

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, February 28, 2025

SUBJECT: Total loans and deposits increase and more than 1 million digital channels users marked Erste Bank's performance in 2024

*"The continuation of stable trends and positive financial results delivered by the bank and local EBC Group marked our business performance in 2024. Total lending growth, with new lending volume up in retail and corporate business alike, upward trends in the use of our digital channels where we exceeded one million users in total, as well as stable growth of our deposit base and positive risk costs have further consolidated our position on the local market", said **Christoph Schoefboeck**, President of the Management Board of Erste&Steiermärkische Bank d.d. ("Bank"), commenting on the Bank's performance in 2024. "With the integration of the card issuing part from Erste Card Club (ECC), we made a significant step towards the further improvement of the card operations business. Given our strong capital position, high level of liquidity, and the highest rating among banks in the Croatian market assigned to us by the rating agencies ("A-", Fitch, 2024), we were capable not only to provide adequate support to our clients, but to provide an additional boost to the continued growth and development of the entire Croatian economy", Schoefboeck concluded.*

HIGHLIGHTS

According to the unaudited preliminary consolidated financial statement, EBC Group's^[1] net profit after minority interests was EUR 247 million, up 2.5% year-on-year from EUR 241 million in 2023. EBC Group's net interest income was EUR 434 million, up 5.9% from EUR 410 million in 2023. Net fee and commission income in 2024 was EUR 134 million, up 7.2% from EUR 125 million in 2023. Net trading and fair value result was EUR 16 million, up 6.7% from EUR 15 million in 2023.

^[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.

Positive trends in net profit were driven by increased revenue from ordinary business operations, particularly in the net interest income through the higher lending volume in the retail segment, and especially SME in the corporate segment. At the same time, interest expenses also increased, mainly as a result of higher volumes and interest rates on term deposits. During the same period the cost component also recorded growth, in relative terms at the similar level as revenues did. The increase in general administrative costs was driven by the growth of personnel expenses and other administrative expenses, as a result of the unit cost increase backed by inflation.

EBC Group's total assets as at 31 December 2024 were EUR 16.5 billion, up 11.9% from EUR 14.8 billion at YE 2023. Total loans to customers as at 31 December 2024 were EUR 9.7 billion, up 5.6% from EUR 9.1 billion at YE 2023. Deposits of EBC Group's customers as at 31 December 2024 were EUR 12.6 billion, up 10.3% from EUR 11.4 billion at YE 2023.

According to the unaudited preliminary unconsolidated financial statement, comprising the Bank's result not including subsidiaries, net profit in 2024 amounted to EUR 226 million, up 3.2% from EUR 219 million in 2023. Net interest income rose 6.2%, from EUR 353 million in 2023 to EUR 375 million in 2024, while net fee and commission income rose 12.6%, from EUR 87 million in 2023 to EUR 98 million in 2024, partly as a result of the one-off effect coming from the integration of the card issuing segment from Erste Card Club in the Bank in the last quarter of 2024. Net trading and fair value result was EUR 15 million, up 7.1% from EUR 14 million in 2023.

The Bank's total assets as at 31 December 2024 were EUR 15.1 billion, up 14.0% from EUR 13.3 billion at YE 2023. Total loans to customers as at 31 December 2024 were EUR 8.6 billion, up 7.8% from EUR 7.9 billion at YE 2023. Deposits of the Bank's clients as at 31 December 2024 were EUR 11.9 billion, up 10.8% from EUR 10.8 billion at YE 2023.

STABLE TREND IN NPLs

The stable trend in NPLs (non-performing loans and partially performing loans) continued in 2024. As at 31 December 2024, the NPL ratio at consolidated EBC Group level was 3.1% (3.0% as at 31 December 2023). NPL ratio at Bank level as at 31 December 2024 was 3.1% (2.9% as at 31 December 2023).

MORE THAN 1 MILLION USERS OF DIGITAL CHANNELS IN TOTAL

The Bank's digital solutions maintained a continued and stable growth trend over the last year. As at 31 December 2024, George online banking had a total of around 550,000 active users, up 34% from 410,000 active users at YE 2023. Total transaction volume of EUR 7.0 billion was up 20.4% compared to 2023. The KEKS Pay app reached the number of 500,000 active users as at 31 December 2024, up 22% from 410,000 at YE 2023. KEKS Pay's total transaction volume of EUR 226 million in 2024 was up 51% compared to 2023.

GREEN BOND ISSUE

In January 2024, the Bank issued its inaugural green preferred senior bond on the international capital market. The EUR 400 million bond was issued in a green format under Erste Group's Sustainable Finance Framework and is the first green bond issued by any issuer in the Republic of Croatia. This

issue was printed to fulfil the MREL requirement (Minimum requirement for own funds and eligible liabilities). The funds raised further improved the diversification our funding sources, while being used to promote green and sustainable investments and projects. By the respective, in total eighth issue of EBC's bonds in the domestic and international capital markets, the Bank has once again confirmed its position as the most active non-government bond issuer in Croatia.

ERSTE&STEIERMÄRKISCHE BANK d.d.

Unaudited Statement of Profit and Loss 1 January – 31 December 2024

| in EUR million | GROUP | | BANK | |
|--|------------|------------|------------|------------|
| | 2023. | 2024. | 2023. | 2024. |
| Net interest income | 410 | 434 | 353 | 375 |
| Interest income | 462 | 549 | 413 | 500 |
| Other similar income | 51 | 70 | 28 | 39 |
| Interest expense | (75) | (146) | (60) | (125) |
| Other similar expenses | (28) | (39) | (28) | (39) |
| Net fee and commission income | 125 | 134 | 87 | 98 |
| Fee and commission income | 171 | 187 | 125 | 141 |
| Fee and commission expenses | (46) | (53) | (38) | (43) |
| Dividend income | - | - | 8 | 4 |
| Net trading and fair value result | 15 | 16 | 14 | 15 |
| Gains/losses from financial instruments measured at fair value through profit or loss | 1 | 1 | 1 | 2 |
| Net result from equity method investments | 1 | 1 | - | - |
| Rental income from investment properties & other operating leases | 7 | 7 | - | - |
| Personnel expenses | (128) | (136) | (100) | (111) |
| Other administrative expenses | (105) | (114) | (86) | (87) |
| Depreciation and amortisation | (31) | (30) | (19) | (20) |
| Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss | (21) | (5) | (21) | (5) |
| Impairment result from financial instruments | 46 | 18 | 43 | 17 |
| Other operating result | (22) | (15) | (14) | (7) |
| Pre-tax result for the period | 298 | 311 | 266 | 281 |
| Income tax | (53) | (61) | (47) | (55) |
| Net result for the period | 245 | 250 | 219 | 226 |
| Net result attributable to non-controlling interests | 4 | 3 | - | - |
| Net result attributable to owners of the parent | 241 | 247 | - | - |

Unaudited Statement of Financial Position as at 31 December 2024

| in EUR million | GROUP | | BANK | |
|---|------------------|------------------|------------------|------------------|
| | 31 December 2023 | 31 December 2024 | 31 December 2023 | 31 December 2024 |
| Assets | | | | |
| Cash and cash balances | 2,355 | 3,380 | 2,186 | 3,211 |
| Financial assets – held for trading | 23 | 19 | 23 | 19 |
| Derivatives | 23 | 19 | 23 | 19 |
| Other financial assets held for trading | - | - | - | - |
| Non-trading financial assets at fair value through profit or loss | 7 | 9 | 7 | 9 |
| Equity instruments | 1 | 4 | 1 | 4 |
| Debt securities | 6 | 5 | 6 | 5 |
| Financial assets at fair value through other comprehensive income | 1,093 | 1,005 | 1,039 | 929 |
| Pledged as collateral | 82 | 42 | 82 | 42 |
| Equity instruments | - | 1 | - | 1 |
| Debt securities | 1,093 | 1,004 | 1,039 | 928 |
| Financial assets at amortised cost | 10,357 | 11,085 | 9,620 | 10,490 |
| Pledged as collateral | 4 | 39 | 4 | 39 |
| Debt securities | 1,803 | 2,102 | 1,757 | 2,055 |
| Loans and advances to banks | 68 | 79 | 31 | 52 |
| Loans and advances to customers | 8,486 | 8,904 | 7,832 | 8,383 |
| Finance lease receivables | 483 | 568 | - | - |
| Property and equipment | 161 | 170 | 113 | 129 |
| Investment properties | 2 | 2 | - | 1 |
| Intangible assets | 19 | 17 | 13 | 13 |
| Investments in subsidiaries | - | - | 91 | 25 |
| Investments in associates | 9 | 10 | 5 | 5 |
| Current tax assets | 2 | 7 | - | 7 |
| Deferred tax assets | 41 | 17 | 33 | 16 |
| Assets held for sale | - | 10 | - | 60 |
| Trade and other receivables | 170 | 179 | 109 | 179 |
| Other assets | 30 | 29 | 18 | 20 |
| Total assets | 14,752 | 16,507 | 13,257 | 15,113 |
| 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 | 14,330 | 11,678 | 13,200 |
| Deposits from banks | 784 | 796 | 308 | 271 |
| Deposits from customers | 11,382 | 12,553 | 10,781 | 11,943 |
| Debt securities issued | 537 | 954 | 537 | 954 |
| Other financial liabilities | 138 | 27 | 52 | 32 |
| Lease liabilities | 14 | 14 | 15 | 15 |
| Provisions | 75 | 87 | 71 | 85 |
| Current tax liabilities | 18 | 4 | 16 | - |
| Deferred tax liabilities | - | - | - | - |
| Liabilities associated with assets held for sale | - | 86 | - | - |
| Other liabilities | 108 | 141 | 77 | 115 |
| Total liabilities | 13,077 | 14,680 | 11,878 | 13,433 |
| Subscribed capital | 238 | 238 | 238 | 238 |
| Capital reserves and share premium | 238 | 238 | 238 | 238 |
| Retained earnings | 1,210 | 1,336 | 943 | 1,223 |
| Other reserves | (42) | (19) | (40) | (19) |
| Equity attributable to owners of the parent | 1,644 | 1,793 | 1,379 | 1,680 |
| Equity attributable to non-controlling interests | 31 | 34 | - | - |
| Total equity | 1,675 | 1,827 | 1,379 | 1,680 |
| Total liabilities and equity | 14,752 | 16,507 | 13,257 | 15,113 |