

ZAGREB STOCK EXCHANGE

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**CROATIAN FINANCIAL SERVICES
SUPERVISORY AGENCY (HANFA)**

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OTS HINA

Home member state: Croatia
LEI: 549300A2F46GR0UOM390

Official Market, Zagreb Stock Exchange
Bond 3RIB5, ISIN: HRRIBAO262E3
Bond 3RIB6, ISIN: HRRIBAO266A2

Official Market, Vienna Stock Exchange
Bond, ISIN: HRRIBAO262E3
Bond, ISIN: AT0000A2RZL4
Bond, ISIN: HRRIBAO266A2
Bond, ISIN: AT0000A39UM6

Zagreb, November 4, 2024

SUBJECT: Erste Bank's total loans and deposits increase in the first nine months of 2024

*"We are pleased with the continued stable business trends and positive financial results delivered by our Bank and our local EBC Group in the first nine months of this year. Total lending growth, accompanied by increased new lending volume in retail and corporate segments alike, upward trends in the use of our digital channels, stable growth of our deposit base, and positive risk cost movement trends further consolidate our position in the Croatian banking market", said **Christoph Schoefboeck**, President of the Management Board of Erste&Steiermärkische Bank d.d. ("Bank"), commenting on the Bank's performance in the first nine months of 2024. "Given our very strong capital position, high level of liquidity, and the highest rating among banks and other companies in the Croatian market assigned to us by the rating agencies, we will continue to support Croatian citizens and companies in fulfilling their financial needs while giving the continued growth and development of the entire Croatian economy an added boost", Schoefboeck concluded.*

HIGHLIGHTS

According to the unconsolidated financial statement, comprising the Bank's result not including subsidiaries, net profit amounted to EUR 187 million in the first nine months of 2024, up 2.7% from EUR 182 million in the same period last year. The increase in net profit was driven by increased revenue from ordinary business operations, particularly the higher lending volume in the retail segment, and the higher SME lending volume in the corporate segment. At the same time, the cost component also recorded growth, mainly as a result of higher interest rates on term deposits and to a lesser extent also as a result of the growth of personnel expenses and other administrative expenses.

Net interest income rose 6.6%, from EUR 259 million in the first nine months of 2023 to EUR 276 million in the same period of 2024, and net fee and commission income rose 12.5%, from EUR 64 million in the first three quarters of 2023 to EUR 72 million in the same period of 2024. Net trading and fair value result in the first nine months of 2024 was EUR 11 million and remained unchanged year-on-year.

The Bank's total assets as at 30 September 2024 were EUR 14.5 billion, up 9.3% from EUR 13.3 billion at YE 2023. Loans to customers as at 30 September 2024 were EUR 8.2 billion, up 5.1% from EUR 7.8 billion at YE 2023. Deposits of the Bank's clients as at 30 September 2024 were EUR 11.6 billion, up 7.6% from EUR 10.8 billion at YE 2023.

EBC Group's^[1] net profit after minority interests in the first nine months of 2024 was EUR 204 million, up 2.0% year-on-year from EUR 200 million in the same period of 2023. EBC Group's net interest income was EUR 326 million, up 8.7% from EUR 300 million in the first nine months of 2023. Net fee and commission income in the first nine months of 2024 was EUR 99 million, up 8.8% from EUR 91 million in the same period of 2023. Net trading and fair value result in the first nine months of 2024 was EUR 12 million and remained unchanged year-on-year.

EBC Group's total assets as at 30 September 2024 were EUR 16.11 billion, up 9.2% from EUR 14.75 billion at YE 2023. Loans to customers as at 30 September 2024 were EUR 8.9 billion, up 4.7% from EUR 8.5 billion at YE 2023. Deposits of EBC Group's customers as at 30 September 2024 were EUR 12.3 billion, up 7.8% from EUR 11.4 billion at YE 2023.

DOWNWARD TREND IN NPLs CONTINUES

The downward trend in NPLs (non-performing loans and partially performing loans) continued in the first nine months of 2024. As at 30 September 2024, the NPL ratio at Bank level was 2.6% (down from 2.9% as at 31 December 2023). NPL ratio at consolidated EBC Group level as at 30 September 2024 was 2.7% (down from 3.0% as at 31 December 2023).

CONTINUED GROWTH OF DIGITAL CHANNELS

The Bank's digital solutions maintained a continued and stable growth trend over the first three quarters of 2024. As at 30 September 2024, George online banking had a total of around 473,000 active users, up 15% from 410,000 active users at YE 2023. Total transaction volume of EUR 5.1 billion was up 21% compared to the first nine months of 2023. The KEKS Pay app reached the number of 477,000 active users as at 30 September 2024, up 16% from 410,000 at YE 2023. KEKS Pay's total transaction volume of EUR 161 million in the first nine months of 2024 was up 56% compared to the same period in 2023.

ERSTE&STEIERMÄRKISCHE BANK d.d.

^[1] The consolidated financial statement for the EBC Group includes, in addition to Erste&Steiermärkische Bank d.d., the following affiliates: Erste Nekretnine d.o.o., Erste&Steiermärkische S-Leasing d.o.o., Erste Bank a.d., Podgorica, Erste Card Club d.o.o. and Izbor Nekretnina d.o.o.

Statement of Profit and Loss 1 January – 30 September 2024

in EUR million	GROUP		BANK	
	2023.	2024.	2023.	2024.
Net interest income	300	326	259	276
Interest income	333	406	297	365
Other similar income	36	54	20	30
Interest expense	(50)	(104)	(39)	(89)
Other similar expenses	(19)	(30)	(19)	(30)
Net fee and commission income	91	99	64	72
Fee and commission income	127	139	93	105
Fee and commission expenses	(36)	(40)	(29)	(33)
Dividend income	-	-	7	3
Net trading and fair value result	12	12	11	11
Gains/losses from financial instruments measured at fair value through profit or loss	-	1	-	1
Net result from equity method investments	1	1	-	-
Rental income from investment properties & other operating leases	5	5	-	-
Personnel expenses	(94)	(101)	(74)	(81)
Other administrative expenses	(75)	(83)	(60)	(62)
Depreciation and amortisation	(23)	(23)	(14)	(15)
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	(5)	-	(5)	-
Impairment result from financial instruments	36	26	33	26
Other operating result	(2)	(5)	(1)	3
Pre-tax result for the period	246	258	220	234
Income tax	(44)	(52)	(38)	(47)
Net result for the period	202	206	182	187
Net result attributable to non-controlling interests	2	2	-	-
Net result attributable to owners of the parent	200	204	-	-

Statement of Financial Position as at 30 September 2024

in EUR million	GROUP		BANK	
	31 December 2023	30 September 2024	31 December 2023	30 September 2024
Assets				
Cash and cash balances	2,355	2,968	2,186	2,781
Financial assets – held for trading	23	20	23	20
Derivatives	23	20	23	20
Other financial assets held for trading	-	-	-	-
Non-trading financial assets at fair value through profit or loss	7	8	7	8
Equity instruments	1	2	1	2
Debt securities	6	6	6	6
Financial assets at fair value through other comprehensive income	1,093	983	1,039	919
Pledged as collateral	82	-	82	-
Equity instruments	-	1	-	-
Debt securities	1,093	982	1,039	919
Financial assets at amortised cost	10,357	11,143	9,620	10,388
Pledged as collateral	4	-	4	-
Debt securities	1,803	2,054	1,757	2,006
Loans and advances to banks	68	202	31	152
Loans and advances to customers	8,486	8,887	7,832	8,230
Finance lease receivables	483	566	-	-
Property and equipment	161	171	113	122
Investment properties	2	2	-	-
Intangible assets	19	18	13	12
Investments in subsidiaries	-	-	91	90
Investments in associates	9	10	5	5
Current tax assets	2	1	-	-
Deferred tax assets	41	36	33	30
Assets held for sale	-	-	-	-
Trade and other receivables	170	150	109	88
Other assets	30	32	18	23
Total assets	14,752	16,108	13,257	14,486
Liabilities and equity				
Financial liabilities – held for trading	21	18	21	18
Derivatives	21	18	21	18
Financial liabilities measured at amortised cost	12,841	14,089	11,678	12,824
Deposits from banks	784	746	308	250
Deposits from customers	11,382	12,271	10,781	11,597
Debt securities issued	537	947	537	947
Other financial liabilities	138	125	52	30
Lease liabilities	14	15	15	15
Provisions	75	74	71	69
Current tax liabilities	18	16	16	14
Deferred tax liabilities	-	-	-	-
Liabilities associated with assets held for sale	-	-	-	-
Other liabilities	108	119	77	84
Total liabilities	13,077	14,331	11,878	13,024
Subscribed capital	238	238	238	238
Capital reserves and share premium	238	238	238	238
Retained earnings	1,210	1,293	943	1,011
Other reserves	(42)	(25)	(40)	(25)
Equity attributable to owners of the parent	1,644	1,744	1,379	1,462
Equity attributable to non-controlling interests	31	33	-	-
Total equity	1,675	1,777	1,379	1,462
Total liabilities and equity	14,752	16,108	13,257	14,486