PD	1.51%-2.59% (2.00%)	0.80%-1.37% (1.09%)
Financial assets at FVPL	Loans	DCF	1,038	1,129	LGD	3.50%-15.86% (7.58%)	3.22%-18.13% (8.89%)
Financial assets at FVOCI	Fixed and variable coupon bonds	DCF	212	214	Credit Spread	-0.35%-5.21% (1.35%)	-0.07%-3.56% (1.28%)
		Dividend Discount Model; Simplified Income Approach	209	220	Beta levered	Industries: 0.71-1.15 (0.97)	Industries: 0.57-1.15 (0.96)
					Country risk premium	0.43%-2.69% (0.58%)	0.38%-2.69% (0.61%)
Financial assets at FVOCI / at FVPL	Non-trading equity instruments (participations)	Adjusted Net Asset Value	144	138	Adjusted Equity	Depending on accounting equity of investment	Depending on accounting equity of investment

The range of unobservable credit spreads for fixed and variable coupon bonds contains premiums and discounts related to riskless as well as risky, market observable (e.g. industry- and rating-specific spread curves) parameters.

For financial assets at FVOCI/at FVPL, where Beta levered and Country risk premium inputs are being used, the resulting cost of equity based on these inputs is in the range 5.92%-13.64% (2023: 5.92%-13.75%). The majority of financial assets at FVOCI/at FVPL, where Beta levered inputs are being used, is related to Financial Services (Non-bank & Insurance) with 0.99 (2023: Financial Services (Non-bank & Insurance) with 0.99). The majority of financial assets at FVOCI/at FVPL, where Country risk premium inputs are being used, is related to Austria with 0.43% (2023: Austria with 0.43%).

In addition to the information above, equity instruments with a fair value in amount of EUR 45 million (2023: EUR 37 million) are assessed on the basis of expert opinions.

Furthermore, for equity instruments other than participations classified as Level 3, the amount of EUR 20 million (2023: EUR 38 million) is presented in the statement of financial position using the criteria of availability and quality of broker quotes.

Sensitivity analysis – Fair value changes per product type using reasonably possible alternatives

	Dec 23		Sep 24	
in EUR million	Positive	Negative	Positive	Negative
Derivatives	2	-2	1	-2
Income statement	2	-2	1	-2
Debt securities	15	-20	15	-20
Income statement	7	-9	8	-11
Other comprehensive income	8	-11	7	-9
Equity instruments	72	-49	73	-52
Income statement	48	-34	52	-39
Other comprehensive income	24	-15	21	-13
Loans and advances	19	-60	20	-64
Income statement	19	-60	20	-64
Total	**108**	**-131**	**109**	**-138**
Income statement	**76**	**-105**	**81**	**-116**
Other comprehensive income	**32**	**-26**	**28**	**-22**

In estimating these impacts, mainly changes in credit spreads (for bonds), PDs, LGDs (for CVA of derivatives) and market values of comparable equities were considered. An increase (decrease) of spreads, PDs and LGDs result in a decrease (increase) of the corresponding fair values. Positive correlation effects between PDs and LGDs were not taken into account in the sensitivity analysis. For non-trading equity instruments increases (decreases) in any of the inputs used for the cost of equity calculation in isolation would result in a lower (higher) fair value.

The following ranges of reasonably possible alternatives of the unobservable inputs were considered in the sensitivity analysis table:
_ for debt securities range of credit spreads between +100 basis points and -75 basis points
_ for equity related instruments the price range between -10% and +5%
_ for unquoted equity instruments measured by the adjusted net asset value the price range between -10% and +10%
_ for unquoted equity instruments measured by dividend discount model/simplified income approach the cost of equity range between -2% and +2%
_ for CVA on derivatives PDs rating upgrade/downgrade by one notch, as well as the change of LGD by -5% and +10%
_ for loans, the PDs rating upgrade/downgrade by 1%, the change of LGD by -5% and +10% and a range of credit spreads between +100 basis points and 75 basis points.

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

in EUR million	Carrying amount	Fair value	Level 1	Level 2	Level 3
Sep 24					
Assets					
Financial assets at AC	284,698	278,465	41,289	3,360	233,816
Loans and advances to banks	33,212	33,232	0	0	33,232
Loans and advances to customers	204,790	200,330	0	0	200,330
Debt securities	46,696	44,903	41,289	3,360	253
Finance lease receivables	5,218	5,191	0	0	5,191
Trade and other receivables	2,325	2,323	0	0	2,323
Liabilities					
Financial liabilities at AC	298,596	297,517	21,433	17,425	258,659
Deposits from banks	16,889	16,836	0	0	16,836
Deposits from customers	239,638	238,593	0	0	238,593
Debt securities issued	41,011	41,030	21,433	17,425	2,172
Other financial liabilities	1,058	1,058	0	0	1,058
Financial guarantees and commitments					
Financial guarantees	n/a	42	0	0	42
Loan commitments	n/a	656	0	0	656
Dec 23					
Assets					
Financial assets at AC	264,721	256,767	37,583	3,572	215,612
Loans and advances to banks	21,432	21,395	0	0	21,395
Loans and advances to customers	199,241	193,867	0	0	193,867
Debt securities	44,047	41,506	37,583	3,572	351
Finance lease receivables	4,970	4,956	0	0	4,956
Trade and other receivables	2,579	2,642	0	0	2,642
Liabilities					
Financial liabilities at AC	289,842	288,542	19,042	12,837	256,664
Deposits from banks	22,911	22,581	0	0	22,581
Deposits from customers	232,223	231,584	0	0	231,584
Debt securities issued	33,330	32,999	19,042	12,837	1,121
Other financial liabilities	1,378	1,378	0	0	1,378
Financial guarantees and commitments					
Financial guarantees	n/a	17	0	0	17
Loan commitments	n/a	481	0	0	481

In the table above, positive fair values of financial guarantees and commitments are shown with a positive sign whereas negative fair values are shown with a negative sign.

The fair value of loans and advances to customers and credit institutions has been calculated by discounting future cash flows while taking into consideration interest and credit spread effects. The interest rate impact is based on the movements of market rates, while credit spread changes are derived from PDs and LGDs used for internal risk calculations. Loans and advances were grouped into homogeneous portfolios based on rating method, rating grade, maturity and the country where they were granted. The fair values of debt securities at amortised cost are either taken directly from the market or they are determined by directly observable input parameters (i.e. yield curves).

The fair value of deposits and other liabilities, measured at amortised cost, is estimated by taking into account the current interest rate environment, as well as the own credit spreads. For liabilities without contractual maturities (e.g. demand deposits), the carrying amount represents the minimum of their fair value.

The fair value of issued securities and subordinated liabilities measured at amortized cost is determined based on the same valuation models as described for Liabilities above in the section Financial instruments carried at fair value.

Regarding off-balance sheet liabilities (i.e. financial guarantees and unused loan commitments) the fair value of unused loan commitments is estimated using regulatory credit conversion factors. The resulting loan equivalents are treated like other on-balance sheet assets. The difference between the calculated total fair value and the notional amount of the hypothetical loan equivalents represents the fair value of the unused loan commitments. In case of the total fair value being higher than the notional amount of the hypothetical loan equivalents the unused loan commitments have a positive fair value.

The fair value of financial guarantees is estimated in analogy to credit default swaps. The fair value of the guarantee is the sum of the present value of the protection leg and the present value of the premium leg. The value of the protection leg is estimated using the PDs and LGDs of the respective customers, whereas the value of the premium leg is estimated by the present value of the future fee payments to be received. If the protection leg is higher than the premium leg, financial guarantees have a negative fair value.

33. Average number of employees during the financial period (weighted according to the level of employment)

	1-9 23	1-9 24
Austria	**16,042**	**16,410**
Erste Group Bank AG, Erste Bank Oesterreich and subsidiaries	8,904	9,112
Savings banks	7,138	7,298
Outside Austria	**29,673**	**28,931**
Česká spořitelna Group	10,016	9,584
Banca Comercială Română Group	5,497	5,245
Slovenská sporiteľňa Group	3,565	3,502
Erste Bank Hungary Group	3,336	3,350
Erste Bank Croatia Group	3,265	3,291
Erste Bank Serbia Group	1,297	1,288
Savings banks subsidiaries	1,534	1,540
Other subsidiaries and foreign branch offices	1,163	1,131
Total	**45,716**	**45,341**

34. Own funds and capital requirements

Regulatory Requirements

Since 1 January 2014, Erste Group has been calculating the regulatory own funds and the regulatory capital requirements according to the Capital Requirements Regulation (CRR, Regulation (EU) No. 575/2013) [1] and the Capital Requirement Directive (CRD IV, Directive (EU) 2013/36/EU). Both the CRD IV and CRD V[2] were transposed into national law in the Austrian Banking Act (ABA).

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

Furthermore Erste Group also fulfils capital requirements determined in the Supervisory Review and Evaluation Process (SREP).

Accounting Principles

The financial and regulatory figures published by Erste Group are based on IFRS. Eligible capital components are derived from the balance sheet and income statement which were prepared in accordance with IFRS.

Regulatory scope of consolidation and institutional protection scheme

The consolidated regulatory own funds and the consolidated regulatory capital requirements are calculated based on the scope of consolidation stipulated in the CRR. The definition pursuant to CRR differs from the scope of consolidation according to IFRS, which also includes insurance companies and other entities, that are subject to full consolidation.

Erste Group Bank AG is a member of the Haftungsverbund (cross-guarantee system) of the Austrian savings bank sector. As of the balance sheet date Erste Group Bank AG and Erste Bank der oesterreichischen Sparkassen AG as well as Bausparkasse der österreichischen Sparkassen AG and all Austrian savings banks form this cross-guarantee system. Based on the cross-guarantee contract these entities are included as subsidiaries in Erste Group´s regulatory scope of consolidation.

Furthermore, Erste Group Bank AG together with the Haftungsverbund entities form an institutional protection scheme (IPS) according to Art. 113 para 7 CRR. Disclosure requirements for the institutional protection scheme according to Art. 113 para 7 e CRR are met by the publication of the consolidated financial statements, which cover all entities included in the institutional protection scheme.

1 Both CRD IV and CRR have been amended since the entry into force in 2014 inter alia with directive (EU) 2019/878 (CRD V) as well as regulations (EU) 2019/876 (CRR 2) and (EU) 2020/873 (CRR Quick Fix).
2 CRDV has been transposed by an amendment of the ABA (BGBl I 2021/98; BWG-Novelle) which entered into force on 31 May 2021.

Consolidated own funds

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

Beside the regulatory minimum capital ratios also capital buffers according to ABA and regulations of the Financial Market Authority (FMA) need to be considered.

In addition to minimum capital ratios and capital buffer requirements, institutions also have to fulfil capital requirements determined in the Supervisory Review and Evaluation Process (SREP). As a result of the 2023 SREP process performed by the European Central Bank (ECB) Erste Group applies a Pillar 2 requirement (P2R) of 1.90% as of 30 September 2024.

Following the SREP 2023, Erste Group is expected to meet a Pillar 2 Guidance (P2G) of 1.0% with CET1, valid as of 1 January 2024 onwards.

Overview of capital requirements and capital buffers

	Dec 23	Sep 24
Pillar 1		
Minimum CET1 requirement	4.50%	4.50%
Minimum Tier 1 requirement	6.00%	6.00%
Minimum Own Funds requirements	8.00%	8.00%
Combined buffer requirement (CBR)	**5.46%**	**5.63%**
Capital conservation buffer	2.50%	2.50%
Institution-specific countercyclical capital buffer	0.71%	0.63%
Systemic risk buffer (SRB)	1.00%	1.00%
O-SII capital buffer	1.25%	1.50%
Minimum CET 1 requirement (incl. CBR)	9.96%	10.13%
Minimum Tier 1 requirement (incl. CBR)	11.46%	11.63%
Minimum Own Funds requirement (incl. CBR)	13.46%	13.63%
Pillar2		
Minimum CET1 requirement	0.98%	1.07%
Minimum T1 requirement	1.31%	1.43%
Minimum Own Funds requirement	1.75%	1.90%
Pillar 2 requirement (P2R)	1.75%	1.90%
Total CET1 requirement for Pillar 1 and Pillar 2	**10.95%**	**11.20%**
Total Tier 1 requirement for Pillar 1 and Pillar 2	**12.78%**	**13.05%**
Total Own Funds requirement for Pillar 1 and Pillar 2	**15.21%**	**15.53%**

Capital structure

in EUR million	Dec 23 Phased-in	Dec 23 Final	Sep 24 Phased-in	Sep 24 Final
Common equity tier 1 capital (CET1)				
Capital instruments eligible as CET1	2,337	2,337	2,337	2,337
Retained earnings	16,911	16,911	16,427	16,427
Interim profit	0	0	864	864
Accumulated other comprehensive income	-1,499	-1,499	-1,671	-1,671
Minority interest recognised in CET1	6,639	6,639	7,019	7,019
Common equity tier 1 capital (CET1) before regulatory adjustments	**24,388**	**24,388**	**24,977**	**24,977**
Own CET1 instruments	-77	-77	-60	-60
Prudential filter: cash flow hedge reserve	31	31	-16	-16
Prudential filter: cumulative gains and losses due to changes in own credit risk on fair valued liabilities	66	66	120	120
Prudential filter: fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	-12	-12	-7	-7
Value adjustments due to the requirements for prudent valuation	-96	-96	-97	-97
Securitisations with a risk weight of 1,250%	-24	-24	-22	-22
Goodwill	-544	-544	-544	-544
Other intangible assets	-333	-333	-333	-333
Deferred tax assets dependent upon future profitability and not temporary differences net of associated tax liabilities	-167	-167	-44	-44
CET1 capital elements or deductions – other	-285	-285	-370	-370
Common equity tier 1 capital (CET1)	**22,945**	**22,945**	**23,603**	**23,603**
Additional tier 1 capital (AT1)				
Capital instruments eligible as AT1	2,405	2,405	2,688	2,688
Instruments issued by subsidiaries that are given recognition in AT1	6	6	12	12
Additional tier 1 capital (AT1) before regulatory adjustments	**2,411**	**2,411**	**2,700**	**2,700**
Own AT1 instruments	-1	-1	-1	-1
Additional tier 1 capital (AT1)	**2,410**	**2,410**	**2,698**	**2,698**
Tier 1 capital - total of common equity tier 1 (CET1) and additional tier 1 (AT1)	**25,355**	**25,355**	**26,301**	**26,301**
Tier 2 capital (T2)				
Capital instruments eligible as T2	3,056	3,056	3,155	3,155
Instruments issued by subsidiaries recognised in T2	338	338	423	423
IRB excess of provisions over expected losses eligible	413	413	109	109
Tier 2 capital (T2) before regulatory adjustments	**3,806**	**3,806**	**3,687**	**3,687**
Own T2 instruments	-67	-67	-66	-66
Tier 2 capital (T2)	**3,739**	**3,739**	**3,621**	**3,621**
Total own funds	**29,094**	**29,094**	**29,922**	**29,922**
Capital requirement	**11,657**	**11,724**	**12,387**	**12,470**
CET1 capital ratio	**15.7%**	**15.7%**	**15.2%**	**15.1%**
Tier 1 capital ratio	**17.4%**	**17.3%**	**17.0%**	**16.9%**
Total capital ratio	**20.0%**	**19.9%**	**19.3%**	**19.2%**

The column 'Phased-in' shows the amounts considered according to CRR phase-in regulations considering the transitional provisions. The column 'Final' discloses the amounts under full implementation of the CRR.

Following the approval by the ECB on 4 June 2024 both the management and the supervisory board approved the share buy-back programme up to an amount of EUR 500 million. For regulatory capital purposes the full buy-back amount is deducted from the position "Retained earnings".

The position 'CET1 capital elements or deduction – other' includes the development of unaudited risk provisions during the year (EU No 183/2014) and insufficient coverage for non-performing exposures (NPE Backstop) covering the requirements from both Art. 36 para 1 (m) CRR in connection with Art. 47(c) CRR and the Addendum to the ECB Guidance to banks on non-performing loans: supervisory expectations for prudential provisioning of non-performing exposures.

Risk structure

in EUR million	Dec 23 Total risk (phased-in)	Dec 23 Capital requirement (phased-in)	Sep 24 Total risk (phased-in)	Sep 24 Capital requirement (phased-in)
Total risk exposure amount	**145,718**	**11,657**	**154,837**	**12,387**
Risk-weighted assets (credit risk)	121,625	9,730	128,672	10,294
Standardised approach	23,872	1,910	24,697	1,976
IRB approach	97,582	7,807	103,834	8,307
Contribution to the default fund of a CCP	9	1	9	1
Securitisation	163	13	133	11
Settlement risk	2	0	2	0
Trading book, foreign FX risk and commodity risk	6,284	503	7,363	589
Operational risk	14,770	1,182	16,270	1,302
Exposure for CVA	289	23	427	34
Other exposure amounts (including Basel 1 floor)	2,748	220	2,103	168

in EUR million	Dec 23 Total risk (final)	Dec 23 Capital requirement (final)	Sep 24 Total risk (final)	Sep 24 Capital requirement (final)
Total risk exposure amount	**146,545**	**11,724**	**155,877**	**12,470**
Risk-weighted assets (credit risk)	122,453	9,796	129,712	10,377
Standardised approach	24,699	1,976	25,737	2,059
IRB approach	97,582	7,807	103,834	8,307
Contribution to the default fund of a CCP	9	1	9	1
Securitisation	163	13	133	11
Settlement risk	2	0	2	0
Trading book, foreign FX risk and commodity risk	6,284	503	7,363	589
Operational risk	14,770	1,182	16,270	1,302
Exposure for CVA	289	23	427	34
Other exposure amounts (including Basel 1 floor)	2,748	220	2,103	168

The position 'Other exposure amounts (incl. Basel 1 floor)' includes a RWA-add-on in view of the calculation of risk-weighted assets for credit risk in Banca Comercială Română (BCR). This RWA increase front-loads the expected difference in BCR be-tween the treatments of exposures under the Standardised Approach compared to the treatment under IRB and is limited in time until the authorization of the IRB-approach in BCR (expected in 2024).

35. Events after the reporting date

There are no significant events after the balance sheet date.

Abbreviations

ABA	Austrian Banking Act
AC	Amortised cost
ALCO	Asset Liability Committee
ALM	Asset Liability Management
AMA	Advanced Measurement Approach
AT1	Additional Tier 1
BCR	Banca Comercială Romånlă S.A.
CEE	Central and Eastern Europe
CET1	Common Equity Tier 1
CGU	Cash-Generating Unit
CLA	Credit Loss Allowance
CMO	Collateralised Mortgage Obligation
CRD	Capital Requirements Directive
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation
CSAS	Česká spořitelna, a.s.
CVA	Credit Value Adjustments
DFR	Deposit Facility Rate
DTA	Deferred Tax Asset
DVA	Debit Value Adjustment
EAD	Exposure At Default
EBA	European Banking Authority
EBC	Erste Bank Croatia
EBH	Erste Bank Hungary Zrt.
EBOe	Erste Bank Oesterreich
ECB	European Central Bank
ECL	Expected Credit Loss
EIR	Effective interest rate
eop	end of period
ERM	Enterprise wide Risk Management
ESG	Environmental Social Governance
ESMA	European Security and Markets Authority
FLI	Forward Looking Information
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit or loss
FX	Foreign exchange
GCA	Gross Carrying Amount
GCC	Group Corporate Markets
HFT	Held for trading
IAS	International Accounting Standards
IC	Intercompany
ICAAP	Internal Capital Adequacy Assessment Process
IFRS	International Financial Reporting Standards
LCC	Local Corporate Center
LGD	Loss Given Default
LT PD	Lifetime Probability of Default
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
NCI	Non Controlling Interest
NFR	Non Financial Risk
NPE	Non Performing Exposure
NPL	Non Performing Loans
OCI	Other comprehensive income
O-SII	Other Systemic Important Institution
OTC	Over the Counter
P&L	Profit or loss
P2G	Pillar 2 Guidance
P2R	Pillar 2 Requirement
PD	Probability of Default
POCI	Purchased or originated credit impaired
PSU	Performance Share Unit
RAS	Risk Appetite Statement
RWA	Risk Weighted Assets
SICR	Significant increase in credit risk
SLSP	Slovenská sporiteľňa
Sparkasse Kärnten	Kärntner Sparkasse Aktiengesellschaft
Sparkasse Oberösterreich	Allgemeine Sparkasse Oberösterreich Bankaktiengesellschaft

Sparkasse Steiermark	Steiermärkische Bank und Sparkassen Aktiengesellschaft
SPPI	Solely payments of principal and interest
SREP	Supervisory Review and Evaluation Process
T1	Tier 1
T2	Tier 2
TLTRO	Target Longer-Term Refinancing Operations
UGB	Unternehmensgesetzbuch; Austrian Company Code
VAR	Value at Risk

Your notes

We have prepared this report with the greatest possible care and have thoroughly checked the data presented in it. However, we cannot rule out errors associated with rounding, transmission, typesetting or printing. The English version of the report is a translation.

Note regarding forward-looking statements

This report contains forward-looking statements. These statements are based on current estimates, assumptions and projections of Erste Group Bank AG and currently available public information. They are not guarantees of future performance and involve certain known and yet unknown risks and uncertainties and are based upon assumptions as to future events that may not prove to be accurate. Many factors could cause the actual results or performance to be materially different from those that may be expressed or implied by such statements. Erste Group Bank AG does not assume any obligation to update the forward-looking statements contained in this report.

FINANCIAL CALENDAR

28 February 2025	Full-year preliminary results 2024
21 March 2025	Annual financial report 2025
30 April 2025	Results for the first quarter of 2025
14 May 2025	Annual general meeting in Vienna
1 August 2025	Half-year financial report 2025
31 October 2025	Results for the first three quarters of 2025

The financial calendar is subject to change.
The latest updated version is available on Erste Group's website:
www.erstegroup.com/investorrelations

GROUP INVESTOR RELATIONS

Erste Group Bank AG
Am Belvedere 1
1100 Vienna
Austria

Email:	investor.relations@erstegroup.com
Phone:	+43 (0) 5 0100 17731
Internet:	www.erstegroup.com/investorrelations

Thomas Sommerauer
Phone: +43 (0) 5 0100 17326
Email: thomas.sommerauer@erstegroup.com

Peter Makray
Phone: +43 (0) 5 0100 16878
Email: peter.makray@erstegroup.com

Simone Pilz
Phone: +43 (0) 5 0100 13036
Email: simone.pilz@erstegroup.com

Gerald Krames
Phone: +43 (0) 5 0100 12751
Email: gerald.krames@erstegroup.com

TICKER SYMBOLS

Reuters:	ERST.VI
Bloomberg:	EBS AV
Datastream:	0:ERS
ISIN:	AT0000652011

www.erstegroup.com