

Erste Group: Preliminary results 2021

**Erste Group posts net profit of EUR 1,923.4 million in 2021;
proposes dividend of EUR 1.6 per share**

Financial data

Income statement

in EUR million	Q4 20	Q3 21	Q4 21	2020	2021
Net interest income	1,185.6	1,220.8	1,306.2	4,774.8	4,975.7
Net fee and commission income	528.5	591.4	613.3	1,976.8	2,303.7
Net trading result and gains/losses from financial instruments at FVPL	109.2	74.3	30.9	199.5	231.8
Operating income	1,869.3	1,944.3	2,007.0	7,155.1	7,742.0
Operating expenses	-1,097.3	-1,038.0	-1,165.5	-4,220.5	-4,306.5
Operating result	771.9	906.3	841.5	2,934.6	3,435.5
Impairment result from financial instruments	-424.7	31.3	-107.2	-1,294.8	-158.8
Post-provision operating result	347.3	937.6	734.3	1,639.8	3,276.7
Net result attributable to owners of the parent	146.0	533.4	472.0	783.1	1,923.4
Net interest margin (on average interest-bearing assets)	2.05%	1.98%	2.08%	2.08%	2.05%
Cost/income ratio	58.7%	53.4%	58.1%	59.0%	55.6%
Provisioning ratio (on average gross customer loans)	1.00%	-0.07%	0.24%	0.78%	0.09%
Tax rate	27.0%	17.3%	14.1%	25.0%	17.9%
Return on equity	2.3%	13.7%	10.1%	4.7%	11.6%

Balance sheet

in EUR million	Dec 20	Sep 21	Dec 21	Dec 20	Dec 21
Cash and cash balances	35,839	47,125	45,495	35,839	45,495
Trading, financial assets	46,849	51,239	53,211	46,849	53,211
Loans and advances to banks	21,466	27,749	21,001	21,466	21,001
Loans and advances to customers	166,050	175,929	180,268	166,050	180,268
Intangible assets	1,359	1,326	1,362	1,359	1,362
Miscellaneous assets	5,830	5,872	6,090	5,830	6,090
Total assets	277,394	309,240	307,428	277,394	307,428
Financial liabilities held for trading	2,625	2,193	2,474	2,625	2,474
Deposits from banks	24,771	35,387	31,886	24,771	31,886
Deposits from customers	191,070	207,506	210,523	191,070	210,523
Debt securities issued	30,676	33,505	32,130	30,676	32,130
Miscellaneous liabilities	5,840	6,696	6,902	5,840	6,902
Total equity	22,410	23,954	23,513	22,410	23,513
Total liabilities and equity	277,394	309,240	307,428	277,394	307,428
Loan/deposit ratio	86.9%	84.8%	85.6%	86.9%	85.6%
NPL ratio	2.7%	2.4%	2.4%	2.7%	2.4%
NPL coverage ratio (based on AC loans, ex collateral)	88.6%	92.7%	90.9%	88.6%	90.9%
Texas ratio	20.3%	18.0%	18.3%	20.3%	18.3%
CET1 ratio (final)	14.2%	14.2%	14.5%	14.2%	14.5%

HIGHLIGHTS

P&L 2021 compared with 2020; balance sheet as of 31 December 2021 compared with 31 December 2020

Net interest income increased to EUR 4,975.7 million (+4.2%; EUR 4,774.8 million), primarily due to rate hikes in the Czech Republic and in Hungary, strong volume growth in all markets and a positive one-off effect resulting from TLTRO III take-up in Austria and Slovakia. **Net fee and commission income** rose to EUR 2,303.7 million (+16.5%; EUR 1,976.8 million) supported by a strong economic recovery and rising equity markets. Increases were posted across all key fee and commission categories and core markets – most notably Austria, with significant growth seen in particular in payment services and in asset management. **Net trading result** declined to EUR 58.6 million (EUR 137.6 million); the line item **gains/losses from financial instruments measured at fair value through profit or loss** rose to EUR 173.2 million (EUR 62.0 million). The development of these two line items was driven mostly by valuation effects, apart from a rise in income from the foreign exchange business in net trading result. **Operating income** increased to EUR 7,742.0 million (+8.2%; EUR 7,155.1 million). **General administrative expenses** were up at EUR 4,306.5 million (+2.0%; EUR 4,220.5 million), personnel expenses rose to EUR 2,578.1 million (+2.3%; EUR 2,520.7 million). Other administrative expenses increased to EUR 1,180.3 million (+1.9%; EUR 1,158.9 million). Payments into deposit insurance schemes included in other administrative expenses decreased to EUR 122.4 million (EUR 132.2 million). Depreciation and amortisation rose to EUR 548.0 (+1.3%; EUR 540.9 million). The **operating result** was up markedly at EUR 3,435.5 million (+17.1%; EUR 2,934.6 million) and the **cost/income ratio** improved significantly to 55.6% (59.0%).

Due to net allocations, the **impairment result from financial instruments** amounted to EUR -158.8 million or 9 basis points of average gross customers loans (EUR -1,294.8 million or 78 basis points). Net allocations to provisions for loans and advances as well as for commitments and guarantees given were posted in the Czech Republic, Romania, Croatia, Serbia and Hungary, but generally remained at a very low level. A positive contribution came from income from the recovery of loans already written off as well as from releases, most notably in Austria (in the Savings Banks segment). In the comparative period, updated risk parameters with forward looking information related to Covid-19 had resulted in high net allocations to provisions for loans and advances as well as for commitments and guarantees given. The **NPL ratio** based on gross customer loans improved to a historic low at 2.4% (2.7%). The **NPL coverage ratio** (excluding collateral) increased to 90.9% (88.6%).

Other operating result amounted to EUR -310.5 million (EUR -278.3 million). This deterioration was attributable to valuation effects and higher expenses for the annual contributions to resolution funds; the latter rose – most strongly in Austria and Romania – to EUR 108.6 million (EUR 93.5 million). Banking levies declined to EUR 73.5 million (EUR 117.7 million), primarily due to the abolition of banking tax in Slovakia and lower levies in Austria. At present, banking levies are payable in two core markets: in Hungary, banking tax amounted to EUR 15.0 million (EUR 14.5 million) and transaction tax to another EUR 48.0 million (EUR 44.0 million). In Austria, banking tax equalled EUR 10.5 million (EUR 25.5 million).

Taxes on income rose to EUR 525.2 million (EUR 342.5 million). The minority charge increased to a record EUR 484.8 million (EUR 242.3 million) due to significantly higher earnings contributions of the savings banks. The **net result attributable to owners of the parent** rose to EUR 1,923.4 million (EUR 783.1 million) on the back of the strong operating result and low risk costs.

Total equity not including AT1 instruments rose to EUR 21.3 billion (EUR 19.7 billion). After regulatory deductions and filtering in accordance with the CRR, **common equity tier 1 capital** (CET1, final) rose to EUR 18.8 billion (EUR 17.1 billion), as were total **own funds** (final) to EUR 24.8 billion (EUR 23.6 billion). Total risk – **risk-weighted assets** including credit, market and operational risk (CRR, final) – increased moderately to EUR 129.6 billion (EUR 120.2 billion). The **common equity tier 1 ratio** (CET1, final) rose to 14.5% (14.2%), the **total capital ratio** declined to 19.1% (19.7%), primarily due to the early redemption of a portion of AT1 capital.

Total assets increased to EUR 307.4 billion (+10.8%; EUR 277.4 billion). On the asset side, cash and cash balances increased, primarily in Austria, to EUR 45.5 billion (EUR 35.8 billion), loans and advances to banks declined to EUR 21.0 billion (EUR 21.5 billion). **Loans and advances to customers** (net) rose to EUR 180.3 billion (+8.6%; EUR 166.1 billion). On the liability side, deposits from banks grew significantly to EUR 31.9 billion (EUR 24.8 billion) as a result of increased ECB refinancing (TLTRO III). **Customer deposits** rose in all core markets – most strongly in Austria and the Czech Republic – to EUR 210.5 billion (+10.2%; EUR 191.1 billion). **The loan-to-deposit ratio** declined to 85.6% (86.9%).

OUTLOOK 2022

Erste Group's goal for 2022 is to again achieve a double-digit return on tangible equity (ROTE). Among the factors that will support achievement of this goal is the continued strong economic performance of all core markets – Austria, Czech Republic, Slovakia, Hungary, Romania, Croatia and Serbia – and, on this basis, an improvement in the operating result and a continued benign risk environment. As yet unquantifiable (geo-)political, regulatory or economic risks, or a continuation or further escalation of Covid-19 measures by governments may render meeting these goals more challenging.

Erste Group's core markets are expected to post real GDP growth in the order of 3-5% in 2022. Inflation is set to remain a key theme throughout the year but at the same time is expected to remain broadly stable at elevated 2021 levels. In line with the strong economic outlook unemployment rates are expected to decline from already low levels in all markets. In most countries, sustained competitiveness should again result in sustainable current account balances. The fiscal situation should likewise improve again after significant budget deficits in 2021. Public debt to GDP is projected to improve across the board, albeit from elevated levels.

Against this backdrop, Erste Group expects net loan growth in the mid-single digits. This performance as well as interest rate tailwinds should lead to an at least mid-single-digit increase in net interest income despite negative policy rates in the euro zone. The second most important income component – net fee and commission income is expected to rise in the low to mid-single digits, following the exceptional performance in 2021. As in 2021, positive momentum should again come from asset management and securities business, assuming a continued constructive capital markets environment. Insurance brokerage as well as payment services fees are also expected to contribute. The net trading and fair value result is expected to come in at a similar level as in the previous year. This, however, will depend substantially on the financial market environment. The remaining income components are forecast to remain, by and large, stable. Overall, operating income should increase in 2022. Operating expenses are expected to rise at a lower level than operating income, thus resulting in a cost income ratio of below 55% in 2022, significantly earlier than planned (2024). In addition, Erste Group will continue to invest in IT in 2022 and thus strengthen its competitive position, with a focus on progressive IT modernisation, back office digitalisation and further development of the digital platform George.

Based on the robust macro outlook described above, risk costs should remain at a low level in 2022. While precise forecasting is hard at current low risk cost levels, Erste Group believes that in 2022 risk costs will be below 20 basis points of average gross customer loans. The NPL ratio is expected below 3.0%.

Other operating result is expected to remain unchanged in the absence of significant one-off effects. Assuming a low effective group tax rate of about 19% and similar minority charges as in 2021, Erste Group aims to achieve a double-digit ROTE. Erste Group's CET1 ratio is expected to remain strong. Consequently, Erste Group will propose a dividend of EUR 1.6 per share for the 2021 fiscal year to the 2022 AGM.

Potential risks to the guidance include (geo)political and economic (including monetary and fiscal policy impacts) developments, regulatory measures as well as global health risks and changes to the competitive environment. In addition, given the Covid-19 governmental measures and their impact on the economic development, financial forecasts are still subject to an elevated level of uncertainty. The evolving Russia-Ukraine situation does not impact Erste Group directly, as it has no operating presence in those countries; exposures to both countries are negligible and no meaningful additional risk provisioning is currently anticipated in this context. Indirect effects, such as financial market volatility, sanctions-related knock-on effects on some of our customers 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

January-December 2021 compared with January-December 2020

in EUR million	2020	2021	Change
Net interest income	4,774.8	4,975.7	4.2%
Net fee and commission income	1,976.8	2,303.7	16.5%
Net trading result and gains/losses from financial instruments at FVPL	199.5	231.8	16.2%
Operating income	7,155.1	7,742.0	8.2%
Operating expenses	-4,220.5	-4,306.5	2.0%
Operating result	2,934.6	3,435.5	17.1%
Impairment result from financial instruments	-1,294.8	-158.8	-87.7%
Other operating result	-278.3	-310.5	11.6%
Levies on banking activities	-117.7	-73.5	-37.6%
Pre-tax result from continuing operations	1,368.0	2,933.4	>100.0%
Taxes on income	-342.5	-525.2	53.3%
Net result for the period	1,025.5	2,408.1	>100.0%
Net result attributable to non-controlling interests	242.3	484.8	>100.0%
Net result attributable to owners of the parent	783.1	1,923.4	>100.0%

Net interest income

Net interest income rose to EUR 4,975.7 million (EUR 4,774.8 million). The benign interest rate environment in the Czech Republic and in Hungary, strong volume growth in all markets and especially in the housing loan segment, and a one-off effect from the take-up of TLTRO III funds in Austria and in Slovakia in the amount of EUR 93.0 million (EUR 8.0 million) were among the key growth drivers. A decline in modification losses from lending, which are reported in net interest income, also had a positive effect. 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) stood at 2.05% (2.08%).

Net fee and commission income

Net fee and commission income increased to EUR 2,303.7 million (EUR 1,976.8 million). Significant growth was recorded across all fee and commission categories and all core markets. The most marked rises were seen in payment services and asset management (most notably in Austria). The latter benefitted from strongly performing equity markets. Income from the custody business and brokerage commissions was likewise up substantially.

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

Valuation effects have a substantial impact on the net trading result as well as the line item gains/losses from financial instruments measured at fair value through profit or loss. Debt securities issued measured at FV through profit or loss have a significant impact on these line items as related valuation results are shown in the line item gains/losses from financial instruments measured at fair value through profit or loss, while the valuation results of corresponding hedges are shown in net trading result – as are financial assets in the fair value and trading portfolios.

Due to valuation effects in the derivatives business resulting from interest rate developments, net trading result declined to EUR 58.6 million (EUR 137.6 million) despite continued strong foreign exchange trading. Gains/losses from financial instruments measured at fair value through profit or loss rose to EUR 173.2 million (EUR 62.0 million). Due to the rise in long-term interest rates, lower income from the valuation of the securities portfolio in Austria and losses from the valuation of the loan portfolio measured at fair value in Hungary were offset by significantly higher gains from the valuation of debt securities in issue.

General administrative expenses

in EUR million	2020	2021	Change
Personnel expenses	2,520.7	2,578.1	2.3%
Other administrative expenses	1,158.9	1,180.3	1.9%
Depreciation and amortisation	540.9	548.0	1.3%
General administrative expenses	4,220.5	4,306.5	2.0%

General administrative expenses rose to EUR 4,306.5 million (EUR 4,220.5 million). **Personnel expenses** increased to EUR 2,578.1 million (EUR 2,520.7 million), most notably in the Czech Republic, but also in Hungary

and Croatia. On the back of lower average headcounts, cost reductions were achieved primarily in Austria, Romania and Slovakia. **Other administrative expenses** were higher at EUR 1,180.3 million (EUR 1,158.9 million), with marketing and IT expenses up most markedly. Contributions to deposit insurance systems declined to EUR 122.4 million (EUR 132.2 million). In Austria they decreased to EUR 85.5 million (EUR 95.0 million) after a one-off effect in the previous year. No contributions are currently payable in Croatia. In Slovakia, contributions rose to EUR 9.4 million (EUR 1.1 million). **Depreciation and amortisation** amounted to EUR 548.0 million (EUR 540.9 million).

Headcount as of end of the period

	Dec 20	Dec 21	Change
Austria	15,942	15,606	-2.1%
Erste Group, EB Oesterreich and subsidiaries	8,866	8,538	-3.7%
Haftungsverbund savings banks	7,076	7,068	-0.1%
Outside Austria	29,748	28,990	-2.6%
Česká spořitelna Group	9,820	9,711	-1.1%
Banca Comercială Română Group	5,645	5,342	-5.4%
Slovenská sporiteľňa Group	3,770	3,644	-3.3%
Erste Bank Hungary Group	3,227	3,238	0.3%
Erste Bank Croatia Group	3,252	3,220	-1.0%
Erste Bank Serbia Group	1,198	1,197	0.0%
Savings banks subsidiaries	1,625	1,461	-10.1%
Other subsidiaries and foreign branch offices	1,213	1,177	-3.0%
Total	45,690	44,596	-2.4%

Operating result

Operating income increased to EUR 7,742.0 million (+8.2%; EUR 7,155.1 million), with a marked rise in the key income components, most notably net fee and commission income but also net interest income, and a strong net trading and fair value result. General administrative expenses rose to EUR 4,306.5 million (+2.0%; EUR 4,220.5 million). The operating result rose to EUR 3,435.5 billion (+17.1%; EUR 2,934.6 million). The cost/income ratio improved to 55.6% (59.0%).

Gains/losses from derecognition of financial instruments not measured at fair value through profit or loss

Losses from derecognition of financial instruments not measured at fair value through profit or loss amounted to EUR 32.8 million (EUR 6.5 million). This line item includes primarily one-off losses from derecognition of liabilities and negative results from the sale of securities in the Czech Republic and Austria.

Impairment result from financial instruments

The impairment result from financial instruments amounted to EUR -158.8 million (EUR -1,294.8 million). Net allocations to provisions for loans and advances declined to EUR 119.1 million (EUR 1,231.0 million), those for commitments and guarantees given to EUR 104.8 million (EUR 159.2 million). Positive contributions came from the release of provisions for loans in Austria (Savings Banks segment) as well as from income from the recovery of loans already written off in all segments in the amount of EUR 90.8 million (EUR 145.0 million). In the comparative period, updated risk parameters with forward-looking information as well as stage overlays related to the Covid-19 pandemic had led to a significant rise in allocations to provisions.

Other operating result

Other operating result came in at EUR -310.5 million (EUR -278.3 million). The deterioration was primarily due to valuation effects. Levies on banking activities declined to EUR 73.5 million (EUR 117.7 million). This decline is attributable to the abolition of banking levies in Slovakia, which had amounted to EUR 33.8 million in the comparative period. Banking levies payable in Austria decreased to EUR 10.5 million (EUR 25.5 million) on the back of significantly lower levies payable by the Holding. Hungarian banking tax rose slightly to EUR 15.0 million (EUR 14.5 million). Together with the financial transaction tax of EUR 48.0 million (EUR 44.0 million), banking levies in Hungary totalled EUR 63.0 million (EUR 58.5 million).

The balance of allocations/releases of other provisions improved to EUR 5.1 million (EUR -18.4 million). Other operating result also reflects the annual contributions to resolution funds in the amount of EUR 108.6 million (EUR 93.5 million). Increases were recorded above all in Austria to EUR 51.5 million (EUR 43.6 million) and in Romania to EUR 11.4 million (EUR 7.7 million).

Net result

The pre-tax result from continuing operations amounted to EUR 2,933.4 million (EUR 1,368.0 million). Taxes on income rose to EUR 525.2 million (EUR 342.5 million). The minority charge increased to EUR 484.8 million (EUR 242.3 million) due to higher earnings contributions of savings banks resulting primarily from a significant improvement in the impairment result from financial instruments. The net result attributable to owners of the parent rose to EUR 1,923.4 million (EUR 783.1 million).

FINANCIAL RESULTS – QUARTER-ON-QUARTER COMPARISON

Fourth quarter of 2021 compared to third quarter of 2021

in EUR million	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
Income statement					
Net interest income	1,185.6	1,172.1	1,276.5	1,220.8	1,306.2
Net fee and commission income	528.5	540.0	559.0	591.4	613.3
Dividend income	4.3	4.8	15.6	7.7	5.0
Net trading result	128.6	9.5	33.6	24.3	-8.8
Gains/losses from financial instruments measured at fair value through profit or loss	-19.4	56.9	26.7	49.9	39.7
Net result from equity method investments	0.5	1.5	4.7	3.8	5.4
Rental income from investment properties & other operating leases	41.3	43.7	45.9	46.5	46.2
Personnel expenses	-618.5	-622.4	-626.5	-632.4	-696.8
Other administrative expenses	-339.9	-345.8	-235.5	-265.3	-333.8
Depreciation and amortisation	-138.9	-135.1	-137.8	-140.3	-134.9
Gains/losses from derecognition of financial assets at AC	6.6	2.5	0.8	-1.4	-9.5
Other gains/losses from derecognition of financial instruments not at FVPL	0.3	-0.3	-0.3	-18.2	-6.4
Impairment result from financial instruments	-424.7	-35.7	-47.2	31.3	-107.2
Other operating result	-64.6	-126.7	-45.6	-70.9	-67.2
Levies on banking activities	-17.4	-33.2	-19.0	-19.4	-1.9
Pre-tax result from continuing operations	289.6	565.1	870.1	847.0	651.2
Taxes on income	-78.3	-124.3	-163.0	-146.3	-91.6
Net result for the period	211.3	440.8	707.0	700.7	559.6
Net result attributable to non-controlling interests	65.2	85.7	144.2	167.3	87.6
Net result attributable to owners of the parent	146.0	355.1	562.9	533.4	472.0

Net interest income rose to EUR 1,306.2 million (+7.0%; EUR 1,220.8 million), with a significant rise recorded in the Czech Republic on the back of interest rate hikes. Net interest income was also slightly up in Austria and Romania and stable in all core markets. In Hungary, net interest income was negatively impacted by legislative measures affecting the retail business. **Net fee and commission income** rose to EUR 613.3 million (+3.7%; EUR 591.4 million). Growth was registered in particular in asset management and in income from brokerage commissions in Austria. Dividend income declined to EUR 5.0 million (EUR 7.7 million) due to seasonal effects. Net trading result worsened to EUR -8.8 million (EUR 24.3 million). A rise in foreign exchange trading was offset by negative valuation effects in derivatives trading due to interest rate developments. Gains/losses from financial instruments measured at fair value through profit or loss declined to EUR 39.7 million (EUR 49.9 million), primarily due to valuation losses in the loan portfolio measured at fair value through profit or loss in Hungary. Valuation gains of debt securities in issue are also attributable to the development of market interest rates.

General administrative expenses rose to EUR 1,165.6 million (+12.3%; EUR 1,038.0 million). Personnel expenses increased to EUR 696.8 million (+10.2%; EUR 632.4 million), driven by provisions for bonuses and a planned employee share programme. The rise in other administrative expenses to EUR 333.8 million (+25.8%; EUR 265.3 million) is mainly due to higher marketing expenditure in Austria. Depreciation and amortisation declined to EUR 134.9 million (EUR 140.3 million). The **cost/income ratio** stood at 58.1% (53.4%).

Gains/losses from derecognition of financial instruments not measured at fair value through profit or loss amounted to EUR -15.9 million (EUR -19.6 million). This item includes losses from the sale of securities in the Czech Republic and Austria.

Impairment result from financial instruments amounted to EUR -107.2 million (EUR 31.3 million), with rises in net allocations to provisions for commitments and guarantees given, primarily in Austria. Lower income from the recovery of loans already written off also had a negative impact.

Other operating result improved to EUR -67.2 million (EUR -70.9 million). Levies on banking activities declined to EUR 1.9 million (EUR 19.4 million), primarily due to losses in the Holding's unconsolidated financial statements and a resulting release of provision for banking tax in the amount of EUR 13.0 million. In Hungary, levies on banking activities amounted to EUR 12.3 million (EUR 12.4 million). These were almost exclusively transaction taxes as the 2021 banking tax had already been booked upfront in the first quarter in the full amount of EUR 14.7 million.

The **pre-tax result** declined to EUR 651.2 million (EUR 847.0 million). Taxes on income amounted to EUR 91.6 million (EUR 146.3 million). The minority charge declined to EUR 87.6 million (EUR 167.3 million). The **net result attributable to owners of the parent** stood at EUR 472.0 million (EUR 533.4 million).

DEVELOPMENT OF THE BALANCE SHEET

31 December 2021 compared with 31 December 2020

in EUR million	Dec 20	Dec 21	Change
Assets			
Cash and cash balances	35,839	45,495	26.9%
Trading, financial assets	46,849	53,211	13.6%
Loans and advances to banks	21,466	21,001	-2.2%
Loans and advances to customers	166,050	180,268	8.6%
Intangible assets	1,359	1,362	0.2%
Miscellaneous assets	5,830	6,090	4.5%
Total assets	277,394	307,428	10.8%
Liabilities and equity			
Financial liabilities held for trading	2,625	2,474	-5.8%
Deposits from banks	24,771	31,886	28.7%
Deposits from customers	191,070	210,523	10.2%
Debt securities issued	30,676	32,130	4.7%
Miscellaneous liabilities	5,840	6,902	18.2%
Total equity	22,410	23,513	4.9%
Total liabilities and equity	277,394	307,428	10.8%

The rise in **cash and cash balances** to EUR 45.5 billion (EUR 35.8 billion) was primarily due to rising cash balances held at central banks, not least as a result of increased TLTRO III funds. **Trading and investment securities** held in various categories of financial assets increased to EUR 53.2 billion (EUR 46.8 billion).

Loans and advances to credit institutions (net), including demand deposits other than overnight deposits, declined slightly to EUR 21.0 billion (EUR 21.5 billion). **Loans and advances to customers (net)** rose – most notably in Austria and the Czech Republic – to EUR 180.3 billion (EUR 166.1 billion) driven by retail and corporate loan growth.

Loan loss allowances for loans to customers amounted to EUR 3.9 billion (EUR 4.0 billion). The **NPL ratio** – non-performing loans as a percentage of gross customer loans – improved to 2.4% (2.7%), the **NPL coverage ratio** (based on gross customer loans) rose to 90.9% (88.6%)

Intangible assets were stable at EUR 1.4 billion (EUR 1.4 billion). **Miscellaneous assets** amounted to EUR 6.1 billion (EUR 5.8 billion).

Financial liabilities – held for trading declined to EUR 2.5 billion (EUR 2.6 billion). **Deposits from banks**, primarily in the form of term deposits, rose to EUR 31.9 billion (EUR 24.8 billion), including TLTRO III funds with a carrying amount of EUR 20.9 billion (EUR 14.1 billion); **deposits from customers** increased to EUR 210.5 billion (EUR 191.1 billion) due to strong growth in overnight deposits (leasing liabilities of EUR 0.6 billion are not included in this position). The **loan-to-deposit ratio** declined to 85.6% (86.9%). **Debt securities in issue** increased to EUR 32.1 billion (EUR 30.7 billion). **Miscellaneous liabilities** amounted to EUR 6.9 billion (EUR 5.8 billion).

Total assets rose to EUR 307.4 billion (EUR 277.4 billion). **Total equity** increased to EUR 23.5 billion (EUR 22.4 billion). This includes AT1 instruments in the amount of EUR 2.2 billion from four issuances (April 2017, March 2019, January 2020 and November 2020). After regulatory deductions and filtering according to the Capital Requirements Regulation (CRR) **common equity tier 1 capital** (CET1, CRR final) rose to EUR 18.8 billion (EUR 17.1 billion) as were total **own funds** (CRR final) to EUR 24.8 billion (EUR 23.6 billion). Total risk – **risk-weighted assets** including credit, market and operational risk (CRR final) – increased moderately to EUR 129.6 billion (EUR 120.2 billion).

The **total capital ratio**, total eligible qualifying capital in relation to total risk (CRR final), declined to 19.1% (19.7%), primarily due to the early redemption of a portion of AT1 capital but remained well above the legal minimum requirement. The **tier 1 ratio** stood at 16.2% (16.5%), the **common equity tier 1 ratio** improved to 14.5% (14.2%) (both ratios CRR final).

SEGMENT REPORTING

January-December 2021 compared with January-December 2020

Erste Group's segment reporting is based on a matrix organisation. It provides comprehensive information to assess the performance of geographical (operating) segments as well as business segments. The tables and information below provide a brief overview and focus on selected and summarised items. 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.

GEOGRAPHICAL (OPERATING) SEGMENTS

Erste Bank Oesterreich & Subsidiaries

in EUR million	2020	2021	Change
Net interest income	638.2	646.4	1.3%
Net fee and commission income	406.6	460.1	13.2%
Net trading result and gains/losses from financial instruments at FVPL	13.8	17.0	23.4%
Operating income	1,126.1	1,193.3	6.0%
Operating expenses	-711.4	-702.7	-1.2%
Operating result	414.7	490.6	18.3%
Cost/income ratio	63.2%	58.9%	
Impairment result from financial instruments	-135.8	-31.5	-76.8%
Other result	-9.5	-34.8	>100.0%
Net result attributable to owners of the parent	222.0	306.6	38.1%
Return on allocated capital	15.6%	16.4%	

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).

Net interest income increased due to the one-off booking related to TLTRO III refinancing with ECB (EUR 20.1 million) and higher loan volumes, which were partially offset by lower margins for customer loans and higher interest expense for the placement of excess liquidity. Net fee and commission income rose on the back of higher income from securities and payment fees. The improvement in net trading result and gains/losses from financial

instruments at FVPL was driven by valuation effects. Operating expenses went down due to the decrease of deposit insurance contribution to EUR 33.8 million (EUR 49.9 million) and lower IT expenses, which offset higher personnel, marketing, legal and consulting expenses. Consequently, operating result increased and the cost/income ratio improved. Impairment result from financial instruments improved as last year updated risk parameters with forward looking information and stage overlays related to the Covid-19 crisis led to significantly higher risk provisioning. Other result worsened mainly due to lower selling gains from real estate. Payments into the resolution fund increased to EUR 12.3 million (EUR 10.5 million). Banking tax amounted to EUR 4.3 million (EUR 3.7 million). Overall, the net result attributable to owners of the parent improved significantly.

Savings Banks

in EUR million	2020	2021	Change
Net interest income	1,069.4	1,080.3	1.0%
Net fee and commission income	519.6	584.5	12.5%
Net trading result and gains/losses from financial instruments at FVPL	16.6	42.6	>100.0%
Operating income	1,648.6	1,754.3	6.4%
Operating expenses	-1,106.1	-1,108.8	0.2%
Operating result	542.5	645.5	19.0%
Cost/income ratio	67.1%	63.2%	
Impairment result from financial instruments	-267.2	23.8	n/a
Other result	-4.1	-15.9	>100.0%
Net result attributable to owners of the parent	41.6	83.2	99.7%
Return on allocated capital	7.1%	12.5%	

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 increased due to a one-off booking related to TLTRO III refinancing with ECB (EUR 13.6 million) and higher loan volumes, largely offset by lower margins for customer loans and higher interest expense on the placement of excess liquidity. Net fee and commission income increased on the back of higher securities and payment fees. The notable improvement of net trading result and gains/losses from financial instruments at FVPL was primarily driven by valuation effects. Operating expenses remained almost unchanged as lower IT expenses and depreciation largely offset higher payment into deposit insurance fund of EUR 51.6 million (EUR 45.0 million), higher personnel expenses and higher expenses for advertising and marketing. Overall, operating result as well as the cost/income ratio improved. Impairment result from financial instruments also improved and resulted in a net release as last year updated risk parameters with forward looking information and stage overlays related to the Covid-19 crisis led to significantly higher risk provisioning. Other result worsened due to provisions for legal expenses related to a potential client reimbursement for interest payments during loan moratoria (EUR -11.5 million). The resolution fund contribution increased to EUR 11.2 million (EUR 9.5 million), banking tax to EUR 5.1 million (EUR 4.6 million). Overall, the net result attributable to the owners of the parent increased considerably.

Other Austria

in EUR million	2020	2021	Change
Net interest income	451.0	417.2	-7.5%
Net fee and commission income	249.9	301.3	20.5%
Net trading result and gains/losses from financial instruments at FVPL	-23.9	48.6	n/a
Operating income	721.8	813.3	12.7%
Operating expenses	-367.2	-352.0	-4.1%
Operating result	354.5	461.3	30.1%
Cost/income ratio	50.9%	43.3%	
Impairment result from financial instruments	-202.3	3.4	n/a
Other result	-14.4	7.1	n/a
Net result attributable to owners of the parent	103.2	351.1	>100.0%
Return on allocated capital	5.2%	14.6%	

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 went down primarily in Holding markets business on the back of unfavorable market interest rate developments, partially compensated by higher result from corporate lending in the Holding. Net fee and commission income increased due to a higher contribution of securities business driven among others by higher assets under management with institutional clients in Austria as well as the good development of corporate lending in the Holding. Net trading result and gains/losses from financial instruments at FVPL improved significantly due to valuation results of interest rate derivatives, equity futures and bonds. Overall, operating income improved notably while operating expenses decreased, mostly on lower costs in foreign branches. Consequently, operating result and the cost/income ratio improved. The impairment result from financial instruments improved and resulted in a net release as last year updated risk parameters with forward looking information and stage overlays related to the Covid-19 crisis led to significant risk provisioning in the corporate portfolio. Other result improved due to higher real estate selling gains and lower provisions for commitments and guarantees, partially offset by breakage costs related to an early loan repayment. Other result included the resolution fund contribution of EUR 8.0 million (EUR 9.6 million). Overall, the net result attributable to owners of the parent improved significantly.

Czech Republic

in EUR million	2020	2021	Change
Net interest income	1,049.0	1,150.5	9.7%
Net fee and commission income	311.6	358.2	14.9%
Net trading result and gains/losses from financial instruments at FVPL	94.7	63.5	-32.9%
Operating income	1,466.6	1,589.9	8.4%
Operating expenses	-722.4	-795.3	10.1%
Operating result	744.2	794.6	6.8%
Cost/income ratio	49.3%	50.0%	
Impairment result from financial instruments	-299.8	-69.4	-76.8%
Other result	-25.6	-75.9	>100.0%
Net result attributable to owners of the parent	334.7	504.1	50.6%
Return on allocated capital	12.9%	16.6%	

The segment analysis is done on a constant currency basis. The CZK appreciated by 3.0% against the EUR in the reporting period. Net interest income in the Czech Republic segment (comprising Česká spořitelna Group) increased on higher business volumes and the non-recurrence of loan repayment moratorium modification losses. The increase in net fee and commission income was mainly driven by higher securities and insurance brokerage fees. Negative valuation effects resulted in a lower net trading result and gains/losses from financial instruments at FVPL. Operating expenses increased due to higher personnel as well as IT and marketing costs. The deposit insurance contribution amounted to EUR 10.8 million (EUR 10.1 million). Overall, the operating result increased while the cost/income ratio deteriorated. Impairment result from financial instruments improved significantly as last year updated risk parameters with forward looking information and stage overlays related to the Covid-19 crisis led to high risk provisioning. Other result deteriorated mainly due to higher impairments of non-financial assets and provisions for legal expenses. Payments into the resolution fund amounted to EUR 31.9 million (EUR 29.1 million). Altogether, these developments led to a significant improvement in the net result attributable to the owners of the parent.

Slovakia

in EUR million	2020	2021	Change
Net interest income	438.4	434.9	-0.8%
Net fee and commission income	147.1	174.3	18.4%
Net trading result and gains/losses from financial instruments at FVPL	11.8	9.0	-23.2%
Operating income	601.2	625.0	4.0%
Operating expenses	-287.1	-292.4	1.9%
Operating result	314.1	332.6	5.9%
Cost/income ratio	47.8%	46.8%	
Impairment result from financial instruments	-107.9	-1.1	-99.0%
Other result	-49.3	-18.2	-63.1%
Net result attributable to owners of the parent	115.8	237.9	>100.0%
Return on allocated capital	10.5%	18.6%	

Net interest income in the Slovakia segment (comprising Slovenská sporiteľňa Group) decreased moderately as the negative impact of lower consumer loan volumes and lower margins for housing loans in the retail business as well as the lower result from bond investments was only partially compensated by a one-off booking related to

TLTRO III refinancing with ECB (EUR 12.9 million). Net fee and commission income increased on the back of higher income from payment, securities and insurance brokerage fees. Net trading result and gains/losses from financial instruments at FVPL decreased slightly on valuation effects. Operating expenses increased due to a higher deposit insurance contribution of EUR 9.4 million (EUR 1.1 million) on the back of a methodology change and higher IT costs. This increase was partially compensated by lower depreciation and personnel expenses. Consequently, operating result increased and the cost/income ratio improved. Impairment result from financial instruments improved significantly as last year updated risk parameters with forward looking information and stage overlays related to Covid-19 crisis led to high risk provisioning. Other result improved due to the abolition of the banking tax as of the second half of last year (EUR 33.8 million in the first half year of 2020). Payment into the resolution fund increased slightly to EUR 4.7 million (EUR 4.0 million). Overall, the net result attributable to the owners of the parent increased significantly.

Romania

in EUR million	2020	2021	Change
Net interest income	435.7	432.6	-0.7%
Net fee and commission income	146.8	176.4	20.2%
Net trading result and gains/losses from financial instruments at FVPL	73.7	77.9	5.8%
Operating income	678.6	710.9	4.8%
Operating expenses	-344.9	-339.7	-1.5%
Operating result	333.7	371.2	11.3%
Cost/income ratio	50.8%	47.8%	
Impairment result from financial instruments	-107.7	-46.4	-56.9%
Other result	-60.2	-32.8	-45.5%
Net result attributable to owners of the parent	122.4	236.1	92.9%
Return on allocated capital	8.7%	13.7%	

The segment analysis is done on a constant currency basis. The RON depreciated by 1.7% against the EUR in the reporting period. Net interest income in the Romania segment (comprising Banca Comercială Română Group) remained largely stable, as the effect from higher loan volumes was offset by lower result from bond investments and the negative FX translation effect. Net fee and commission income improved mainly due to higher payment fees in retail and corporate business. Securities, insurance brokerage and lending fees went up as well. The increase of net trading result and gains/losses from financial instruments at FVPL was attributable to an improved contribution from FX business. Operating expenses decreased mainly due to lower personnel expenses driven by the deconsolidation of a subsidiary as well as a lower deposit insurance contribution of EUR 3.4 million (EUR 4.4 million). Overall, operating result increased and the cost/income ratio improved. The significant improvement of the impairment result from financial instruments was a consequence of last year's update of risk parameters with forward looking information and stage overlays related to the Covid-19 crisis. Other result improved mainly due to lower impairments and higher selling gains from property. Payment into the resolution fund increased to EUR 11.4 million (EUR 7.7 million). The net result attributable to the owners of the parent increased notably.

Hungary

in EUR million	2020	2021	Change
Net interest income	217.9	257.2	18.1%
Net fee and commission income	181.1	207.4	14.5%
Net trading result and gains/losses from financial instruments at FVPL	24.7	10.0	-59.5%
Operating income	431.4	482.7	11.9%
Operating expenses	-213.3	-230.7	8.1%
Operating result	218.1	252.0	15.6%
Cost/income ratio	49.4%	47.8%	
Impairment result from financial instruments	-78.0	-16.2	-79.3%
Other result	-65.5	-56.9	-13.0%
Net result attributable to owners of the parent	56.1	156.0	>100.0%
Return on allocated capital	5.8%	13.0%	

The segment analysis is done on a constant currency basis. The HUF depreciated by 2.1% against the EUR in the reporting period. Net interest income in the Hungary segment (comprising Erste Bank Hungary Group) increased due to higher customer loan and deposit volumes as well as a positive contribution from securities and money market placements, despite the negative impact from interest refund related to revolving loans in moratoria and modification losses related to the mortgage interest cap. Net fee and commission income rose on higher securities, payment and insurance brokerage fees. Net trading result and gains/losses from financial instruments at

FVPL decreased due to valuation effects. Operating expenses went up on the back of higher personnel costs, IT costs and depreciation. Deposit insurance contributions went up to EUR 7.1 million (EUR 5.8 million). Overall, operating result and the cost/income ratio improved. The significant improvement of the impairment result from financial instruments was a consequence of last year's update of risk parameters with forward looking information and stage overlays related to the Covid-19 crisis. Other result improved mainly due to higher property selling gains. This line item also included the banking tax of EUR 15.0 million (EUR 14.5 million), transaction tax of EUR 47.9 million (EUR 44.0 million) and the contribution to the resolution fund of EUR 5.6 million (EUR 3.5 million). Consequently, the net result attributable to the owners of the parent increased significantly.

Croatia

in EUR million	2020	2021	Change
Net interest income	270.8	269.5	-0.5%
Net fee and commission income	92.0	107.5	16.8%
Net trading result and gains/losses from financial instruments at FVPL	26.2	30.0	14.5%
Operating income	401.5	416.9	3.8%
Operating expenses	-214.6	-217.8	1.5%
Operating result	187.0	199.1	6.5%
Cost/income ratio	53.4%	52.2%	
Impairment result from financial instruments	-104.2	-22.2	-78.7%
Other result	-16.7	5.3	n/a
Net result attributable to owners of the parent	43.9	103.7	>100.0%
Return on allocated capital	7.2%	14.1%	

The segment analysis is done on a constant currency basis. The HRK remained largely stable against the EUR in the reporting period. Net interest income in the Croatia segment (comprising Erste Bank Croatia Group) remained almost unchanged as the effect of the lower interest rate environment was offset by the non-recurrence of modification losses related to loan moratoria booked last year. Net fee and commission income went up due to higher payment, lending and insurance brokerage fees. Net trading result and gains/losses from financial instruments at FVPL improved driven by a higher result from foreign currency transactions and valuation effects. Operating expenses went up on the back of higher personnel and IT costs, partially offset by lower deposit insurance contribution of EUR 1.9 million (EUR 12.3 million). Overall, operating result and the cost/income ratio improved. The significant improvement of the impairment result from financial instruments was a consequence of last year's update of risk parameters with forward looking information and stage overlays related to the Covid-19 crisis which led to high risk provisioning. Other result improved mainly due to releases of provisions for legal expenses and a lower resolution fund contribution of EUR 3.4 million (EUR 5.7 million). Consequently, the net result attributable to the owners of the parent increased significantly.

Serbia

in EUR million	2020	2021	Change
Net interest income	63.6	72.8	14.5%
Net fee and commission income	16.1	20.2	25.5%
Net trading result and gains/losses from financial instruments at FVPL	3.9	4.7	18.1%
Operating income	83.8	97.9	16.8%
Operating expenses	-60.3	-65.4	8.4%
Operating result	23.4	32.4	38.4%
Cost/income ratio	72.0%	66.9%	
Impairment result from financial instruments	-13.5	-8.2	-39.1%
Other result	-4.8	-5.8	21.1%
Net result attributable to owners of the parent	4.2	13.9	>100.0%
Return on allocated capital	2.4%	6.7%	

The segment analysis is done on a constant currency basis. The Serbian Dinar (RSD) remained stable against the EUR in the reporting period. Net interest income in the Serbia segment (comprising Erste Bank Serbia Group) increased mainly due to higher loan and deposit volumes in retail and corporate business. Net fee and commission income went up due to higher payment and insurance brokerage fees. Net trading result and gains/losses from financial instruments at FVPL increased driven by a higher result from foreign currency transactions and derivatives. Operating expenses rose mainly due to higher personnel, legal and consultancy costs and depreciation. Deposit insurance contribution rose to EUR 4.3 million (EUR 3.5 million). Operating result increased and the cost/income ratio improved. Impairment result from financial instruments improved as a conse-

quence of last year's update of risk parameters with forward looking information. Other result deteriorated due to higher provisions for litigations. Overall, the net result attributable to owners of the parent increased.

Other

in EUR million	2020	2021	Change
Net interest income	140.9	214.3	52.1%
Net fee and commission income	-94.1	-86.1	-8.5%
Net trading result and gains/losses from financial instruments at FVPL	-41.9	-71.4	70.6%
Operating income	-4.4	57.8	n/a
Operating expenses	-193.1	-201.7	4.4%
Operating result	-197.5	-143.9	-27.1%
Cost/income ratio	>100.0%	>100.0%	
Impairment result from financial instruments	21.7	9.0	-58.7%
Other result	-21.7	-115.4	>100.0%
Net result attributable to owners of the parent	-260.9	-69.3	-73.5%
Return on allocated capital	-3.4%	-1.1%	

The residual segment Other consists mainly of internal service providers, the Group Asset/Liability Management and the Corporate Center of Erste Group Bank AG as well as the reconciliation to the consolidated accounting result (e.g. intercompany elimination, dividend elimination) and free capital.

Operating income improved primarily due to one-off booking related to TLTRO III refinancing with ECB partially offset by a lower valuation result. Although operating expenses went up slightly, operating result improved. Other result deteriorated on the back of negative valuation effects. The tax charge developed positively. Consequently, the net result attributable to owners of the parent improved.

BUSINESS SEGMENTS

Retail

in EUR million	2020	2021	Change
Net interest income	2,083.7	2,102.4	0.9%
Net fee and commission income	1,047.9	1,206.6	15.1%
Net trading result and gains/losses from financial instruments at FVPL	89.4	90.7	1.5%
Operating income	3,248.8	3,431.1	5.6%
Operating expenses	-2,067.7	-2,111.8	2.1%
Operating result	1,181.2	1,319.3	11.7%
Cost/income ratio	63.6%	61.5%	
Impairment result from financial instruments	-392.2	-122.4	-68.8%
Other result	-68.9	-58.2	-15.5%
Net result attributable to owners of the parent	583.9	889.7	52.4%
Return on allocated capital	18.4%	25.3%	

The Retail segment comprises the entire business with private individuals, free professionals and micros in the responsibility of account managers in the retail network of the local banks cooperating with their specialised subsidiaries (such as leasing and asset management companies).

The increase in net interest income was driven by the growth of customer loan and deposit volumes across all markets. Net interest income improved in the Czech Republic, Hungary and Serbia from loan and deposit business, partially offset by the change in transfer prices related to the deposit business as a response to the lower interest rate environment and a corresponding positive effect in ALM & Local Corporate Center. Contributions from the lending business in Slovakia and Austria declined primarily on the impact of lower market rates. Net fee and commission income increased due to higher fees from securities business, higher payment fees and improved insurance brokerage fees. Net trading result and gains/losses from financial instruments FVPL increased moderately due to higher foreign currency transactions in the Czech Republic, Hungary, Romania, Croatia and Slovakia, partially offset by negative valuation effects in Hungary. Operating expenses increased mainly due to higher personnel and IT expenses, partially offset by lower deposit insurance contributions in Austria and Croatia. Consequently, operating result increased and the cost/income ratio improved. The impairment result from financial instruments improved significantly across all markets as last year updated risk parameters with forward looking information and stage overlays related to the Covid-19 crisis led to high risk provisioning. The main driver of the other result improvement was the abolition of the banking tax in Slovakia as of the second half of last year,

partially offset by negative effects in other entities. Overall, the net result attributable to the owners of the parent increased significantly.

Corporates

in EUR million	2020	2021	Change
Net interest income	1,109.4	1,190.7	7.3%
Net fee and commission income	282.3	332.5	17.8%
Net trading result and gains/losses from financial instruments at FVPL	64.1	99.8	55.8%
Operating income	1,561.3	1,733.1	11.0%
Operating expenses	-535.7	-543.7	1.5%
Operating result	1,025.6	1,189.4	16.0%
Cost/income ratio	34.3%	31.4%	
Impairment result from financial instruments	-656.0	-60.0	-90.9%
Other result	-65.5	-11.7	-82.1%
Net result attributable to owners of the parent	193.7	858.4	>100.0%
Return on allocated capital	5.1%	16.9%	

The Corporates segment comprises business done with SMEs (small and medium sized enterprises), Large Corporate customers, as well as commercial real estate and public sector business.

Net interest income improved primarily due to higher customer loan volumes as well as higher income from early loan repayments. Net fee and commission income increased mainly because of higher payment and lending fees. Net trading result and gains/losses from financial instruments at FVPL improved significantly due to positive valuation effects mainly in the Holding and the Czech Republic. Operating expenses increased moderately. Consequently, operating result went up and the cost/income ratio improved. The impairment result from financial instruments improved significantly as last year updated risk parameters with forward looking information and stage overlays related to the Covid-19 crisis led to high risk provisioning. Other result improved mainly due to real estate selling gains as well as the release of provisions for legal expenses. Consequently, the net result attributable to the owners of the parent improved significantly.

Group Markets

in EUR million	2020	2021	Change
Net interest income	252.2	205.8	-18.4%
Net fee and commission income	240.9	289.9	20.4%
Net trading result and gains/losses from financial instruments at FVPL	38.5	110.1	>100.0%
Operating income	529.7	606.3	14.5%
Operating expenses	-232.0	-237.3	2.3%
Operating result	297.7	369.0	24.0%
Cost/income ratio	43.8%	39.1%	
Impairment result from financial instruments	-0.8	-5.6	>100.0%
Other result	-25.7	-27.6	7.3%
Net result attributable to owners of the parent	211.0	260.6	23.5%
Return on allocated capital	24.4%	24.0%	

The Group Markets segment comprises trading and markets services as well as business done with financial institutions.

Net interest income decreased on the back of lower market interest rates. Net fee and commission income increased mostly due to the higher contribution of the securities business driven among others by higher assets under management with institutional clients in Austria. Net trading result and gains/losses from financial instruments at FVPL improved significantly due to valuation results of interest rate derivatives, equity futures and bonds. Overall, operating income increased notably. As operating expenses went up only slightly, operating result increased significantly and the cost/income ratio improved. Impairment result from financial instruments deteriorated due to higher provisioning requirements in Austria. Other result remained by and large stable. Overall, the net result attributable to the owners of the parent improved significantly.

Asset/Liability Management & Local Corporate Center

in EUR million	2020	2021	Change
Net interest income	86.2	223.2	>100.0%
Net fee and commission income	-79.3	-85.6	7.9%
Net trading result and gains/losses from financial instruments at FVPL	13.2	-26.5	n/a
Operating income	58.0	155.1	>100.0%
Operating expenses	-107.4	-124.1	15.5%
Operating result	-49.4	31.0	n/a
Cost/income ratio	>100%	80.0%	
Impairment result from financial instruments	-3.0	-2.3	-23.8%
Other result	-111.8	-137.7	23.2%
Net result attributable to owners of the parent	-112.7	-135.6	20.4%
Return on allocated capital	-3.6%	-3.1%	

The 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 internal service providers and reconciliation items to local entity results.

Net interest income improved primarily due to a one-off booking related to TLTRO III refinancing with ECB (EUR 79.3 million), lower transfer prices that led to a negative impact in the retail segment and a corresponding positive effect in ALM & LCC as well as lower refinancing costs in the Holding and higher income from investments in Czech Republic and Hungary. These effects were partially offset by higher interest expense from the placement of excess liquidity with the ECB. Net fee and commission income decreased mainly due to a higher internal fee recharge between Group Markets and ALM & LCC in the Czech Republic and the Holding. The deterioration of net trading result and gains/losses from financial instruments at FVPL was driven by valuation effects. Operating expenses increased mainly due to higher personnel expenses in Austria and higher property management costs in the Czech Republic. Overall, operating result improved. Other result worsened primarily due to breakage costs in Austria related to an early loan repayment and impairments of buildings and IT in the Czech Republic, partially compensated by higher real estate selling gains in Romania. As the tax charge increased significantly, the net result attributable to the owners of the parent deteriorated.

Savings Banks

The business segment Savings Banks is identical to the geographical (operating) segment Savings Banks.

Group Corporate Center

in EUR million	2020	2021	Change
Net interest income	89.1	100.5	12.8%
Net fee and commission income	6.6	5.9	-11.8%
Net trading result and gains/losses from financial instruments at FVPL	37.1	-27.8	n/a
Operating income	124.8	76.9	-38.3%
Operating expenses	-1,013.0	-904.2	-10.7%
Operating result	-888.2	-827.3	-6.9%
Cost/income ratio	>100.0%	>100.0%	
Impairment result from financial instruments	24.4	7.7	-68.5%
Other result	829.5	616.3	-25.7%
Net result attributable to owners of the parent	-134.4	-32.9	-75.5%
Return on allocated capital	-2.1%	-0.6%	

The Group Corporate Center segment covers mainly centrally managed activities and items that are not directly allocated to other segments. It includes the Corporate Center of Erste Group Bank AG as well as internal service providers, therefore in particular the line items other operating result and general administrative expenses should be considered together with intragroup eliminations. Furthermore, the free capital of Erste Group is included.

Operating income decreased on lower net trading result and gains/losses from financial instruments at FVPL due to valuation effects. Operating expenses decreased on eliminated costs between the two IT entities after their merger – countereffect in intercompany eliminations. Other result deteriorated due to negative valuation effects as well as intercompany effects. The tax charge developed positively. All in all, the net result attributable to owners of the parent improved.

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Erste Group shares (ISIN AT0000652011) are traded in Vienna, Prague and Bucharest.

The issues of Erste Group Bank AG are admitted to trading on the following regulated markets: Vienna, Luxembourg, Budapest, Bucharest and Stuttgart.

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Appendix

Preliminary results 2021 of Erste Group Bank AG (IFRS)

Consolidated income statement

in EUR thousand	2020	2021
Net interest income	4,774,848	4,975,680
Interest income	5,107,947	5,108,894
Other similar income	1,461,747	1,476,470
Interest expenses	-621,237	-483,793
Other similar expenses	-1,173,609	-1,125,891
Net fee and commission income	1,976,821	2,303,667
Fee and commission income	2,354,525	2,722,133
Fee and commission expenses	-377,705	-418,466
Dividend income	19,941	33,162
Net trading result	137,573	58,617
Gains/losses from financial instruments measured at fair value through profit or loss	61,970	173,218
Net result from equity method investments	10,396	15,385
Rental income from investment properties & other operating leases	173,555	182,313
Personnel expenses	-2,520,724	-2,578,141
Other administrative expenses	-1,158,891	-1,180,342
Depreciation and amortisation	-540,880	-548,040
Gains/losses from derecognition of financial assets measured at amortised cost	6,842	-7,632
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	-380	-25,170
Impairment result from financial instruments	-1,294,766	-158,822
Other operating result	-278,281	-310,541
Levies on banking activities	-117,696	-73,488
Pre-tax result from continuing operations	1,368,025	2,933,354
Taxes on income	-342,547	-525,213
Net result for the period	1,025,478	2,408,141
Net result attributable to non-controlling interests	242,349	484,761
Net result attributable to owners of the parent	783,129	1,923,380

Consolidated statement of comprehensive income

in EUR thousand	2020	2021
Net result for the period	1,025,478	2,408,141
Other comprehensive income		
Items that may not be reclassified to profit or loss	62,023	116,082
Remeasurement of defined benefit plans	-61,030	28,618
Fair value reserve of equity instruments	5,758	20,445
Own credit risk reserve	127,513	82,274
Deferred taxes relating to items that may not be reclassified	-10,219	-15,256
Items that may be reclassified to profit or loss	-223,384	-122,213
Fair value reserve of debt instruments	44,375	-188,262
Gain/loss during the period	34,702	-191,190
Reclassification adjustments	-1,201	4,840
Credit loss allowances	10,874	-1,912
Cash flow hedge reserve	99,231	-298,420
Gain/loss during the period	113,496	-295,345
Reclassification adjustments	-14,266	-3,075
Currency reserve	-338,373	270,990
Gain/loss during the period	-338,373	270,990
Deferred taxes relating to items that may be reclassified	-28,583	93,527
Gain/loss during the period	-32,271	94,172
Reclassification adjustments	3,688	-644
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	-33	-48
Total other comprehensive income	-161,361	-6,131
Total comprehensive income	864,116	2,402,009
Total comprehensive income attributable to non-controlling interests	215,016	475,908
Total comprehensive income attributable to owners of the parent	649,100	1,926,102

Group balance sheet

in EUR thousand	Dec 20	Dec 21
Assets		
Cash and cash balances	35,838,532	45,495,440
Financial assets held for trading	6,356,017	6,472,965
Derivatives	2,954,359	2,263,372
Other financial assets held for trading	3,401,658	4,209,593
Pledged as collateral	67,952	372,719
Non-trading financial assets at fair value through profit and loss	3,082,818	3,124,389
Pledged as collateral	7,950	0
Equity instruments	347,312	331,871
Debt securities	2,048,457	1,974,670
Loans and advances to banks	0	9,879
Loans and advances to customers	687,049	807,969
Financial assets at fair value through other comprehensive income	8,518,771	8,881,173
Pledged as collateral	49,995	130,235
Equity instruments	129,756	132,371
Debt securities	8,389,015	8,748,802
Financial assets at amortised cost	210,940,419	229,641,245
Pledged as collateral	1,898,545	1,232,365
Debt securities	29,578,919	35,550,769
Loans and advances to banks	21,466,188	20,991,402
Loans and advances to customers	159,895,312	173,099,074
Finance lease receivables	4,127,083	4,208,530
Hedge accounting derivatives	205,174	78,604
Fair value changes of hedged items in portfolio hedge of interest rate risk	5,271	-3,925
Property and equipment	2,552,076	2,645,175
Investment properties	1,280,412	1,344,174
Intangible assets	1,358,911	1,362,299
Investments in associates and joint ventures	190,073	210,857
Current tax assets	174,657	135,118
Deferred tax assets	460,128	562,081
Assets held for sale	211,815	73,030
Trade and other receivables	1,340,979	2,152,453
Other assets	750,572	1,044,577
Total assets	277,393,709	307,428,186
Liabilities and equity		
Financial liabilities held for trading	2,625,045	2,473,696
Derivatives	2,037,466	1,623,819
Other financial liabilities held for trading	587,578	849,877
Financial liabilities at fair value through profit or loss	12,091,012	10,464,062
Deposits from customers	254,005	494,749
Debt securities issued	11,656,648	9,778,385
Other financial liabilities	180,360	190,927
Financial liabilities at amortised cost	235,125,299	265,415,463
Deposits from banks	24,771,349	31,885,634
Deposits from customers	190,816,425	210,028,718
Debt securities issued	19,019,787	22,351,729
Other financial liabilities	517,738	1,149,382
Lease liabilities	559,720	588,071
Hedge accounting derivatives	188,662	309,405
Fair value changes of hedged items in portfolio hedge of interest rate risk	57	0
Provisions	2,081,947	1,985,871
Current tax liabilities	58,485	143,593
Deferred tax liabilities	20,044	18,742
Liabilities associated with assets held for sale	1,403	0
Other liabilities	2,231,756	2,515,870
Total equity	22,410,280	23,513,414
Equity attributable to non-controlling interests	5,073,100	5,516,031
Additional equity instruments	2,732,965	2,236,194
Equity attributable to owners of the parent	14,604,214	15,761,190
Subscribed capital	859,600	859,600
Additional paid-in capital	1,477,719	1,477,720
Retained earnings and other reserves	12,266,895	13,423,870
Total liabilities and equity	277,393,709	307,428,186

Segment reporting

Operating segments: Geographical segmentation – overview

in EUR million	Austria		Central and Eastern Europe		Other		Total Group	
	2020	2021	2020	2021	2020	2021	2020	2021
Net interest income	2,158.6	2,143.9	2,475.4	2,617.5	140.9	214.3	4,774.8	4,975.7
Net fee and commission income	1,176.1	1,345.9	894.8	1,043.9	-94.1	-86.1	1,976.8	2,303.7
Dividend income	9.8	14.4	3.5	7.9	6.6	10.9	19.9	33.2
Net trading result	-17.2	33.9	214.9	226.7	-60.1	-201.9	137.6	58.6
Gains/losses from financial instruments at FVPL	23.6	74.3	20.1	-31.6	18.3	130.5	62.0	173.2
Net result from equity method investments	1.8	-0.6	4.7	10.8	3.9	5.2	10.4	15.4
Rental income from investment properties & other operating leases	143.7	149.3	49.8	48.1	-19.9	-15.1	173.6	182.3
General administrative expenses	-2,184.8	-2,163.5	-1,842.6	-1,941.3	-193.1	-201.7	-4,220.5	-4,306.5
Gains/losses from derecognition of financial assets at AC	7.7	-0.8	0.3	-7.0	-1.1	0.2	6.8	-7.6
Other gains/losses from derecognition of financial instruments not at FVPL	-0.6	-21.7	0.7	-1.9	-0.5	-1.5	-0.4	-25.2
Impairment result from financial instruments	-605.3	-4.3	-711.2	-163.5	21.7	9.0	-1,294.8	-158.8
Other operating result	-35.2	-21.1	-223.0	-175.4	-20.1	-114.0	-278.3	-310.5
Levies on banking activities	-8.5	-9.6	-92.2	-63.0	-17.0	-0.9	-117.7	-73.5
Pre-tax result from continuing operations	678.3	1,549.5	887.2	1,634.2	-197.5	-250.3	1,368.0	2,933.4
Taxes on income	-95.2	-377.6	-188.1	-330.9	-59.2	183.3	-342.5	-525.2
Net result for the period	583.1	1,171.9	699.1	1,303.3	-256.7	-67.0	1,025.5	2,408.1
Net result attributable to non-controlling interests	216.2	431.0	22.0	51.5	4.1	2.2	242.3	484.8
Net result attributable to owners of the parent	366.9	740.9	677.2	1,251.7	-260.9	-69.3	783.1	1,923.4
Operating income	3,496.5	3,760.9	3,663.1	3,923.3	-4.4	57.8	7,155.1	7,742.0
Operating expenses	-2,184.8	-2,163.5	-1,842.6	-1,941.3	-193.1	-201.7	-4,220.5	-4,306.5
Operating result	1,311.7	1,597.5	1,820.4	1,982.0	-197.5	-143.9	2,934.6	3,435.5
Risk-weighted assets (credit risk, eop)	52,187	58,570	43,346	47,178	2,933	2,711	98,466	108,459
Average allocated capital	6,789	8,348	7,189	8,573	7,467	6,308	21,445	23,229
Cost/income ratio	62.5%	57.5%	50.3%	49.5%	>100%	>100%	59.0%	55.6%
Return on allocated capital	8.6%	14.0%	9.7%	15.2%	-3.4%	-1.1%	4.8%	10.4%
Total assets (eop)	182,528	199,308	119,760	134,082	-24,894	-25,962	277,394	307,428
Total liabilities excluding equity (eop)	146,072	161,679	107,557	121,281	1,354	954	254,983	283,915
Impairments	-612.3	-9.1	-767.9	-216.2	28.1	-3.9	-1,352.1	-229.1
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-516.2	34.9	-645.0	-109.5	25.6	20.6	-1,135.6	-54.1
Net impairment loss on commitments and guarantees given	-89.1	-39.2	-66.2	-54.0	-3.9	-11.6	-159.2	-104.8
Impairment of goodwill	0.0	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	-8.1	-3.9	25.7	-9.8	17.5	-13.7
Net impairment on other non-financial assets	-7.0	-4.8	-48.6	-48.8	-19.3	-3.1	-74.8	-56.7

Operating segments: Geographical area – Austria

in EUR million	EBOe & Subsidiaries		Savings Banks		Other Austria		Austria	
	2020	2021	2020	2021	2020	2021	2020	2021
Net interest income	638.2	646.4	1,069.4	1,080.3	451.0	417.2	2,158.6	2,143.9
Net fee and commission income	406.6	460.1	519.6	584.5	249.9	301.3	1,176.1	1,345.9
Dividend income	6.4	6.2	4.6	5.2	-1.2	2.9	9.8	14.4
Net trading result	6.5	-19.4	8.1	-8.6	-31.7	61.8	-17.2	33.9
Gains/losses from financial instruments at FVPL	7.3	36.4	8.5	51.1	7.8	-13.3	23.6	74.3
Net result from equity method investments	1.6	-0.1	0.0	0.0	0.1	-0.5	1.8	-0.6
Rental income from investment properties & other operating leases	59.5	63.7	38.4	41.7	45.7	43.9	143.7	149.3
General administrative expenses	-711.4	-702.7	-1,106.1	-1,108.8	-367.2	-352.0	-2,184.8	-2,163.5
Gains/losses from derecognition of financial assets at AC	0.1	-2.0	0.1	1.2	7.4	0.0	7.7	-0.8
Other gains/losses from derecognition of financial instruments not at FVPL	-0.1	-0.5	-1.7	-0.8	1.2	-20.4	-0.6	-21.7
Impairment result from financial instruments	-135.8	-31.5	-267.2	23.8	-202.3	3.4	-605.3	-4.3
Other operating result	-9.6	-32.2	-2.6	-16.3	-23.1	27.4	-35.2	-21.1
Levies on banking activities	-3.7	-4.3	-4.7	-5.2	-0.1	-0.1	-8.5	-9.6
Pre-tax result from continuing operations	269.4	424.3	271.2	653.4	137.8	471.8	678.3	1,549.5
Taxes on income	-11.5	-97.3	-54.3	-167.8	-29.4	-112.4	-95.2	-377.6
Net result for the period	257.9	326.9	216.8	485.6	108.3	359.3	583.1	1,171.9
Net result attributable to non-controlling interests	35.9	20.3	175.2	402.4	5.1	8.2	216.2	431.0
Net result attributable to owners of the parent	222.0	306.6	41.6	83.2	103.2	351.1	366.9	740.9
Operating income	1,126.1	1,193.3	1,648.6	1,754.3	721.8	813.3	3,496.5	3,760.9
Operating expenses	-711.4	-702.7	-1,106.1	-1,108.8	-367.2	-352.0	-2,184.8	-2,163.5
Operating result	414.7	490.6	542.5	645.5	354.5	461.3	1,311.7	1,597.5
Risk-weighted assets (credit risk, eop)	12,578	15,206	24,185	26,903	15,424	16,461	52,187	58,570
Average allocated capital	1,657	1,995	3,063	3,891	2,069	2,462	6,789	8,348
Cost/income ratio	63.2%	58.9%	67.1%	63.2%	50.9%	43.3%	62.5%	57.5%
Return on allocated capital	15.6%	16.4%	7.1%	12.5%	5.2%	14.6%	8.6%	14.0%
Total assets (eop)	52,572	59,824	73,219	78,539	56,737	60,945	182,528	199,308
Total liabilities excluding equity (eop)	50,363	57,324	67,984	72,828	27,726	31,527	146,072	161,679
Impairments	-135.7	-31.5	-271.5	23.0	-205.1	-0.6	-612.3	-9.1
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-124.2	-25.8	-232.9	45.5	-159.2	15.2	-516.2	34.9
Net impairment loss on commitments and guarantees given	-11.6	-5.7	-34.4	-21.7	-43.2	-11.8	-89.1	-39.2
Impairment of goodwill	0.0	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	0.0
Net impairment on other non-financial assets	0.1	0.0	-4.3	-0.8	-2.8	-4.0	-7.0	-4.8

Operating segments: Geographical area – Central and Eastern Europe

in EUR million	Czech Republic		Slovakia		Romania		Hungary		Croatia		Serbia		Central and Eastern Europe	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Net interest income	1,049.0	1,150.5	438.4	434.9	435.7	432.6	217.9	257.2	270.8	269.5	63.6	72.8	2,475.4	2,617.5
Net fee and commission income	311.6	358.2	147.1	174.3	146.8	176.4	181.1	207.4	92.0	107.5	16.1	20.2	894.8	1,043.9
Dividend income	2.1	6.5	0.6	0.6	0.7	0.7	0.0	0.1	0.1	0.1	0.0	0.0	3.5	7.9
Net trading result	72.1	67.5	12.2	9.8	70.7	77.4	28.0	37.9	28.0	29.4	4.0	4.7	214.9	226.7
Gains/losses from financial instruments at FVPL	22.6	-4.0	-0.5	-0.8	3.0	0.5	-3.3	-27.9	-1.8	0.6	0.0	0.0	20.1	-31.6
Net result from equity method investments	1.2	3.0	2.9	5.9	-0.4	0.7	0.0	0.0	1.0	1.1	0.0	0.1	4.7	10.8
Rental income from investment properties & other operating leases	8.1	8.3	0.3	0.3	22.2	22.7	7.7	8.1	11.4	8.7	0.1	0.1	49.8	48.1
General administrative expenses	-722.4	-795.3	-287.1	-292.4	-344.9	-339.7	-213.3	-230.7	-214.6	-217.8	-60.3	-65.4	-1,842.6	-1,941.3
Gains/losses from derecognition of financial assets at AC	0.0	-9.3	0.0	0.0	0.0	0.0	0.5	2.4	-0.1	0.0	-0.1	-0.1	0.3	-7.0
Other gains/losses from derecognition of financial instruments not at FVPL	0.0	-0.2	0.0	-2.6	0.0	0.0	0.7	0.8	0.0	0.1	0.0	0.0	0.7	-1.9
Impairment result from financial instruments	-299.8	-69.4	-107.9	-1.1	-107.7	-46.4	-78.0	-16.2	-104.2	-22.2	-13.5	-8.2	-711.2	-163.5
Other operating result	-25.6	-66.5	-49.3	-15.5	-60.2	-32.8	-66.6	-60.2	-16.7	5.2	-4.7	-5.6	-223.0	-175.4
Levies on banking activities	0.0	0.0	-33.8	0.0	0.0	0.0	-58.4	-63.0	0.0	0.0	0.0	0.0	-92.2	-63.0
Pre-tax result from continuing operations	418.8	649.3	156.9	313.3	165.7	292.0	74.6	178.9	66.0	182.2	5.2	18.4	887.2	1,634.2
Taxes on income	-84.0	-145.1	-41.1	-75.4	-43.2	-55.6	-18.5	-22.9	-1.6	-30.9	0.2	-1.0	-188.1	-330.9
Net result for the period	334.8	504.2	115.8	237.9	122.6	236.4	56.1	156.0	64.4	151.3	5.4	17.4	699.1	1,303.3
Net result attributable to non-controlling interests	0.1	0.1	0.0	0.0	0.1	0.3	0.0	0.0	20.5	47.6	1.2	3.6	22.0	51.5
Net result attributable to owners of the parent	334.7	504.1	115.8	237.9	122.4	236.1	56.1	156.0	43.9	103.7	4.2	13.9	677.2	1,251.7
Operating income	1,466.6	1,589.9	601.2	625.0	678.6	710.9	431.4	482.7	401.5	416.9	83.8	97.9	3,663.1	3,923.3
Operating expenses	-722.4	-795.3	-287.1	-292.4	-344.9	-339.7	-213.3	-230.7	-214.6	-217.8	-60.3	-65.4	-1,842.6	-1,941.3
Operating result	744.2	794.6	314.1	332.6	333.7	371.2	218.1	252.0	187.0	199.1	23.4	32.4	1,820.4	1,982.0
Risk-weighted assets (credit risk, eop)	17,666	19,634	7,624	8,105	6,786	7,319	3,967	4,272	5,814	6,168	1,489	1,680	43,346	47,178
Average allocated capital	2,590	3,034	1,103	1,282	1,415	1,723	967	1,205	889	1,071	225	259	7,189	8,573
Cost/income ratio	49.3%	50.0%	47.8%	46.8%	50.8%	47.8%	49.4%	47.8%	53.4%	52.2%	72.0%	66.9%	50.3%	49.5%
Return on allocated capital	12.9%	16.6%	10.5%	18.6%	8.7%	13.7%	5.8%	13.0%	7.2%	14.1%	2.4%	6.7%	9.7%	15.2%
Total assets (eop)	58,600	66,045	20,705	23,157	16,841	18,238	10,162	11,569	10,899	12,262	2,553	2,812	119,760	134,082
Total liabilities excluding equity (eop)	52,909	60,284	18,914	21,104	14,921	16,273	8,997	10,339	9,546	10,792	2,269	2,489	107,557	121,281
Impairments	-297.7	-92.6	-116.3	-3.5	-153.5	-68.8	-79.3	-15.6	-107.5	-27.4	-13.5	-8.2	-767.9	-216.2
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-282.7	-57.2	-97.0	7.3	-88.5	-34.1	-72.8	-16.5	-90.3	-1.0	-13.8	-8.0	-645.0	-109.5
Net impairment loss on commitments and guarantees given	-17.1	-12.2	-10.9	-8.4	-19.3	-12.3	-5.2	0.4	-13.9	-21.2	0.3	-0.2	-66.2	-54.0
Impairment of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	-8.1	-3.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-8.1	-3.9
Net impairment on other non-financial assets	2.0	-23.2	-0.2	1.5	-45.7	-22.4	-1.3	0.6	-3.3	-5.2	0.0	0.0	-48.6	-48.8

Business segments (1)

in EUR million	Retail		Corporates		Group Markets		ALM&LCC	
	2020	2021	2020	2021	2020	2021	2020	2021
Net interest income	2,083.7	2,102.4	1,109.4	1,190.7	252.2	205.8	86.2	223.2
Net fee and commission income	1,047.9	1,206.6	282.3	332.5	240.9	289.9	-79.3	-85.6
Dividend income	0.0	0.4	0.8	0.5	-2.0	0.1	9.9	16.1
Net trading result	96.2	121.6	76.7	100.5	20.9	120.2	-39.9	-206.2
Gains/losses from financial instruments at FVPL	-6.8	-30.9	-12.6	-0.7	17.6	-10.1	53.1	179.8
Net result from equity method investments	3.9	7.0	0.0	0.0	0.0	0.0	2.6	3.1
Rental income from investment properties & other operating leases	23.9	24.0	104.7	109.6	0.0	0.4	25.5	24.7
General administrative expenses	-2,067.7	-2,111.8	-535.7	-543.7	-232.0	-237.3	-107.4	-124.1
Gains/losses from derecognition of financial assets at AC	0.0	-2.6	7.3	0.2	0.0	0.0	-0.4	-4.3
Other gains/losses from derecognition of financial instruments not at FVPL	0.0	0.0	0.7	0.6	1.2	-0.1	-0.2	-28.0
Impairment result from financial instruments	-392.2	-122.4	-656.0	-60.0	-0.8	-5.6	-3.0	-2.3
Other operating result	-69.0	-55.6	-73.6	-12.5	-26.9	-27.5	-111.2	-105.5
Levies on banking activities	-61.0	-41.0	-23.6	-23.2	-4.0	-4.9	-7.3	1.7
Pre-tax result from continuing operations	720.1	1,138.7	304.1	1,117.7	271.1	335.8	-164.2	-109.0
Taxes on income	-121.7	-217.6	-63.1	-214.9	-56.3	-70.5	48.8	-27.0
Net result for the period	598.4	921.1	241.0	902.8	214.8	265.4	-115.4	-136.0
Net result attributable to non-controlling interests	14.5	31.3	47.3	44.4	3.9	4.8	-2.7	-0.4
Net result attributable to owners of the parent	583.9	889.7	193.7	858.4	211.0	260.6	-112.7	-135.6
Operating income	3,248.8	3,431.1	1,561.3	1,733.1	529.7	606.3	58.0	155.1
Operating expenses	-2,067.7	-2,111.8	-535.7	-543.7	-232.0	-237.3	-107.4	-124.1
Operating result	1,181.2	1,319.3	1,025.6	1,189.4	297.7	369.0	-49.4	31.0
Risk-weighted assets (credit risk, eop)	18,451	21,808	43,965	47,329	3,209	3,305	5,932	6,704
Average allocated capital	3,254	3,641	4,746	5,330	880	1,104	3,210	4,420
Cost/income ratio	63.6%	61.5%	34.3%	31.4%	43.8%	39.1%	>100%	80.0%
Return on allocated capital	18.4%	25.3%	5.1%	16.9%	24.4%	24.0%	-3.6%	-3.1%
Total assets (eop)	65,948	71,408	59,531	64,742	43,529	47,772	71,508	84,054
Total liabilities excluding equity (eop)	100,342	111,352	32,706	36,989	37,968	41,902	53,213	60,682
Impairments	-392.6	-121.6	-713.9	-83.8	-0.8	-5.6	-22.0	-36.8
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-387.9	-123.7	-536.4	5.7	-1.1	0.1	-5.4	-0.8
Net impairment loss on commitments and guarantees given	-4.3	1.4	-119.6	-65.7	0.3	-5.8	2.4	-1.5
Impairment of goodwill	0.0	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	0.1	0.2	0.0	0.0	-8.3	-4.1
Net impairment on other non-financial assets	-0.5	0.8	-58.0	-24.0	0.0	0.0	-10.8	-30.4

Business segments (2)

in EUR million	Savings Banks		Group Corporate Center		Intragroup Elimination		Total Group	
	2020	2021	2020	2021	2020	2021	2020	2021
Net interest income	1,069.4	1,080.3	89.1	100.5	85.0	72.7	4,774.8	4,975.7
Net fee and commission income	519.6	584.5	6.6	5.9	-41.2	-30.1	1,976.8	2,303.7
Dividend income	4.6	5.2	6.6	10.9	0.0	0.0	19.9	33.2
Net trading result	8.1	-8.6	35.0	-11.9	-59.4	-57.1	137.6	58.6
Gains/losses from financial instruments at FVPL	8.5	51.1	2.2	-15.9	0.0	0.0	62.0	173.2
Net result from equity method investments	0.0	0.0	3.9	5.2	0.0	0.0	10.4	15.4
Rental income from investment properties & other operating leases	38.4	41.7	-18.6	-17.7	-0.4	-0.4	173.6	182.3
General administrative expenses	-1,106.1	-1,108.8	-1,013.0	-904.2	841.3	723.4	-4,220.5	-4,306.5
Gains/losses from derecognition of financial assets at AC	0.1	1.2	0.0	1.2	-0.2	-3.4	6.8	-7.6
Other gains/losses from derecognition of financial instruments not at FVPL	-1.7	-0.8	-0.7	0.0	0.2	3.2	-0.4	-25.2
Impairment result from financial instruments	-267.2	23.8	24.4	7.7	0.0	0.0	-1,294.8	-158.8
Other operating result	-2.6	-16.3	830.2	615.2	-825.3	-708.3	-278.3	-310.5
Levies on banking activities	-4.7	-5.2	-17.0	-0.9	0.0	0.0	-117.7	-73.5
Pre-tax result from continuing operations	271.2	653.4	-34.3	-203.3	0.0	0.0	1,368.0	2,933.4
Taxes on income	-54.3	-167.8	-96.0	172.6	0.0	0.0	-342.5	-525.2
Net result for the period	216.8	485.6	-130.2	-30.7	0.0	0.0	1,025.5	2,408.1
Net result attributable to non-controlling interests	175.2	402.4	4.1	2.2	0.0	0.0	242.3	484.8
Net result attributable to owners of the parent	41.6	83.2	-134.4	-32.9	0.0	0.0	783.1	1,923.4
Operating income	1,648.6	1,754.3	124.8	76.9	-16.0	-14.8	7,155.1	7,742.0
Operating expenses	-1,106.1	-1,108.8	-1,013.0	-904.2	841.3	723.4	-4,220.5	-4,306.5
Operating result	542.5	645.5	-888.2	-827.3	825.3	708.5	2,934.6	3,435.5
Risk-weighted assets (credit risk, eop)	24,185	26,903	2,725	2,411	0	0	98,466	108,459
Average allocated capital	3,063	3,891	6,293	4,843	0	0	21,445	23,229
Cost/income ratio	67.1%	63.2%	>100%	>100%	>100%	>100%	59.0%	55.6%
Return on allocated capital	7.1%	12.5%	-2.1%	-0.6%			4.8%	10.4%
Total assets (eop)	73,219	78,539	2,810	3,597	-39,152	-42,684	277,394	307,428
Total liabilities excluding equity (eop)	67,984	72,828	1,969	2,903	-39,197	-42,741	254,983	283,915
Impairments	-271.5	23.0	48.8	-4.4	0.0	0.0	-1,352.1	-229.1
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-232.9	45.5	28.1	19.1	0.0	0.0	-1,135.6	-54.1
Net impairment loss on commitments and guarantees given	-34.4	-21.7	-3.6	-11.4	0.0	0.0	-159.2	-104.8
Impairment of goodwill	0.0	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	25.7	-9.8	0.0	0.0	17.5	-13.7
Net impairment on other non-financial assets	-4.3	-0.8	-1.3	-2.3	0.0	0.0	-74.8	-56.7