ERSTE Group

Half-year financial report 2024

Key financial data

Income statement					
in EUR million	Q2 23	Q1 24	Q2 24	1-6 23	1-6 24
Net interest income	1,792	1,852	1,835	3,561	3,687
Net fee and commission income	632	712	711	1,275	1,423
Net trading result and gains/losses from financial instruments at FVPL	171	139	109	207	248
Operating income	2,662	2,788	2,734	5,161	5,522
Operating expenses	-1,230	-1,283	-1,265	-2,472	-2,548
Operating result	**1,432**	**1,505**	**1,468**	**2,689**	**2,974**
Impairment result from financial instruments	8	-95	-31	29	-126
Post-provision operating result	**1,441**	**1,411**	**1,437**	**2,718**	**2,848**
Other operating result	-9	-123	-131	-283	-254
Levies on banking activities	-22	-86	-48	-121	-134
Pre-tax result from continuing operations	1,433	1,284	1,308	2,437	2,592
Taxes on income	-253	-257	-275	-439	-531
Net result for the period	1,180	1,027	1,033	1,998	2,061
Net result attributable to non-controlling interests	284	244	187	508	431
Net result attributable to owners of the parent	**896**	**783**	**846**	**1,490**	**1,629**
Earnings per share	1.98	1.87	1.87	3.36	3.73
Return on equity	18.7%	16.0%	16.1%	16.2%	16.2%
Net interest margin (on average interest-bearing assets)	2.45%	2.49%	2.43%	2.48%	2.47%
Cost/income ratio	46.2%	46.0%	46.3%	47.9%	46.1%
Provisioning ratio (on average gross customer loans)	-0.02%	0.18%	0.06%	-0.03%	0.12%
Tax rate	17.7%	20.0%	21.0%	18.0%	20.5%

Balance sheet					
in EUR million	Jun 23	Mar 24	Jun 24	Dec 23	Jun 24
Cash and cash balances	32,810	29,425	26,231	36,685	26,231
Trading, financial assets	64,946	66,630	64,161	63,690	64,161
Loans and advances to banks	33,454	30,874	34,966	21,432	34,966
Loans and advances to customers	204,881	208,086	211,276	207,828	211,276
Intangible assets	1,328	1,281	1,282	1,313	1,282
Miscellaneous assets	6,573	6,404	6,225	6,206	6,225
Total assets	**343,993**	**342,699**	**344,141**	**337,155**	**344,141**
Financial liabilities held for trading	2,788	1,805	2,003	2,304	2,003
Deposits from banks	25,669	19,737	17,484	22,911	17,484
Deposits from customers	241,082	235,336	240,238	232,815	240,238
Debt securities issued	40,646	48,566	47,917	43,759	47,917
Miscellaneous liabilities	7,072	7,932	7,527	6,864	7,527
Total equity	**26,735**	**29,322**	**28,973**	**28,502**	**28,973**
Total liabilities and equity	**343,993**	**342,699**	**344,141**	**337,155**	**344,141**
Loan/deposit ratio	85.0%	88.4%	87.9%	89.3%	87.9%
NPL ratio	2.0%	2.3%	2.4%	2.3%	2.4%
NPL coverage ratio (based on AC loans, ex collateral)	96.7%	83.7%	80.6%	85.1%	80.6%
CET1 ratio (final)	14.9%	15.2%	15.5%	15.7%	15.5%

Ratings	Jun 23	Mar 24	Jun 24
Fitch			
Long-term	A	A	A
Short-term	F1	F1	F1
Outlook	Stable	Stable	Stable
Moody´s			
Long-term	A2	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,

As of 1 July, I returned as CEO to Erste Group – to the leading bank in Central and Eastern Europe, to a bank with long-term growth potential in all our core markets. We have never rested on our past successes but have steadily kept enhancing our business model and driving innovation in the banking business. This has made Erste Group strong. Customers and investors benefit from the sustainable value we create. This will continue to be so in the future. Further increasing shareholder value is at the very top of my agenda.

Strategic continuity has always been one of the strengths of Erste Group. You may therefore trust that we will remain firmly committed to our region as well as our growth-oriented business model and, of course, our payout policy, which comprises both dividends and in the absence of other options for business growth share buybacks. In addition, I will be focusing on the following strategic priorities: we will elevate George, our successful cross-border digital platform, to the next level by expanding our range of digital advisory services, most notably in asset management, pension products and insurance brokerage. At the same time, we aim to further streamline our product portfolio to facilitate the digitisation of back-office processes. These measures are key components in our ongoing efforts to operate the banking business even more efficiently. In addition to pursuing organic growth, we 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 – at the end of June, the common equity tier 1 ratio (final) stood at 15.5% – 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. Our dividend policy will remain unchanged. We aim to distribute a dividend of between 40 and 50% of the annual net profit attributable to the owners of the parent (after deduction of the AT1 dividend). We are accordingly planning a dividend of EUR 3 per share for the 2024 financial year.

Such a dividend is justified by the strong performance in the current financial year: in the first six months of 2024, Erste Group posted a net profit of EUR 1,629 million on the back of a strong operating result. This was supported by continued high income momentum – with net interest income up 3.5%, driven by excellent performance in Central and Eastern Europe. In part, this was also attributable to the later than expected first ECB rate cut in early June. The positive trend in net fee and commission income persisted, with asset management and payment services making a major contribution to the 11.6% rise. Cost growth was comparatively moderate at slightly above 3%, driven by personnel expenses as well as higher IT costs. Investment in digitisation is crucial, as it secures the long-term success of our business model. Lower deposit insurance contributions had a dampening effect on costs. At the same time, risk costs of EUR 126 million – equivalent to a provisioning ratio of 12 basis points of average gross customer loans – came in lower than originally expected.

Based on this result we revised our outlook for 2024. Specifically, we now expect stable net interest income throughout the year (as opposed to the 3% decline originally anticipated) as well an approximately 10% growth in net fee and commission income (rather than around 5%). Along with the current trend in costs, we now expect to achieve a cost-income ratio of less than 50% for the second year in a row. As asset quality continued to be solid across all of our core markets – the consolidated NPL ratio stood at 2.4% at the end of June – we have also cut the risk cost forecast to below 20 basis points (rather than below 25 basis points). Overall, this results in a return on tangible equity (ROTE) of more than 15% (instead of the previous around 15%). After a weak start to 2024, loan growth accelerated markedly in the second quarter and we therefore still consider our growth projection of 5% realistic. Forecasts for the macroeconomic environment have hardly changed. 2024 is generally expected to see a slight rise in economic growth and subsiding inflationary pressure. We therefore keep anticipating policy rate cuts in all of our core markets.

Erste Group is already a market leader in Central and Eastern Europe. We – and, by this, I mean all employees – will be working hard to stay relevant to our customers, be they private individuals, professionals or companies, and thus to the economic development of our region, and to achieve economic success. You may rely on us and our commitment to the customer business. Our focus will remain on delivering competent advisory services and digital innovation. For more than 200 years we have proven time and again that we are able to deal with changes in the business environment and challenges. This is not going to change. We will continue the success story together!

Peter Bosek m.p.

Erste Group on the capital markets

EQUITY MARKET REVIEW

International equity markets continued their uptrend in the first half of the year. This development was supported by expected changes in the rate policies of major central banks as well as by better-than-anticipated corporate earnings reports. As in the first quarter, US markets again clearly outperformed European equities, mostly on the back of the rally in technology stocks, particularly artificial intelligence. At 17,732.60 points as of the end of June and with a gain of 8.3% during the reporting period and 18.1% year to date, the Nasdaq Composite technology index hit new historic highs, as did the broader Standard & Poor's 500 Index at 5,460.48 points, which was up 3.9% quarter-on-quarter and 14.5% higher than at year-end 2023. The Dow Jones Industrial Average Index likewise posted record highs, but, at 39,118.86 points and with a gain of 3.8% since the start of the year, underperformed the tech-heavy indices. The European Stoxx 600 Index, which also marked an all-time high in mid-May, ended the first half of the year at 511.42 points, up by 6.8% year-to-date. Uncertainty surrounding the outcome of the snap elections in France called in the wake of the European elections and the possibility of punitive tariffs being imposed by the EU on imports from China were weighing on market activity in Europe towards the end of the reporting period. The Dow Jones Euro Stoxx Banks Index, which is composed of the leading European bank shares, has climbed 15.6% since the beginning of the year to 136.81 points. The Austrian Traded Index (ATX) rose 5.1% year-to-date and closed the reporting period at 3,609.47 points, supported by the solid performance of the heavily weighted banking sector. In addition to the pace of inflation, the major central banks focused again on economic activity and the labour market. In June, the European Central Bank (ECB) lowered its policy rate by 25 basis points, for the first time since 2019, to 4.25%, but did not provide any guidance as to its further plans. In the US, the Federal Reserve (Fed) left its policy rate unchanged within the range of 5.25% to 5.50%.

SHARE PERFORMANCE

The Erste Group share continued on its upward trajectory, advancing by 7.1% in the second quarter. The share saw its lowest closing price of the second quarter at EUR 41.50 on 16 April and its highest at EUR 47.57 on 20 May. At the end of June, the closing price stood at EUR 44.24, up 20.4% year-to-date. The Erste Group share thus outperformed both the ATX and the European banking index. Market participants focused in particular on the outlook for 2024 as well as on capitalisation and capital distribution. The announcement of a second share buyback programme in the amount of EUR 500 million was positively perceived by the market. 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 477,639 shares per day.

ISSUING ACTIVITIES

Erste Group already covered a major portion of its funding needs for 2024 in the first half of the year. In early January, a EUR 1 billion mortgage covered bond (7-year tenor, MS+50 bps) opened up the covered bonds segment for European issuers. The prospect of longer tenors than in previous quarters led to the decision to issue another EUR 1 billion mortgage covered bond (9.75-year tenor, MS+55bps) in March. After the release of first quarter results 2024 results, Erste Group placed a EUR 750 million perpNC2031 AT1 instrument, linked, as in the previous year, with a buyback offer, this time for the outstanding 5.125% perpNC2025 AT1 instrument. The remaining issuing activity will be focused on the senior preferred segment.

INVESTOR RELATIONS

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 presentation of the first-quarter results in Vienna was followed by the spring road show in Europe and the US. The economic development and the strategy of Erste Group against the backdrop of the current economic environment were also presented at international banking and investor conferences, hosted by Pekao, RCB, UBS, Bank of America, Goldman Sachs, Danske and RBI. At the 17th Vienna Stock Exchange Awards, Erste Group Bank AG was presented with the prestigious ATX Award in recognition of its heavyweight position in the leading Austrian index.

Interim management report

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

EARNINGS PERFORMANCE IN BRIEF

Net interest income increased to EUR 3,687 million (+3.5%; EUR 3,561 million), in all core markets except Austria, on the back of higher market interest rates in the euro zone and larger loan volume. **Net fee and commission income** rose to EUR 1,423 million (+11.6%; EUR 1,275 million). Growth was registered across all core markets, most notably in asset management and payment services. **Net trading result** declined to EUR 137 million (EUR 270 million); the line item **gains/losses from financial instruments measured at fair value through profit or loss** increased to EUR 111 million (EUR -64 million). The development of these two line items was mostly attributable to valuation effects. **Operating income** increased to EUR 5,522 million (+7.0%; EUR 5,161 million). **General administrative expenses** were up at EUR 2,548 million (+3.1%; EUR 2,472 million). Personnel expenses rose to EUR 1,534 million (+5.1%; EUR 1,459 million) driven by salary increases. Other administrative expenses were up at EUR 745 million (+0.9%; EUR 738 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 69 million (EUR 114 million), IT expenses increased to EUR 301 million (EUR 265 million). Amortisation and depreciation amounted to EUR 270 million (-1.9%; EUR 275 million). Overall, the **operating result** increased markedly to EUR 2,974 million (+10.6%; EUR 2.689 million), the **cost/income ratio** improved to 46.1% (47.9%).

The **impairment result from financial instruments** amounted to EUR -126 million or 12 basis points of average gross customer loans (EUR 29 million or 3 basis points). Allocations to provisions for loans and advances were posted primarily in Austria and Romania. Positive contributions came from the recovery of loans already written off, 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 80.6% (85.1%).

Other operating result amounted to EUR -254 million (EUR -283 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 114 million), as no regular annual contributions will be collected in the euro zone in 2024. Banking levies are currently payable in four core markets. EUR 134 million (EUR 121 million) are reflected in other operating result: thereof, EUR 96 million (EUR 101 million) were charged in Hungary. In Austria, banking tax equaled EUR 20 million (EUR 20 million), in Romania EUR 18 million (newly introduced in 2024). The banking tax in Slovakia of EUR 46 million is posted in the line item taxes on income.

Taxes on income amounted to EUR 531 million (EUR 439 million). The decline in the minority charge to EUR 431 million (EUR 508 million) was attributable to lower contributions from the savings banks. **The net result attributable to owners of the parent** rose to EUR 1,629 million (EUR 1,490 million) on the back of the strong operating result and improved other operating result.

Total equity not including AT1 instruments rose to EUR 26.3 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 23.7 billion (EUR 22.9 billion), total **own funds** (final) EUR 30.1 billion (EUR 29.1 billion). Interim profit for the first half of the year is included in the above figures. Total risk (**risk-weighted assets** including credit, market and operational risk, CRR final) rose to EUR 153.2 billion (EUR 146.5 billion). The **common equity tier 1 ratio** (CET1, final) stood at 15.5% (15.7%), the **total capital ratio** at 19.6% (19.9%).

Total assets increased to EUR 344.1 billion (+2.1%; EUR 337.2 billion). On the asset side, cash and cash balances declined to EUR 26.2 billion (EUR 36.7 billion); loans and advances to banks rose – most notably in Austria and the Czech Republic – to EUR 35.0 billion (EUR 21.4 billion). **Loans and advances to customers** were higher at EUR 211.3 billion (+1.7%; EUR 207.8 billion). On the liability side, deposits from banks declined to EUR 17.5 billion (EUR 22.9 billion). **Customer deposits** rose – most strongly in the Czech Republic and Austria – to EUR 240.2 billion (+3.2%; EUR 232.8 billion). **The loan-to-deposit ratio** stood at 87.9% (89.3%).

OUTLOOK

Following the good business development in the first half of the year, Erste Group upgrades the outlook. Erste Group now expects to achieve a return on tangible equity (ROTE) of more than 15% in 2024. Three key factors will support achievement of this goal: firstly, a moderate improvement in economic growth compared to 2023 in Erste Group's seven core markets (Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia and Serbia) despite continued geopolitical risks, which, should they materialise, would likely negatively impact economic performance; secondly, a continued broadly positive, even if slightly deteriorating credit risk environment; and, finally, the continuous ability of Erste Group to attract new and retain existing customers through continuous development of its product portfolio and its brand. The key headwind to achievement of this goal could be the magnitude and timing of the expected central bank rate cuts in all of Erste Group's markets. Overall, Erste Group now expects a by and large stable operating result and consequently, again a cost/income ratio below 50%.

The expectation by economists is for Erste Group's core markets to post improved real GDP growth in 2024. Inflationary pressures are expected to continue their downward trend in 2024. Continued strong labour markets should be supportive of economic performance in all of Erste Group's markets. Current account balances are projected to remain at sustainable levels in most countries, while fiscal deficits should continue their path of consolidation. Public debt to GDP in all Erste Group markets is projected to be broadly stable, and hence remain materially below the euro zone average.

Against this economic backdrop, Erste Group expects net loan growth of about 5%. Retail and corporate business should contribute in all markets towards the achievement of this goal. Loan growth is projected to offset some of the interest rate headwinds detailed above. Supported by the later than expected first rate cut of the ECB, net interest income should rather remain stable versus 2023 (instead declining by about 3% as originally expected). The second most important income component – net fee and commission income – is expected to rise by approximately 10% (originally expected: about 5%). As in 2023, growth momentum should again come from payment services, insurance brokerage fees as well as asset management and securities business with the latter being dependent on a constructive capital markets environment. The net trading and fair value result, which recovered significantly in 2023, is expected to normalise at historically observed levels in 2024. This, however, will depend substantially on the actual short- and long-term interest rate environment. The remaining income components are anticipated to remain, by and large, stable. Overall, operating income is therefore now expected to increase slightly in 2024, from a historic high in 2023. Operating expenses are expected to rise by approximately 5%. With this the cost/income ratio should once again be at a solid level of below 50%.

Based on the macro-outlook presented above, risk costs should remain at a low level in 2024. While precise forecasting is hard at current low risk cost levels, considering the developments in the first half of the year Erste Group believes that in 2024 risk costs will be below 20 basis points (instead as originally assumed below 25 basis points) of average gross customer loans.

While a forecast for other operating result and various categories of gains and losses from financial instruments not measured at fair value is challenging, this combined item is likely to improve versus 2023 in the absence of significant one-off effects. Assuming an effective group tax rate of around 20% and lower minority charges compared to 2023, Erste Group aims to achieve a ROTE of above 15% in 2024. The CET1 ratio is expected to remain strong, providing enhanced capital return and/or M&A flexibility, despite Erste Group currently ongoing execution of a share buyback in the amount of EUR 500 million.

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	1-6 23	1-6 24	Change
Net interest income	3,561	3,687	3.5%
Net fee and commission income	1,275	1,423	11.6%
Net trading result and gains/losses from financial instruments at FVPL	207	248	20.2%
Operating income	5,161	5,522	7.0%
Operating expenses	-2,472	-2,548	3.1%
Operating result	**2,689**	**2,974**	**10.6%**
Impairment result from financial instruments	29	-126	n/a
Other operating result	-283	-254	-10.2%
Levies on banking activities	-121	-134	10.9%
Pre-tax result from continuing operations	**2,437**	**2,592**	**6.4%**
Taxes on income	-439	-531	21.2%
Net result for the period	**1,998**	**2,061**	**3.1%**
Net result attributable to non-controlling interests	508	431	-15.1%
Net result attributable to owners of the parent	**1,490**	**1,629**	**9.4%**

Net interest income

Net interest income rose especially in the CEE markets. Increases were recorded primarily in Hungary, Romania and the Czech Republic due to higher market rates as well as higher loan volumes. 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 stable at 2.47% (2.48%).

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.

Due to valuation effects resulting from interest rate developments in the securities and derivatives business, net trading result declined to EUR 137 million (EUR 270 million) despite a strong foreign exchange business. Gains/losses from financial instruments measured at fair value through profit or loss trended in the opposite direction and improved to EUR 111 million (EUR -64 million), primarily due to gains from the valuation of debt securities in issue at fair value.

General administrative expenses

in EUR million	1-6 23	1-6 24	Change
Personnel expenses	1,459	1,534	5.1%
Other administrative expenses	738	745	0.9%
Depreciation and amortisation	275	270	-1.9%
General administrative expenses	**2,472**	**2,548**	**3.1%**

Personnel expenses increased in nearly all core markets – most significantly in Austria – driven mostly by collective salary agreements. The moderate rise **in other administrative expenses** was primarily attributable to higher IT, marketing and consulting expenses. Contributions to deposit insurance schemes declined to EUR 69 million (EUR 114 million). In Austria, contributions fell to EUR 35 million (EUR 77 million), in the Czech Republic to EUR 16 million (EUR 20 million).

The cost/income ratio improved to 46.1% (47.9%).

Headcount as of end of the period

	Dec 23	Jun 24	Change
Austria	**16,188**	**16,354**	**1.0%**
Erste Group Bank AG, Erste Bank Oesterreich and subsidiaries	9,019	9,123	1.2%
Haftungsverbund savings banks	7,168	7,231	0.9%
Outside Austria	**29,535**	**29,044**	**-1.7%**
Česká spořitelna Group	9,829	9,574	-2.6%
Banca Comercială Română Group	5,444	5,225	-4.0%
Slovenská sporiteľňa Group	3,520	3,491	-0.8%
Erste Bank Hungary Group	3,359	3,333	-0.8%
Erste Bank Croatia Group	3,291	3,306	0.5%
Erste Bank Serbia Group	1,310	1,275	-2.7%
Savings banks subsidiaries	1,539	1,530	-0.6%
Other subsidiaries and foreign branch offices	1,242	1,310	5.4%
Total	**45,723**	**45,398**	**-0.7%**

Impairment result from financial instruments

The impairment result from financial instruments amounted to EUR -126 million (EUR 29 million). Net allocations to provisions for loans and advances rose to EUR 154 million (EUR 28 million), most notably in Austria (in particular 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 31 million (EUR 38 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 114 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 134 million (EUR 121 million). Thereof, EUR 20 million (EUR 20 million) were payable by Austrian entities. In Hungary, banking levies declined to a total of EUR 96 million (EUR 101 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 36 million (EUR 48 million). Financial transaction tax amounted to EUR 37 million (EUR 36 million). In Romania, the newly introduced banking tax amounted to EUR 18 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 27 million (EUR 16 million).

FINANCIAL RESULTS – QUARTER-ON-QUARTER COMPARISON

Second quarter of 2024 compared with first quarter of 2024

in EUR million	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24
Income statement					
Net interest income	1,792	1,861	1,806	1,852	1,835
Net fee and commission income	632	663	702	712	711
Dividend income	17	6	9	4	24
Net trading result	154	67	417	106	31
Gains/losses from financial instruments measured at fair value through profit or loss	18	46	-288	33	78
Net result from equity method investments	9	4	5	4	8
Rental income from investment properties & other operating leases	41	44	48	77	47
Personnel expenses	-762	-736	-796	-746	-787
Other administrative expenses	-330	-324	-406	-402	-343
Depreciation and amortisation	-139	-142	-143	-134	-135
Gains/losses from derecognition of financial assets at AC	0	-2	-10	-2	0
Other gains/losses from derecognition of financial instruments not at FVPL	2	-3	-128	-1	2
Impairment result from financial instruments	8	-156	0	-95	-31
Other operating result	-9	-44	-141	-123	-131
Levies on banking activities	-22	-27	-36	-86	-48
Pre-tax result from continuing operations	**1,433**	**1,283**	**1,075**	**1,284**	**1,308**
Taxes on income	-253	-231	-205	-257	-275
Net result for the period	**1,180**	**1,052**	**870**	**1,027**	**1,033**
Net result attributable to non-controlling interests	284	233	182	244	187
Net result attributable to owners of the parent	**896**	**820**	**688**	**783**	**846**

Net interest income declined by 0.9%. **Net fee and commission income** was stable. While income from payment services was up, income from the lending and the securities business as well as brokerage commissions came in lower.

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

General administrative expenses declined by 1.3%. While personnel expenses were up 5.4% as a result of salary increases, other administrative expenses were 14.7% lower. This was mainly attributable to contributions to deposit insurance schemes, which had already been posted upfront in the first quarter for the full financial year in nearly all markets. The operating result deteriorated to EUR 1,468 million (EUR 1,505 million) and the **cost/income ratio** rose to 46.3% (46.0%).

Gains/losses from derecognition of financial instruments not measured at fair value through profit or loss amounted to EUR 2 million (EUR - 3 million).

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

Other operating result deteriorated due to allocations 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. Taxes and levies on banking activities amounted to EUR 48 million (EUR 86 million). Thereof, EUR 29 million (EUR 67 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). The balance of allocations/releases of other provisions deteriorated to EUR 15 million (EUR 12 million).

DEVELOPMENT OF THE BALANCE SHEET

in EUR million	Dec 23	Jun 24	Change
Assets			
Cash and cash balances	36,685	26,231	-28.5%
Trading, financial assets	63,690	64,161	0.7%
Loans and advances to banks	21,432	34,966	63.1%
Loans and advances to customers	207,828	211,276	1.7%
Intangible assets	1,313	1,282	-2.4%
Miscellaneous assets	6,206	6,225	0.3%
Total assets	**337,155**	**344,141**	**2.1%**
Liabilities and equity			
Financial liabilities held for trading	2,304	2,003	-13.0%
Deposits from banks	22,911	17,484	-23.7%
Deposits from customers	232,815	240,238	3.2%
Debt securities issued	43,759	47,917	9.5%
Miscellaneous liabilities	6,864	7,527	9.6%
Total equity	28,502	28,973	1.7%
Total liabilities and equity	**337,155**	**344,141**	**2.1%**

The decline in **cash and cash balances** to EUR 26.2 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 64.2 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 35.0 billion (EUR 21.4 billion). **Loans and advances to customers (net)** increased to EUR 211.3 billion (EUR 207.8 billion), most notably in Romania and the Czech Republic. Growth was recorded in both retail and corporate loan volumes.

Loan loss allowances for loans to customers were nearly 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 80.6% (85.1%).

Financial liabilities – held for trading amounted to EUR 2.0 billion (EUR 2.3 billion). **Deposits from banks**, including term deposits of TLTRO III funds with a carrying amount of EUR 1.4 billion (EUR 6.4 billion), declined to EUR 17.5 billion (EUR 22.9 billion); **deposits from customers** increased to EUR 240.2 billion (EUR 232.8 billion) due to strong growth in term deposits of retail customers. The **loan-to-deposit ratio** stood at 87.9% (89.3%). **Debt securities in issue** rose to EUR 47.9 billion (EUR 43.8 billion) on increased issuance activity.

Total assets rose to EUR 344.1 billion (EUR 337.2 billion). **Total equity** increased to EUR 29.0 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 23.7 billion (EUR 22.9 billion), **total own funds** (CRR final) EUR 30.1 billion (EUR 29.1 billion). The interim profit for the first half of the year is included in the above figures. Total risk – **risk-weighted assets** including credit, market and operational risk (CRR final) – increased to EUR 153.2 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 19.6% (19.9%). The **tier 1 ratio** stood at 17.2% (17.3%), the **common equity tier 1 ratio** at 15.5% (15.7%). All ratios are CRR final.

BUSINESS DEVELOPMENT IN THE CORE MARKETS

January-June 2024 compared with January-June 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	1-6 23	1-6 24	Change
Net interest income	578	562	-2.8%
Net fee and commission income	245	264	7.6%
Net trading result and gains/losses from financial instruments at FVPL	4	8	97.7%
Operating income	861	876	1.8%
Operating expenses	-382	-382	-0.1%
Operating result	479	494	3.3%
Cost/income ratio	44.4%	43.6%	
Impairment result from financial instruments	-4	-51	>100.0%
Other result	-34	-29	-16.4%
Net result attributable to owners of the parent	326	293	-10.1%
Return on allocated capital	31.6%	26.8%	

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 decreased due to the repricing of customer deposits and a moderate 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 market 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 remained stable as the lower contribution to the deposit insurance fund of EUR 12 million (EUR 32 million), was offset by higher personnel and IT expenses. Overall, operating result and the cost/income ratio improved. Impairment result from financial instruments worsened due to rating downgrades and new defaults. Other result improved mainly on the discontinuation of payments into the resolution fund as the target level was reached (2023: EUR 16 million), which was partially offset by the provision for interbank VAT exemption. Banking tax remained largely unchanged at EUR 3 million (EUR 4 million). Overall, the net result attributable to owners of the parent decreased.

SAVINGS BANKS

in EUR million	1-6 23	1-6 24	Change
Net interest income	914	920	0.6%
Net fee and commission income	322	350	8.8%
Net trading result and gains/losses from financial instruments at FVPL	26	15	-42.6%
Operating income	1,287	1,308	1.7%
Operating expenses	-621	-642	3.4%
Operating result	666	666	0.1%
Cost/income ratio	48.2%	49.1%	
Impairment result from financial instruments	-10	-84	>100.0%
Other result	-20	-45	>100.0%
Net result attributable to owners of the parent	66	55	-17.3%
Return on allocated capital	23.2%	16.6%	

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 moderately due to higher market interest rates and higher customer loan volumes, partially offset by higher interest expenses for repriced customer deposits and a shift from current accounts to term deposits and savings accounts. Net fee and commission income increased on the back of higher payment and securities fees. Valuation effects led to a worsening 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 22 million (EUR 45 million). Operating result remained stable, 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 decreased slightly to EUR 3 million (EUR 4 million). Overall, the net result attributable to the owners of the parent decreased.

OTHER AUSTRIA

in EUR million	1-6 23	1-6 24	Change
Net interest income	326	282	-13.4%
Net fee and commission income	157	179	13.7%
Net trading result and gains/losses from financial instruments at FVPL	20	24	16.5%
Operating income	532	518	-2.6%
Operating expenses	-192	-204	6.4%
Operating result	341	314	-7.7%
Cost/income ratio	36.0%	39.4%	
Impairment result from financial instruments	86	24	-72.2%
Other result	17	-8	n/a
Net result attributable to owners of the parent	337	250	-25.7%
Return on allocated capital	26.0%	17.9%	

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 due to higher securities fees in Group Markets, as well as higher asset management fees 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 for interbank VAT exemption, only partially compensated by the discontinuation of payments into the resolution fund in 2024 (2023: 4 million). Overall, the net result attributable to owners of the parent declined.

Central and Eastern Europe

CZECH REPUBLIC

in EUR million	1-6 23	1-6 24	Change
Net interest income	652	702	7.7%
Net fee and commission income	217	245	12.7%
Net trading result and gains/losses from financial instruments at FVPL	69	67	-2.7%
Operating income	947	1,023	8.0%
Operating expenses	-488	-474	-2.9%
Operating result	459	549	19.6%
Cost/income ratio	51.5%	46.3%	
Impairment result from financial instruments	-13	9	n/a
Other result	-31	-11	-65.7%
Net result attributable to owners of the parent	345	451	30.7%
Return on allocated capital	15.9%	20.8%	

The segment analysis is done on a constant currency basis. The CZK depreciated by 5.7% 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 Sberbank and 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 remained by and large stable. Operating expenses increased moderately 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 in the second quarter) and as well due to on 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 release of impairment on non-financial assets. Altogether, these developments led to an increase in the net result attributable to the owners of the parent.

SLOVAKIA

in EUR million	1-6 23	1-6 24	Change
Net interest income	254	269	5.9%
Net fee and commission income	101	113	12.5%
Net trading result and gains/losses from financial instruments at FVPL	13	9	-26.8%
Operating income	370	394	6.5%
Operating expenses	-161	-175	8.5%
Operating result	209	219	4.9%
Cost/income ratio	43.5%	44.4%	
Impairment result from financial instruments	-22	-23	1.3%
Other result	-7	0	n/a
Net result attributable to owners of the parent	140	119	-15.1%
Return on allocated capital	18.9%	15.6%	

Net interest income in the Slovakia segment (comprising Slovenská sporiteľňa Group) increased due to higher customer loan volumes and higher market 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). Despite the increase of the operating result the cost/income ratio worsened slightly. Impairment result from financial instruments remained largely stable. 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 46 million booked in the taxes on income line.

ROMANIA

in EUR million	1-6 23	1-6 24	Change
Net interest income	308	370	20.3%
Net fee and commission income	91	106	15.9%
Net trading result and gains/losses from financial instruments at FVPL	58	51	-12.7%
Operating income	463	532	14.9%
Operating expenses	-204	-209	2.5%
Operating result	259	323	24.8%
Cost/income ratio	44.1%	39.3%	
Impairment result from financial instruments	-26	-19	-26.9%
Other result	-19	-37	97.2%
Net result attributable to owners of the parent	182	221	21.1%
Return on allocated capital	20.0%	21.9%	

The segment analysis is done on a constant currency basis. The RON depreciated by 0.8% against the EUR in the reporting period. Net interest income in the Romania segment (comprising Banca Comercială Română Group) was positively impacted by higher market interest rates and higher business volumes. Net fee and commission income went up mainly on higher payment, insurance brokerage and securities fees. The decrease of the net trading result and gains/losses from financial instruments at FVPL was attributable to lower trading result from bonds, money market instruments and interest rate derivatives. Operating expenses went up 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 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 in the second quarter). The deterioration of other result was driven by allocations to the new banking tax of EUR 18 million, partially offset by lower contributions 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	1-6 23	1-6 24	Change
Net interest income	159	223	40.8%
Net fee and commission income	122	143	17.5%
Net trading result and gains/losses from financial instruments at FVPL	71	58	-17.6%
Operating income	356	431	21.0%
Operating expenses	-130	-147	12.7%
Operating result	226	284	25.8%
Cost/income ratio	36.6%	34.1%	
Impairment result from financial instruments	1	9	>100.0%
Other result	-107	-99	-7.6%
Net result attributable to owners of the parent	108	168	55.8%
Return on allocated capital	14.0%	25.0%	

The segment analysis is done on a constant currency basis. The HUF depreciated by 2.3% against the EUR in the reporting period. Net interest income in the Hungary segment (comprising Erste Bank Hungary Group) was positively impacted by higher interest income on short-term placements. 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 7 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 in the second quarter) and due to rating upgrades. The improvement of the other result was driven by lower regulatory charges: the banking tax decreased to EUR 60 million (EUR 66 million), it included the regular banking tax and a windfall profit tax of EUR 36 million (EUR 48 million). Financial transaction tax went up to EUR 37 million (EUR 36 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	1-6 23	1-6 24	Change
Net interest income	190	208	9.4%
Net fee and commission income	57	64	11.1%
Net trading result and gains/losses from financial instruments at FVPL	9	9	0.1%
Operating income	260	284	9.3%
Operating expenses	-125	-137	10.1%
Operating result	136	147	8.7%
Cost/income ratio	47.9%	48.2%	
Impairment result from financial instruments	22	17	-24.1%
Other result	-1	-2	>100.0%
Net result attributable to owners of the parent	89	88	-0.9%
Return on allocated capital	20.9%	26.2%	

Net interest income in the Croatia segment (comprising Erste Bank Croatia Group) increased due to higher market 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 went up on the back of higher personnel, IT, legal and consultancy costs. The contribution into the deposit insurance fund remained stable at EUR 1 million. Despite the increase of the operating result the cost/income ratio worsened. 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	1-6 23	1-6 24	Change
Net interest income	53	57	7.6%
Net fee and commission income	11	14	17.6%
Net trading result and gains/losses from financial instruments at FVPL	4	6	66.1%
Operating income	68	78	14.3%
Operating expenses	-42	-43	3.0%
Operating result	27	35	31.9%
Cost/income ratio	60.8%	54.8%	
Impairment result from financial instruments	-4	-6	39.4%
Other result	0	0	n/a
Net result attributable to owners of the parent	16	21	29.5%
Return on allocated capital	13.4%	14.8%	

The segment analysis is done on a constant currency basis. The Serbian Dinar (RSD) was 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 market interest rates. Net fee and commission income increased mainly due to higher payments 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 personnel expenses and depreciation. Deposit insurance contribution remained unchanged at EUR 3 million. Consequently, operating result increased and the cost/income ratio improved significantly. Impairment result from financial instruments worsened due to rating downgrades. Other result remained stable. Overall, the net result attributable to owners of the parent increased.

Condensed interim consolidated financial statements

Interim report – 1 January to 30 June 2024

Consolidated statement of income

in EUR million	Notes	1-6 23	1-6 24
Net interest income	1	3,561	3,687
Interest income	1	7,153	7,851
Other similar income	1	2,230	2,037
Interest expenses	1	-3,124	-3,934
Other similar expenses	1	-2,698	-2,266
Net fee and commission income	2	1,275	1,423
Fee and commission income	2	1,500	1,668
Fee and commission expenses	2	-226	-245
Dividend income	3	23	28
Net trading result	4	270	137
Gains/losses from financial instruments measured at fair value through profit or loss	5	-64	111
Net result from equity method investments		13	12
Rental income from investment properties & other operating leases	6	82	124
Personnel expenses	7	-1,459	-1,534
Other administrative expenses	7	-738	-745
Depreciation and amortisation	7	-275	-270
Gains/losses from derecognition of financial assets measured at amortised cost	8	-1	-2
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	9	3	0
Impairment result from financial instruments	10	29	-126
Other operating result	11	-283	-254
Levies on banking activities	11	-121	-134
Pre-tax result from continuing operations		**2,437**	**2,592**
Taxes on income	12	-439	-531
Net result for the period		**1,998**	**2,061**
Net result attributable to non-controlling interests		508	431
Net result attributable to owners of the parent		**1,490**	**1,629**

Earnings per share

		1-6 23	1-6 24
Net result attributable to owners of the parent	in EUR thousand	1,489,887	1,629,467
Dividend on AT1 capital (after tax effect)	in EUR thousand	-50,231	-63,860
Net result for the period attributable to owners of the parent after deduction of AT1 capital dividend	in EUR thousand	1,439,656	1,565,608
Weighted average undiluted number of outstanding shares		427,987,260	419,460,551
Earnings per share	in EUR	**3.36**	**3.73**
Weighted average diluted number of outstanding shares		428,500,295	419,879,776
Diluted earnings per share	in EUR	**3.36**	**3.73**

Development of the number of shares

	1-6 23	1-6 24
Shares outstanding at the beginning of the period	407,175,838	399,294,699
Acquisition of treasury shares	-3,234,427	-3,912,877
Disposal of treasury shares	3,490,429	3,142,926
Capital increases	0	0
Shares outstanding at the end of the period	407,431,840	398,524,748
Treasury shares	22,368,160	22,388,160
Number of shares issued at the end of the period	**429,800,000**	**420,912,908**
Weighted average undiluted number of outstanding shares	427,987,260	419,460,551
Weighted average diluted number of outstanding shares	428,500,295	419,879,776

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

Consolidated statement of comprehensive income

in EUR million	1-6 23	1-6 24
Net result for the period	**1,998**	**2,061**
Other comprehensive income		
Items that may not be reclassified to profit or loss	**-44**	**-56**
Remeasurement of defined benefit plans	-34	8
Fair value reserve of equity instruments	-3	-2
Own credit risk reserve	-4	-77
Deferred taxes relating to items that may not be reclassified	-2	16
Items that may be reclassified to profit or loss	**344**	**-76**
Fair value reserve of debt instruments	101	-6
Gain/loss during the period	99	-8
Reclassification adjustments	3	2
Credit loss allowances	-1	0
Cash flow hedge reserve	105	41
Gain/loss during the period	150	85
Reclassification adjustments	-45	-43
Currency reserve	175	-103
Gain/loss during the period	175	-103
Deferred taxes relating to items that may be reclassified	-37	-9
Gain/loss during the period	-46	-18
Reclassification adjustments	9	9
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	0	0
Total other comprehensive income	**300**	**-132**
Total comprehensive income	**2,298**	**1,929**
Total comprehensive income attributable to non-controlling interests	502	431
Total comprehensive income attributable to owners of the parent	**1,795**	**1,498**

Quarterly results

in EUR million	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24
Income statement					
Net interest income	1,792	1,861	1,806	1,852	1,835
Interest income	3,765	3,972	3,919	3,966	3,885
Other similar income	1,162	1,112	1,103	1,081	956
Interest expenses	-1,712	-1,855	-1,894	-1,982	-1,952
Other similar expenses	-1,423	-1,368	-1,323	-1,212	-1,054
Net fee and commission income	632	663	702	712	711
Fee and commission income	754	790	814	836	832
Fee and commission expenses	-122	-127	-112	-124	-122
Dividend income	17	6	9	4	24
Net trading result	154	67	417	106	31
Gains/losses from financial instruments measured at fair value through profit or loss	18	46	-288	33	78
Net result from equity method investments	9	4	5	4	8
Rental income from investment properties & other operating leases	41	44	48	77	47
Personnel expenses	-762	-736	-796	-746	-787
Other administrative expenses	-330	-324	-406	-402	-343
Depreciation and amortisation	-139	-142	-143	-134	-135
Gains/losses from derecognition of financial assets at AC	0	-2	-10	-2	0
Other gains/losses from derecognition of financial instruments not at FVPL	2	-3	-128	-1	2
Impairment result from financial instruments	8	-156	0	-95	-31
Other operating result	-9	-44	-141	-123	-131
Levies on banking activities	-22	-27	-36	-86	-48
Pre-tax result from continuing operations	**1,433**	**1,283**	**1,075**	**1,284**	**1,308**
Taxes on income	-253	-231	-205	-257	-275
Net result for the period	**1,180**	**1,052**	**870**	**1,027**	**1,033**
Net result attributable to non-controlling interests	284	233	182	244	187
Net result attributable to owners of the parent	**896**	**820**	**688**	**783**	**846**
Statement of comprehensive income					
Net result for the period	**1,180**	**1,052**	**870**	**1,027**	**1,033**
Other comprehensive income					
Items that may not be reclassified to profit or loss	**-106**	**19**	**-54**	**-44**	**-11**
Remeasurement of defined benefit plans	-45	38	-63	0	7
Fair value reserve of equity instruments	-3	2	12	1	-3
Own credit risk reserve	-74	-11	-35	-59	-19
Deferred taxes relating to items that may not be reclassified	16	-9	32	13	3
Items that may be reclassified to profit or loss	**39**	**-143**	**199**	**-144**	**68**
Fair value reserve of debt instruments	43	26	274	18	-24
Gain/loss during the period	44	20	154	15	-23
Reclassification adjustments	0	5	131	2	0
Credit loss allowances	0	2	-11	0	0
Cash flow hedge reserve	66	41	59	27	15
Gain/loss during the period	120	122	107	80	5
Reclassification adjustments	-54	-80	-48	-53	10
Currency reserve	-49	-208	-68	-180	78
Gain/loss during the period	-49	-208	-68	-180	78
Deferred taxes relating to items that may be reclassified	-21	-2	-66	-8	-1
Gain/loss during the period	-31	-17	-49	-19	2
Reclassification adjustments	10	15	-17	11	-2
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	0	0	0	0	0
Total	**-67**	**-124**	**145**	**-188**	**56**
Total comprehensive income	**1,114**	**929**	**1,015**	**839**	**1,090**
Total comprehensive income attributable to non-controlling interests	265	250	178	248	183
Total comprehensive income attributable to owners of the parent	**848**	**678**	**837**	**591**	**907**

Consolidated balance sheet

in EUR million	Notes	Dec 23	Jun 24
Assets			
Cash and cash balances	13	36,685	26,231
Financial assets held for trading		8,773	7,525
Derivatives	19	1,262	1,048
Other financial assets held for trading	20	7,511	6,478
Pledged as collateral		245	100
Non-trading financial assets at fair value through profit and loss	21	3,004	3,029
Pledged as collateral		0	0
Equity instruments		415	488
Debt securities		1,551	1,458
Loans and advances to customers		1,038	1,082
Financial assets at fair value through other comprehensive income	17	8,905	8,724
Pledged as collateral		356	104
Equity instruments		110	99
Debt securities		8,794	8,625
Financial assets at amortised cost	14	264,721	283,403
Pledged as collateral		3,125	2,591
Debt securities		44,047	45,966
Loans and advances to banks		21,432	34,966
Loans and advances to customers		199,241	202,471
Finance lease receivables	18	4,970	5,198
Hedge accounting derivatives	22	183	168
Fair value changes of hedged items in portfolio hedge of interest rate risk		-25	-26
Property and equipment		2,605	2,658
Investment properties		1,524	1,544
Intangible assets		1,313	1,282
Investments in associates and joint ventures		241	273
Current tax assets		72	64
Deferred tax assets		468	399
Assets held for sale		163	25
Trade and other receivables	15	2,579	2,525
Other assets	23	976	1,120
Total assets		**337,155**	**344,141**

Liabilities and equity			
Financial liabilities held for trading		2,304	2,003
Derivatives	19	1,614	1,211
Other financial liabilities held for trading	24	690	793
Financial liabilities at fair value through profit or loss		11,152	10,561
Deposits from customers		593	107
Debt securities issued	25	10,429	10,321
Other financial liabilities		130	133
Financial liabilities at amortised cost		289,842	297,006
Deposits from banks	16	22,911	17,484
Deposits from customers	16	232,223	240,130
Debt securities issued	16	33,330	37,596
Other financial liabilities		1,378	1,795
Lease liabilities		670	691
Hedge accounting derivatives	22	286	221
Provisions	26	1,612	1,595
Current tax liabilities		265	292
Deferred tax liabilities		14	23
Liabilities associated with assets held for sale		113	0
Other liabilities	27	2,396	2,776
Total equity		**28,502**	**28,973**
Equity attributable to non-controlling interests		6,853	7,238
Additional equity instruments		2,405	2,688
Equity attributable to owners of the parent		19,243	19,047
Subscribed capital		843	842
Additional paid-in capital		1,494	1,495
Retained earnings and other reserves		16,906	16,709
Total liabilities and equity		**337,155**	**344,141**

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	-3	0	0	0	0	0	-3	0	0	-3
Dividends paid	0	0	-1,144	0	0	0	0	0	-1,144	0	-124	-1,268
Capital increase/decrease	-1	1	-7	0	0	0	0	0	-7	283	-4	272
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	-1	0	0	0	0	0	0
Share-based payments	0	0	-6	0	0	0	0	0	-6	0	0	-6
Other changes	0	0	-503	0	0	0	0	0	-503	0	0	-503
Total comprehensive income	0	0	1,629	33	-12	-56	-103	7	1,498	0	431	1,929
Net result for the period	0	0	1,629	0	0	0	0	0	1,629	0	431	2,061
Other comprehensive income	0	0	0	33	-12	-56	-103	7	-131	0	0	-132
Change from remeasurement of defined benefit plans	0	0	0	0	0	0	0	7	7	0	-1	6
Change in fair value reserve	0	0	0	0	-12	0	0	0	-12	0	4	-8
Change in cash flow hedge reserve	0	0	0	33	0	0	0	0	33	0	0	33
Change in currency reserve	0	0	0	0	0	0	-103	0	-103	0	1	-103
Change in own credit risk reserve	0	0	0	0	0	-56	0	0	-56	0	-4	-60
As of 30 June 2024	**842**	**1,495**	**18,081**	**2**	**36**	**-125**	**-797**	**-488**	**19,047**	**2,688**	**7,238**	**28,973**

	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	4	0	0	0	0	0	4	0	0	4
Dividends paid	0	0	-827	0	0	0	0	0	-827	0	-58	-884
Capital increase/decrease	0	0	0	0	0	0	0	0	0	0	0	0
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	-6	0	0	0	0	0	-6	0	0	-6
Other changes	0	0	1	0	0	0	0	0	1	0	0	1
Total comprehensive income	0	0	1,490	85	73	-10	175	-17	1,795	0	502	2,298
Net result for the period	0	0	1,490	0	0	0	0	0	1,490	0	508	1,998
Other comprehensive income	0	0	0	85	73	-10	175	-17	306	0	-6	300
Change from remeasurement of defined benefit plans	0	0	0	0	0	0	0	-17	-17	0	-13	-30
Change in fair value reserve	0	0	0	0	73	0	0	0	73	0	8	81
Change in cash flow hedge reserve	0	0	0	85	0	0	0	0	85	0	0	85
Change in currency reserve	0	0	0	0	0	0	175	0	175	0	0	175
Change in own credit risk reserve	0	0	0	0	0	-10	0	0	-10	0	-1	-11
As of 30 June 2023	**860**	**1,478**	**16,982**	**-112**	**-191**	**-36**	**-418**	**-489**	**18,074**	**2,236**	**6,424**	**26,735**

Consolidated statement of cash flows

in EUR million	1-6 23	1-6 24
Net result for the period	**1,998**	**2,061**
Non-cash adjustments for items in net profit/loss for the year		
Depreciation, amortisation and net impairment of non-financial assets	276	266
Net allocation to credit loss allowances and other provisions	-17	117
Gains/losses from measurement and derecognition of financial assets and financial liabilities	196	-1,378
Other adjustments	-35	-105
Changes in assets and liabilities from operating activities after adjustment for non-cash components		
Financial assets held for trading	-258	1,265
Non-trading financial assets at fair value through profit and loss		
Equity instruments	-34	-74
Debt securities	-12	713
Loans and advances to banks	0	0
Loans and advances to customers	-46	-25
Financial assets at fair value through other comprehensive income: debt securities	-459	155
Financial assets at amortised cost		
Debt securities	-4,202	-1,919
Loans and advances to banks	-15,026	-13,545
Loans and advances to customers	-2,375	-3,385
Finance lease receivables	-241	-228
Hedge accounting derivatives	18	47
Other assets from operating activities	-32	139
Financial liabilities held for trading	-659	369
Financial liabilities at fair value through profit or loss	258	-589
Financial liabilities at amortised cost		
Deposits from banks	-3,152	-5,427
Deposits from customers	17,261	7,908
Debt securities issued	4,163	4,266
Other financial liabilities	129	-83
Hedge accounting derivatives	-50	-64
Other liabilities from operating activities	321	273
Cash flow from operating activities	**-1,979**	**-9,242**
Proceeds of disposal		
Financial assets at fair value through other comprehensive income: equity instruments	15	0
Investments in associates and joint ventures	-3	-21
Property and equipment and intangible assets	19	30
Investment properties	3	3
Acquisition of		
Financial assets at fair value through other comprehensive income: equity instruments	0	0
Property and equipment and intangible assets	-179	-173
Investment properties	-4	-43
Cash flow from investing activities	**-150**	**-204**
Capital increases	0	269
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	-58	-124
Cash flow from financing activities	**-868**	**-948**
Cash and cash equivalents at the beginning of the period	**35,685**	**36,685**
Cash flow from operating activities	-1,979	-9,242
Cash flow from investing activities	-150	-204
Cash flow from financing activities	-868	-948
Effect of currency translation	121	-59
Cash and cash equivalents at the end of period	**32,810**	**26,231**
Cash flows related to taxes, interest and dividends (included in cash flow from operating activities)	4,004	3,793
Payments for taxes on income	-140	-369
Interest received	10,152	11,770
Dividends received	23	28
Interest paid	-6,031	-7,635

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 June 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 June 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	-3
Mergers	-1
As of 30 June 2024	**298**

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	1-6 23	1-6 24
Financial assets at AC	6,977	7,659
Financial assets at FVOCI	176	192
Interest income	7,153	7,851
Non-trading financial assets at FVPL	41	46
Financial assets HfT	2,126	1,831
Derivatives - hedge accounting, interest rate risk	-56	7
Other assets	110	146
Negative interest from financial liabilities	10	7
Other similar income	2,230	2,037
Interest and other similar income	**9,384**	**9,888**
Financial liabilities at AC	-3,124	-3,934
Interest expenses	-3,124	-3,934
Financial liabilities at FVPL	-163	-185
Financial liabilities HfT	-2,325	-1,750
Derivatives - hedge accounting, interest rate risk	-184	-307
Other liabilities	-26	-24
Negative Interest from financial assets	-1	-1
Other similar expenses	-2,698	-2,266
Interest and other similar expenses	**-5,823**	**-6,200**
Net interest income	**3,561**	**3,687**

An amount of EUR 87 million (EUR 96 million) relating to impaired financial assets is included in various line items of net interest income.

2. Net fee and commission income

	1-6 23		1-6 24	
in EUR million	Income	Expenses	Income	Expenses
Securities	143	-26	163	-29
Issues	30	0	30	-1
Transfer orders	103	-19	127	-22
Other	10	-7	6	-6
Clearing and settlement	1	-1	1	0
Asset management	278	-25	321	-21
Custody	60	-8	73	-9
Fiduciary transactions	1	0	1	0
Payment services	704	-136	774	-139
Card business	210	-90	233	-91
Current accounts from customers	370	0	329	0
Other	124	-46	212	-49
Customer resources distributed but not managed	136	-5	150	-6
Collective investment	11	-1	14	-1
Insurance products	112	-1	121	-1
Foreign exchange transactions	12	-1	13	-1
Other	2	-2	2	-3
Structured finance	0	0	2	0
Servicing fees from securitization activities	0	0	0	-1
Lending business	122	-14	123	-21
Guarantees given, guarantees received	50	-2	51	-2
Loan commitments given, loan commitments received	25	0	27	0
Other lending business	47	-12	45	-18
Other	56	-11	61	-19
Total fee and commission income and expenses	**1,500**	**-226**	**1,668**	**-245**
Net fee and commission income	**1,275**		**1,423**	

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	1-6 23	1-6 24
Financial assets HfT	4	6
Non-trading financial assets at FVPL	14	12
Financial assets at FVOCI	5	10
Dividend income	**23**	**28**

4. Net trading result

in EUR million	1-6 23	1-6 24
Securities and derivatives trading	132	9
Foreign exchange transactions	144	137
Result from hedge accounting	-6	-8
Net trading result	**270**	**137**

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

in EUR million	1-6 23	1-6 24
Result from measurement/sale of financial assets designated at FVPL	2	2
Result from measurement/repurchase of financial liabilities designated at FVPL	-140	58
Result from financial assets and liabilities designated at FVPL	**-138**	**60**
Result from measurement/sale of financial assets mandatorily at FVPL	74	51
Gains/losses from financial instruments measured at fair value through profit or loss	**-64**	**111**

6. Rental income from investment properties & other operating leases

in EUR million	1-6 23	1-6 24
Investment properties	59	69
Other operating leases	23	54
Rental income from investment properties & other operating leases	**82**	**124**

7. General administrative expenses

in EUR million	1-6 23	1-6 24
Personnel expenses	**-1,459**	**-1,534**
Wages and salaries	-1,103	-1,186
Compulsory social security	-264	-282
Long-term employee provisions	-13	-6
Other personnel expenses	-79	-59
Other administrative expenses	**-738**	**-745**
Deposit insurance contribution	-114	-69
IT expenses	-265	-301
Expenses for office space	-101	-98
Office operating expenses	-76	-80
Advertising/marketing	-85	-93
Legal and consulting costs	-53	-63
Sundry administrative expenses	-43	-40
Depreciation and amortisation	**-275**	**-270**
Software and other intangible assets	-92	-88
Owner occupied real estate	-84	-82
Investment properties	-14	-17
Customer relationships	-4	-2
Office furniture and equipment and sundry property and equipment	-81	-81
General administrative expenses	**-2,472**	**-2,548**

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

in EUR million	1-6 23	1-6 24
Gains from derecognition of financial assets at AC	0	0
Losses from derecognition of financial assets at AC	-1	-2
Gains/losses from derecognition of financial assets measured at amortised cost	**-1**	**-2**

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

in EUR million	1-6 23	1-6 24
Sale of financial assets at FVOCI	-3	-1
Derecognition of financial liabilities at AC	6	1
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	**3**	**0**

10. Impairment result from financial instruments

in EUR million	1-6 23	1-6 24
Financial assets at FVOCI	1	-1
Financial assets at AC	2	-137
Allocation/reversal to credit loss allowances (net)	-25	-154
Direct write-offs	-4	-3
Recoveries recorded directly to the income statement	37	30
Modification gains or losses	-7	-10
Finance lease receivables	-3	1
Allocation/reversal to credit loss allowances (net)	-3	0
Recoveries recorded directly to the income statement	1	1
Credit loss allowances for loan commitments and financial guarantees given	29	11
Impairment result from financial instruments	**29**	**-126**

11. Other operating result

in EUR million	1-6 23	1-6 24
Other operating expenses	**-302**	**-194**
Allocation to other provisions	-62	-24
Levies on banking activities	-121	-134
Banking tax	-85	-98
Financial transaction tax	-36	-37
Other taxes	-5	-8
Resolution fund contributions	-114	-28
Impairment of goodwill	0	0
Other operating income	**78**	**51**
Release of other provisions	78	51
Result from properties and equipment, investment properties and other intangible assets	0	22
Result from other operating expenses/income	-60	-133
Other operating result	**-283**	**-254**

12. Taxes on income

The consolidated net tax expenses for the reporting period amounted to EUR 531 million (EUR 439 million), including EUR 70 million (EUR 60 million) of deferred tax expenses.

13. Cash and cash balances

in EUR million	Dec 23	Jun 24
Cash on hand	3,200	2,970
Cash balances at central banks	32,586	20,933
Other demand deposits at credit institutions	899	2,329
Cash and cash balances	**36,685**	**26,231**

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
Jun 24									
Central banks	16	0	0	16	0	0	0	0	16
General governments	35,632	78	0	35,710	-4	0	0	-4	35,705
Credit institutions	8,723	1	0	8,724	-4	0	0	-4	8,720
Other financial corporations	296	31	1	328	0	-1	-1	-3	325
Non-financial corporations	1,151	52	3	1,206	-1	-2	-3	-6	1,200
Total	**45,818**	**161**	**4**	**45,983**	**-9**	**-3**	**-4**	**-17**	**45,966**
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
Jun 24									
Central banks	26,918	0	0	26,918	0	0	0	0	26,918
Credit institutions	8,045	12	0	8,057	-8	0	0	-8	8,048
Total	**34,963**	**12**	**0**	**34,975**	**-8**	**0**	**0**	**-9**	**34,966**
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
Jun 24											
General governments	8,025	269	64	14	8,372	-5	-20	-5	0	-30	8,343
Other financial corporations	4,142	769	65	0	4,976	-10	-16	-29	0	-55	4,920
Non-financial corporations	72,797	19,596	2,761	240	95,394	-198	-816	-1,159	-60	-2,232	93,162
Households	85,861	9,852	1,886	123	97,722	-171	-488	-994	-23	-1,676	96,046
Total	**170,825**	**30,486**	**4,776**	**377**	**206,464**	**-384**	**-1,339**	**-2,186**	**-83**	**-3,993**	**202,471**
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	
Jun 24											
Central banks	0	0	0	0	0	0	0	0	0	0	0
General governments	39	17	0	0	57	0	0	0	0	0	57
Credit institutions	49	4	0	0	53	0	0	0	0	0	53
Other financial corporations	64	21	0	0	85	0	0	0	0	0	84
Non-financial corporations	1,330	889	28	1	2,248	-9	-5	-16	-1	-30	2,218
Households	103	15	14	0	132	-2	-4	-12	0	-18	114
Total	**1,585**	**947**	**42**	**1**	**2,575**	**-12**	**-9**	**-28**	**-1**	**-50**	**2,525**
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	Jun 24
Overnight deposits	1,969	2,746
Term deposits	16,934	11,648
Repurchase agreements	4,007	3,090
Deposits from banks	**22,911**	**17,484**

Deposits from customers

in EUR million	Dec 23	Jun 24
Overnight deposits	**161,382**	**162,275**
Savings deposits	51,650	53,660
Other financial corporations	270	467
Non-financial corporations	3,268	4,020
Households	48,112	49,174
Non-savings deposits	109,732	108,614
General governments	7,532	8,526
Other financial corporations	5,421	5,223
Non-financial corporations	32,531	31,126
Households	64,248	63,739
Term deposits	**67,496**	**73,065**
Deposits with agreed maturity	65,384	71,027
Savings deposits	29,643	29,584
Other financial corporations	783	654
Non-financial corporations	2,997	2,273
Households	25,864	26,658
Non-savings deposits	35,741	41,443
General governments	4,225	5,225
Other financial corporations	11,480	11,646
Non-financial corporations	9,723	11,236
Households	10,313	13,335
Deposits redeemable at notice	2,112	2,038
General governments	1	0
Other financial corporations	132	145
Non-financial corporations	292	293
Households	1,687	1,599
Repurchase agreements	**3,345**	**4,791**
General governments	845	2,284
Other financial corporations	2,484	2,066
Non-financial corporations	16	440
Deposits from customers	**232,223**	**240,130**
General governments	12,603	16,036
Other financial corporations	20,570	20,201
Non-financial corporations	48,826	49,388
Households	150,223	154,505

The carrying amount of the TLTRO III liabilities as of 30 June 2024 was EUR 1.4 billion (EUR 6.4 billion).

Debt securites issued

in EUR million	Dec 23	Jun 24
Subordinated debt securities issued	2,549	2,552
Senior non-preferred bonds	4,393	4,912
Other debt securities issued	26,388	30,132
Bonds	10,517	11,020
Certificates of deposit	1,988	4,041
Other certificates of deposits/name certificates	113	112
Mortgage covered bonds	13,769	14,958
Debt securities issued	**33,330**	**37,596**

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 June 2024 amounted to EUR 99 million (EUR 110 million), the cumulative fair value change for equity instruments FVOCI before taxes recognized in other comprehensive income amounted to EUR 59 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
Jun 24											
General governments	6,132	13	0	6,145	-2	0	0	-2	6,143	-31	6,112
Credit institutions	1,525	0	0	1,525	-1	0	0	-1	1,524	5	1,528
Other financial corporations	149	34	1	184	0	0	-1	-1	183	-4	179
Non-financial corporations	638	194	2	834	0	-9	-1	-10	824	-19	806
Total	**8,444**	**241**	**3**	**8,688**	**-4**	**-9**	**-1**	**-14**	**8,674**	**-48**	**8,625**
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
Jun 24											
General governments	250	11	1	0	261	-1	-1	0	0	-3	258
Credit institutions	1	0	0	0	1	0	0	0	0	0	1
Other financial corporations	164	3	1	0	168	-1	0	0	0	-1	167
Non-financial corporations	3,026	851	95	1	3,973	-13	-29	-28	0	-70	3,903
Households	797	69	15	0	881	-5	-2	-6	0	-13	869
Total	**4,238**	**933**	**111**	**1**	**5,284**	**-19**	**-32**	**-34**	**0**	**-86**	**5,198**
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 Notional value	Dec 23 Positive fair value	Dec 23 Negative fair value	Jun 24 Notional value	Jun 24 Positive fair value	Jun 24 Negative fair value
Derivatives held in the trading book	**224,717**	**4,699**	**4,737**	**244,869**	**4,378**	**4,142**
Interest rate	165,404	4,017	3,959	180,797	3,909	3,733
Equity	468	7	22	556	9	18
Foreign exchange	58,384	668	744	62,814	450	374
Credit	229	4	11	428	5	16
Commodity	7	0	0	7	0	0
Other	225	3	1	267	4	1
Derivatives held in the banking book	**23,988**	**462**	**568**	**25,360**	**402**	**564**
Interest rate	17,760	346	458	19,531	297	467
Equity	1,257	66	43	1,080	81	40
Foreign exchange	4,663	49	63	4,515	25	52
Credit	118	1	0	64	0	0
Other	190	0	4	170	0	5
Total gross amounts	**248,706**	**5,161**	**5,305**	**270,228**	**4,780**	**4,706**
Offset		-3,899	-3,691		-3,733	-3,495
Total		**1,262**	**1,614**		**1,048**	**1,211**

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	Jun 24
Equity instruments	146	228
Debt securities	7,365	6,250
Central banks	3,129	851
General governments	2,200	2,925
Credit institutions	1,670	2,038
Other financial corporations	286	339
Non-financial corporations	80	97
Other financial assets held for trading	**7,511**	**6,478**

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

in EUR million	Dec 23 Designated	Dec 23 Mandatorily	Jun 24 Designated	Jun 24 Mandatorily
Equity instruments	0	415	0	488
Debt securities	178	1,373	82	1,376
General governments	0	308	0	335
Credit institutions	146	125	82	117
Other financial corporations	33	869	0	854
Non-financial corporations	0	71	0	71
Loans and advances to customers	0	1,038	0	1,082
General governments	0	1	0	0
Non-financial corporations	0	27	0	26
Households	0	1,010	0	1,056
Financial assets designated and mandatorily at FVPL	178	2,826	82	2,946
Non-trading financial assets at fair value through profit and loss	**3,004**		**3,029**	

22. Hedge accounting derivatives

in EUR million	Dec 23 Notional value	Dec 23 Positive fair value	Dec 23 Negative fair value	Jun 24 Notional value	Jun 24 Positive fair value	Jun 24 Negative fair value
Fair value hedges	**24,254**	**495**	**1,458**	**25,330**	**389**	**1,483**
Interest rate	24,254	495	1,458	25,330	389	1,483
Cash flow hedges	**4,667**	**127**	**84**	**3,324**	**121**	**36**
Interest rate	2,859	46	68	1,670	55	19
Foreign exchange	1,808	81	16	1,653	66	18
Total gross amounts	**28,921**	**623**	**1,542**	**28,653**	**510**	**1,520**
Offset		-440	-1,256		-342	-1,299
Total		**183**	**286**		**168**	**221**

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	Jun 24
Prepayments	135	197
Inventories	98	103
Sundry assets	742	820
Other assets	**976**	**1,120**

24. Other financial liabilities held for trading

in EUR million	Dec 23	Jun 24
Short positions	637	726
Equity instruments	95	15
Debt securities	542	711
Debt securities issued	53	66
Other financial liabilities held for trading	**690**	**793**

25. Financial liabilities at fair value through profit and loss

Debt securities issued

in EUR million	Dec 23	Jun 24
Subordinated debt securities issued	2,016	2,037
Other debt securities issued	8,413	8,284
Bonds	6,128	5,946
Other certificates of deposits/name certificates	1,069	1,105
Mortgage covered bonds	1,089	1,151
Public sector covered bonds	126	82
Debt securities issued	**10,429**	**10,321**

26. Provisions

in EUR million	Dec 23	Jun 24
Defined employee benefit plans	812	786
Loan commitments and financial guarantees given in scope of IFRS 9	416	397
Pending legal issues and tax litigation	289	262
Commitments and guarantees given out of scope of IFRS 9	24	15
Other provisions	71	135
Provisions	**1,612**	**1,595**

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 3.71% p.a. as of 30 June 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 0.7% p.a. respectively to compensate for inflation. According to IAS 19 the resulting measurement adjustments have been recognised as a gain in other comprehensive income amounting to EUR 7.7 million for pension and severance payment provisions while for jubilee provisions a gain of EUR 1.9 million has been considered in the income statement.

27. Other liabilities

in EUR million	Dec 23	Jun 24
Deferred income	114	125
Sundry liabilities	2,282	2,651
Other liabilities	**2,396**	**2,776**

28. Segment reporting

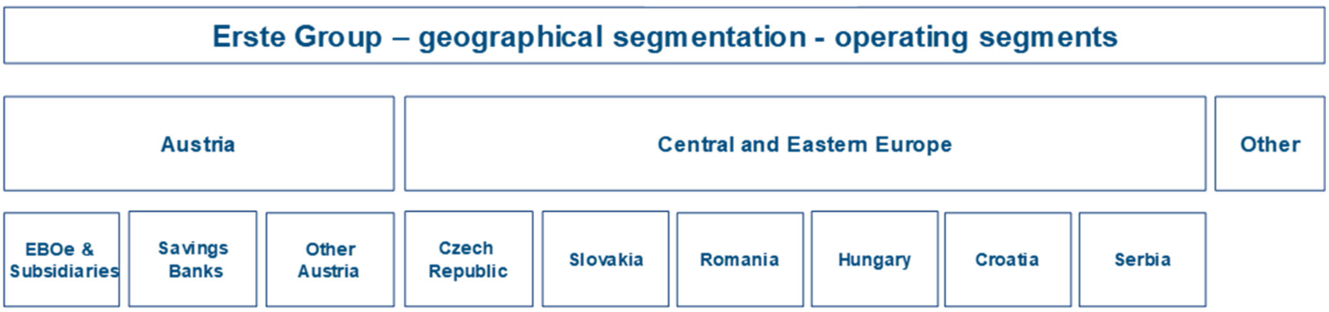
Erste Group's segment reporting is based on IFRS 8 Operating Segments, which adopts the management approach. Accordingly, segment information is prepared on the basis of internal management reporting that is regularly reviewed by the chief operating decision maker to assess the performance of the segments 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	1-6 23	1-6 24	1-6 23	1-6 24	1-6 23	1-6 24	1-6 23	1-6 24
Net interest income	1,818	1,764	1,615	1,829	128	95	3,561	3,687
Net fee and commission income	724	793	599	684	-49	-54	1,275	1,423
Dividend income	14	18	3	4	6	6	23	28
Net trading result	40	34	201	181	29	-77	270	137
Gains/losses from financial instruments at FVPL	10	13	22	19	-96	79	-64	111
Net result from equity method investments	2	3	7	7	4	2	13	12
Rental income from investment properties & other operating leases	70	78	19	21	-7	24	82	124
General administrative expenses	-1,195	-1,228	-1,150	-1,185	-128	-135	-2,472	-2,548
Gains/losses from financial assets and liabilities not at FVPL, net								
Gains/losses from derecognition of financial assets at AC	0	-1	0	0	0	-1	-1	-2
Other gains/losses from derecognition of financial instruments not at FVPL	-4	-2	0	1	6	1	3	0
Impairment result from financial instruments	72	-111	-43	-12	-1	-3	29	-126
Other operating result	-32	-79	-165	-149	-86	-27	-283	-254
Levies on banking activities	-8	-7	-101	-114	-12	-13	-121	-134
Pre-tax result from continuing operations	**1,521**	**1,283**	**1,108**	**1,398**	**-192**	**-89**	**2,437**	**2,592**
Taxes on income	-333	-303	-184	-286	79	58	-439	-531
Net result for the period	**1,187**	**979**	**924**	**1,112**	**-113**	**-31**	**1,998**	**2,061**
Net result attributable to non-controlling interests	459	381	45	45	5	4	508	431
Net result attributable to owners of the parent	**729**	**598**	**879**	**1,067**	**-118**	**-35**	**1,490**	**1,629**
Operating income	2,680	2,703	2,465	2,744	16	75	5,161	5,522
Operating expenses	-1,195	-1,228	-1,150	-1,185	-128	-135	-2,472	-2,548
Operating result	**1,485**	**1,475**	**1,316**	**1,559**	**-112**	**-60**	**2,689**	**2,974**
Risk-weighted assets (credit risk, eop)	64,426	66,171	57,160	59,102	2,794	2,851	124,380	128,124
Average allocated capital	9,216	10,235	10,799	10,598	6,238	8,229	26,253	29,063
Cost/income ratio	44.6%	45.4%	46.6%	43.2%	>100%	>100%	47.9%	46.1%
Return on allocated capital	26.0%	19.2%	17.3%	21.1%	-3.7%	-0.8%	15.3%	14.3%
Total assets (eop)	214,077	209,632	157,078	161,587	-27,162	-27,078	343,993	344,141
Total liabilities excluding equity (eop)	168,391	160,408	143,719	147,387	5,147	7,374	317,258	315,169
Impairments	**72**	**-111**	**-44**	**4**	**-1**	**-3**	**27**	**-109**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	33	-108	-40	-28	8	-2	0	-137
Net impairment loss on commitments and guarantees given	39	-3	-3	15	-8	-1	29	11
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	-2	17	0	0	-2	17

Operating segments: Geographical area Austria

in EUR million	EBOe & Subsidiaries		Savings Banks		Other Austria		Austria	
	1-6 23	1-6 24	1-6 23	1-6 24	1-6 23	1-6 24	1-6 23	1-6 24
Net interest income	578	562	914	920	326	282	1,818	1,764
Net fee and commission income	245	264	322	350	157	179	724	793
Dividend income	6	6	4	4	5	8	14	18
Net trading result	7	5	19	4	15	25	40	34
Gains/losses from financial instruments at FVPL	-3	3	8	11	6	-1	10	13
Net result from equity method investments	2	3	0	0	0	0	2	3
Rental income from investment properties & other operating leases	26	33	20	19	24	26	70	78
General administrative expenses	-382	-382	-621	-642	-192	-204	-1,195	-1,228
Gains/losses from financial assets and liabilities not at FVPL, net								
Gains/losses from derecognition of financial assets at AC	0	0	0	0	0	-1	0	-1
Other gains/losses from derecognition of financial instruments not at FVPL	0	0	-4	-2	0	0	-4	-2
Impairment result from financial instruments	-4	-51	-10	-84	86	24	72	-111
Other operating result	-34	-29	-16	-43	17	-7	-32	-79
Levies on banking activities	-4	-3	-4	-3	0	0	-8	-7
Pre-tax result from continuing operations	**441**	**415**	**637**	**537**	**444**	**331**	**1,521**	**1,283**
Taxes on income	-102	-111	-132	-117	-99	-75	-333	-303
Net result for the period	**338**	**304**	**505**	**420**	**345**	**256**	**1,187**	**979**
Net result attributable to non-controlling interests	12	10	439	365	8	6	459	381
Net result attributable to owners of the parent	**326**	**293**	**66**	**55**	**337**	**250**	**729**	**598**
Operating income	861	876	1,287	1,308	532	518	2,680	2,703
Operating expenses	-382	-382	-621	-642	-192	-204	-1,195	-1,228
Operating result	**479**	**494**	**666**	**666**	**341**	**314**	**1,485**	**1,475**
Risk-weighted assets (credit risk, eop)	15,774	15,855	27,890	28,700	20,762	21,617	64,426	66,171
Average allocated capital	2,156	2,278	4,386	5,081	2,674	2,876	9,216	10,235
Cost/income ratio	44.4%	43.6%	48.2%	49.1%	36.0%	39.4%	44.6%	45.4%
Return on allocated capital	31.6%	26.8%	23.2%	16.6%	26.0%	17.9%	26.0%	19.2%
Total assets (eop)	58,012	57,092	80,961	83,345	75,103	69,196	214,077	209,632
Total liabilities excluding equity (eop)	55,243	54,020	74,410	75,926	38,739	30,461	168,391	160,408
Impairments	**-4**	**-51**	**-10**	**-84**	**86**	**24**	**72**	**-111**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-10	-56	-26	-74	69	22	33	-108
Net impairment loss on commitments and guarantees given	6	6	17	-10	17	2	39	-3
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	
	1-6 23	1-6 24	1-6 23	1-6 24	1-6 23	1-6 24	1-6 23	1-6 24	1-6 23	1-6 24	1-6 23	1-6 24	1-6 23	1-6 24
Net interest income	652	702	254	269	308	370	159	223	190	208	53	57	1,615	1,829
Net fee and commission income	217	245	101	113	91	106	122	143	57	64	11	14	599	684
Dividend income	2	2	1	0	1	1	0	0	0	0	0	0	3	4
Net trading result	101	71	11	8	58	49	19	38	8	8	4	6	201	181
Gains/losses from financial instruments at FVPL	-33	-4	2	1	1	2	52	20	0	1	0	0	22	19
Net result from equity method investments	3	3	2	2	0	1	0	0	1	1	0	0	7	7
Rental income from investment properties & other operating leases	5	5	0	0	5	4	5	7	4	4	0	2	19	21
General administrative expenses	-488	-474	-161	-175	-204	-209	-130	-147	-125	-137	-42	-43	-1,150	-1,185
Gains/losses from financial assets and liabilities not at FVPL, net														
Gains/losses from derecognition of financial assets at AC	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other gains/losses from derecognition of financial instruments not at FVPL	0	0	0	0	0	-1	0	2	0	0	0	0	0	1
Impairment result from financial instruments	-13	9	-22	-23	-26	-19	1	9	22	17	-4	-6	-43	-12
Other operating result	-31	-10	-7	0	-19	-36	-107	-100	-1	-2	0	0	-165	-149
Levies on banking activities	0	0	0	0	0	-18	-101	-96	0	0	0	0	-101	-114
Pre-tax result from continuing operations	**415**	**548**	**179**	**197**	**214**	**267**	**120**	**195**	**157**	**162**	**22**	**30**	**1,108**	**1,398**
Taxes on income	-70	-97	-40	-78	-32	-46	-12	-27	-28	-34	-2	-3	-184	-286
Net result for the period	**345**	**451**	**140**	**119**	**182**	**221**	**108**	**168**	**129**	**128**	**20**	**26**	**924**	**1,112**
Net result attributable to non-controlling interests	0	0	0	0	0	0	0	0	41	40	4	5	45	45
Net result attributable to owners of the parent	**345**	**451**	**140**	**119**	**182**	**221**	**108**	**168**	**89**	**88**	**16**	**21**	**879**	**1,067**
Operating income	947	1,023	370	394	463	532	356	431	260	284	68	78	2,465	2,744
Operating expenses	-488	-474	-161	-175	-204	-209	-130	-147	-125	-137	-42	-43	-1,150	-1,185
Operating result	**459**	**549**	**209**	**219**	**259**	**323**	**226**	**284**	**136**	**147**	**27**	**35**	**1,316**	**1,559**
Risk-weighted assets (credit risk, eop)	24,883	25,892	10,343	9,859	8,825	9,632	5,010	4,828	6,139	6,808	1,959	2,083	57,160	59,102
Average allocated capital	4,370	4,355	1,489	1,533	1,838	2,024	1,555	1,350	1,244	980	302	356	10,799	10,598
Cost/income ratio	51.5%	46.3%	43.5%	44.4%	44.1%	39.3%	36.6%	34.1%	47.9%	48.2%	60.8%	54.8%	46.6%	43.2%
Return on allocated capital	15.9%	20.8%	18.9%	15.6%	20.0%	21.9%	14.0%	25.0%	20.9%	26.2%	13.4%	14.8%	17.3%	21.1%
Total assets (eop)	80,758	82,094	24,753	26,104	21,169	22,292	13,310	12,725	13,856	14,826	3,232	3,546	157,078	161,587
Total liabilities excluding equity (eop)	75,175	76,433	22,441	23,756	18,928	19,767	12,006	11,206	12,334	13,136	2,836	3,090	143,719	147,387
Impairments	**-13**	**23**	**-22**	**-23**	**-27**	**-19**	**0**	**13**	**22**	**17**	**-4**	**-6**	**-44**	**4**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-10	5	-27	-23	-28	-36	0	8	31	23	-6	-5	-40	-28
Net impairment loss on commitments and guarantees given	-3	5	4	0	2	17	1	1	-9	-7	2	-1	-3	15
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	0	13	0	0	-1	-1	-1	4	0	0	0	0	-2	17

Business segments (1)

in EUR million	Retail		Corporates		Group Markets		ALM&LCC	
	1-6 23	1-6 24	1-6 23	1-6 24	1-6 23	1-6 24	1-6 23	1-6 24
Net interest income	1,610	1,582	956	943	192	165	-285	-111
Net fee and commission income	662	759	195	206	153	165	-44	-47
Dividend income	0	0	2	2	3	6	9	10
Net trading result	81	81	61	60	86	68	80	-73
Gains/losses from financial instruments at FVPL	51	19	2	-4	4	3	-129	57
Net result from equity method investments	3	3	3	0	0	0	3	7
Rental income from investment properties & other operating leases	4	5	52	89	0	0	14	18
General administrative expenses	-1,172	-1,234	-322	-328	-130	-137	-110	-80
Gains/losses from financial assets and liabilities not at FVPL, net								
Gains/losses from derecognition of financial assets at AC	0	0	0	-1	0	0	0	-1
Other gains/losses from derecognition of financial instruments not at FVPL	0	0	0	0	0	0	6	1
Impairment result from financial instruments	-80	-52	120	9	-5	0	5	5
Other operating result	-54	-45	-22	-44	-17	-8	-103	-87
Levies on banking activities	-41	-42	-26	-26	-8	-5	-30	-45
Pre-tax result from continuing operations	**1,106**	**1,119**	**1,047**	**931**	**286**	**263**	**-555**	**-301**
Taxes on income	-199	-217	-201	-174	-55	-53	96	9
Net result for the period	**906**	**902**	**845**	**757**	**231**	**210**	**-459**	**-292**
Net result attributable to non-controlling interests	18	21	33	31	2	2	11	8
Net result attributable to owners of the parent	**888**	**881**	**812**	**726**	**229**	**208**	**-470**	**-300**
Operating income	2,411	2,449	1,271	1,295	438	407	-352	-138
Operating expenses	-1,172	-1,234	-322	-328	-130	-137	-110	-80
Operating result	**1,239**	**1,215**	**950**	**967**	**308**	**271**	**-462**	**-218**
Risk-weighted assets (credit risk, eop)	23,905	25,652	58,263	60,152	4,368	4,445	8,283	7,234
Average allocated capital	3,760	3,909	6,219	6,653	1,032	1,037	6,707	6,142
Cost/income ratio	48.6%	50.4%	25.3%	25.3%	29.6%	33.6%	-31.1%	-57.9%
Return on allocated capital	48.6%	46.4%	27.4%	22.9%	45.1%	40.7%	-13.8%	-9.6%
Total assets (eop)	76,713	78,306	78,636	81,348	57,669	52,241	91,948	91,687
Total liabilities excluding equity (eop)	114,075	115,509	48,729	47,516	53,301	46,323	69,628	73,223
Impairments	**-81**	**-52**	**120**	**9**	**-5**	**0**	**4**	**22**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-75	-57	104	-10	-9	1	0	4
Net impairment loss on commitments and guarantees given	-5	5	16	19	4	-2	5	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	-1	0	0	-1	0	0	-1	17

Business segments (2)

in EUR million	Savings Banks		Group Corporate Center		Intragroup Elimination		Total Group	
	1-6 23	1-6 24	1-6 23	1-6 24	1-6 23	1-6 24	1-6 23	1-6 24
Net interest income	914	920	103	173	71	16	3,561	3,687
Net fee and commission income	322	350	1	8	-14	-18	1,275	1,423
Dividend income	4	4	6	6	0	0	23	28
Net trading result	19	4	8	2	-64	-5	270	137
Gains/losses from financial instruments at FVPL	8	11	0	24	0	0	-64	111
Net result from equity method investments	0	0	4	2	0	0	13	12
Rental income from investment properties & other operating leases	20	19	-8	-7	-1	-1	82	124
General administrative expenses	-621	-642	-524	-584	405	457	-2,472	-2,548
Gains/losses from financial assets and liabilities not at FVPL, net								
Gains/losses from derecognition of financial assets at AC	0	0	0	0	0	0	-1	-2
Other gains/losses from derecognition of financial instruments not at FVPL	-4	-2	0	1	0	0	3	0
Impairment result from financial instruments	-10	-84	-1	-3	0	0	29	-126
Other operating result	-16	-43	326	421	-397	-448	-283	-254
Levies on banking activities	-4	-3	-12	-13	0	0	-121	-134
Pre-tax result from continuing operations	**637**	**537**	**-83**	**43**	**0**	**0**	**2,437**	**2,592**
Taxes on income	-132	-117	53	20	0	0	-439	-531
Net result for the period	**505**	**420**	**-30**	**64**	**0**	**0**	**1,998**	**2,061**
Net result attributable to non-controlling interests	439	365	5	4	0	0	508	431
Net result attributable to owners of the parent	**66**	**55**	**-35**	**59**	**0**	**0**	**1,490**	**1,629**
Operating income	1,287	1,308	115	209	-8	-9	5,161	5,522
Operating expenses	-621	-642	-524	-584	405	457	-2,472	-2,548
Operating result	**666**	**666**	**-409**	**-375**	**397**	**448**	**2,689**	**2,974**
Risk-weighted assets (credit risk, eop)	27,890	28,700	1,672	1,942	0	0	124,380	128,124
Average allocated capital	4,386	5,081	4,149	6,240	0	0	26,253	29,063
Cost/income ratio	48.2%	49.1%	>100%	>100%	>100%	>100%	47.9%	46.1%
Return on allocated capital	23.2%	16.6%	-1.5%	2.1%			15.3%	14.3%
Total assets (eop)	80,961	83,345	4,397	4,106	-46,332	-46,892	343,993	344,141
Total liabilities excluding equity (eop)	74,410	75,926	3,484	3,591	-46,367	-46,920	317,258	315,169
Impairments	**-10**	**-84**	**-1**	**-3**	**0**	**0**	**27**	**-109**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-26	-74	7	-2	0	0	0	-137
Net impairment loss on commitments and guarantees given	17	-10	-8	-2	0	0	29	11
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	-2	17

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.

Between the 31 December 2023 and 30 June 2024, the credit risk exposure increased by 6% or EUR 21,335 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
Jun 24				
Cash and cash balances – demand deposits to credit institutions	2,331	-3	0	2,329
Instruments HfT	7,297	0	0	7,297
Non-trading debt instruments at FVPL	2,541	0	0	2,541
Debt securities	1,458	0	0	1,458
Loans and advances to banks	0	0	0	0
Loans and advances to customers	1,082	0	0	1,082
Debt instruments at FVOCI	8,688	-14	-48	8,625
Debt securities	8,688	-14	-48	8,625
Loans and advances to banks	0	0	0	0
Loans and advances to customers	0	0	0	0
Debt instruments at AC	287,421	-4,018	0	283,403
Debt securities	45,983	-17	0	45,966
Loans and advances to banks	34,975	-9	0	34,966
Loans and advances to customers	206,464	-3,993	0	202,471
Trade and other receivables	2,575	-50	0	2,525
Finance lease receivables	5,284	-86	0	5,198
Debt instruments held for sale in disposal groups	0	0	0	0
Positive fair value of hedge accounting derivatives	168	0	0	168
Off balance-sheet exposures	69,481	-412	0	0
Total	**385,785**	**-4,583**	**-48**	**312,085**
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
Jun 24					
Natural resources & commodities	10,682	2,459	651	382	14,174
Energy	15,642	1,160	381	42	17,224
Construction and building materials	13,675	3,446	740	373	18,235
Automotive	6,378	1,332	276	132	8,117
Cyclical cconsumer products	6,275	1,657	570	329	8,830
Non-cyclical consumer products	8,506	1,886	273	173	10,838
Machinery	5,717	1,204	258	209	7,387
Transportation	7,706	1,394	244	132	9,476
TMT	6,732	982	132	153	7,999
Healthcare & services	10,101	1,911	370	205	12,587
Hotels & leisure industry	7,333	1,812	462	396	10,002
Real estate	36,822	6,148	1,637	1,203	45,810
Public sector	84,049	308	57	76	84,490
Financial institutions	29,587	1,122	356	30	31,094
Private households	82,789	11,263	3,576	1,616	99,244
Other	187	18	69	3	277
Total	**332,181**	**38,101**	**10,051**	**5,453**	**385,785**
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
Jun 24					
Core markets	**275,120**	**35,191**	**9,196**	**4,891**	**324,397**
Austria	120,141	13,114	4,362	2,808	140,425
Czech Republic	79,303	8,177	1,568	808	89,857
Romania	21,995	4,047	893	375	27,311
Slovakia	24,769	4,243	1,338	394	30,744
Hungary	12,431	2,645	523	172	15,771
Croatia	12,411	2,357	422	273	15,463
Serbia	4,069	607	90	60	4,826
Other EU	**33,864**	**1,411**	**522**	**358**	**36,156**
Other industrialised countries	**17,508**	**220**	**69**	**11**	**17,808**
Emerging markets	**5,689**	**1,278**	**263**	**193**	**7,424**
Southeastern Europe/CIS	3,208	869	224	113	4,413
Asia	1,742	68	7	10	1,828
Latin America	332	1	1	0	334
Middle East/Africa	408	341	31	70	850
Total	**332,181**	**38,101**	**10,051**	**5,453**	**385,785**
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
Jun 24					
Austria	**174,046**	**15,679**	**5,102**	**3,340**	**198,166**
EBOe & Subsidiaries	46,993	3,789	1,483	839	53,103
Savings Banks	65,383	10,413	3,193	2,001	80,990
Other Austria	61,670	1,477	426	500	64,074
Central and Eastern Europe	**147,138**	**22,409**	**4,939**	**2,113**	**176,599**
Czech Republic	79,584	8,318	1,620	846	90,368
Romania	19,633	4,069	861	379	24,941
Slovakia	22,564	4,329	1,415	389	28,697
Hungary	8,936	2,584	512	165	12,197
Croatia	12,992	2,517	449	274	16,232
Serbia	3,429	593	82	59	4,164
Other	**10,997**	**13**	**10**	**0**	**11,020**
Total	**332,181**	**38,101**	**10,051**	**5,453**	**385,785**
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
Jun 24					
Retail	66,614	12,126	3,661	1,565	83,966
Corporates	105,110	14,882	2,845	1,882	124,719
Group Markets	28,597	585	239	0	29,421
ALM & LCC	66,387	85	101	5	66,578
Savings Banks	65,383	10,413	3,193	2,001	80,990
GCC	90	10	10	0	111
Total	**332,181**	**38,101**	**10,051**	**5,453**	**385,785**
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
Jun 24						
Austria	**158,026**	**24,345**	**3,240**	**66**	**12,489**	**198,166**
EBOe & Subsidiaries	45,459	6,205	823	18	599	53,103
Savings Banks	61,993	14,729	1,957	48	2,263	80,990
Other Austria	50,574	3,411	461	0	9,628	64,074
Central and Eastern Europe	**149,296**	**13,327**	**1,916**	**323**	**11,737**	**176,599**
Czech Republic	79,878	5,667	743	96	3,984	90,368
Romania	20,650	2,740	365	35	1,151	24,941
Slovakia	22,818	2,101	365	123	3,290	28,697
Hungary	9,134	765	142	32	2,124	12,197
Croatia	13,691	1,691	259	18	572	16,232
Serbia	3,126	363	41	18	615	4,164
Other	**10,955**	**8**	**0**	**0**	**57**	**11,020**
Total	**318,277**	**37,680**	**5,156**	**389**	**24,283**	**385,785**
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
Jun 24						
Retail	72,428	8,705	1,501	115	1,217	83,966
Corporates	96,701	13,836	1,693	225	12,263	124,719
Group Markets	20,786	299	0	0	8,336	29,421
ALM & LCC	66,320	102	5	0	151	66,578
Savings Banks	61,993	14,729	1,957	48	2,263	80,990
GCC	50	8	0	0	53	111
Total	**318,277**	**37,680**	**5,156**	**389**	**24,283**	**385,785**
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 195 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	Derecog-nitions	Transfer between stages	Other changes in credit risk (net)	Other	As of
	Jan 24						**Jun 24**
Stage 1	-10	-1	2	0	0	0	-9
Stage 2	-3	0	0	-1	1	0	-3
Stage 3	-4	0	0	0	0	0	-4
Total	**-17**	**-1**	**2**	**-1**	**0**	**0**	**-17**
	Jan 23						**Jun 23**
Stage 1	-13	-3	1	2	-2	0	-15
Stage 2	-5	0	0	-1	2	0	-3
Stage 3	-3	0	0	0	-1	0	-4
Total	**-22**	**-3**	**2**	**1**	**-1**	**0**	**-23**

Development of credit loss allowances for loans and advances to banks

in EUR million	As of	Additions	Derecog-nitions	Transfer between stages	Other changes in credit risk (net)	Other	As of
	Jan 24						**Jun 24**
Stage 1	-8	-8	5	0	3	0	-8
Stage 2	-3	0	3	0	0	0	0
Stage 3	0	0	0	0	0	0	0
Total	**-12**	**-9**	**8**	**0**	**4**	**0**	**-9**
	Jan 23						**Jun 23**
Stage 1	-6	-12	6	0	3	0	-8
Stage 2	0	0	0	-2	-4	0	-6
Stage 3	0	0	0	0	0	0	0
Total	**-6**	**-12**	**6**	**-2**	**-1**	**0**	**-14**

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							Jun 24
Stage 1	**-357**	**-151**	**43**	**382**	**-299**	**0**	**-2**	**-384**
General governments	-5	-1	1	1	-1	0	0	-5
Other financial corporations	-9	-6	3	8	-6	0	0	-10
Non-financial corporations	-188	-81	26	167	-121	0	-1	-198
Households	-155	-63	13	206	-172	0	-1	-171
Stage 2	**-1,401**	**-153**	**154**	**-395**	**446**	**0**	**9**	**-1,339**
General governments	-19	0	0	-1	0	0	0	-20
Other financial corporations	-10	-12	1	-10	15	0	0	-16
Non-financial corporations	-835	-124	121	-196	216	0	3	-816
Households	-536	-16	32	-188	215	0	6	-488
Stage 3	**-2,072**	**-117**	**229**	**-46**	**-330**	**133**	**17**	**-2,186**
General governments	-5	0	0	0	1	0	0	-5
Other financial corporations	-28	-1	1	0	-1	1	0	-29
Non-financial corporations	-1,082	-90	163	-26	-205	75	8	-1,159
Households	-957	-26	66	-20	-124	58	10	-994
POCI	**-85**	**0**	**4**	**0**	**-7**	**5**	**0**	**-83**
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	2	0	-60
Households	-25	0	2	0	-3	3	0	-23
Total	**-3,915**	**-421**	**429**	**-59**	**-189**	**138**	**24**	**-3,993**

in EUR million	As of	Additions	Derecog-nitions	Transfer between stages	Other changes in credit risk (net)	Write-offs	Other	As of
	Jan 23							Jun 23
Stage 1	**-335**	**-212**	**32**	**220**	**-44**	**0**	**-4**	**-344**
General governments	-4	-1	1	2	-2	0	0	-5
Other financial corporations	-8	-2	1	8	-6	0	0	-7
Non-financial corporations	-162	-158	18	78	58	0	-2	-167
Households	-161	-51	12	132	-94	0	-2	-165
Stage 2	**-1,415**	**-101**	**109**	**-337**	**314**	**0**	**0**	**-1,430**
General governments	-28	0	0	-1	13	0	-1	-17
Other financial corporations	-20	-5	1	-8	11	0	-1	-21
Non-financial corporations	-773	-77	77	-145	120	0	4	-795
Households	-594	-18	31	-184	170	0	-2	-597
Stage 3	**-1,994**	**-15**	**143**	**-50**	**-125**	**85**	**1**	**-1,954**
General governments	-1	0	0	0	-6	0	0	-6
Other financial corporations	-37	-1	1	0	1	2	0	-35
Non-financial corporations	-1,043	-8	75	-14	-7	26	6	-965
Households	-913	-6	68	-36	-112	57	-5	-948
POCI	**-86**	**0**	**4**	**0**	**-12**	**3**	**-9**	**-101**
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	2	0	-11	2	-8	-80
Households	-22	0	2	0	-1	1	0	-21
Total	**-3,830**	**-328**	**287**	**-167**	**133**	**89**	**-12**	**-3,829**

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							Jun 24
Stage 1	-11	-6	3	1	1	0	0	-12
Stage 2	-10	0	2	-1	0	0	0	-9
Stage 3	-41	0	2	0	8	3	0	-28
POCI	-1	0	0	0	0	0	0	-1
Total	**-63**	**-6**	**7**	**0**	**9**	**3**	**0**	**-50**
	Jan 23							Jun 23
Stage 1	-9	-5	3	1	0	0	0	-11
Stage 2	-11	0	2	-1	1	0	0	-9
Stage 3	-44	0	3	-1	-3	3	0	-42
POCI	-1	0	0	0	0	0	0	-1
Total	**-65**	**-5**	**8**	**-1**	**-2**	**3**	**0**	**-62**

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						Jun 24
Stage 1	-5	-1	1	0	0	0	-4
Stage 2	-9	0	0	-1	0	0	-9
Stage 3	-1	0	0	0	0	0	-1
Total	**-14**	**-1**	**2**	**0**	**-1**	**0**	**-14**
	Jan 23						Jun 23
Stage 1	-7	-1	1	0	0	0	-7
Stage 2	-16	0	0	-1	1	0	-15
Stage 3	-1	0	0	-1	1	0	-1
Total	**-24**	**-2**	**2**	**-1**	**2**	**0**	**-23**

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							Jun 24
Stage 1	-17	-4	0	6	-5	0	0	-19
Stage 2	-33	0	0	-7	7	0	0	-32
Stage 3	-40	0	3	-3	2	4	0	-34
POCI	0	0	0	0	0	0	0	0
Total	**-90**	**-4**	**3**	**-4**	**5**	**4**	**0**	**-86**
	Jan 23							Jun 23
Stage 1	-17	-4	0	4	-2	0	0	-18
Stage 2	-28	0	1	-5	4	0	0	-30
Stage 3	-41	0	2	-2	-1	1	0	-40
POCI	0	0	0	0	0	0	0	0
Total	**-86**	**-4**	**3**	**-3**	**1**	**1**	**0**	**-88**

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 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 case of local models used in Slovakia and Serbia due to higher NPL inflows in comparison with the previous years. In local models used in Austria, Czechia, and Group (Large) Corporate models, the modelled weights are applied 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. However, the considered GDP scenarios are the same as shown below for the standalone countries.

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 June 2024. The baseline and weighted scenario outcome for the major variables is disclosed in the tabular format for the years 2024-2026.

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

		Probability weights	GDP growth in %		
	Scenario	2024-2026	2024	2025	2026
Jun 24					
Austria	Upside	27%	2.9	4.0	4.0
	Baseline	50%	0.4	1.5	1.5
	Downside	23%	-5.0	-3.0	-0.8
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	25%	4.5	5.2	5.0
	Baseline	50%	2.0	2.7	2.5
	Downside	25%	-4.8	-2.3	-0.3
Romania	Upside	1%	4.9	6.4	7.6
	Baseline	50%	1.4	2.9	4.1
	Downside	49%	-2.8	-0.7	0.6
Hungary	Upside	1%	4.4	5.8	5.7
	Baseline	50%	2.0	3.4	3.3
	Downside	49%	-4.5	-1.9	0.5
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	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	7.2
	Baseline	50%	1.4	2.9	4.1
	Downside	49%	-3	-1	0.6
Hungary	Upside	1%	5.5	5.7	5.6
	Baseline	50%	3.2	3.4	3.3
	Downside	49%	-2	-0.5	0.6
Croatia	Upside	1%	4.3	5.2	4.9
	Baseline	50%	2.4	2.6	2.5
	Downside	49%	-2	-1.2	0.1
Serbia	Upside	1%	5.5	5.8	6
	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	2024	2025	2026
Jun 24	0					
Austria						
GDP growth	0.4	1.5	1.5	-0.2	1.2	1.7
Inflation	3.4	2.5	2.1	3.8	3.1	1.8
Yields_10Y	2.8	2.8	2.9	3.0	3.0	3.0
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	5.7	5.7	5.4	5.7	6.0	5.7
Inflation	3.4	2.3	2.5	3.9	2.8	2.4
Romania						
GDP growth	1.4	2.9	4.1	-0.6	1.2	2.4
Interest Rate (ROBOR 3M)	5.8	5.0	3.9	7.2	6.4	5.3
Inflation (CPI)	5.4	3.7	3.2	6.9	4.6	3.7
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 386 billion (EUR 364 billion), portfolio under collective staging assessment represents EUR 103 billion of cyclical industries, EUR 22 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. It triggers additional Stage 2 exposure of EUR 815 million (EUR 2 billion) and an increase of allocated ECL by EUR 11 million (EUR 19 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 June 2024, the exposure in Stage 2 due to the application of the rules for collective SICR assessment for cyclical industries stood at EUR 8,438 million (EUR 10,232 million), with additional ECL allocated in the amount of EUR 176 million (EUR 195 million).

As described above, FLI were reassessed in the second quarter of 2024. The Stage 2 exposure triggered by FLI slightly decreased to EUR 5,053 million as of June 2024 (EUR 5,274 million). The overall level of ECL allocated in Stage 2 due to FLI stayed unchanged: 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 1,186 million (EUR 598 million), resulting in an ECL drop by EUR 105 million (EUR 77 million).

The downside scenario would lead to additional EUR 4,299 million of exposure migration to Stage 2 in comparison with scenario weighted FLI (EUR 2,402 million), resulting in an ECL increase of EUR 278 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 2 impacted by						
				Collective assessment			FLI shifts			
in EUR million	Stage 1	Stage 2	Total	Cyclical	Energy	PI		Upside scenario	Baseline scenario	Downside scenario
Jun 24										
Austria	**158,026**	**24,345**	**182,371**	**5,440**	**0**	**0**	**3,382**	**-1,469**	**-577**	**2,995**
EBOe & Subs.	45,459	6,205	51,664	1,315	0	0	857	-351	-148	803
Savings Banks	61,993	14,729	76,722	3,816	0	0	1,930	-780	-279	1,494
Other Austria	50,574	3,411	53,985	309	0	0	596	-338	-151	698
CEE	**149,296**	**13,327**	**162,623**	**2,998**	**0**	**815**	**1,671**	**-1,177**	**-609**	**1,304**
Czechia	79,878	5,667	85,545	1,479	0	449	793	-332	-76	902
Slovakia	22,818	2,101	24,919	389	0	0	212	-205	-184	19
Romania	20,650	2,740	23,390	569	0	0	452	-526	-288	299
Hungary	9,134	765	9,899	86	0	0	98	-63	-33	40
Croatia	13,691	1,691	15,382	402	0	366	35	-34	-27	10
Serbia	3,126	363	3,489	73	0	0	80	-18	-1	35
Other	**10,955**	**8**	**10,963**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**318,277**	**37,680**	**355,957**	**8,438**	**0**	**815**	**5,053**	**-2,646**	**-1,186**	**4,299**
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		
				Out of which:						
				Collective assessment due to			FLI shifts			
	Stage 1	Stage 2	Total	Cyclical	Energy	PI		Upside scenario	Baseline scenario	Downside scenario
Jun 24										
Austria	**-179**	**-734**	**-913**	**-89**	**0**	**0**	**-239**	**73**	**27**	**-147**
EBOe & Subs.	-40	-166	-205	-20	0	0	-55	17	6	-35
Savings Banks	-99	-489	-588	-64	0	0	-146	45	15	-89
Other Austria	-40	-79	-119	-5	0	0	-38	12	6	-23
CEE	**-346**	**-855**	**-1,201**	**-87**	**0**	**-11**	**-239**	**168**	**78**	**-131**
Czechia	-103	-304	-406	-41	0	-6	-83	30	7	-45
Slovakia	-43	-120	-162	-10	0	0	-5	6	3	-5
Romania	-119	-283	-402	-18	0	0	-104	121	63	-74
Hungary	-28	-47	-75	-2	0	0	-22	5	2	-3
Croatia	-41	-85	-126	-15	0	-5	-17	3	2	-2
Serbia	-13	-17	-29	-1	0	0	-8	2	0	-3
Other	**-2**	**0**	**-2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**-527**	**-1,589**	**-2,116**	**-176**	**0**	**-11**	**-478**	**242**	**105**	**-278**
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
Jun 24					
Austria	**101,809**	**12,462**	**4,461**	**3,144**	**121,875**
EBOe & Subsidiaries	35,879	3,195	1,391	807	41,272
Savings Banks	45,606	8,682	2,888	1,902	59,078
Other Austria	20,324	584	182	435	21,525
Central and Eastern Europe	**69,480**	**17,790**	**4,225**	**1,982**	**93,477**
Czech Republic	33,824	6,685	1,345	786	42,641
Romania	9,472	2,838	746	356	13,412
Slovakia	14,226	3,536	1,211	374	19,347
Hungary	3,020	2,316	469	142	5,947
Croatia	7,190	2,057	399	266	9,913
Serbia	1,748	358	55	57	2,218
Other	45	2	6	0	53
Total	**171,333**	**30,254**	**8,692**	**5,125**	**215,405**
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
Jun 24					
Retail	59,900	11,179	3,447	1,543	76,070
Corporates	64,396	10,339	2,267	1,675	78,678
Group Markets	1,188	10	7	0	1,206
ALM & LCC	240	41	77	5	363
Savings Banks	45,606	8,682	2,888	1,902	59,078
GCC	2	2	6	0	10
Total	**171,333**	**30,254**	**8,692**	**5,125**	**215,405**
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
Jun 24												
Austria	**3,144**	**3,143**	**121,875**	**121,848**	**-1,767**	**1,860**	**1,860**	**2.6%**	**2.6%**	**56.2%**	**59.2%**	**59.2%**
EBOe & Subs	807	807	41,272	41,264	-420	488	488	2.0%	2.0%	52.0%	60.4%	60.4%
Savings Banks	1,902	1,902	59,078	59,076	-1,174	1,128	1,128	3.2%	3.2%	61.7%	59.3%	59.3%
Other Austria	435	435	21,525	21,507	-173	244	244	2.0%	2.0%	39.8%	56.1%	56.1%
CEE	**1,982**	**1,978**	**93,477**	**92,422**	**-2,361**	**747**	**743**	**2.1%**	**2.1%**	**119.4%**	**37.7%**	**37.6%**
Czech Republic	786	786	42,641	42,641	-842	263	263	1.8%	1.8%	107.1%	33.5%	33.5%
Romania	356	356	13,412	13,412	-626	119	119	2.7%	2.7%	176.1%	33.4%	33.4%
Slovakia	374	374	19,347	19,347	-382	186	186	1.9%	1.9%	102.1%	49.7%	49.7%
Hungary	142	138	5,947	4,893	-161	57	54	2.4%	2.8%	116.5%	40.4%	38.8%
Croatia	266	266	9,913	9,913	-286	108	108	2.7%	2.7%	107.4%	40.7%	40.7%
Serbia	57	57	2,218	2,218	-63	13	13	2.6%	2.6%	111.7%	23.3%	23.3%
Other	0	0	53	53	-1	0	0	0.3%	0.3%	305.1%	0.0%	0.0%
Total	**5,125**	**5,121**	**215,405**	**214,322**	**-4,129**	**2,607**	**2,603**	**2.4%**	**2.4%**	**80.6%**	**50.9%**	**50.8%**
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
Jun 24												
Retail	1,543	1,539	76,070	75,014	-1,563	598	594	2.0%	2.1%	101.6%	38.8%	38.6%
Corporates	1,675	1,675	78,678	78,653	-1,376	880	880	2.1%	2.1%	82.1%	52.6%	52.6%
Group Markets	0	0	1,206	1,206	-4	0	0	0.0%	0.0%	96762.0%	0.0%	0.0%
ALM & LCC	5	5	363	363	-12	0	0	1.4%	1.4%	234.2%	1.1%	1.1%
Savings Banks	1,902	1,902	59,078	59,076	-1,174	1,128	1,128	3.2%	3.2%	61.7%	59.3%	59.3%
GCC	0	0	10	10	0	0	0	1.8%	1.8%	248.9%	0.0%	0.0%
Total	**5,125**	**5,121**	**215,405**	**214,322**	**-4,129**	**2,607**	**2,603**	**2.4%**	**2.4%**	**80.6%**	**50.9%**	**50.8%**
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
Jun 24											
Austria	**97,679**	**21,004**	**3,099**	**65**	**-125**	**-602**	**-1,040**	**0**	**2.9%**	**33.6%**	**0.0%**
EBOe & Subs	35,068	5,387	792	18	-31	-138	-252	0	2.6%	31.8%	0.0%
Savings Banks	44,325	12,832	1,872	48	-76	-414	-684	0	3.2%	36.5%	0.0%
Other AT	18,286	2,786	435	0	-18	-51	-104	0	1.8%	24.0%	0.0%
CEE	**78,917**	**11,361**	**1,830**	**313**	**-290**	**-779**	**-1,208**	**-84**	**6.9%**	**66.0%**	**26.9%**
Czech Republic	36,968	4,866	712	94	-91	-283	-446	-22	5.8%	62.6%	23.3%
Romania	10,881	2,153	344	34	-96	-249	-275	-7	11.6%	80.1%	20.2%
Slovakia	16,919	1,951	358	119	-39	-113	-202	-28	5.8%	56.5%	23.3%
Hungary	4,043	695	124	30	-22	-43	-88	-7	6.2%	70.9%	24.8%
Croatia	8,216	1,427	252	18	-31	-76	-168	-12	5.3%	66.6%	64.1%
Serbia	1,892	268	39	18	-11	-15	-28	-9	5.7%	72.0%	47.3%
Other	**51**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0.0%**	**79.7%**	**0.0%**
Total	**176,648**	**32,366**	**4,929**	**379**	**-415**	**-1,381**	**-2,248**	**-84**	**4.3%**	**45.6%**	**22.2%**
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 191 million (EUR 230 million), the non-defaulted part to EUR 187 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
Jun 24											
Retail	65,447	7,974	1,481	112	-169	-481	-889	-24	6.0%	60.0%	21.8%
Corporates	65,545	11,318	1,571	219	-166	-479	-671	-59	4.2%	42.7%	27.2%
Group Markets	984	222	0	0	-1	-2	0	0	1.1%	78.2%	100.0%
ALM & LCC	338	20	5	0	-2	-5	-4	0	25.8%	92.5%	91.7%
Savings Banks	44,325	12,832	1,872	48	-76	-414	-684	0	3.2%	36.5%	0.0%
GCC	9	1	0	0	0	0	0	0	0.0%	79.7%	0.0%
Total	**176,648**	**32,366**	**4,929**	**379**	**-415**	**-1,381**	**-2,248**	**-84**	**4.3%**	**45.6%**	**22.2%**
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
Jun 24						
Austria	**114,477**	**0**	**1,644**	**3,228**	**2,526**	**121,875**
Erste Bank Oesterreich & Subsidiaries	40,536	0	671	46	18	41,272
Savings Banks	56,555	0	947	75	1,501	59,078
Other Austria	17,386	0	26	3,106	1,007	21,525
Central and Eastern Europe	**44,894**	**48,306**	**9**	**186**	**81**	**93,477**
Czech Republic	8,334	34,181	1	58	67	42,641
Romania	3,845	9,460	0	107	0	13,412
Slovakia	19,329	0	0	4	14	19,347
Hungary	1,843	4,099	0	4	0	5,947
Croatia	9,892	0	7	13	0	9,913
Serbia	1,650	567	0	1	0	2,218
Other	**10**	**15**	**0**	**0**	**28**	**53**
Total	**159,381**	**48,320**	**1,654**	**3,414**	**2,636**	**215,405**
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	Jun 24
Interest	6.6	6.4
Currency	1.2	1.0
Shares	1.0	1.0
Commodity	0.1	0.4
Volatility	0.8	0.7
Total	**6.5**	**6.3**

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 six months of 2024 about EUR 3.6 billion were issued, thereof two benchmark covered bonds. The liquidity situation remained stable also in the CEE entities and did not show any significant negative impacts due to the war in Ukraine. On group level, total TLTRO participation was reduced to EUR 1.35 billion.

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 7.2%, comfortably above the 3.0% minimum requirement defined in Article 92 Capital Requirements Regulation (CRR). Tier 1 capital amounted to EUR 26.4 billion at the reference date, while total leverage exposure stood at EUR 366.7 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 25.56% 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 76 million (EUR 16 million) and no accounts receivable. Privatstiftung held bonds issued by Erste Group of EUR 45 million (EUR 0 million). From the mentioned transactions, interest expenses for Erste Group amounted to EUR 0.4 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 12 million (2023: EUR 14 million) and the total DVA-adjustment amounted to EUR 10 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	Jun 24 Level 1	Jun 24 Level 2	Jun 24 Level 3	Jun 24 Total
Assets								
Financial assets HfT	2,816	5,817	139	8,773	3,757	3,672	96	7,525
Derivatives	1	1,186	75	1,262	2	1,024	22	1,048
Other financial assets held for trading	2,816	4,631	64	7,511	3,754	2,649	74	6,478
Non trading financial assets - FVPL	1,404	156	1,444	3,004	1,326	140	1,563	3,029
Equity instruments	65	17	333	415	71	6	412	488
Debt securities	1,339	139	73	1,551	1,255	134	68	1,458
Loans and advances	0	0	1,038	1,038	0	0	1,082	1,082
Financial assets at FVOCI	7,319	1,194	392	8,905	7,238	1,274	212	8,724
Hedge accounting derivatives	0	183	0	183	0	168	0	168
Total assets	**11,540**	**7,350**	**1,975**	**20,864**	**12,320**	**5,255**	**1,871**	**19,446**
Liabilities								
Financial liabilities HfT	607	1,687	10	2,304	729	1,270	4	2,003
Derivatives	3	1,600	10	1,614	5	1,201	4	1,211
Other financial liabilities held for trading	603	86	0	690	724	69	0	793
Financial liabilities at FVPL	0	11,152	0	11,152	0	10,561	0	10,561
Deposits from customers	0	593	0	593	0	107	0	107
Debt securities issued	0	10,429	0	10,429	0	10,321	0	10,321
Other financial liabilities	0	130	0	130	0	133	0	133
Hedge accounting derivatives	0	286	0	286	0	221	0	221
Total liabilities	**607**	**13,125**	**10**	**13,742**	**729**	**12,052**	**4**	**12,785**

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	Jun 24 Level 1 to Level 2	Jun 24 Level 2 to Level 1
Financial assets HfT	**28**	**42**	**10**	**43**
Bonds	28	41	8	26
Funds	0	0	1	8
Shares	0	1	1	9
Non-trading financial assets at FVPL	**3**	**16**	**3**	**14**
Bonds	3	16	1	3
Funds	0	0	0	0
Shares	0	0	2	11
Financial assets at FVOCI	**18**	**268**	**2**	**21**
Bonds	18	268	2	21
Total	**49**	**326**	**15**	**78**

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											Jun 24
Assets												
Financial assets HfT	139	-9	0	36	-6	0	0	0	11	-75	0	96
Derivatives	75	-7	0	0	0	0	0	0	1	-48	0	22
Other financial assets held for trading	64	-2	0	36	-6	0	0	0	10	-27	0	74
Non-trading financial assets at FVPL	1,444	47	0	152	-5	-36	0	0	1	-7	-34	1,563
Equity instruments	333	25	0	57	0	0	0	0	0	-1	-1	412
Debt securities	73	3	0	1	-4	0	0	0	1	-5	-1	68
Loans and advances	1,038	19	0	94	0	-36	0	0	0	0	-32	1,082
Financial assets at FVOCI	392	0	-4	14	0	-25	0	-1	53	-217	-1	212
Hedge accounting derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Total assets	**1,975**	**39**	**-4**	**201**	**-11**	**-60**	**0**	**-1**	**66**	**-299**	**-35**	**1,871**
Liabilities												
Financial liabilities HfT	10	4	0	0	0	0	0	0	0	-10	0	4
Derivatives	10	4	0	0	0	0	0	0	0	-10	0	4
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**	**4**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-10**	**0**	**4**
	Jan 23											Jun 23
Assets												
Financial assets HfT	313	15	0	16	-3	-222	0	0	30	-59	0	91
Derivatives	32	16	0	0	0	0	0	0	15	-16	0	46
Other financial assets held for trading	281	0	0	16	-3	-222	0	0	16	-43	0	44
Non-trading financial assets at FVPL	1,198	53	0	98	-6	-69	0	0	8	-32	64	1,316
Equity instruments	277	-1	0	41	-3	0	0	0	0	-8	1	306
Debt securities	82	2	0	4	-3	0	0	0	8	-22	1	72
Loans and advances	839	53	0	54	0	-69	0	0	0	-1	62	938
Financial assets at FVOCI	398	0	2	12	0	-11	0	0	166	-59	3	510
Hedge accounting derivatives	3	0	0	0	0	0	0	0	0	-4	0	0
Total assets	**1,912**	**68**	**2**	**126**	**-9**	**-302**	**0**	**0**	**205**	**-153**	**67**	**1,917**
Liabilities												
Financial liabilities HfT	12	11	0	0	0	0	0	0	13	-9	0	26
Derivatives	11	11	0	0	0	0	0	0	13	-8	0	26
Other trading financial liabilities	1	0	0	0	0	0	0	0	0	-1	0	0
Financial liabilities at FVPL	151	-128	0	148	-30	-2	0	-9	0	0	0	132
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0
Other financial liabilities	151	-128	0	148	-30	-2	0	-9	0	0	0	132
Hedge accounting derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Total liabilities	**163**	**-117**	**0**	**149**	**-31**	**-2**	**0**	**-9**	**13**	**-9**	**0**	**158**

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	1-6 23	1-6 24
Assets		
Financial assets HfT	3	-7
Derivatives	3	-5
Other financial assets held for trading	0	-1
Non-trading financial assets at FVPL	53	48
Equity instruments	-1	26
Debt securities	2	3
Loans and advances	53	18
Financial assets at FVOCI	-1	0
Debt securities	-1	0
Hedge accounting derivatives	0	0
Total	**56**	**41**
Liabilities		
Financial liabilities HfT	2	-5
Derivatives	2	-5
Financial liabilities at FVPL	22	0
Other financial liabilities	22	0
Hedge accounting derivatives	0	0
Total	**24**	**-5**

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	Jun 24	Significant unobservable inputs	Dec 23	Jun 23
Positive / negative fair value of derivatives	Forwards, swaps, options	DCF and option models with CVA adjustment based on potential future exposure	88	17	PD	1.17%-14.87% (2.36%)	0.97%-4.25% (1.54%)
					LGD	60%	60%
Financial assets at FVPL	Fixed and variable coupon bonds	DCF	31	61	Credit Spread	-0.78%-2.50% (-0.26%)	-0.63%-9.54% (0.27%)
	Loans	DCF	1,038	1,082	PD	1.51%-2.59% (2.00%)	1.03%-1.77% (1.40%)
					LGD	3.50%-15.86% (7.58%)	4.04%-18.32% (9.66%)
Financial assets at FVOCI	Fixed and variable coupon bonds	DCF	212	53	Credit Spread	-0.35%-5.21% (1.35%)	-1.01%-3.56% (1.58%)
Financial assets at FVOCI / at FVPL	Non-trading equity instruments (participations)	Dividend Discount Model; Simplified Income Approach	209	219	Beta levered	Industries: 0.71-1.15 (0.97)	Industries: 0.57-1.15 (0.95)
					Country risk premium	0.43%-2.69% (0.58%)	0.43%-2.69% (0.58%)
		Adjusted Net Asset Value	144	130	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 0.44% (2023: Austria with 0.43%).

In addition to the information above, equity instruments with a fair value in amount of EUR 40 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 30 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		Jun 24	
in EUR million	Positive	Negative	Positive	Negative
Derivatives	2	-2	1	-1
Income statement	2	-2	1	-1
Debt securities	15	-20	5	-7
Income statement	7	-9	3	-4
Other comprehensive income	8	-11	2	-3
Equity instruments	72	-49	73	-52
Income statement	48	-34	52	-39
Other comprehensive income	24	-15	21	-13
Loans and advances	19	-60	19	-61
Income statement	19	-60	19	-61
Total	**108**	**-131**	**98**	**-121**
Income statement	**76**	**-105**	**75**	**-105**
Other comprehensive income	**32**	**-26**	**23**	**-16**

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
Jun 24					
Assets					
Financial assets at AC	283,403	273,968	39,742	3,036	231,191
Loans and advances to banks	34,966	34,454	0	0	34,454
Loans and advances to customers	202,471	196,385	0	0	196,385
Debt securities	45,966	43,130	39,742	3,036	352
Finance lease receivables	5,198	5,173	0	0	5,173
Trade and other receivables	2,525	2,518	0	0	2,518
Liabilities					
Financial liabilities at AC	297,006	296,032	20,146	16,246	259,639
Deposits from banks	17,484	17,355	0	0	17,355
Deposits from customers	240,130	239,542	0	0	239,542
Debt securities issued	37,596	37,339	20,146	16,246	947
Other financial liabilities	1,795	1,795	0	0	1,795
Financial guarantees and commitments					
Financial guarantees	n/a	47	0	0	47
Loan commitments	n/a	480	0	0	480
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)

	1-6 23	1-6 24
Austria	**15,849**	**16,336**
Erste Group Bank AG, Erste Bank Oesterreich and subsidiaries	8,735	9,095
Savings banks	7,114	7,241
Outside Austria	**29,684**	**29,123**
Česká spořitelna Group	10,073	9,607
Banca Comercială Română Group	5,481	5,262
Slovenská sporiteľňa Group	3,570	3,504
Erste Bank Hungary Group	3,336	3,339
Erste Bank Croatia Group	3,252	3,288
Erste Bank Serbia Group	1,292	1,296
Savings banks subsidiaries	1,522	1,536
Other subsidiaries and foreign branch offices	1,158	1,292
Total	**45,532**	**45,459**

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 June 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	Jun 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%**	**5.70%**
Capital conservation buffer	2.50%	2.50%
Institution-specific countercyclical capital buffer	0.71%	0.70%
Systemic risk buffer (SRB)	1.00%	1.00%
O-SII capital buffer	1.25%	1.50%
Minimum CET 1 requirement (incl. CBR)	9.96%	10.20%
Minimum Tier 1 requirement (incl. CBR)	11.46%	11.70%
Minimum Own Funds requirement (incl. CBR)	13.46%	13.70%
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%**	**11.27%**
Total Tier 1 requirement for Pillar 1 and Pillar 2	**12.78%**	**13.13%**
Total Own Funds requirement for Pillar 1 and Pillar 2	**15.21%**	**15.60%**

Capital structure

in EUR million	Dec 23 Phased-in	Dec 23 Final	Jun 24 Phased-in	Jun 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	16,426	16,426
Interim profit	0	0	864	864
Accumulated other comprehensive income	-1,499	-1,499	-1,633	-1,633
Minority interest recognised in CET1	6,639	6,639	7,040	7,040
Common equity tier 1 capital (CET1) before regulatory adjustments	**24,388**	**24,388**	**25,035**	**25,035**
Own CET1 instruments	-77	-77	-57	-57
Prudential filter: cash flow hedge reserve	31	31	-2	-2
Prudential filter: cumulative gains and losses due to changes in own credit risk on fair valued liabilities	66	66	127	127
Prudential filter: fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	-12	-12	-10	-10
Value adjustments due to the requirements for prudent valuation	-96	-96	-91	-91
Securitisations with a risk weight of 1,250%	-24	-24	-24	-24
Goodwill	-544	-544	-544	-544
Other intangible assets	-333	-333	-329	-329
Deferred tax assets dependent upon future profitability and not temporary differences net of associated tax liabilities	-167	-167	-85	-85
CET1 capital elements or deductions – other	-285	-285	-292	-292
Common equity tier 1 capital (CET1)	**22,945**	**22,945**	**23,726**	**23,726**
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	6	6
Additional tier 1 capital (AT1) before regulatory adjustments	**2,411**	**2,411**	**2,694**	**2,694**
Own AT1 instruments	-1	-1	-1	-1
Additional tier 1 capital (AT1)	**2,410**	**2,410**	**2,693**	**2,693**
Tier 1 capital - total of common equity tier 1 (CET1) and additional tier 1 (AT1)	**25,355**	**25,355**	**26,419**	**26,419**
Tier 2 capital (T2)				
Capital instruments eligible as T2	3,056	3,056	3,134	3,134
Instruments issued by subsidiaries recognised in T2	338	338	419	419
IRB excess of provisions over expected losses eligible	413	413	158	158
Tier 2 capital (T2) before regulatory adjustments	**3,806**	**3,806**	**3,710**	**3,710**
Own T2 instruments	-67	-67	-67	-67
Tier 2 capital (T2)	**3,739**	**3,739**	**3,643**	**3,643**
Total own funds	**29,094**	**29,094**	**30,062**	**30,062**
Capital requirement	**11,657**	**11,724**	**12,217**	**12,255**
CET1 capital ratio	**15.7%**	**15.7%**	**15.5%**	**15.5%**
Tier 1 capital ratio	**17.4%**	**17.3%**	**17.3%**	**17.2%**
Total capital ratio	**20.0%**	**19.9%**	**19.7%**	**19.6%**

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)	Jun 24 Total risk (phased-in)	Jun 24 Capital requirement (phased-in)
Total risk exposure amount	**145,718**	**11,657**	**152,717**	**12,217**
Risk-weighted assets (credit risk)	121,625	9,730	127,266	10,181
Standardised approach	23,872	1,910	25,021	2,002
IRB approach	97,582	7,807	102,091	8,167
Contribution to the default fund of a CCP	9	1	7	1
Securitisation	163	13	147	12
Settlement risk	2	0	1	0
Trading book, foreign FX risk and commodity risk	6,284	503	6,782	543
Operational risk	14,770	1,182	16,182	1,295
Exposure for CVA	289	23	383	31
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)	Jun 24 Total risk (final)	Jun 24 Capital requirement (final)
Total risk exposure amount	**146,545**	**11,724**	**153,192**	**12,255**
Risk-weighted assets (credit risk)	122,453	9,796	127,741	10,219
Standardised approach	24,699	1,976	25,496	2,040
IRB approach	97,582	7,807	102,091	8,167
Contribution to the default fund of a CCP	9	1	7	1
Securitisation	163	13	147	12
Settlement risk	2	0	1	0
Trading book, foreign FX risk and commodity risk	6,284	503	6,782	543
Operational risk	14,770	1,182	16,182	1,295
Exposure for CVA	289	23	383	31
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 Românlă 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

Statement of all Legal Representatives

We confirm to the best of our knowledge that the interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Management board	
Peter Bosek mp, Chairman	
Ingo Bleier mp, Member	Alexandra Habeler-Drabek mp, Member
Stefan Dörfler mp, Member	Maurizio Poletto mp, Member

Vienna, 2 August 2024

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

31 October 2024	Results for the first three quarters of 2024

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

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