Annual Report for the year ended 31 December 2024

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Introduction

This Annual report, issued to the shareholders of the Erste&Steiermärkische Bank d.d., comprises the report of the President of the Management Board, Business results of Erste&Steiermärkische Bank d.d. and its subsidiaries, Sustainability Report, Corporate Governance Principles implementation statement, the audited financial statements together with an Independent auditor's report and supplementary reports for the Croatian National Bank (CNB). The audited financial statements are presented for the Group and the Bank.

Croatian and English language version

This document comprises the Annual Report of Erste&Steiermärkische Bank d.d. for the year ended 31 December 2024 stated in English. This report is also published in Croatian language.

Legal status

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as published by International Accounting Standards Board (IASB) and adopted in EU.

Abbreviations

In this Annual report, Erste&Steiermärkische Bank d.d. is referred to as the Bank, Erste Bank or EBC and Erste&Steiermärkische Bank d.d. together with its subsidiaries and associates are referred to collectively as the Group, EBC Group or ESB Group.

In this Annual report, ultimate parent of the Group, Erste Group Bank AG is referred as Erste Group.

The Annual Report for the year ended 31 December 2024 has been published in both PDF and ESEF formats. Further, the PDF version is unofficial and the official format is publicly available in the European Single Electronic Format (ESEF).

Report of the President of the Management Board

Report of the President of the Management Board

Given the successful realisation of Croatia's strategic goals – the entry into the euro zone and Schengen – and with OECD accession (as the only step left to complete its full positioning on the international scene) expected in the coming period, the country continued to fare well with rating agencies. Backed by macroeconomic fundamentals, such as above EU average GDP growth and imbalances remaining in check, we are happy to see Croatia for the first time being awarded 'A-'level equivalent rating by all three renowned rating agencies. Croatia has a strong position on the international investment map. Therefore, a growing interest of investors has been noticed, not only in the field of tourism, but also in the ICT sector, logistics, FMCG, pharmaceutical industry and the segment of renewable energy sources.

Given its specific geographical position and the fact that it is fully integrated into the institutional framework of the European Union, Croatia has a great opportunity to become not only financial, but also a regional energy hub. The idea of Croatia as a regional financial centre can significantly contribute to the stability, robustness and high capitalisation of the country's financial system. Through numerous initiatives and projects that have already been initiated in different areas of financial markets at the regional level, this idea already has a strong support in practice. Its full implementation certainly requires additional efforts to develop the investment climate, achieve a higher level of legal and investment security and apply a simple, clear and efficient regulatory framework, which can significantly accelerate the process.

Highly competitive banking market

The banking market saw no further consolidation in 2024, yet it continued to be highly competitive. The profitability of the sector remained strong with cost-efficiency further improving, capital ratios remaining high, and NPL edging further down and testing historical lows. Household credit growth was in the double digit region mostly owing to consumer credit which saw acceleration towards close to 15%. Housing loans maintained a solid pace just shy of 10% despite the absence of state subsidised schemes in 2024. On the other side, corporate loans saw another solid year with a growth rate in mid-single digit zone, as the easing rate environment gave tailwind to demand. The exposure to the public sector largely stagnated, reflecting a changing structure away from bilateral credit and shifting towards direct exposure via securities holding. The deposit side also delivered a steady growth in the mid-single digit region, where the retail segment, despite the ongoing issuing activity by the Ministry of Finance in the retail space, showed a moderate acceleration.

Total lending and deposits growth, more than 1 million digital channels users

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. 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.

According to the consolidated financial statement, EBC Group's 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.

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 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.

Green bond issue

In January 2024, we issued our 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.

Prosperity of employees, clients and Croatian society

Erste Bank's position on the Croatian market is solid and stable. Given our strong capital position, high level of liquidity, high degree of client trust and the highest rating among banks in the Croatian market assigned to us by the rating agencies ("A-", Fitch, 2024), we are capable to provide adequate support to our clients. The fact that we belong to a strong parent group that sees Central and Eastern European region as its core market, puts the focus of our business operations on efficiency, innovation and striving for excellence, through which we want to contribute to the growth and development of the Croatian economy, encouraging and promoting the prosperity of all of our employees, clients and Croatian society as a whole.

Christoph Schoefboeck,
President of the Management Board

Management Board

CHRISTOPH SCHOEFBOECK, President of the Board
Responsibilities: Human Resources Division, Marketing Division, Corporate Communication Office, Strategy and Project Management Division, Internal Audit Division, Management Board Office, SME Division, Large Corporates Division, C&M Business Development Division and Financial Markets Division.

KATARINA KRALJEVIĆ, Member of the Board as of August 1, 2024
Responsibilities: Retail Division, Retail Business Development Division, Direct Channels Division and Digital Banking Division.

ZDENKO MATAK, Member of the Board until July 31, 2024
Responsibilities: Retail Division, Retail Business Development Division, Direct Channels Division, Digital Banking Division.

HANNES FROTZBACHER, Member of the Board
Responsibilities: Risk Management Division, Credit Risk Management Division, Non-financial Risk Management Division and Legal Division.

KREŠIMIR BARIĆ, Member of the Board
Responsibilities: Accounting and Controlling Division, Asset and Liability Management Division, Economic Research Division, Group Tax Office, Data Governance Office.

MARTIN HORNIG, Member of the Board
Responsibilities: Banking Services Division, IT Division and Corporate Security Division.

Business results of Erste&Steiermärkische Bank d.d. and its subsidiaries in 2024

Business results of Erste&Steiermärkische Bank d.d. and its subsidiaries in 2024

I. Retail segment

Retail loans and deposits

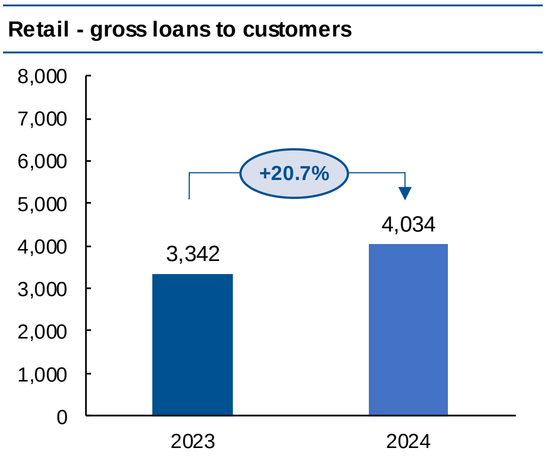

Chart 1: Retail loans in EUR million

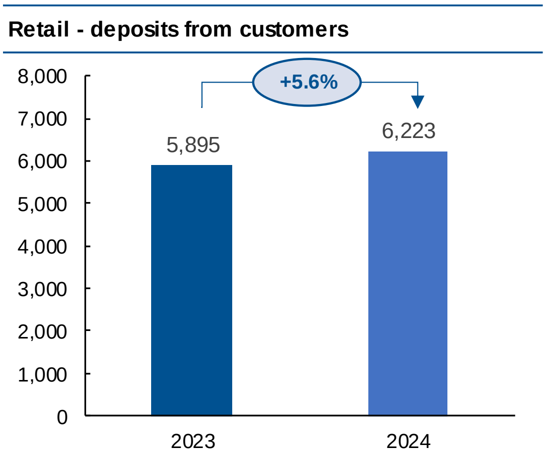

Chart 2: Deposits from customers in EUR million

Total portfolio of the Bank's gross retail loans amounted to EUR 4.03 billion on 31 December 2024, which is increase of EUR 0.69 billion compared to previous year, of which impact of the integration of Erste Card Club's credit card portfolio amounts to EUR 0.23 billion. The market share in retail loans, per Croatian National Bank, amounted to 16.23% as of 31 December 2024 which is increase of 107 basis points compared to 31 December 2023, also partially under impact of the integration of Erste Card Club's credit card portfolio. During 2024, interest rates for cash and housing loans to citizens recorded a slight downward trend, in contrast to 2023 when we had an increase of interest rates.

Bank's retail deposit portfolio increased in 2024, despite the influence of competitive investment products offerings on the market (government bonds and treasury notes for citizens, etc.). Retail deposits amounted to EUR 6.22 billion as of 31 December 2024, which represents increase of EUR 0.33 billion compared to previous year. During 2024, interest rates for term deposits decreased, while interest rates for sight deposits remained unchanged at minimum levels. The market share in retail deposits amounted to 15.06% as of 31 December 2024, which represents increase of 6 basis points in comparison to 31 December 2023.

Focus on clients in 2024

In 2024, the main focus remained on maintaining the quality of service and customer satisfaction at the highest level, as the main strategic guidelines of Erste Bank's operations. This was recognized by the clients and contributed to the continued growth of the individual client base, surpassing 1.1 million clients. Additionally, Erste Private Banking once again won the award from the prestigious Global Finance Magazine for the best private banking in Croatia. Furthermore, the focus was on activities aimed at growing the market position in lending and deposit operations, as well as further development of products and services with an emphasis on digitalization and automation.

Changes in client behaviour and habits, the development of new technologies, and the regulatory framework continuously require changes to the existing business model and the roles of individual distribution and communication channels. Clients increasingly use digital services and self-service devices for transactions and resolving simpler requests, while branches are increasingly becoming centers for advisory services and for resolving more complex client requests. Accordingly, activities related to the transformation of branches continued throughout the year. These branches, in addition to a new visual identity, are characterized by a new way of working focused on the advisory role of employees and a unique customer experience for clients. The total number of branches at the end of 2024 was 109 and the total number of ATMs and service devices was 667.

I. Retail segment (continued)

Additionally, in 2024, the focus was on further digitalizing the advisory process, and a new application was successfully implemented to raise client awareness about the importance of financial planning and long-term financial health. During meetings with their advisors, clients can discuss key financial areas: budget management, financial reserves, risk insurance, retirement planning and investing in the future, and depending on their personal financial status and plans, can ask for personalized financial solutions.

A significant part of business activities during the year was focused on preparatory activities for the integration of the credit card issuance segment of Erste Card Club into the Bank as of 1 October 2024, while Erste Card Club continues its regular operations in the card acceptance segment. The integration represents a step forward in enhancing the business model of card operations and ensuring its further development through the synergy of existing specialized knowledge of card operations within Erste Card Club and the comprehensive support and know-how available in Erste Bank. This synergy, along with a unified approach to all clients in the card segment and a simplified management process, will further contribute to maintaining a high level of credit card user satisfaction and the development of new products and services in this business segment.

During 2024, activities to improve the housing loan offerings continued, with major national campaigns for the promotion of housing loans organized in the first and fourth quarters. Additionally, the improvement of housing loan offerings is further supported by the Housing Center in Zagreb, where specialists focus exclusively on advising and proposing financial solutions in the area of housing loans, and mobile bankers as an additional sales channel focused on specialized housing construction models and cooperation with external partners. All these activities contributed to the growth of the market share of housing loans, which amounted to 13.33% as of 31 December 2024, an increase of 12 percentage points compared to 31 December 2023. Cash loans continued to grow their market share, with a significant portion of loans being contracted digitally. The market share of cash loans as of 31 December 2024 amounted to 20.56%, which represents increase of 52 percentage points compared to 31 December 2023.

Through CRM activities, we worked on further personalizing communication based on various events relevant to the Bank's product and service offerings and new predictive models. At the end of the year, the implementation of a new tool for automating the sending of direct marketing communication to clients began in collaboration with Erste Group. This tool will enable the improvement and automation of a personalized approach to clients in real-time through consistent and relevant marketing communication.

Erste Bank places significant focus on environmentally responsible business practices and has been already for many years offering favourable conditions for housing loans related to the purchase and construction of properties with high energy efficiency, the purchase and installation of equipment for the use of renewable energy sources (e.g. solar panels) and the purchase and installation of equipment for maintaining and improving energy efficiency (e.g. thermal insulation). The bank also offers loans for eco-friendly vehicles, allowing clients to finance energy-efficient vehicles powered by electricity, plug-in hybrid systems or hydrogen. Clients are provided with calculators to estimate financial savings and environmental impact after implementing energy efficiency measures, which are available on the Bank's website. Additionally, cooperations have been established with partners who enable clients to improve the energy efficiency of their households and clients who enhance their energy efficiency have favourable conditions and discounts with these partners. During the year, workshops were held with clients in four cities (Rijeka, Osijek, Zadar and Split), where experts, Bank’s partners introduced clients to the benefits of investing in property energy efficiency (property renovation, solar panels, heat pumps, etc.).

Innovations in Retail segment

With the long-term goal of ensuring financial prosperity for clients and providing new and improved services, the intensive development and advancement of the George digital platform has continued.

I. Retail segment (continued)

At the beginning of the year, Non-SEPA payments were enabled via George mobile application. Additionally, tools such as the Personal Finance Manager (PFM) and George Spotlight were developed to provide users with deeper insights into their finances and contribute to their financial well-being.

In addition to the already large number of products and services available for contracting through the George app (cash loans, accounts, savings, credit cards, overdrafts, travel & supplementary health & additional health & payment protection insurance, investment funds, etc.), a fully digital contracting of accident insurance policies has been developed in collaboration with Wiener osiguranje Vienna Insurance Group d.d., and the digital contracting of 3 new investment funds from Erste Asset Management d.o.o. has been enabled, thereby expanding the range of investment products available on George.

The most significant project of 2024 was the integration of the credit card issuing segment of Erste Card Club into the Bank. The project also included closing of Erste Card Club's EMA mobile application and the migration of EMA users to George which, along with regular increase of active digital users, resulted in 34% increase of active George users compared to 2023. On George this project included a new credit card application process with automatic approvals (STP process), fully digital credit card limit adjustments and development of credit cards rewards program D Club (Cashback, Asist+, Insurances, Miles&More, Airport Lounge). Additionally, improved overviews of instalments, business cards and invoices were introduced.

At the end of the year, authorized calls to the Contact Centre were developed, enabling agents to access complete user data during calls, thus providing higher-quality customer service. Additionally, significant improvements and optimizations were made to the digital process of account opening, including removal of the digital signature and streamlined document management. These changes simplified and accelerated the digital process of account opening.

All these efforts resulted in a notable increase in the customer satisfaction index, which rose from 92.6 in 2023 to 94.1 in 2024, along with a stable average rating of 4.8 for the George application in app stores.

The strong growth trend for KEKS Pay application continued through seventh year on the market. A record of over 88,000 new users in 2024, predominantly clients of other banks, brought total number of users to 500,000 of which 70% are clients of other banks, while 30% are Erste Bank clients. Fully digital opening of prepaid KEKS e-money accounts, accompanied by Visa card, maintained a stable growth trend exceeding 26,000 of new prepaid account users in 2024.

The innovative KEKS Pay utility service, which introduced the reception of digital bills and their fee-free payment across Croatia in 2021, further expanded its scope. It now offers services from more than 100 different issuers, including ZG Holding, Vodoopskrba i odvodnja, Zagrebačka plinara, Telemach, A1, HEP Plin, Allianz osiguranje and many others. By the end of 2024, more than 87,000 approved requests for digital utilities resulted in the payment of approximately 930,000 bills, with a clear month-over-month growth trend.

During 2024, completely new functionalities were introduced to users such as fully digital (end-to-end) contracting of car insurance policies from multiple insurers, as well as fully digital opening of Erste current accounts and cash loans. These innovations strengthen monetization as one of KEKS Pay's strategic goals.

Enhanced acquisition activities targeting businesses entities have also yielded results. KEKS Pay, now integrated with over 400 online stores, has become one of mainstream payment methods in Croatia's e-commerce sector. Activities in other areas, such as retail (implementation of KEKS Pay payments in over 800 Konzum, Spar and Interspar stores), HoReCa channel (KEKS pay payments available at more than 300 cafes, bars and restaurants), ticket purchases (Eventim, Entrio, Ulaznice.hr) and public transport (Jadrolinija, Croatia Airlines), are expected to contribute to the continued positive trend. In 2024, revenue from merchants, digital utilities and invoice payments achieved 82% increase compared to 2023.

I. Retail segment (continued)

User satisfaction with KEKS Pay application is reflected in continuous growth of the customer satisfaction index which reached 94.9 in 2024, along with high app store ratings (Apple, Google) of 4.9, which have been at the highest level in the financial industry for years, but also among all Croatian applications in general.

During 2024, Erste Bank recorded significant increase in number of digital channel users (partially also due to impact of Erste Card Club integration), as well as in number of digital transactions and revenues related to transactions. At the end of 2024 Bank counts 550,000 active digital users of George application, which represents increase of 34% compared to 2023. In total number of active digital users, 99% are mobile users.

Increase was also recorded in digital transactions which have grown by 15% in number and 20% in volume compared to 2023. During 2024, focus was on increasing sales via digital channels. Share of digital sales in 2024 is 48.3% which represents significant increase compared to 41.8% in 2023.

Retail - active digital users

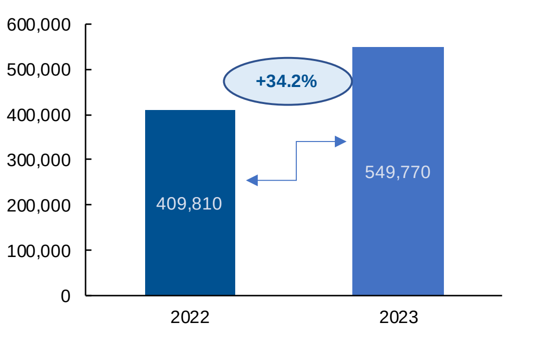

Chart 3: Retail - active digital users

Retail - digital sales

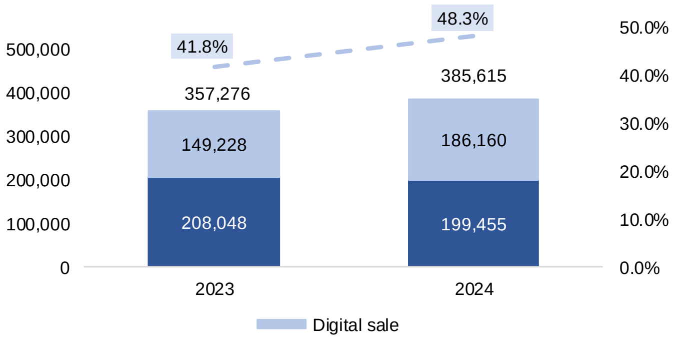

Chart 4: Retail - digital sales

Contact center (Remote Clients Support and Advisory Department)

Contact Centre plays an increasingly important role in client communication given the development of new communication channels and the digital way of doing business. In 2024, a total of 1.1 million contacts were recorded, which is 39.4% more than in 2023. The significant increase in the number of contacts was primarily due to the status change involving the merger of part of Erste Card Club's business into the Bank, because of which the Bank also took over customer support for credit card users. The most prevalent communication channel remains the telephone (84% of the total number of recorded contacts), followed by email (11%), chat channels (web chat, George chat, Viber, WhatsApp, Facebook - 3.5%) and video identification (1.5%). At the end of 2024, the possibility of an authenticated call from George app was introduced, significantly improving the quality of customer support, as the communication with authenticated clients is more transparent and all necessary information can be given to clients. Authenticated calls from George app account in average for approximately 15% of the total number of received telephone calls. Additionally, during 2024, the scope of externalized services was expanded, and the external partner now handles 36.4% of telephone customer support and 49.3% of sales campaigns.

I. Retail segment (continued)

From the beginning of 2024, the Contact Centre organization was adapted to the needs and trends in business, and in addition to the organizational unit responsible for providing customer support, separate organizational units for remote advisory, complaint resolution and business process development and quality management were established. Additionally, continuous efforts are made to evaluate the possibilities of applying new technologies to achieve a higher degree of automation in customer support processes (e.g. implementation of artificial intelligence).

Within the Remote Advisory Centre, in addition to the existing Remote Investment Advisory team, a Digital Branch was established, a special service intended for digital clients - private individuals, to ensure greater availability of advisory services using modern remote communication technology (e.g. video meetings, authorized calls, etc.). Digital Branch advisors provide advisory services for all Bank’s products and services and support clients in the process of realizing and contracting products (primarily on George app, but also in the branch if the product cannot be contracted digitally). During 2024, 764 remote investment advisory meetings were held, what is 8% more compared to previous year. Within the Digital Branch, a total of 7,852 meetings were held and a total of 8,071 different Bank’s and Group’s products were realized. High ratings from the conducted customer experience survey show that users of remote advisory services (whether investment advisory or digital branch) are extremely satisfied with the provided service.

Within the Complaint Resolution Department, 72% of the total number of complaints received by the Bank are received and resolved. To speed up the complaint resolution process, the Department activities are focused on increasing the share of independently resolved complaints through process improvement and taking on new responsibilities. In 2024, a total of 70,000 complaints were received through Contact Centre (mostly by phone and email) and 49% were independently resolved.

II. Corporate segment

Corporate loans and deposits

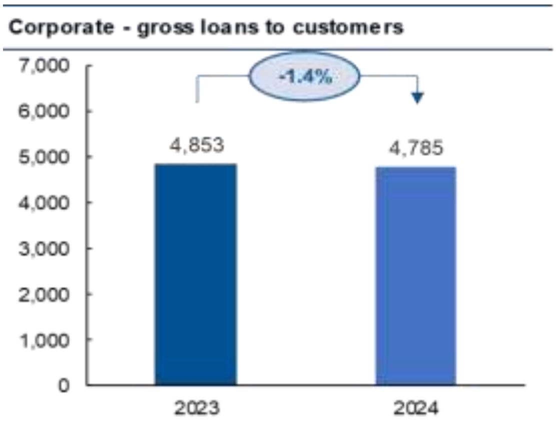

Chart 5: Corporate loans in EUR million

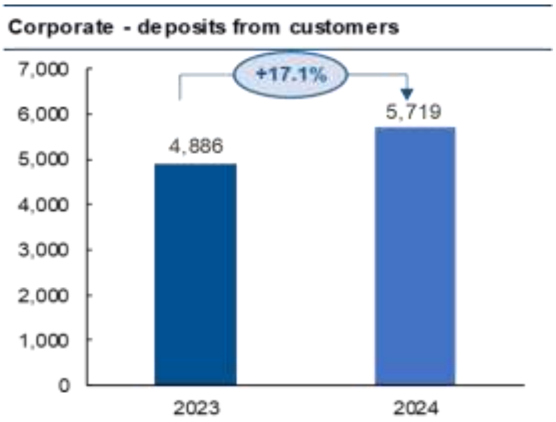

Chart 6: Corporate deposits in EUR million

Total portfolio of the Bank's gross corporate loans recorded drop in 2024 and amounted to EUR 4.79 billion as of 31 December 2024, which is decrease of EUR 0.07 billion compared to previous year. The market share in corporate loans, per Croatian National Bank, amounted to 21.93% as of 31 December 2024 which resulted with drop of 25 basis points compared to 31 December 2023.

The corporate deposit on 31 December 2024 amounted to EUR 5.72 billion, which represents increase of EUR 0.83 billion compared to previous year. Corporate deposits reached market share in the amount of 20.79% as of 31 December 2024, which represents increase of 75 basis points in comparison to previous year.

Focus on corporate clients in 2024

With the long-term goal of providing a sustainable business of clients and ensuring their financial prosperity, business in 2024 was marked primarily by initiatives related to process optimization and digitalization and continuous dialogues on financial health. The key guidelines of the initiatives focused activities in this year on expanding the range of products available through digital channels, opening new perspectives on financial health and continuing support for business sustainability through an ESG (environmental, social and governance) operating model. In addition, the offer of financial instruments continued, which, through various forms, support investments in accordance with ESG guidelines and generally more socially responsible business.

The Financial Health Zone is a concept that provides support to clients in achieving a healthier financial balance by providing them with access to transparent and understandable information about their current financial situation. In 2024 it was upgraded with new functionalities that for the first time give clients insight into future indicators of financial performance of the business, or financial health. The improved version of the tool provides the possibility of more precise analysis and focus on the further business development. The successful synergy of the tool and the dialogue on the financial health resulted in a continuation of the trend of high positive ratings of client satisfaction.

During the year activities to raise awareness and educate clients on the importance of ESG risks continued. Workshops and panel discussions for clients were held in the first and last quarters of 2024, on general ESG topics, the impact of sustainable transformation of the business of small and medium-sized enterprises, and the information about latest trends in this area and regulatory obligations.
The informative web calculator for energy efficiency available on the bank's website for all legal entities and individuals was upgraded in mid-year with new investment measures in energy-efficient projects. The calculator aims to provide an informative calculation of potential financial savings and environmental impact after the implementation of energy efficiency measures (the calculator provides an informative calculation of energy savings, cost reduction, contribution to environmental protection through CO_2 reduction, as well as information on the time in which clients can expect a return on investment).

II. Corporate segment (continued)

Initiatives and projects

Project of processes digitalization aimed primarily at improving the user experience and optimizing and automating business processes have resulted in a new service that now enables business entities to contract individual products completely digitally. At the beginning of the year, the first fully digital process was implemented, which enables the contracting of domestic bank guarantees through the NetBanking service, from providing request to the signing of the contract and product distribution. The process is available to clients who have agreed short-term limit within which it is possible to realize bank guarantees in accordance with the available limit. A key component integrated into the digital process is electronic signing, which enables clients to issue a digital certificate and sign contractual documents with a qualified electronic signature. Business digitization development activities are continued and the development of new digital processes for credit products is ongoing.

After being the first bank that had offered its clients the digital tool Financial Health Zone, in the Erste Group and on the Croatian banking market, Erste Bank continued its leadership role in the development of the Financial Health Zone tool in this year. In 2024 a new functionality of the tool was developed and presented - the Financial Health Simulator. The Financial Health Simulator is a new functionality of the existing tool, which allows bank clients to simulate calculations of key financial indicators and the trend and intensity of rating changes for the next business year by changing the basic parameters of their business. It is the first such module available to clients on the local market and the Erste Group market, as part of the Financial Health Zone tool. With the aim of increasing the number of clients included in the financial health dialogue model, activities to include a larger number of clients were intensified during the year through the activation of new clients, and the meetings with clients who already have access to the tool. This approach enabled the maintenance of a high level of positive user experience ratings and client satisfaction with the use of the tool and the meetings held.

As a leader in the development of this concept within the Erste Group, Erste Bank continued to actively participate in the development of the Financial Health model in other regional banks of the Erste and Sparkasse groups through the Business Development Center.

Business cooperations

In 2024 intensive cooperation on guaranteed instruments continued with special financial institutions: European Invest-ment Fund (EIF), Croatian Reconstruction and Development Bank (HBOR) and Croatian Agency for SMEs, Innovation and Investments (HAMAG-BICRO).

The Bank continued to actively use the EIF guarantee instruments under the InvestEU programme. Within this programme five guarantee instruments with a maximum guarantee volume of EUR 50 million are available, enabling clients to implement green and sustainable investments, projects with innovative and digital components, and providing support to clients in the cultural and creative sectors. Also, through separate guarantee instruments of the InvestEU programme, special attention is paid to microfinance and socially responsible business.

During 2024, the Bank agreed with the EIF to increase the guarantee volume for the Innovation and Digitalization Guarantee by EUR 60 million and additionally contracted a new guarantee instrument within the InvestEU program - the Climate Change Mitigation Guarantee with a guarantee volume of EUR 60 million.

The bank continued its long-term cooperation with HBOR significantly utilising regular programs. As part of the National Recovery and Resilience Plan (NPOO) an individual guarantee was implemented, which facilitates access to financing for entities with medium market capitalization and large business entities, thereby encouraging investments in new technologies and equipment, expansion of production and/or service capacities and other purposes essential for strengthening competitiveness and green and digital transition. In addition to HBOR's regular programs, NPOO interest subsidiaries were used until the quota was exhausted in the 9th month.

II. Corporate segment (continued)

In mid-year a new HAMAG Plus guarantee was implemented, which can also be used with NPOO subsidies. The guarantee makes it easier for small and medium-sized enterprises to access financing, and the subsidy represents an added benefit for investment projects that contribute to the green transition, digitalization or competitiveness.

In line with its strategic guidelines, by utilising the above instruments the Bank has provided continued support to individual entrepreneurial sectors, with a special emphasis on those sectors which contribute to green, innovation and digital goals. The emphasis in the last year was also on the financial instruments which included aid allocation.

During 2024, the bank has been approving loans for projects cofinanced by EU grants and has been issuing binding and unbinding letters of comfort for financing such projects.

In addition to the local market, Erste bank also pays special attention to clients located in the markets where member banks of Erste and Spakrasse Group operate. Such cross-border cooperation enables clients who need cross-border banking support in Croatia or in other markets to have easier access to basic services such as opening a business account or contracting digital services remotely. This year, Erste banka remained the leading bank in terms of the number of newly established cross-border collaborations with corporate segment, be it all the markets in which the Group's banks operate or the regional market (as part of the Western Balkans initiative). In this part, the regional onboarding initiative was additionally launched during the year with the aim of improving the process of opening business accounts in this region. Clients are offered a web application that provides them with a simple overview of all prerequisites and necessary documentation for opening business account in selected countries of the region. With the aforementioned activities, along with the centralization of key functions and the sharing of best regional practices between key stakeholders, the time required to open an account was shortened by almost a quarter compared to the previous year.

Digital banking in 2024

The number of business entities using NetBanking services in 2024 continues to increase; 3.9% more users compared to the previous year. The number of business entities using mBanking services increased by 15%. Transactions grew in num-ber by 4.7% and in volume also grows continuously last year by 7%.

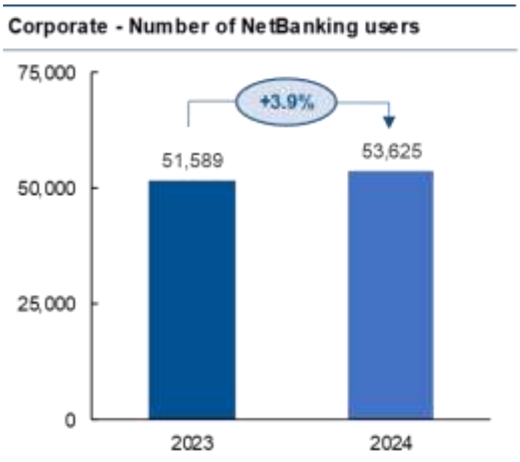

Chart 7: Number of NetBanking users - Corporate segment

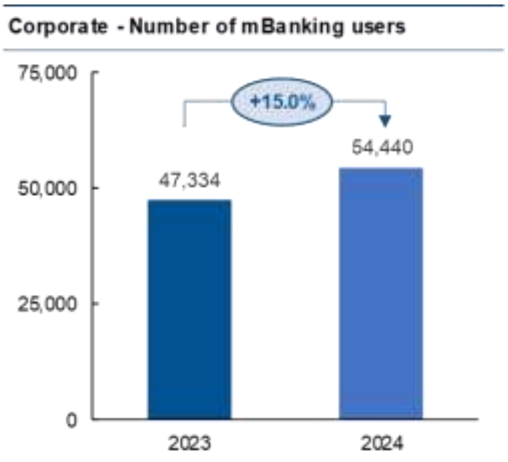

Chart 8: Number of mBanking users - Corporate segment

II. Corporate segment (continued)

Chart 9: Number of transactions in thousands - Corporate segment

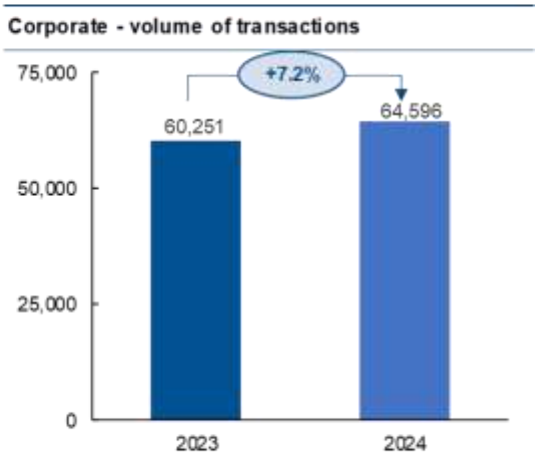

Chart 10: Volume of transactions in EUR milion - Corporate segment

III. Macroeconomic indicators

In the aftermath of deep recession in 2020 (-8.3%), economy posted impressive rebound throughout 2021 (12.6%), resulting in full V-shape recovery and followed by another strong performance in 2022 and solid growth rate in 2023 (7.3% and 3.3%, respectively). 2024 YTD growth figures revealed strong performances (4.0% y/y, 3.5% y/y and 3.9% y/y in 1Q, 2Q and 3Q, respectively), supported by vivid domestic demand on both private consumption and investments side. On the other hand, developments in external trade and flattish tourism offered less support. Looking ahead, we see domestic demand remaining growth backbone, with both private consumption and investments keeping supportive tone, albeit gradually decelerating. On the other hand, external demand outlook remains relatively gloomy, with tourism support getting more modest and struggling to extend gains compared to pre-pandemic overnights levels. Bottom line, we expect 2025 GDP growth in the region around 3.5%, followed by decent growth level close to 3% mark also in 2025, with risks being tilted slightly more to the downside owing to global geopolitical uncertainties and lasting EU growth weakness.

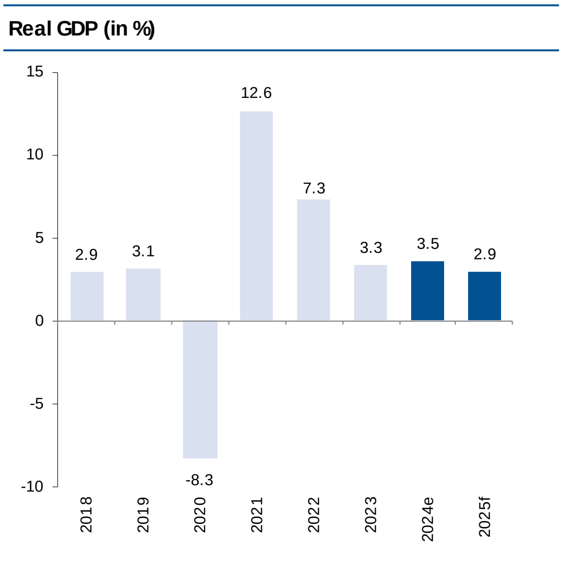

Chart 11: Real GDP (in %) 2018 - 2025

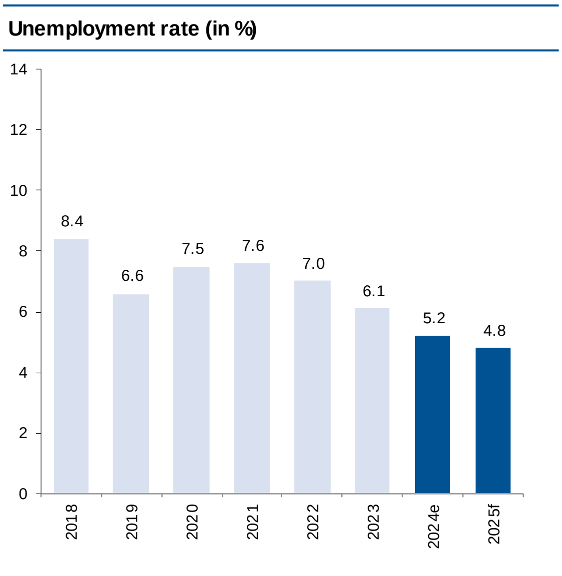

Chart 12: Unemployment rate in Croatia 2018 - 2025 per ILO definition

Following negative balance in 2022 (with deficit reaching 3.5% of GDP), we saw normalization on the current account side amid less pressure on trade balance and improving services account (tourism revenues), hence allowing CA balance to revert to mild positive region in 2023 (0.4% of GDP). Going into 2024, current account balance moved back to the mild negative area (on a 4Q trailing basis), as deficit reached 0.5% of GDP in 3Q24, reflecting domestic demand driven pressures. Looking ahead, we expect to see overall relatively neutral performance during 2024-2025 period and Croatia running relatively balanced external position.

While inflation still moved above 4% mark at the beginning of the year, 2Q24 and 3Q24 brought largely anticipated moderation where supply-side factors eased (most notably on energy and food items), while demand side pressures remained present. While CPI reached its lowest YTD point at 1.6% y/y in September, going into 4Q24 we saw some upward pressure from electricity and gas prices hikes and also less favourable food prices, with CPI accelerating to 3.4% y/y in December. Thus, following average 2024 CPI at 3%-mark, outlook for 2025 suggests figure remaining at the similar level. Demand-side pressures should persist, but fade to an extent, as domestic demand is expected to shift into lower gear. The beginning of the 2025 should bring an additional bump to energy prices, food prices present some upside risk, while supply-side as energy goes is anticipated to remain in check.

III. Macroeconomic indicators (continued)

After bumping the 2024 deficit target to 2.6% of GDP (from 1.9% of GDP), the MoF is now signaling it sees the budget gap closer to the initial target (2.1% of GDP). Budget draft for 2025 signals similar fiscal policy course with budget gap targeted at 2.3% of GDP and allowing public debt to move further below the 60% of GDP threshold. Positive news flow came from rating agencies in their Autumn assessments, where first S&P and Fitch delivered their rating upgrades in September, where both agencies attached an 'A-' rating, with the outlook standing at 'positive' and 'stable,' respectively. Moody's followed in the same footsteps, delivering long-awaited upgrade in November, but opting for two notches increase to 'A3' (with outlook being tuned down to 'stable') to align with other rating agencies. The rating rationale in all cases brought little surprise, with strong economic and fiscal performances backing up such moves. We see rating agencies remaining on hold in 2025 as the most likely baseline.

	2019	2020	2021	2022	2023	2024 (e)	2025 (f)
Nominal GDP (in EUR billion)	54.9	50.7	58.3	67.6	78.0	84.8	89.6
Real GDP (growth y/y, %)	3.1	-8.3	12.6	7.3	3.3	3.5	2.9
CPI (y/y, average %)	0.8	0.1	2.6	10.8	8.1	3.0	2.7
Current account balance (% of GDP)	2.5	-1.3	0.5	-3.5	0.4	-0.2	-0.8
Foreign debt to GDP (% of GDP)	73.9	81.3	81.1	73.8	78.0	76.4	74.5
Unemployment (%, ILO definition)	6.6	7.5	7.6	7.0	6.1	5.2	4.8
Budget balance (% of GDP)	0.2	-7.2	-2.6	0.1	-0.9	-2.2	-2.5
Public debt (% of GDP)	70.9	86.5	78.2	68.5	61.8	58.2	57.5

[e] estimate
[f] forecast
Source: CBS, CNB, Erste&Steiermärkische Bank d.d.

IV. Financial markets

Money market

The year 2024 was marked by the stabilization of inflation around the world and avoidance of recession in most countries. Central banks started lowering interest rates to stimulate economic growth and reduce financing costs. European Central Bank (ECB) and Federal Reserve System (FED) lowered the reference interest rate by 1% in the hope that inflation will continue to stabilize steadily at the medium-term target level of 2%. Asset purchase program (APP) portfolio is declining at a measured and predictable pace, as the Eurosystem no longer reinvests the principal payments from maturing securities. Portfolio of securities purchased as part of Pandemic emergency purchase programme (PEPP) is reduced by EUR 7.5 billion per month on average and reinvestment was discontinued at the end of the year. Excess liquidity in the Eurosystem at the end of 2024 amounted to EUR 2.8 billion, which is a reduction by EUR 0.7 billion compared to the end of 2023.

With the lowering of reference interest rates, the yield on the 364-day treasury bill of the Ministry of Finance of the Republic of Croatia was also lowered to new levels (3.15% for individual investors and 2.7% for financial institutions). The yield on the 91-day treasury bill is 3.1% for individual investors and 2.65% for financial institutions. The yield on the 182-day treasury bill is 3.2%. Interest rates on term savings in commercial banks were lowered strongly even more, so there is still big interest present in treasury bills from individual investors.

FX market

Same as two years ago, during 2024, everything revolved around expectations of key interest rate movements, in this case downwards. Investors attention was focused on inflation and economic growth data. Investors initial expectations of a US Federal Reserve interest rate cuts on the dollar have diminished, leading to a strengthening of the US currency. The exchange rate between the euro and the dollar last year was within the range of 1.1200 to 1.0400. At the beginning of the year, one euro fetched around 1.11 US dollars, and at the end of the year the euro weakened to 1.0400.

During the last year, the Swiss franc was under appreciation pressures against the euro. The euro traded between 0.94 and 0.99 against the Swiss franc during the first half of 2024. Despite the Swiss Central Bank's attempts to weaken the value of the domestic currency through interventions on the foreign exchange market and lowering the interest rate on the franc, the CHF strengthened to 0.93 by the end of the year.

Capital market

In July 2024 two bonds were issued by Republic of Croatia with the total nominal amount of EUR 2 billion - a new 3-year bond in nominal amount of EUR 750 million, with the fixed annual interest rate of 3.30%, primarily offered to retail and subsequently to institutional investors, and a new 10-year bond in nominal amount of EUR 1.25 billion with the fixed annual interest rate of 3.50%, primarily offered to institutional investors. The Bank participated as one of the JLMs in the above-mentioned Government bond issues.

Additionally, the Bank participated in December as one of the JLM's on the Sustainability-Linked Bond of pharmaceutical company of JADRAN – GALENSKI LABORATORIJ d.d. („JGL d.d.“) on the domestic capital market. a new 5-year bond was issued in the total nominal amount of EUR 60 million, with fixed annual interest rate of 4.125%. The new issue of JGL d.d. represents the largest single bond issue in the private non-financial sector of Republic of Croatia. The high interest of investors, amounting to over EUR 90 million, was also influenced by setting the two ambitious sustainability goals.

The Bank is continuously ranked among the leading arrangers of debt securities in the Republic of Croatia, in 2024 with 21% of market share (according to Bloomberg), thereby confirming its strategic orientation to support the development of capital markets improving primary market environment.

IV. Financial markets (continued)

In relation to equity securities transactions, the Bank, as one of the JLM's conducted a public offering of new shares in October as part of the capital increase process of BOSQAR d.d. A total of 196,405 new shares were subscribed, raising EUR 49.1 million in new capital, which is also the maximum amount of capital that company planned to raise. With the successful completion of the new share offering, the total market capitalization of BOSQAR increased to EUR 294.6 million at the time of realization of the transaction. The transaction was supported by new investors, including international investors, particularly from Slovenia.

In the respect of bond issuance on the international market, within Group Markets division matrix organizational structure for origination business for Serbian, North Macedonian and Montenegrin issuers, the Bank in March has successfully participated as one of the JLM's in the 7-year Eurobond transaction of Montenegro in the total nominal amount of USD 750 million.

Debt securities market

Although individual trading volumes occasionally increased, overall activity was significantly below expectations. Liquidity was particularly low in the first half of the year, and despite some improvements in the second half, the market remained relatively calm. The risk premium steadily narrowed throughout the year, reflecting favourable macroeconomic indicators. In 2024 Croatia made significant progress on the international stage by obtaining an A credit rating. This news positively influenced the perception of risk associated with Croatian bonds.

The decline in yields was particularly pronounced for bonds with longer maturities, indicating growing investor confidence. Despite the decrease in yields, institutional investor demand remained consistent, while retail investors showed weaker interest. Positive economic indicators, including GDP growth and stable fiscal projections, further supported the secondary market. Investors responded positively to the reduction in public debt, which further reduced risk perception.

Overall, 2024 was marked by stability and confidence in the Croatian bond market, despite challenges with liquidity. The narrowing of the risk premium and the achievement of an A rating created a strong foundation for the further development of the market. Continued economic stability and policy adjustments are expected to improve liquidity in the coming years.

Equity markets

The stock market in the Republic of Croatia during 2024, was marked by double-digit growth and positive trends. The CROBEX index ended the year at 3,191.15 points, representing an increase of 25.94% compared to the end of 2023 when it stood at 2,533.92 points. The total stock turnover on the Zagreb Stock Exchange in 2024 recorded an increase of 26.75% compared to 2023, amounting to EUR 386.39 million, which is a result of increased investor activity and the growth in stock values.

As in previous years, the domestic capital market continues to face a lack of new stock issues, takeovers, and attractive SPOs. However, existing issuers continued to dominate the market. Among the most liquid stocks were those of Hrvatski Telekom, Valamar Riviera, Končar, Podravka, Adris, Ericsson Nikola Tesla, HPB, and SPAN. Block transactions also recorded significant turnover, with the stocks of Hrvatski Telekom, Podravka, and Valamar Riviera topping the list. The highest regular turnover was achieved by Končar stocks, which stood out as the most liquid on the market. It is expected that 2025 will bring new initial public offerings (IPOs) of domestic companies, which could further stimulate the capital market.

On a regional level, all major indices recorded positive results. The Slovenian SBITOP ended the year with a growth of 32.95%, and the Austrian ATX by 6.64%. The Czech PX index rose by 24.48%, while the Hungarian BUX index recorded a growth of 30.86%. The Romanian BET increased by 8.78%. The Romanian capital market continued to attract investor attention, especially after the successful IPO of Hidroelectrica S.A. in 2023, which further stimulated interest in Romanian stocks. Unlike all the aforementioned, the Polish WIG20 ended the year with a decline of 6.44%. The German DAX achieved significant growth in 2024, surpassing the 20,000-point mark, and at the end of the year, the DAX recorded an increase of 18.9% compared to the previous year.

IV. Financial markets (continued)

Overall, 2024 was extremely positive for stock markets in Croatia and the region, with index growth and increased investor activity, despite global economic and security challenges.

Custody groups

The year 2024 was marked by the further development of application support for custody operations in order to adapt to regulatory changes.

Continuous efforts to develop a range of products and services and the coordinated action of numerous organizational units of the Bank have led to a significant increase in interest in investment services, mostly by clients from the retail segment, which has resulted in a significant increase in the number of clients in this segment.

Changes to the price list of the Central Clearing and Depository Company (CCDC) and the issues of government securities (bonds and treasury bills) also resulted in a higher demand for the safekeeping services from client's side.

V. Risk management

Risk management is a set of procedures and methods established for identifying, measuring, assessing, controlling, and monitoring of risk, including reporting of risks to which the credit institution is or might be exposed to in its operations. The Bank is obliged to regularly measure and assess the risks identified in its business. Methods of measuring and assessing the risks must include appropriate quantitative and/or qualitative measurement methods and risk assessment that will enable the observation of changes in Bank's risk profile, including the emergence of new risks.

The most significant risks that affect Bank's business operations are credit, market, operational and liquidity risk.

Credit risk is the risk of potential loss due to a debtor's non-payment of obligations towards the Bank, and it arises from possibility that the Bank identifies, measures, follows up on, controls, i.e., actively manages the credit risk as one of the most important risks and determines the existence of appropriate capital level for covering of such risks. Risks related to credit risk are currency induced credit risk, residual risk, sovereign risk, dilution risk and concentration risk.

Market risks represent the risk of loss in open position stemming from change in the movements of the market prices, including changes in the interest rates, exchange currencies and prices of securities. In this sense, market risk include: (i) interest rate risk both in trading and banking book, (ii) currency risk and (iii) equity investment risk.

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events, and includes legal risk.

Legal risk means the risk from claim or proceeding due to non-compliance with the legal and legislative provisions of national or international origin or from contractual arrangements or internal rules and/or ethical conduct deriving from national or international norms and practices or statutory responsibilities. It also includes the exposure to newly enacted laws as well as to changes in interpretations of existing laws. Legal proceedings should be considered to be any legal settlements, either judicial, or out of court, such as arbitration, or claims' negotiations. Operational risk definition excludes strategic and reputational risk.

The Bank assesses the reputational risk for assessment purposes due to the strong links with the operational risk (e.g., most of operational risk events have strong impact in terms of reputation).

Liquidity risk is a risk of loss stemming from an existing or expected inability of credit institution to settle its monetary obligations upon maturity. Liquidity risk arises from maturity mismatch between assets and liabilities.

Except above mentioned risks the Bank also manages all other risks that could affect their business operations such as: systemic risk, regulatory risk, business environment risk, ESG risks, etc.

VI. Erste Bank AD Podgorica

In year 2024 Erste Bank AD Podgorica made a pre-tax profit of EUR 20.6 million which is 12.2% more compared to the previous year. Profit after tax is EUR 17.5 million with a return on equity (ROE) of 12.9%, and a return on assets (ROA) 2.0%.

Total operating income was achieved in the amount of EUR 43.5 million, which is 12.6% higher compared to 2023.

Net interest income was in the amount of EUR 35.7 million and by 17.2% higher compared to the previous reporting period mostly due to growth of interest income of 14.6%, decrease of interest expense 2.1% and good liquidity position that has contributed to the growth of assets from own sources with additional optimization of liabilities. Despite the decline in money market rates, the net interest margin increased from 5.1% at the end of 2023 to 5.2% at the end of 2024 due to a significant increase in placements in more profitable products towards clients and credit institutions.

Net fee and commission income decline for 4% compared to year end 2023 and amounted to EUR 7.0 million. The highest negative growth of 9.2% YoY was achieved by the card business due to the legal regulations that limited fees, and lower income from foreign cards due to the weaker tourist season and the overall lower influx of foreign citizens to Montenegro compared to the previous year. In all other categories, growth was achieved, and in particular, we would like to emphasize the growth of net income from insurance by 73.4%, and payment transactions of 12.5%.

Risk costs was positive in amount of EUR 1.8 million and the biggest impact was release of provisions of few large corporate clients. Credit risk cost for balance exposures amounted 0.35% and was positive, significantly lower compared to the end of 2023, when it was at the level of 0.25%. NPL coverage was 107.3% at the end of 2024, which is a decrease compared to the end of 2023 when it was 94.9%. NPL at the end of 2024 amounted to EUR 24.4 million which is a decrease of EUR 4 million compared to 2023. Main reason is good collection, especially with some larger corporate clients who were implemented restructuring measures that had positive effect.

Operating expenses were recorded in the amount of EUR 24.5 million and compared to the previous year they were increased by 11.4% under the influence of the dominant growth of Deposit Protection Fund costs, employee costs due to the increase in the number of employees in accordance with the growing needs of the Bank, as well as the continuation of initiative to increase the standard of employees, especially those with the lowest incomes in order to cope with growing inflation, and IT costs due to participation in group projects and the needs of the Bank for digitization. Despite an increase in operating expenses of 11.4%, higher operating income of 12.6% contributed to a reduction in Cost/Income ratio to 56.3% while at the end of 2023 was 56.9%.

At the end of the year 2024 total assets amounted to EUR 932 million, which compared to 2023 was an increase of 13.9%.
Net loans to clients reached EUR 583 million and are 17.11% (EUR 85 million) higher than in 2023. In terms of growth structure, net retail loans increased by 16.23%, while corporate loans increased by 18.64%. During 2024, total customer deposits increased by EUR 67.3 million and at the end of 2024 amounted to EUR 658.8 million (11.4%), whereby retail deposits increased by 15.26%, while corporate deposits increased by 8.39%. Market share in the credit portfolio grew in 2024 by 0.55% and amounted to 15.32%, while in the part of deposits the growth was 0.73% and amounted to 10.84 %.

Retail sector recorded interest income of EUR 19.6 million, which represents a year-on-year increase of EUR 2.03 million or 11.6%. The total loan portfolio increased by EUR 41.8 million (15.3%), reaching EUR 314.96 million at the end of the year. The growth was driven by disbursement of EUR 116.4 million, through 12.6 thousand credit applications, which is EUR 44.04 million (60.8%) more than the previous year, while the number of loan applications increased by 2,199 or (21.05%).

The majority of disbursements was recorded in consumer loans (73.4%), followed by housing loans (19.4%). The placement of housing loans was higher than in the previous year by EUR 7.3 million (47.80%), mainly as a result of the promotional conditions for focus group - young married couples. The amount of disbursed loans on favourable terms was EUR 3.9 million. Secured consumer loans disbursement in 2024 increased by 120.8% compared to 2023 to the amount of EUR 12.49 million. Consumer unsecured loans disbursement was higher by EUR 28.4 million (63.7%), supported by increased production (+35% in the number of approved loan applications) combined with a higher average loan amount. The increase in the maturity of this category of loans from 96 to 120 months (maturity valid throughout 2024) had a direct impact on the production of unsecured loans.

VI. Erste Bank AD Podgorica (continued)

The average interest rate is slightly lower at the end of 2024 compared to the end of last year (from 6.68% to 6.65%). The decline was predominantly conditioned by the promotional conditions on consumer unsecured loans. Despite growth of the total loan portfolio of the Retail Sector compared to the previous year, there was a slight decline in market share which was 15.44 % at the end of December 2024 (vs 15.67 % in December 2023).

Non-interest income of Retail Sector amounted to EUR 6.8 million, which is at the level of the previous year. The largest contribution was from the category of card fees of EUR 3.8 million, representing 56% of total non-interest income.
The number of total clients in the retail segment at the end of 2024 was 116.2 thousand, or 7.5 thousand or 6.9% more than at the end of the previous year.

According to the research on the quality of service provided by Erste Bank AD Podgorica to clients during the previous year, a high level of service quality was maintained, which is 96.85 as last year.

The total retail deposit portfolio increased by EUR 39.2 million (15.2%) last year, as a result of the growth of sight deposits, which increased by EUR 38.3 million to EUR 246.8 million, and a slight increase in term deposits of EUR 0.87 million to EUR 48.99 million. Erste Bank AD Podgorica strengthened its market position in Retail deposits, with a market share of 9.59% at the end of December 2024, while at the end of 2023 market share was 9.07%.

In Corporate segment, specifically in resident financing, a market share increase from 15.15% to 16.30% in 2024 was recorded, which represents the growth of EUR 42.7 million (from EUR 246.8 million at the end of 2023 to EUR 289.5 million at the end of December 2024). For the same period, the whole market grew 9%.

Significant increase in corporate interest income of 14.44% in 2024 (from EUR 12.12 million to 13.87 million). Disbursed annuity loans increased from 72 million in 2023 to 90 million in 2024. The average weighted interest rate for private company loans also decreased by 0.72 percentage points in 2024, standing at 4.82%, compared to 2023 5.54% due to decrease of money market rates.

The growth of Erste Bank AD Podgorica's corporate deposits during 2024, was EUR 28 million, representing an 8.3% increase. The market share of deposits from resident legal entities increased from 13.34%, to 14.55% at the end of December 2024.

Throughout the year, the Corporate Sector recorded a 10.35% increase in active client number (4,957) companies and entrepreneurs (previous year – 4,492). This contributed to an overall 25.27% increase in commission income. The highest growth was observed in income categories related to payment transactions, particularly national transactions, which increased by 23.4% to EUR 1.15 million, followed by a rise in fee income from international payment transactions by 14.16% to EUR 1.92 million.

Compared to 2023 figures, the amount of Leasing loans increased from EUR 7.89 to 9.79 million, which is a growth of 22.7%.

For another consecutive year, successful collaboration was maintained with other members of the Erste Group through the Western Balkans initiatives, resulting in cooperation with 13 new clients based on receive leads from Group members, which is overachievement of the yearly KPI (10).

VII. Erste Card Club d.o.o.

Erste Card Club's (ECC) financial result 2024 contains results of issuing and acquiring part of business until the division of business 1 October 2024 and after the division just a result of acquiring part of business.

ECC in 2024 continues with the trend of growing turnover at points of sale, as the biggest ECC revenue generator, due to higher consumption and a successful tourist season, with simultaneous market pressure on merchants' commissions for charge.

Operating result in 2024 amounting to EUR 9.7 million and is lower for 36.0% compared to previous year as a result of the division project and migration of issuing part of business in Erste Bank. Positive influence on operating result have turnover growth and income from the acquiring with business costs optimization, furthermore with the simultaneous pressure of card scheme costs growth.

ECC net profit in 2024 amounting to EUR 1.6 million, which is 81.0% less than in 2023 due to project's cost of migration in the amount of EUR 5.6 million and cost growth of off-balance reservations in the amount of EUR 1.9 million.

Net interest income totals EUR 12.9 million with a decrease of 14.5% compared to 2023, according to the result of business division and migration of issuing part of income from card business to the Bank in fourth quarter of 2024 primarily interest income from credit card portfolio. The decline in income from cash advance is still present following the trend of weaker usage of credit cards on ATM's. Positive influence on net interest income has the interest part of income from points of sale for instalment purchases, related to turnover growth but also maintaining the same merchant service charges (hereinafter: MSC) fees in this part of portfolio.

Net fee and commission income totals EUR 24.9 million representing a decrease of 14.4% compared to 2023. The membership fees are included in Company until division of 1 October 2024. Income from acquiring grows 7% compared to 2023 due to turnover growth despite of market pressure on MSC fees.

Risk cost in 2024 ended up with release of EUR -1.2 million (2023: EUR -182 thousand).

General administrative expenses amounted to EUR 28.3 million in 2024 with a decrease of 3.6% in comparison to 2023. The decrease of personnel expenses by 3.5% was caused by migration of card issuance segment employees to the Bank (FTE 133), with higher severance pay costs. Other administrative expenses are lower by 3.7% YoY due to business division, where card production costs and postage costs record growth according to the preparatory activities for the division.
Depreciation costs are lower by 2.7% or EUR 66.2 thousand.

Other operating result in 2024 mostly refers to migration costs in the amount of EUR 5.6 million.

Total ECC assets amounted to EUR 101.3 million as of 31 December 2024 with a decrease of 66% when compared to 2023 when it amounted EUR 302.1 million as a result of dividing the balance sheet according to the Agreement on division by separation with acquisition from 1 October 2024.
Cash and cash equivalents refer to cash and deposits up until three months which amount to EUR 84.1 million. On 31 December 2023 this category amounted to EUR 21.3 million. With division day, as of 1 October 2024, the safeguarding model has been adopted, and the Company ceases to receive inflows from payment services from holders of payment instruments and receives them from other payment service providers, via card schemes and the Principal Bank. The Company holds safeguarded funds to cover points of sale liabilities, payees according to agreed due dates. Funds in the Account hold for 83% of total Company's assets.
Advances to customers amount to EUR 11.6 million, 11% of total ECC assets, and refer mostly to advances from credit schemes and Principal Bank for payment services from holders of payment instruments for accepting credit transactions on points of sale. The decrease in advances is a result of business division related to the migration of advances from holders of payment instruments to the Erste Bank.

VII. Erste Card Club d.o.o. (continued)

Most ECC liabilities on 31 December 2024 refer to merchant’s payables in the amount of EUR 85.1 million (2023: EUR 95.6 million) with 83% share of the total liabilities.
Total equity amounts to EUR 9.9 million (2023: EUR 189.0 million) with 10% share of total liabilities and the equity decrease is a result of Company’s division. In 2024 there was a dividend pay-out in the amount of EUR 2.5 million for the 2023 result.

General information

On 1 October 2024, the process of taking over the card issuance segment of ECC and its full integration into the operations of Erste Bank was completed. With this, ECC's two business segments, – issuing and acquiring, were divided and the card issuance segment was separated and integrated into the bank, while the acquiring segment continues to be part of ECC's regular operations.

In 2020, in an official public announcement on the Zagreb Stock Exchange, Erste Bank announced the launch of activities with the aim of changing the status of the ECC, by which all ECC credit cards migrate to Erste Bank, and all users become clients of the Bank, while in the second step, a decision was made to split with the takeover of part of the business. On 1 October 2024, by entering into the Court Register of the Commercial Court in Zagreb and the Court Register of the Commercial Court in Rijeka, a status change was implemented, whereby ERSTE&STEIERMÄRKISCHE BANK d.d., as the acquiring company, based on the Agreement on division by separation with acquisition, took over part of the assets of ECC, as the company being divided, and became the legal successor of ECC in relation to ECC's operations related to the issuance of payment instruments. As of the aforementioned date, ECC ceased to provide payment services related to the issuance of payment instruments.

In June 2024, ECC informed the CNB that it no longer intends to issue electronic money as of July 2024 and applied to the CNB for an authorization to provide payment services as a payment institution. In September 2024, ECC entered into the Register of payment service providers and electronic money issuers as a payment institution, under the serial number IPP418.

Credit cards and volumes

The last available total number of ECC credit cards as of 30 September 2024 amounted to 372,137 (Diners 317,874; VISA 31,338; Mastercard 22,925) with a net decrease of 1.7% compared to the end of 2023. Client identification activities according to the Law on Prevention of Money Laundering and Terrorist Financing (AML) and product optimization activities were carried out regularly in preparation for the business division project.
Total sales of 25,396 credit cards were achieved for 9 months of 2024, which is 6.6% lower compared to the previous year when sales amounted to 27,193 cards. However, the realization of card sales (73%) followed the sales plan.
The market share of the Company's credit cards as of 30 June 2024 is 23.56% (2Q2023: 23.42%). Total number of ECC clients as of 30 June 2024 was 299,517, which represents a decrease of 3,212 clients or 1% compared to the year 2023.

The total ECC acquiring turnover in 2024 increased by 11.1% compared to 2023 and amounts to EUR 3,499 million, with a market share of 18.0% (a decrease of 177 bps compared to 2023). In the turnover structure, the highest growth is recorded in the turnover of Visa and Mastercard cards with 14.3% compared to 2023, under the influence of a successful tourist season and growth in consumption, and the acquiring turnover of Diners transactions in instalments is also increasing by 2.4% and charge transactions by 0 .7% compared to 2023.
The turnover of cash withdrawals is lower by 2.3% compared to 2023, in accordance with the market trends of growth of cashless payment transactions and expansion of the card payment acceptance network. On the market, there is still a trend of increasing debit card turnover with a significant share of cash payment transactions.
The total number of transactions in 2024 exceeded 101 million with an increase of 4.0% compared to the year 2023.

VIII. Erste&Steiermärkische S-Leasing d.o.o.

Erste&Steiermärkische S-Leasing d.o.o. (Erste Leasing) net profit in 2024 amounted to EUR 6.5 million whereby realised profit is lower by EUR 1.2 million compared to 2023, primarily due to significant increase in the cost of financing sources. ROE was 9.9%, which represents a derease of 3 percentage points, and ROA was 1.1%, which represents a decrease of 0.5 percentage points compared to 2023.

Net interest income amounted to EUR 11.7 million, achieving a growth of 7.1% compared to 2023. Interest income represents the most significant contribution to the Company's result and is higher by EUR 8.3 million compared to 2023 and refers to interest from finance lease. Interest expense increased by EUR 7.5 million in 2023 and relates to the cost of financing sources.

Income from operating lease amounted to EUR 7.5 million and is higher by 2.3% compared to 2023 due to increase in interest rates and maintenance of the stable operating lease portfolio at the same time.

General and administrative expenses amounted to EUR 13.1 million and were higher by 6.1% compared to 2023 mainly due to the increase of personnel expenses as well as the costs of agency workers and students.

In 2024 the Company released risk provisions in the amount of EUR 0.3 million, while in 2023 release of risk provisions amounted to EUR 1.4 million. NPL decreased by 11.3% to the amount of EUR 6 million with NPL coverage of 63% (70.6% in 2023).

In 2024, Erste Leasing had concluded 7,968 new leasing contracts with total value of EUR 272.1 million and reached a market share of 13.6% according to the latest published data of the Croatian Financial Services Supervisory Agency (HANFA).

Total assets of Erste Leasing as of 31 December 2024 amounted to EUR 591.6 million, which represents an increase of 16.3% compared to 2023. Net finance lease receivables and other receivables increased compared to last year by 17.5% and amount to EUR 547.1 million with a share of 92.5% in total assets. Tangible assets amounted to EUR 30.6 million with a share of 5.2% in total assets and mostly refer to assets under operating lease and decreased by 1.5% compared to 31 December 2023.

Total liabilities to credit institutions and customers as of 31 December 2024 amounted to EUR 513.1 million with a share of 86.7% of total liabilities and are 17.6% higher compared to 2023 and are in line with the growth of the portfolio. Other financial liabilities reduced due to a decrease in liabilities to suppliers, while other liabilities, which relate to received participations under finance lease, follow the trend of increase of finance lease in the portfolio.

Total equity amounted to EUR 68.5 million in 2024 and is higher by 9.1% compared to 2023.

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Corporate Governance Statement

Corporate Governance Statement

The Bank pays special attention to corporate governance as the most significant determinant of its operations, which gives an impetus to the Management Board, the managers and the Supervisory Board in achieving interests and protecting both its shareholders and the Bank as a whole.

In order to establish high standards and achieve good rate governance, transparency in operations as the basis for the protection of shareholders, investors and other holders of interest, as well as to take care of employees and to support sustainable development and environment protection, the Bank applies Corporate Governance Principles (hereinafter: the Principles) to its business, adopted by the Management Board and the Supervisory Board of the Bank. The Principles are based on positive regulations of the Republic of Croatia and they ensure strategic governance of the Bank, efficient supervision over management and responsibilities of the Management Board and the Supervisory Board towards the Bank, its employees, clients and other interested parties; the Principles are published on the Bank's official website.

In its operations the Bank particularly complies with the following corporate governance principles:

- Transparency in operations;
- Protection of shareholders' rights;
- Clearly defined authorizations and responsibilities of the Bank’s bodies;
- Cooperation between the Management Board and the Supervisory Board, transparent relationships among all the Bank's bodies, employees, shareholders, Bank's clients and the public as a whole;
- Efficient internal control system.

The Bank has ensured the integrity of the accounting system and financial reporting, adequate internal control systems, risk management system and the reliability of the information system covering all the major Bank's activities. In addition, the Bank hired an external auditor and has applied previous, current and subsequent financial supervision of the financial reporting and decision making process.

The accounting system, based on the International Accounting Standards and the International Financial Reporting Standards prescribed by the Accounting Policies of the Bank, is regulated by the Accounting Rules that define rights, obligations and responsibilities of all the participants, including the obligation of ongoing monitoring, while the functioning of the other systems is governed by special standard regulations.

The Bank's internal control system includes efficient direct monitoring through integrated procedures and processes set for monitoring the efficiency of the Bank's operations, reliability of financial reports and compliance with the laws and by-laws, as well as through fair business practice. The Bank's internal control system is established through parallel operating of three mutually independent functions: (a) risk control function, (b) compliance monitoring function, and (c) internal audit function.

In subsidiaries of the Bank in which is necessary due to the activities performed by the company, size, importance and regulatory framework, the compliance function, risk control function and internal audit division is also established.

The main features of the Bank’s and subsidiaries’ internal control system are reflected in independent bearers of control functions responsible for the identification, assessment and risk management, including Risk control and Compliance function, while Internal Audit Division overseas the overall operations of the Bank and the Group to assess the adequacy of the established system of internal controls.

Corporate Governance Statement (continued)

Code of Conduct of the Bank regulates the basic rules of business conduct of employees of the Bank in order to preserve and further expand the reputation of the banking sector and the Bank in society by promoting the idea of professionalism, responsibility and transparency of business activities.

Furthermore, the Bank has adopted Diversity policy in the year 2017. In accordance with Group principles, this policy outlines framework and guidelines and provides general principles and direction on integrating diversity management into corporate culture and business

The main risk regarding the financial reporting relates to errors or deliberate actions (frauds) that lead to a distortion of the Bank's true and fair view of the Bank's financial position and performance. This is the case whenever the data provided in the financial statements are essentially inconsistent or inaccurate and may individually or in aggregate influence the decision making by the users of the financial statements. Such a decision may incur serious damage, such as financial loss, the imposition of sanctions by the banking supervisor or reputational harm.

Complex requirements for the recognition and measurement of financial instruments, in particular fair value estimates for which reliable market values are not available, estimates for the recognition of value adjustments and provisions, as well as the difficult business environment, present a risk of significant financial reporting errors.

The Bank's share capital, fully subscribed, amounts to EUR 237,778,450.00 and is divided into 16,984,175 ordinary shares issued in dematerialized form, registered with the Central Depositary and Clearing Company under »RIBA-R-A« mark.

The nominal value of each share amounts to EUR 14.00 and entitles the holder to one vote at the Bank's General Meeting.

In order to improve the Bank’s coordination and simplify the shareholder structure, indirect shareholders of the Bank, companies Erste Group Bank AG and Steiermärkische Bank und Sparkassen AG have decided to become direct shareholders, by taking over the Bank's shares from the company ESB Holding GmbH in the same percentage in which they had shares in the capital of stated company.

In accordance with the aforementioned, until December 30, 2015, all shares of the Bank held the company ESB Holding GmbH, and as of December 30, 2015, all shares of the Bank hold companies Erste Group Bank AG (59.02%) and Steiermärkische Bank und Sparkassen AG (40.98%).

General Meeting decides on all matters as required by relevant regulations and the Articles of Association of the Bank. General Meeting shall be called by the Management Board or by the Supervisory Board not less than once a year and when the interests of the Bank require it. The Bank's General Meeting decides on amendments to the Articles of Association by the majority of votes representing at least three quarters of the equity capital represented at the General Meeting.

On May 24, 2024 the Bank held its regular General Meeting at which a Decision on Profit Distribution for the year 2023 was made. Net profit for year 2023 amounts EUR 219,215,295.57 and amount of EUR 98,627,653.07 was distributed in the retained earnings, while the amount of EUR 120.587.642,50 was ditributed as the dividend to the Bank's shareholders.

The dividend is determined in amount of 55.01 % of the nominal share value, which makes EUR 7.10 per share.

The payment of dividend to the shareholders Erste Group Bank AG and Steiermärkische Bank und Sparkassen AG was effectuated as of May 29, 2024.

Corporate Governance Statement (continued)

In addition, the decisions on granting discharge to the Management Board and Supervisory Board members, Decision on suitability assessment members of the Supervisory Board for 2023 and collective suitability of the Supervisory Board and Decision on the Adoption of Suitability and Succession Policy were made.

Besides regular General Meeting in 2024, the Bank held four extraordinary General Meetings as well.

At extraordinary General Meeting held on August 28, 2024, Decision on on division of the company ERSTE CARD CLUB d.o.o., by way of separation with take-over by the company ERSTE&STEIERMÄRKISCHE BANK d.d. and Decision on waiver of the right to dispute and object to voidness in accordance with article 550 l of the Companies Act were made.

At extraordinary General Meeting held on September 16, 2024 Decision on Amendments of the Articles of Association of the Bank referring to registration of issuance of electronic money service was made. In addition, company PKF FACT revizija d.o.o. was appointed as auditor of the Bank. Furthermore, Decision on determination of the remuneration for the Supervisory Board members was made.

At extraordinary General Meeting held on September 30, 2024, Decision on the appointment of PricewaterhouseCoopers d.o.o., as the Bank's Auditor for auditing report (consolidated) on sustainability for 2024.

At extraordinary General Meeting held on October 22, 2024, decisions on suitability assessment of the candidates for Supervisory Board members and election of the Supervisory Board members were made.

The members of the Management Board represent the Bank and operate the Bank's business on its own responsibility according to the Companies Act, the Credit Institutions Act and internal acts of the Bank. Management Board of the Bankhas 5 (five) members. One member of the Management Board is appointed as the president of the Board. The Management Board conducts its activities and adopts its decisions and resolutions at the Meetings. The organization, operation and decision making of the Management Board are regulated by the Rules of Procedure of the Management Board.

Members of the Management Board are:
_ Christoph Schoefboeck, President of the Management Board,
_ Martin Hornig, Member of the Management Board,
_ Zdenko Matak, Member of the Management Board, until July 31, 2024
_ Krešimir Barić, Member of the Management Board
_ Hannes Frotzbacher, Member of the Management Board,
_ Katarina Kraljević, Member of the Management Board as of August 1, 2024

The Supervisory Board shall supervise the management of the Bank. The Supervisory Board has seven (7) members. The members of the Supervisory Board are elected by the General Meeting.

Members of the Supervisory Board are:
_ Willibald Cernko, President of the Supervisory Board,
_ Georg Bucher, Deputy President of the Supervisory Board,
_ Ingo Bleier, Member of the Supervisory Board,
_ Judit Ágnes Havasi, Member of the Supervisory Board,
_ Walburga Seidl, Member of the Supervisory Board,
_ Nina Begičević Ređep, Member of the Supervisory Board,
_ Roland Klimesch, Member of the Supervisory Board.

Corporate Governance Statement (continued)

The Supervisory Board conducts its activities at the Meetings. Summoning and holding meetings and process of making decisions and authorizations are prescribed by the Rules of procedure of the Supervisory Board. Supervisory Board has four (4) committees as follows: Audit Committee, Remuneration Committee, Nomination Committee and Risk Committee which are established with the aim of making competent and independent judgements on all issues placed in their jurisdiction by the Bank's internal acts and the relevant regulations. Committee members are appointed from the members of the Supervisory Board.

Audit Committee:
- Georg Bucher, President
- Judit Ágnes Havasi, Member
- Roland Klimesch, Member

Remuneration Committee:
- Judit Ágnes Havasi, President
- Willibald Cernko, Member
- Georg Bucher, Member

Nomination Committee:
- Judit Ágnes Havasi, President
- Willibald Cernko, Member
- Georg Bucher, Member
- Roland Klimesch, Member
- Walburga Seidl, Member

Risk Committee:
- Nina Begičević Ređep, President
- Walburga Seidl, Member
- Willibald Cernko, Member

Sustainability Statement

Independent practitioner's limited assurance report on Erste&Steiermärkische Bank d.d.'s consolidated Sustainability Statement

To the shareholders of Erste&Steiermärkische Bank d.d.

Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Erste&Steiermärkische Bank d.d. (the "Bank"), included in Sustainability Statement of the Management report (the "consolidated Sustainability Statement"), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated Sustainability Statement is not prepared, in all material respects, in accordance with Articles 32 and 36 of the Accounting Act implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Bank to identify the information reported in the consolidated Sustainability Statement (the "Process") is in accordance with the description set out in note Impact, risk and opportunity management; and
- compliance of the disclosures in EU Taxonomy Disclosures within Environmental information of the consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Practitioner's responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Responsibilities for the consolidated Sustainability Statement

Management of the Bank is responsible for designing and implementing a process to identify the information reported in the consolidated Sustainability Statement in accordance with the ESRS and for disclosing this Process in note Impact, risk and opportunity management of the consolidated Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management of the Bank is further responsible for the preparation of the consolidated Sustainability Statement, in accordance with Articles 32 and 36 of the Accounting Act implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in EU Taxonomy Disclosures within Environmental information of the consolidated Sustainability Statement, in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation");
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Inherent limitations in preparing the consolidated Sustainability Statement

In reporting forward-looking information in accordance with ESRS, management of the Bank is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the consolidated Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the consolidated Sustainability Statement, in relation to the Process, include:

- obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- designing and performing procedures to evaluate whether the Process is consistent with the Bank's description of its Process set out in note Impact, risk and opportunity management.

Our other responsibilities in respect of the consolidated Sustainability Statement include:

- identifying where material misstatements are likely to arise, whether due to fraud or error; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the consolidated Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the consolidated Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the consolidated Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- obtained an understanding of the Process by:
    - performing inquiries to understand the process of identifying the organisational boundaries, value chain and stakeholders and sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents);
    - assessing key assumptions made by management in determining scales and thresholds used in identifying material topics; and
    - reviewing the Bank's internal documentation of its Process.
- evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Bank was consistent with the description of the Process set out in note Impact, risk and opportunity management.

In conducting our limited assurance engagement, with respect to the consolidated Sustainability Statement, we:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its consolidated Sustainability Statement by:
  - obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the consolidated Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control;
  - reviewing the Bank's internal documentation of the sustainability reporting process.
- evaluated whether the information identified by the Process is included in the consolidated Sustainability Statement;
- evaluated whether the structure and the presentation of the consolidated Sustainability Statement is in accordance with the ESRS;
- performed inquires of relevant personnel and analytical procedures on selected information in the consolidated Sustainability Statement;
- performed substantive assurance procedures on selected information in the consolidated Sustainability Statement;
- where applicable, compared disclosures in the consolidated Sustainability Statement with the corresponding disclosures in the consolidated financial statements and the Management report;
- evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- reviewed the Bank's internal policies disclosed in the consolidated Sustainability Statement;
- obtained an understanding of the Bank's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the consolidated Sustainability Statement.

Other matter

The comparative information included in the consolidated Sustainability Statement of the Bank as at 31 December 2023 and for the year then ended was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

The engagement partner on the limited assurance engagement resulting in this independent practitioner's limited assurance report is Slaven Kartelo.

PricewaterhouseCoopers d.o.o.
Heinzelova 70, Zagreb
27 March 2025

Original report is signed in Croatian language.

This version of our report is a translation from the original, which was prepared in Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

General information

Basis for preparation

BP-1 – GENERAL BASIS FOR PREPARATION OF SUSTAINABILITY STATEMENT

For 2024, Erste Bank Croatia Group (EBC Group) has integrated its sustainability statement into the management report. This report has been prepared using the European Sustainability Standards (ESRS) as a framework, alongside the requirements of Article 8 of EU Regulation 2020/852 (EU Taxonomy). The sustainability statements have been prepared on a consolidated basis.

The scope of consolidation of the sustainability statement follows the scope of consolidation in the financial statements, which is prepared according to the International Financial Accounting Standards (IFRS). Where this is not the case, this is indicated in the text. The scope of consolidation includes the following entities within the Erste Bank Croatia Group:

- Erste&Steiermärkische Bank d.d.
- Erste&Steiermärkische S-Leasing d.o.o.
- Erste Card Club d.o.o.
- Erste Bank AD Podgorica
- Erste nekretnine d.o.o.
- Izbor nekretnina d.o.o.

In order to ensure that all material aspects are addressed, EBC Group conducted a value chain assessment, which was part of the double materiality assessment. This materiality assessment helped EBC Group to identify and assess impacts, risks and opportunities (IROs) across the value chain. The material IROs connected to the value chain are an integral part of the report. For further information on the value chain and its assessment, please refer to the disclosure in chapter 'SBM-1 – Strategy, business model and value chain'.

In Croatia, Corporate Sustainability Reporting Directive has been adopted into the national law through the amendments to the Accounting Act (OG No. 85/2024), the Audit Act (OG No. 127/2017, 27/2024, 85/2024) and the Capital Markets Act (OG No. 65/18, 17/20, 83/21, 151/22, 85/24) .The Accounting Act allows the exemption from disclosing impending developments or matters under negotiation, as provided for in articles 19a(3) and 29a(3) of Directive 2013/34/EU.

In accordance with rules set forth by the ESRS, the requirement to disclose a list of specific ESRS disclosure requirements or data points incorporated by reference is not applicable to this report. All relevant disclosures and data points mandated by the ESRS have been included directly within this document, without the need for external referencing to other reports or documents.

EBC Group has not exercised the option to exclude information related to intellectual property, know-how, or innovation results.

BP-2 – DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES, TIME HORIZONS AND DATA METHODOLOGY FOR REPORTING

Estimation uncertainty and assumptions

Certain disclosed metrics have been calculated using estimates and assumptions. Information on the estimates and data sources, including potential measurement uncertainties and assumptions, where applicable, is provided in the respective topical chapters. EBC Group discloses metrics that incorporate value chain information which has either been sourced directly from counterparties or derived indirectly through third-party data providers or industry-specific proxies.

A high level of measurement uncertainty due to limitations in data and methodologies relate to the disclosure of GHG emissions. In EBC Group's analysis and climate target-setting, estimates have been made using the recognized frameworks available at the time. Detailed descriptions of the methodological approaches can be found in sections E1-4 and E1-6.

The presentation of EU Taxonomy reporting is subject to uncertainty due to limitations to the availability of information and the use of third-party data. See the 'Reporting principles' of this sustainability statement for a description of limitations in data and data quality for EU Taxonomy reporting.

The limitations in the availability of environmental data from EBC Group's corporate clients and other business relationships may also have impacted the results of its impact materiality assessment.

Climate-related target setting, alongside the respective actions and policies, require forward-looking parameters over a long-term horizon. EBC Group's parameters are based on expectations, projections and estimations, which inherently involve a degree of uncertainty and risk. This is due to factors such as evolving methodologies, fluctuating market conditions, technological advancements and challenges in data availability, accuracy, as well as potential regulatory changes. These assessments are subject to change and should not be considered reliable indicators of future performance.

Transitional provisions and phase-in options

EBC Group has used the phase-in option under ESRS 1 Appendix C with respect to anticipated financial effects of material risks and opportunities identified on EBC Group's financial position and financial performance in future years (SBM-3, E 1- 9).

EBC Group has set GHG reduction targets and, correspondingly, reports progress against these relative targets. EBC Group does not report associated absolute values for the target years in accordance with ESRS 1.133 (transitional provision regarding value chain information).

Comparative figures

Comparative figures are provided for metrics that have been disclosed in EBC Groups (consolidated) non-financial report in prior periods, if their definition and scope are in line with the ESRS requirements. In accordance with the ESRS transitional provision, no comparative figures are disclosed for new metrics introduced in 2024 as it is the first year of sustainability reporting under the ESRS. In addition there were no correction of material errors in previous reporting periods.

Time horizons

EBC Group defines 'short-, medium- and long-term time horizons' for reporting in accordance with ESRS. Where applicable, any deviations from these time horizons are noted (for example due to time horizons which were aligned with internal risk processes). The time horizons are:

- short-term: up to 1 year
- medium-term: 1 to 5 years
- long-term: over 5 years

Governance

GOV-1 – THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Organisational structure for sustainability topics

Management Board

The Management Board has overarching responsibility for managing the organisation and defining the sustainability strategy, framework, goals and priorities. This includes ensuring the implementation of the sustainability strategy by allocating adequate resources and controls and preparing the consolidated sustainability statement. The Management Board is also responsible for the process of identifying and managing impacts, risks and opportunities (IROs) and is periodically informed on the status and milestones achieved.

In 2024, the Management Board was briefed on material environmental IROs (sustainable financing, climate change mitigation) by experts from different divisions, such as strategy, risk management and business areas. For social topics, the diversity strategy was presented and discussed in the Management Board. The gender pay gap was presented to the Management Board and the Remuneration Committee of the Supervisory Board. The Chief Risk Officer (CRO) is briefed quarterly on data privacy issues and receives regular reports. There are also ad-hoc meetings with other board members on these matters. On governance topics regarding whistleblowing, the participating members of the Management Board and the Supervisory Board were informed in the audit committee about the Group Whistleblowing Policy, as well as compliance with applicable EU laws and the Protection of Reporters of Irregularity (Whistleblower Act.) This also included an overview of the cases from the last reporting period.

The Management Board, the Audit Committee and the Supervisory Board were regularly informed about the status and results of the double materiality assessment (DMA) by the Accounting Department and ESG coordinator. The DMA was then approved by the Management Board and presented to the Audit Committee.

Management Board discuss environmental, social and governance IROs within their board meetings at least once per quarter. They ensure the local adoption of sustainability-related strategies and develop a tailored catalogue of measures to implement these strategies, taking into account regional specifics. The Management Board further support and implement activities to achieve the sustainability targets that have been set, including approving a dedicated local budget for sustainability matters when necessary. Discussions between the local and the Erste Group Management Boards also occur on a regular basis, at least once a year.

In 2025, Erste Group will evaluate its governance and processes based on the implementation of the new group strategy outlined in the management report and the updated European Banking Authority Guidelines on the Management of Environmental, Social and Governance Risks. This evaluation may lead to adjustments in the organisational structure described above and subsequently bring about changes to the EBC Group as a subsidiary financial institution.

Supervisory Board

The Supervisory Board is responsible for overseeing the implementation of the sustainability strategy and for approving fundamental decisions on strategy. The Supervisory Board and the Audit Committee are tasked with reviewing and approving the sustainability statement prepared by the Management Board. The Supervisory Board is regularly briefed on material IROs and are informed and consulted in the process of setting, reviewing and adapting targets towards material IROs. The Audit Committee was briefed on climate related IROs by experts from strategy, risk management and business areas in 2024.

ESG Core Team

The ESG governance structure in EBC Group is organized in a decentralized model, ensuring that each organizational unit involved in ESG topics has an assigned point of contact (SPOC) and that roles and responsibilities are clearly defined. At the top of the governance structure is the Sustainability Board, represented by the Management Board, which convenes quarterly and steers the overall ESG strategy. This board addresses and makes final decisions on any strategic ESG matters escalated by the core team. The ESG Core Team functions as the primary operational body for ESG implementation at the bank level. Comprising B-1 level managers and led by an ESG coordinator this team meets on an as-needed basis to prepare and execute the ESG strategy, establish frameworks, and make decisions on operational matters.

Composition of the bodies, skills & expertise

Management Board
The Management Board of EBC Group consists of five (5) members. For 2024, the average ratio of female to male Management Board members was 10% four (4) male members and one (1) female member.

Christoph Schoefboeck has been appointed as President of the Management Board of Erste&Steiermärkische Bank d.d. in May 2015.
Christoph Schoefboeck, the CEO and CCMO (Chief Corporates and Markets Officer), has extensive and long-standing experience in various management positions. Before coming to his current position, he was the CRO (Chief Risk Officer) in Erste&Steiermärkische Bank d.d. in the period from 2011 to 2015, at the same time holding various Supervisory Board functions within Erste Group Croatia. Prior to that he was the COO (Chief Operating Officer) and a Member of the Board in ZAO Raiffeisenbank in Moscow, in charge of all operational and IT activities of the bank including a successful large bank merger and holding business responsibility for a large business region. From 2003 to 2006 he was the CRO and COO in HVB Splitska banka, and from 2002 to 2003 he was the authorized representative and Member of the Board in HVB Croatia d.d.

Mr. Schoefboeck holds a doctorate in economics from Faculty of Economics at Vienna University, where he was also involved in large research projects. He attended numerous management trainings in Switzerland, Great Britain and USA.
His roles include the implementation of the Bank's strategies in the CSR segment, with special emphasis on promoting the development of different social segments through a wide range of activities, aimed at the well-being of the clients and the much wider social community in which it operates. When choosing relevant projects, the Bank always takes into account specific regional characteristics and needs of local society. Mr. Schoefboeck also has a sponsor role for diversity subjects, talent management and succession, the Bank's financial literacy project, as well as financial health of employees and customers. Digital transformation and ESG goals of the Bank (from strategy development to climate goals) are among his top priorities. He's also the member of the Steering Committee of the Croatian Business Council for Sustainable Development, one of the most relevant entities that promote sustainability in the corporate sector and business society. Apart from that Mr. Schoefboeck is also member of International Institute for Climate Action (IICA).

Martin Hornig has been appointed as Member of the Management Board of Erste&Steiermärkische Bank d.d. in July 2014.
Martin Hornig, the COO (Chief Operations Officer (COO) graduated from Vienna's University of Economics and Business. He gained professional experience through long-year management of financial operations at the management board level or the level immediately below in institutions and legal entities with high significance for the economy. After working in management consulting and as Member of the Management Board (COO) of Brokerjet Bank AG in 2014 he joined Erste Group and since then he held different executive functions in it.

Mr. Hornig is dedicated to promoting technology support and innovation by enhancing financial services and accessibility to customers, thus creating adequate preconditions for building-up a modern, secure and long-term sustainable framework that enables clients to successfully manage their financial needs in an easier way.
In 2024, Mr. Hornig was responsible for the transition towards net-zero operations by 2030, this includes fostering renewable heating sources for office locations, low carbon mobility for employees and maintaining on local level low carbon electricity.

Krešimir Barić has been appointed as Member of the Management Board of Erste&Steiermärkische Bank d.d. in January 2020.
Krešimir Barić, the CFO (Chief Financial Officer) has obtained a degree in Economics (finances) in 2000 from the University of Zagreb, Faculty of Economics. He has been employed at Erste&Steiermärkische Bank d.d. since December 2006, and became a Board Member after 15 years at managerial positions within the fields of accounting and controlling. During his career, he finished Group Leadership Development Program and took part in rotational training programs within Erste Group, as well as many group projects. In 2017 he held the position of Head of Performance and Capital management at Erste Group in Vienna where he gained additional international experience. It is the responsibility of Mr. Barić to ensure the integrity of the Bank's accounting system, comprising its financial and non-financial reporting, aligned with all regulatory and legal standards. He takes care about a smooth implementation of the Corporate Sustainability Reporting Directive into the Bank's operating business model.

Composition of the bodies, skills & expertise (continued)

Katarina Kraljević has been appointed as Member of the Management Board of Erste&Steiermärkische Bank d.d. in August 2024.
Katarina Kraljević has been a member of the Erste&Steiermärkische Bank d.d. team since 2005. She was appointed as a Member of the Management Board from the position of Director of Retail Business Development.
Katarina Kraljević is a Master of Economics and has many years of experience working in the banking industry. She started her career in 2001 as a financial advisor for retail at Bank Austria Creditanstalt d.d. Zagreb. From 2002 to 2005 she was a financial representative for SMEs in Centar banka d.d., after which she transferred to Erste&Steiermärkische Bank d.d. as a risk manager for micro enterprises, sole proprietors, and retail clients. From 2008 to 2015 she was head of the Private and Micro Business Credit Risk Management Directorate, and from 2015 to 2017 she was Deputy Director of Retail. Mrs. Kraljević has been deeply involved in the implementation of financial health strategy in the Bank, thus putting the responsibility in conducting business with clients as a fundamental tenet of the Bank’s operations. She has a significant role in the development of the Bank’s social banking strategy, which provides equal opportunities and accessibility of funding to different social groups that are not included in the standard financing models. Apart from that, Mrs. Kraljević fosters sustainability by promoting eco friendly products on the market.

Hannes Frotzbacher has been appointed as Member of the Management Board of Erste&Steiermärkische Bank d.d. in February 2020.
Hannes Frotzbacher, the CRO (Chief Risk Officer), after 14 years of working experience at Creditanstalt AG and Unicredit Bank Austria AG joined Erste Group in 2010. In the period from 2010 until 2012 he was responsible for Group Corporate Risk management, and in the period from 2012 until December 2019 he was in the positions of Head of Corporate Risk Management and the position of Chief Credit Officer. From 2013 until end of 2019, he was also performing function as a Member of the Erste&Steiermärkische Bank d.d.’s Supervisory Board. He holds a master’s degree in legal science and has professional education in finances, banking, and management skills development.
Mr. Frotzbacher holds an important role in the climate risks management and the achievement of the net zero transition goals, the clients’ path through the green transition process and setting the decarbonization targets. Having established the relevant ESG criteria, the Bank aims to ensure that the financial resources are primarily directed to the projects that, to higher degree, contribute to the overall sustainable transformation of the economy.

Supervisory Board
It is comprised of seven (7) members elected by the General Meeting, ensuring governance and accountability in management operations. In terms of diversity, the Supervisory Board's composition includes 43% women and 57% men. Additionally, two of the seven members serve as an independent representative, constituting 28,6% of the board's total membership.

The Supervisory Board members are carefully evaluated for their suitability before appointment, based on the requirements applicable to credit institutions. When appointing members to the Supervisory Board, care is taken to ensure that the Supervisory Board as a collective body possesses, in its entirety, the necessary knowledge, skills and professional experience required for the proper performance of its duties, including EBC Group’s sustainability matters and their associated IROs.

Sustainability-related expertise
Due to the professional background and experience of the individual members, the Supervisory Board has in-depth knowledge of key susainability issues such as sustainable investments, the legal framework and legal developments on sustainability issues, employee concerns, corporate governance and sustainability reporting. The Supervisory Board continually updates and expands its professional expertise in this area through ongoing further education and training as well as exchanges with experts. The Management Board and the Supervisory Board have access to various sources of specialist expertise from all the bank's specialist areas, for example through ongoing external and internal training courses in which they participate. The members participate in web-based training session aligned with the Sustainable Finance module (Introduction to Sustainability, Regulatory Framework Overview, EU Taxonomy, SFDR, NFRD and CSRD, European Supervisory Authorities and Sustainable Finance, Guidelines on Loan Origination and Monitoring, ESG Risks, EU Green Bond Standard, Sustainable Practices in the Financial and Non-financial Sector). The boards also have access to the relevant expertise through their representation in the committees of the Bank. The individual members of the Management Board are briefed through direct reporting lines from senior management as well as through regular board meetings. In addition to the specialist expertise within EBC Group, external consultants may be engaged for specific topics to provide additional support and further enhance the governance and strategic oversight within EBC Group.

For further details on how specific IROs are overseen and managed within the Group, please refer to chapter 'GOV-2 Information and sustainability aspects dealt with by the company's administrative management and supervisory bodies.

For more general information on the composition and working procedures of the corporate bodies and the expertise of the Supervisory Board members, please refer to the separate Corporate Governance Statement of EBC Group.

Gender diversity targets
Erste Group is committed to constant progress towards a gender-balanced management on all levels. The Nomination Committee of Erste Group Bank AG has set a minimum target of 30% for the underrepresented gender for the Management Board and Supervisory Board of Erste Group Bank AG as the holding entity (separately). While not falling below this minimum, the gender targets for local bank subsidiaries shall be adapted to local regulatory requirements and shall be approved by the respective Nomination Committee or Supervisory Board. Currently, all local bank subsidiaries approved a harmonized target of 30% for the underrepresented gender until 2028 for the local management boards and the local supervisory boards, including EBC Group.

GOV-2 – INFORMATION AND SUSTAINABILITY ASPECTS DEALT WITH BY THE COMPANY'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

To ensure continuous progress and transparency in sustainability, EBC Group has developed an ESG KPI Dashboard that enables regular monthly performance monitoring of key sustainability metrics. This includes sustainable financing volumes across various business lines, financing activities and GHG emissions and decarbonisation KPIs at a group level. The Management Board is informed at least on a quarterly basis about environmental IROs, through the ESG KPI Dashboard. For other IROs, such as those for Own Workforce, Consumers & end-users and Business Conduct, ad-hoc information is provided to the management.

Key insights and findings are further reported through the Sustainable Financing Report, provided monthly via an online reporting platform to all bank internal ESG stakeholders including board members. This reporting structure ensures alignment with decarbonisation targets and supports decision-making at all organisational levels.

Detailed reviews are also regularly performed in the Corporates & Markets board, where progress toward targets and pipeline development are thoroughly assessed. This framework demonstrates EBC Group's commitment to transparency, governance and sustainability.

IROs are also considered in major transactions made by EBC Group. The Responsible Financing Policy defines industry specific ESG criteria and sets out the rules to determine whether a transaction can be carried out and in which way. In addition, the policy describes the assessment process to ensure efficient decision-making on a well-documented basis adhering to the specified ESG criteria, which reflect the identified IROs, particularly related to EBC Group's financing of emission-intensive sectors and the biodiversity impact of financed real estate. There were no trade-offs associated with identified IRO.

The Erste Group ESG Office supports this process by providing relevant expertise and may exercise its veto right within the Credit Committee to ensure the alignment of the portfolio and EBC Group's banking practices with the objectives of the Erste Group. All IROs that were categorised as material in the DMA were discussed with and approved by the Management Board and presented to the Audit Committee. For a list of all material IROs, please refer to the list in chapter 'SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model'.

Policy governance

Group policies and procedures are established across various areas within the organisation, such as business, central functions, finance, IT, banking services, and risk management. The implementation of each specific group policy is overseen by the Management Board member responsible for that area. The CEO is responsible for central functions, including sustainability matters related to the Own Workforce. The CFO oversees finance, while the COO handles IT and banking services. Risk management, including environmental risks, falls under the CRO's responsibility. Although the group Management Board holds overall responsibility for a unified strategy and framework, each local Management Board is tasked with implementing these policies, taking into account their specific circumstances.

EBC Group has procedures in place to manage IROs and integrate them into the company's structure. The following examples show how IROs are managed within the group.

Policy Governance for the Climate Change Mitigation IRO

The financed CO_2 emissions of Erste Group, and EBC Group as its subsidiary, contribute to climate change and global warming. Therefore, the calculation of its financed CO_2 emissions supports the group to comply with regulatory reporting requirements and the implementation of the overall sustainability strategy and is the responsibility of Enterprise wide & Operational Risk Management (ERM) at the Erste Group level.

ERM is in the CRO division of Erste Group Bank AG and provides a framework and guidance to all entities within the scope of Carbon Footprint Calculation Policy, which was approved by the Erste group Management Board in February 2024. The Policy covers the processes and responsibilities in connection with financed emissions and includes specifications of Group vs. Local ownerships throughout the calculation process.

The local Board is responsible for the implementation of the policy on a subsidiary level. Local Risk Management Division acts as focal point for topics related to the carbon footprint calculation of each of its subsidiaries and has the ownership of developing and implementing the Local Carbon Footprint Calculation Policy to reflect the Erste Group Policy. Regular communication between Risk Management Division and Group ERM via a Working Group shall ensure that a mutual understanding of carbon footprint calculation related topics across Erste Group exists.

Policy Governance for the Diversity IRO

With support and guidance from the Erste Group, EBC Group promotes an inclusive corporate culture to create an open environment of acceptance and support for all people.

Diversity framework and overall strategy are developed by Group Diversity Management, an Erste Group function, and then adapted to local EBC Group context and needs. Group Diversity Management (GDM) provides guidance to all entities within the scope of the Group Diversity & Inclusion Policy, and EBC Group then defines local specifics in local Policy. GDM develops diversity targets and provides diversity data for reports, rating agencies and communication on a Group level. The group Management Board engages in active dialogue with GDM on Erste Group's diversity impact as well as to support and implement group-wide activities to promote diversity and inclusion.

Local Diversity Manager in EBC Group acts as a focal point for diversity topics, adapts measures, trainings and the Group Diversity & Inclusion Policy, to suit local circumstances. Regular communication between GDM and EBC Group Diversity Manager ensures that a mutual understanding of the diversity impact across Erste Group exists.

The group Management Board discusses the progress of diversity targets with EBC Management Board on a regular basis, at least annually as well as monitoring diversity targets.

GOV-3 – INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

EBC Group is committed to a remuneration system that integrates sustainability matters. The remuneration policy for the Management Board is consistent with the strategy of EBC Group, and Erste Group as a parent company. The policy outlines the structure and criteria for compensating members of the Management Board and Supervisory Board. No variable remuneration is paid to members of the Supervisory Board.

For the Management Board, variable remuneration is capped relative to fixed remuneration with a maximum of 100% or, by shareholder resolution, up to 200%. This variable remuneration is granted and paid based on specific, measurable performance criteria that align with Erste Group's business strategy and long-term development. These criteria are annually assessed by the Remuneration Committee of the Supervisory Board of EBC Group.

Variable remuneration is structured to include both upfront and deferred payments. For amounts exceeding EUR 150,000, 60% of the variable remuneration is deferred, while for amounts below this threshold, 40% is upfront. At least half of both the upfront and deferred remuneration is delivered in the form of non-cash instruments, such as shares (Performance Share Units, PSUs), with the remaining portion paid in cash. The remuneration policy also includes malus and clawback provisions in accordance with EBA guidelines.

Table 1: Remuneration of board members

Type/components	Elements	Method of payment	Features
Fixed remuneration			
Base salary		Cash	– takes into account area of responsibility of the respective board member – rewards cooperation within the board
Other remuneration	Pension fund	Contributions made by the company	– defined contribution pension plan via an external pension fund – severance fund
	Insurance	Contributions made by the company	– risk insurance against occupational disability and in case of death – risk accident insurance
	Other	Miscellaneous	– pay in lieu of vacation, if applicable – non-performance-linked one-off payments (e.g. sign-on bonus) – benefits in kind, e.g. company car incl. driver, employee share programme
Variable remuneration			
Upfront remuneration (40%)	Upfront cash payments (50% of upfront portion)	Cash payment in the following fiscal year	– linked to the fulfilment of specified verifiable performance criteria related to Erste Group's and EBC Group's business strategy and long-term development – takes into account targets at group or single-entity level as well as individual targets
	Upfront non-cash component (50% of upfront portion)	Share-based settlement in the second following fiscal year (1-year holding period)	
Deferrals (60%)	Deferred cash payments (50% of deferrals)	Cash payment from the second following fiscal year in 5 annual tranches	
	Deferred non-cash component (50% of deferral)	Share-based settlement from the third following fiscal year in 5 annual tranches.	

In 2024, the ESG targets for Management Board members included two overarching targets, which are not directly linked to any specific sustainability matter:
_ Maintaining a good ESG performance for EBC Group is shared by all board members and is assessed by external ESG ratings (MSCI, ISS ESG, SUSTAINALYTICS, CDP). Except for CDP, which focuses on climate impact, the other three ESG rating agencies measure the environmental, social as well as governance related performance of companies.
_ Implementation of the ECB ESG Action Plan is assigned to the Chief Risk Officer.

Additional ESG targets are directly linked to climate change and will be explained in more detail in the E1-4 – Targets related to climate change mitigation and adaption. The following targets were assigned to Management Board members:

- Supporting the Portfolio Net Zero Transition (Net Zero target setting) is shared by CRO, CFO, CEO and CRetO (for more detailed information on this topic, please refer to chapter E1-4 – Targets related to climate change mitigation and adaption).
- Sustainability strategy, transparent investor engagement on main ESG actions, measures and progress toward objectives whilst leading the ESG topic within the institution and progress in achievements of committed targets is assigned to the CEO.
- Increasing sustainable retail mortgages (target volume of new sustainable retail mortgages) is assigned to the CRetO (for more detailed information on this topic, please refer to chapter E1-4 – Targets related to climate change mitigation and adaption).
- Increasing sustainable corporate financing (target volume of new sustainable corporate financing) is assigned to the CEO (for more detailed information on this topic, please refer to chapter E1-4 – Targets related to climate change mitigation and adaption).
- Increasing zero-carbon electricity sourcing is assigned to the COO (for more detailed information on this topic, please refer to chapter E1-4 – Targets related to climate change mitigation and adaption).
- Ensuring Erste Digital system support for ESG Data Management and the Green Asset Screening design and implementation is assigned to the COO.
- Supporting net zero transition by enabling the implementation of pilot products and services in Retail/George is assigned to the CPO.

According to the Remuneration policy, ESG targets proposed by the Erste Group ESG Office centrally and approved by the Erste Group Remuneration Committee. The targets are integral to the scorecards of the Management Board and senior management. At EBC, the targets are approved by the Supervisory Board after the alignment with Erste Group. In 2024, 10% of each Management Board member's variable remuneration was based on ESG criteria. The Supervisory Board, through its independent Remuneration Committee, sets the remuneration of Management Board members. This committee prepares the Supervisory Board's resolutions on remuneration in accordance with legal requirements.

Performance is assessed on a 5-point rating scale, with ESG factors accounting for 10% of the overall performance evaluation, which Group ESG Office then evaluates at the end of the performance period. The final evaluation of ESG goals is incorporated in the performance scorecards of Management Board Members and it influences the total performance result.

EBC Group's target volume of Sustainable Financing and retail mortgages are determined according to the criteria described in E1-4 and must not be confused with the Green Asset Ratio (GAR) KPI under the EU Taxonomy.

GOV-4 – STATEMENT ON DUE DILIGENCE

EBC Group has firmly embedded the concept of sustainability in the corporate business strategy and relies on sustainable, value-driven and responsible business practices that enable EBC Group to generate stable returns for all stakeholders over the long term. In the table below, a reference to other parts of the sustainability statement that address the core elements of Erste Group's due diligence process can be found.

Core elements of due diligence

Table 2: Core elements of due dilligence

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 – Information and sustainability aspects dealt with by the company's administrative, management and supervisory bodies
	ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes
	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with EBC Group's strategy and business model
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2 – Information and sustainability aspects dealt with by the company's administrative, management and supervisory bodies
	ESRS 2 SBM-2 – Interests and views of stakeholders
	ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities
	E1-2 – Policies related to climate change mitigation and adaptation
	S1-1 – Policies related to own workforce
	S1-2 – Processes for engaging with own workforce and workers' representatives about impacts
	S4-1 – Policies related to consumers and end-users
	S4-2 – Processes for engaging with consumers and end-users about impacts
	G1-1 – Business conduct policies and corporate culture
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities
d) Taking actions to address those adverse impacts	E1-3 – Actions and resources in relation to climate change mitigation and adaptation
	S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce and effectiveness of those actions
	S4-4 – Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users and effectiveness of those actions
e) Tracking the effectiveness of these efforts and communicating	E1-4 – Targets related to climate change mitigation and adaption
	S1-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities
	S4-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

GOV-5 – RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY STATEMENT

The main risks in the sustainability reporting procedures include errors in reporting (such as inaccuracies in both quantitative and qualitative data), reporting on irrelevant information (including non-material information that does not significantly impact stakeholders) as well as omitting relevant information (failing to disclose material information that is important for stakeholders). These risks are also valid for value chain data, as well as qualitative or quantitative information provided in the sustainability statement that would materially deviate from the correct figures or circumstances, i.e. whenever, alone or in aggregate, they could influence the decisions made by the users of the sustainability statement. To mitigate the risks of misstatements, EBC Group uses a rigorous risk management system based on internal control processes (ICS).

Furthermore, EBC Group has implemented an ESG risk framework to assess material ESG factors, associated risks, and the effectiveness of mitigation strategies throughout credit and rating processes.
The sustainability reporting process is integrated in the financial reporting process as outlined in the chapter 'Reporting on material characteristics of the internal control and risk management system with regard to the accounting process' of the management report. Therefore, the basic components of the ICS for the financial reporting within EBC Group are also used for the quantitative information in sustainability reporting. These include:

- systemic, automatic control systems and measures in the formal procedure and structure, e.g. programmed controls during data processing
- principles of functional separation and checks performed by a second person (the four-eye principle)
- highly automated data validation in the group consolidation process

Internal controls for the processing of qualitative data include the 4-eyes principle (which also applies to quantitative data). This process includes multiple internal feedback loops, management reviews and external consulting. Furthermore, evidence for important qualitative statements, such as minutes of meetings, contracts as well as board approvals is collected and documented to ensure the accuracy and relevance of qualitative data.

To mitigate the risks of including non-material information, or omitting relevant material information, a comprehensive double materiality assessment (DMA) was carried out in collaboration with an external consultant to ensure that the information presented is both relevant and material. This step helps in avoiding the reporting of irrelevant information and ensures that all significant sustainability-related aspects of EBC Group are covered. In addition, a datapoint analysis was conducted to ensure that all relevant material information related to material topics is adequately disclosed.

Future considerations will include continuous improvement, whereby the results of the risk management process will be used to continuously improve the sustainability reporting process. This means refining internal controls, enhancing data validation procedures and conducting regular assessments to ensure the relevance and accuracy of reported information. Furthermore, feedback from internal reviews, external consultants and auditors will be incorporated into future reporting cycles to address any identified gaps or areas for improvement.

The Management Board and Audit Committee are informed of the findings of the risk assessment for sustainability reporting on an annual basis. The consolidated sustainability statement is reviewed by the Audit Committee and is also presented to the Supervisory Board for approval.

STRATEGY

SBM-1 – STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Erste Group's and EBC Group´s business model

Erste Group has an extensive presence in its core markets of Austria, Czechia, Slovakia, Romania, Hungary, Croatia and Serbia, as well as direct and indirect majority and minority banking participations in Slovenia, Montenegro, Bosnia and Herzegovina and North Macedonia. With a customer base exceeding 16 million across the markets and a network of approximately 1,300 branches, the group caters to various segments, providing tailored services to meet the specific needs of its clients.

Locally, EBC Group has presence in its core market in Croatia and majority banking participation in Montenegro. EBC Group's business model centers around retail banking, encompassing a wide array of services from lending, deposits and investments to current accounts and credit cards.

EBC Group's position in its markets makes it one of the major providers of finance to local businesses, including large companies, real estate companies and to the public sector. While EBC Group's roots are in the retail small & medium sized enterprises (SME) business, EBC Group has taken account of its role and responsibility and has firmly embraced corporate and public sector lending as part of its business model.

For further information on the business segments of EBC Group refer to Note 1 Segment reporting in the Financial statements. For further information on the headcount of employees by geographical area of EBC Group refer to chapter S1-6.

EBC Group's sustainability strategy

Erste Group's foundation has been pursuing the goal defined in the Statement of Purpose, namely, to promote and secure prosperity for all people throughout the region. This is why it has incorporated key ESG themes into the corporate strategy. EBC Group believes that this is the only way to be successful over the long term, working towards a fairer and more inclusive society.

EBC Group's sustainability strategy centres on four main pillars, transition to net-zero operations, transition to a net-zero portfolio, integration of climate risks into bank risk management and sustainable asset management (as part of the Erste Asset Management which is not in scope of the consolidation for this report).

Transition to Net-Zero Operations

Erste Bank Croatia is focused on reducing its operational carbon footprint by actively working to improve energy efficiency across our facilities in Croatia, reduce transport-related emissions, and integrate climate considerations into procurement processes. In addition, we foster a culture of sustainability among our Croatian employees, promoting awareness and responsible practices within the workplace. These efforts are critical to advancing our goal of achieving net-zero operations and aligning with Croatia's national environmental objectives.
Erste Bank Croatia's strategic priorities relating to the environment include achieving:

- a net-zero status in banking operations by 2030
- increase of renewable energy sources to 50% by 2023
- Ambition of EBC Group's is increase of own solar energy generation to 100% by 2030, but this ambition depends on energy regulatory licensing
- Installation of smart meters across all locations by 2030
- 100% e-cars in fleet by 2030

Transition to Net-Zero Portfolio

As a financial institution, Erste Bank Croatia recognizes that the most substantial impact on sustainability comes from our lending and investment activities. We support Croatian clients in implementing their climate transition strategies by providing financing solutions for green projects, sustainable business initiatives, and energy-efficient investments. Through these efforts, we enable clients across various sectors especially corporate and SME clients—to capitalize on the opportunities presented by the green transition and navigate climate-related risks.

Integration of Climate risks into Bank Risk Management

By embedding climate-related and environmental risks into our risk management framework, Erste Bank Croatia strengthens the resilience of our business and supports our clients in adapting to evolving environmental challenges. This includes assessing physical and transition risks within our portfolio to ensure that both Erste Bank Croatia and our clients are better equipped to respond to the risks posed by climate change.
Financial health and prosperity in Croatia are essential not only for the well-being of our customers and society at large but also as a cornerstone of Erste Bank Croatia's successful business model.

Significant markets and customer groups

EBC Group's sustainability strategy is focused on its significant markets and customer groups and has detailed approaches customised for each of them. More information on the set targets relating to the strategic priorities can be found in the respective topical chapters.

Retail

In the retail segment, most of the environmental impact stems from the buildings sector, which includes energy used for constructing, heating, cooling and lighting homes and businesses, as well as the appliances and equipment installed in them. Within EBC Group, retail mortgages contribute a large share of total assets. EBC Group has set decarbonisation targets for 2030 and 2050 to meet a 1.75-degree climate scenario for its retail mortgage portfolio starting from a 2022 baseline.

For achieving the decarbonisation targets for the retail mortgage portfolio, EBC Group will adopt the following approach:

Technological possibilities to decarbonise. A significant part of the buildings stock where EBC Group operates is not yet 'climate-proof' due to old age of the buildings and poor insulation. An improvement can be achieved through changes in customer behaviour, which can be influenced in the short-term by cost considerations and in the mid and long-term through regulations and availability of government subsidies across all countries Erste Group is active in, which will foster further investments and improvements.

Product offering. In the retail mortgages segment, sustainable mortgage loans have been developed and new products for renovation projects have been designed to improve the energy efficiency of buildings. To help customers meet the challenges involved in building renovation, EBC Group has developed measures such as energy calculators, as well as an in-house team of experts to assist and advise customers on a wide variety of matters relevant to building renovation projects. Insurance linked services, either bundled with financing products or standalone, will be part of EBC Group's overall ESG proposition.

Corporates

EBC Group's Corporate segment encompass four business lines: SME, Micros, Large Corporates, Public Sector and Commercial Real Estate (CRE). Each covers a distinct customer type with unique needs and preferences and hence specific sales and service models.

Planned approach for decarbonisation. A cross-functional change initiative within Erste Group called 'Net Zero Business Steering', involving Risk Management, Corporate Steering and Group ESG Office defines the necessary measures to operationalise decarbonisation targets. The planned approach for corporate business, designed to support the achievement of EBC Group's strategic objectives of reaching net zero in 2050 consists of performing an initial client transition readiness assessment and starting engagement process with identified clients by collecting the relevant sustainability information through ESG questionnaires while evaluating financing needs during the credit approval process. EBC Group understands its diverse customer base and is determined to help customers find a tailored approach, fitting to their needs.

Product offering. EBC Group's ambition includes helping clients to realise the benefits of decarbonisation by supporting cost-effective action. EBC Group offers specific purpose financing and advisory services focused on climate solutions, including improving energy efficiency of buildings in real estate and financing renewable energy projects, targeting large corporates and SMEs.

Helping clients decarbonise will get EBC Group overall closer to the goal of gaining leadership in sustainable financing. Erste Group as a parent company wants to be the bank that provides financing across CEE to enable the net zero transition. Therefore, EBC Group is constantly in touch with its customer base as the main stakeholder, to better understand their needs. For further information on the stakeholder engagement, please refer to chapter SBM-2.

Main challenges for a green transition

The main challenges ahead for EBC Group and its key stakeholders involve transitioning high-emission sectors to a low-carbon economy while maintaining financial stability. This is also connected to uncertainties in the regulatory environment and transition risks connected to it, both for EBC Group and its customers.

Costs connected to a green transition can also pose additional challenges to EBC Group's clients. Transition financing focuses on offering renewable energy solutions such as wind, solar and hydro projects, as well as special offerings for retail mortgage clients. EBC Group expects that home renovations and renewable energy solutions will become more prominent in the future, especially through government subsidies.

Possible solutions

One critical solution is the internal engagement toolkit, such as the GRAS Tool (Green Asset Screening Check tool) is utilized in its preliminary version for the evaluation of green projects. Additionally, in 2025. Erste Group started to implement Erste Group Financial Health Commercial Real Estate tool – as a group-wide solution. In the interim period, GRAS tool enables EBC Group's relationship managers to assess the transition readiness of its clients in high emitting sectors (in particular clients under EBC Group's decarbonisation target sectors). High-emitting sectors face significant regulatory insecurities and possible transition risk. EBC Group's relationship managers help to align financing strategies with sustainability goals.

For customers, EBC Group's engagement with sustainability brings tailored financing options that support their transition journeys, reducing energy costs and increasing property values through energy efficiency measures. For investors, the decarbonisation strategy enhances long-term value by mitigating climate risks and aligning with international sustainability standards. EBC Group offers investment opportunities in green bonds and sustainable financing products. Sustainable financing products are contributing to its 15% sustainable financing target for corporate loans by 2026. Stakeholders benefit from a transparent and strategic approach to climate change mitigation, with regular monitoring and updates provided on EBC Group's progress toward net-zero targets. EBC Group aims to provide stability for its customers and the prescribed engagement should help foster awareness and progress.

EBC Group's value chain composition

As a bank, EBC Group's value chain encompasses the inflow and outflow of money, facilitating payments and transactions. The bank transforms clients' savings and investments by making the cash available as loans while simultaneously managing the associated risks. Key business actors include EBC Group's clients, both private individuals and corporations, who benefit from EBC Group's services offered through digital and direct distribution channels.

For the value chain assessment, EBC Group aimed to reflect the interests and views of affected stakeholders, as well as users of sustainability statement which are further described in SBM-2. Moreover, for the identification and assessment of impacts, risks and opportunities (IROs), special consideration was given on the upstream and downstream value chain to ensure completeness of the relevant IROs. In this context, EBC Group analysed the flow of activities, processes and value creation within the organisation.

In the context of the double materiality assessment (DMA), EBC Group is currently limited in considering all aspects of the value chain due to data availability constraints. Therefore, the focus has been on the direct value chain. With the implementation of EU legislation (e.g., CSRD reporting, CSDDD), EBC Group expects these limitations to be addressed, leading to more detailed value chain information in the future.

Upstream

The upstream value chain includes the goods and services procured by EBC Group, such as IT services, office supplies, property and infrastructure, consultancy and other external services that support the bank's operations. EBC Group conducted an analysis related to purchased goods and services in the year prior to the DMA. The goods and services were categorised by sourcing categories from EBC Group's procurement system. These categories included IT services, infrastructure software, marketing, property management, consulting and personnel management.

Own Operations

The assessment of EBC Group's own operational activities, including workforce management and office branches, was based on the full scope of consolidated entities under IFRS.

While environmental impacts from own operations were few, material IROs were identified in the areas of Own Workforce (S1), Consumers and end-users (S4) and Business Conduct (G1). To ensure completeness and accuracy of these impacts, EBC Group closely aligned with the responsible departments to reflect these effects adequately in the reporting.

Downstream

EBC Group finances and invests in a diverse range of clients, including corporate and retail customers, institutional investors and stakeholders involved in its sustainability initiatives. Recognising that most of EBC Group's material impacts, especially regarding environmental topics, are related to its portfolio, EBC Group conducted an in-depth analysis of the portfolio. This analysis was based on the breakdown of credit exposure and the calculation of financed emissions. The IROs related to the financed sectors are directly reflected in the materiality assessment. For example, the highest individual sectoral exposure (real estate) is reflected in the identified material negative impact relating to financed CO_2 emissions of EBC Group.

SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

EBC Group has gathered information to reflect the interests and views of stakeholders in the business processes, as well as in the DMA for the sustainability reporting. EBC Group has identified key stakeholder groups which can be classified into:
_ affected stakeholders: customers (retail and corporate) and employees, as well as nature; and
_ users of the sustainability statement: such as investors, analysts, rating agencies and supervisory and regulatory authorities, as well as NGOs, potential future employees and all other readers.

Knowledgeable internal experts for each of these stakeholder groups contributed to the definition of IROs in the DMA. For example, the IROs for S1 (Own Workforce) have been established in close alignment with the workers' representatives and the Human Resources department. For details on the type of engagement, its purpose and how engagement is considered, as well as the key topics discussed with the stakeholder groups, please refer to the table below.

KEY STAKEHOLDER ENGAGEMENT

Table 3: Key stakeholder engagement

Key Stakeholders	Why EBC Group engages	How EBC Group engages	Key topics	Actions / results of engagement
Customers	Strong engagement with customers enables EBC Group to understand their needs, anticipate market trends and consequently adjust services.	– advisory sessions – conferences and seminars – website – customer experience program	– customer experience – challenges and needs – products and services – innovation and digitisation	EBC Group's engagement enables a regular assessment of how customer needs can be met through product and service offerings.
Employees	EBC Group engages with employees to foster an environment of open dialogue and provide them with continuously improving opportunities for growth and development.	– employee surveys – Intranet – training, coaching and mentorship – employee resource groups – annual feedback and professional development talks – engagement with works council	– people development – diversity, equity and inclusion – employee health and work-life balance – employee involvement	EBC Group's engagement enables the targeted adaptation of the people and culture strategy.
Nature, represented by academic institutions, environmental and social NGOs	EBC Group conducts content-driven debates with academic institutions as well as environmental and social NGOs (non-government organisations).	– conferences and events – bilateral meetings	– climate change – physical and transition risks – biodiversity	EBC Group's engagement enables identification of current and future priorities from the academic society and reflect them early in the strategic planning.
Investors, analysts and rating agencies	Through engaging with investors and analysts EBC Group aims to foster a clear understanding of company performance and strategy.	– investor presentations and webcasts – bilateral talks – roadshows – conferences	– performance and strategy – climate change – diversity, equity and inclusion – risk management – transparency	EBC Group's engagement increases the level of transparency in external reporting to ensure a clear understanding of the company's performance and strategy.
Supervisory and regulatory authorities	EBC Group conducts a permanent, pro-active dialogue with national and European supervisory and regulatory authorities to understand supervisory expectations.	– supervisory dialogues	– performance and strategy – climate change – diversity, equity and inclusion – risk management – transparency	EBC Group's engagement enables it to adapt processes and increase the level of transparency to fulfil supervisory expectations.

While engagement with EBC Group's stakeholders drives the business model, it is often impossible to attribute amendments to the strategy exclusively to stakeholder views without considering other factors, such as business needs. Another example is the decarbonisation strategy, which is linked to nature as a silent stakeholder and considered through EBC Group's engagement with academic institutions and environmental NGOs.

EBC Group's employees are a key stakeholder that form the strategy and business model. A strategy for People & Culture is organised around three key priorities: Empowerment, Growth and Attractiveness.
EBC Group empowers and supports targeted improvement measures in all areas and constantly grows with its employees. EBC Group is committed to strategic workforce planning to enable more targeted recruitment and further development measures as well as flexible skills development, talent promotion and leadership succession planning. EBC Group's principles of employee centricity drive its operations, enabling EBC Group to realise the potential of its employees. EBC Group attaches great importance to recruiting, retaining and engaging a highly qualified workforce to ensure its continuing success and strive to be the employer of choice in the region, by offering opportunities for training and continuing professional development, diverse and international teams, as well as exciting tasks within a flexible organisation. Furthermore, EBC Group is committed to nurturing an inclusive work environment for all.
A key consideration for EBC Group's stakeholder engagement is the respect and promotion of human rights. EBC Group does not tolerate any form of discrimination, such as discrimination on the basis of gender, age, marital status, family obligations, religion, political conviction, sexual orientation, race, nationality, social or ethnic background, disability, physical appearance or any other aspects unrelated to the business. This not only holds true for EBC Group's own workforce but is also reflected in the engagement with workers in the value chain, members of affected communities and its customers.

The Management Board is responsible for managing the organisation to the benefit of the company, considering the interests of the shareholders and the employees as well as the public. They are informed about the outcomes of engagement with all stakeholder groups both informally through meetings with internal stakeholder representatives as well as formally in board meetings. For example, the Customer Experience Index (CXI) is regularly reported to the board and its members throughout the year. The Supervisory Board is similarly informed about engagement with key stakeholder groups.

SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH ERSTE GROUP'S STRATEGY AND BUSINESS MODEL

This chapter gives an overview of EBC Group's material IROs, resulting from the DMA (see IRO-1). In the table below, all material IROs are listed, based on the sustainability matter they relate to, the type of IRO, the position in the value chain and the time horizon the materiality has been detected in. Additional information regarding the material IROs and their interaction with EBC Group's strategy and business model can be found in the respective topical chapters.

Table 4: Material impacts, risks and opportunities

Sustainability matter	Type of IRO	IRO Description	Value chain	Time horizon
E1-Climate change adaptation	Positive impact	Through the financing of climate-change adaptation solutions EBC Group has a positive impact on reducing vulnerabilities to climate change impacts.	Portfolio	Long-term
	Risk	Portfolio: EBC faces a higher credit risk as climate-related physical risks can lead to a devaluation of collateral and/or to negative effects on the business models and lastly financial stability of debtors. The consequences are increased risk provisions for EBC and connected negative effects to its P&L and own funds. EBC clients are also subject to various transitional risks which can affect their revenues, liquidity and solvency and indirectly impact EBCs financials and the ability of clients covering their debts timely. In the light of new regulations clients are subject to costs of implementing new regulation and implementing new technologies and increased costs of raw materials and logistic services. Changes in customer preferences can also negatively affect revenues of EBC clients. If clients won't be able to decrease GHG emissions, they can as well be subject to additional unexpected costs. In addition to risk of financial stability of EBCs client, EBC can be subject to reputational risks if client data which EBC reported was inaccurate. Own assets: EBC's own assets can be subject to physical risks and transitional risk. Certain assets such as ATMs and branches are in coastal areas and might be subject to higher risk due to location. Transitional risk is present mostly with reference to alignment to changing regulations as non-compliance or reporting of inaccurate data can lead to reputational risk which can affect P&L and costs related to new technologies with lower environmental footprint (e.g. RES solutions such as solar panels).	Own operations & Portfolio	Medium- and long-term
	Opportunity	New funding opportunities for EBC as clients will start investing in new technologies and sustainable solutions. Also, potential for new clients which offer sustainable solutions and which provide asset/services in line with climate change adaptation requirements (e.g. new softwares, residential and commercial real estate built to be resilient to certain physical risks, and similar).	Portfolio	All time horizons
E1-Climate change mitigation	Negative impact	The CO2 emissions of EBC own operations and in the upstream value chain contribute to climate change and thus to global warming.	Upstream & Own operations	Long-term
	Negative impact	By investing in companies that have high CO2 emissions, EBC portfolio generates a lot of CO2, which has a negative impact on climate stability.	Portfolio	Long-term
	Risk	Channeling resources into decarbonisation technologies (both own operations and portfolio) that do not result in desired decarbonisation effects. Risk of having	Own operations & Portfolio	Medium- and- long term

Sustainability matter	Type of IRO	IRO Description	Value chain	Time horizon
		failed to accomplish scope 1, 2 and 3 decarbonisation targets can lead to reputational risk and potential financial loss in the future if the regulation becomes more rigorous. If EBC puts too much pressure on clients regarding decarbonisation, it could lead to revenue loss.		
	Opportunity	New funding opportunities related to supporting clients in decarbonisation activities.	Portfolio	All time horizons
E1-Energy	Negative impact	The energy mix (electricity, fuel and heating) used by EBC Group creates CO2 emissions and therefore contributes to climate change.	Upstream & Own operations	Long-term
	Negative impact	Investments in and financing of energy-intensive companies that still rely on fossil fuels lead to high CO2 emissions, which in turn contribute to climate change.	Portfolio	Long-term
	Positive impact	By investing in companies that already use renewable energies or would like to rely more intensively on renewable energy sources in the future, the 1.5-degree targets of the Paris Climate Agreement can be achieved more feasibly, thereby minimizing physical climate risks.	Portfolio	All time horizons
	Risk	Price instability on the energy market due to climate change can result in decreased profitability in companies in energy-intensive sectors as well as liquidity shortage of retail clients, leading to a higher default risk and a related increase in risk provisions for EBC, impacting P&L as well as own funds.	Portfolio	All time horizons
	Opportunity	EBC's financing of and investments into renewable energy projects (e.g. pumped storage power plants, green hydrogen) enables CO2-neutral energy production and offers new opportunities for the portfolio.	Portfolio	All time horizons
E4-Examples: Soil sealing	Negative impact	Investments in real estate and public infrastructure projects have a negative impact on biodiversity as soils are sealed and land is degraded which has a negative impact on biodiversity,	Portfolio	Short-term
S1-Work-life balance	Positive impact	Promoting the compatibility of career and family positively impacts the quality of life and satisfaction of employees.	Own operations	Short-term
S1-Health and safety	Positive impact	All Bank's premises are set up in line with required standards of safety. Also, all employees are required to attend safety education once a year Each new employee receives his or her mentor, who is trained as an 'Employer's Authorized Officer', before being staffed for work in a safe manner. The bank has delegated three occupational safety experts whose job is to provide professional assistance to the employer and his authorized representatives, workers and workers' commissioners for occupational safety in the implementation and improvement of occupational safety. Bank has also implemented Dobro.biti initiative, Zdrava glava platform (psychological help), etc.	Own operations	Short-term
S1-Gender equality and equal pay for work of equal value	Negative impact	The current gender pay gap at Erste Group disadvantages female employees.	Own operations	All time horizons
S1-Training and skills development	Opportunity	Training and further education can increase employee motivation, improve their professional skills and qualifications and lead to continuous greater employee loyalty and productivity.	Own operations	Short-term
S1-Diversity	Positive impact	Promoting diversity inside the organization creates an open and inclusive corporate culture which has a positive impact on the well-being of the employees.	Own operations	Short-term
S4-Financial Health (entity specific)	Positive impact	Through educational programs, financial advice and tools EBC Group has a positive impact on the financial health of customers contributing to customers overall economic stability, leading to a better quality of life.	Own operations	Medium-term
	Opportunity	Through the active support of its customers' financial health EBC Group can not only improve customer satisfaction and loyalty but also enhance its own financial performance and market position.	Own operations & Downstream	Medium-term
S4-Privacy	Potential negative impact	Data breaches or cyberattacks could lead to compromised sense of security and privacy for individuals, leaking private and financial data of affected customers.	Own operations	Short-term
	Risk	Data breaches or cyberattacks could lead to a loss of trust from customers and a loss of reputation, as well as legal consequences (e.g. breach of GDPR).	Own operations & Downstream	Short-term
S4-Access to products and services (social banking)	Positive impact	By ensuring that all banking products and services are accessible to socially vulnerable people (e.g. people with disabilities and the elderly), EBC Group promotes their autonomy, social and professional integration and active participation in community life.	Downstream	All time horizons
G1-Protection of whistle-blowers	Positive impact	Whistle-blower protection at EBC Group has a positive impact by encouraging the reporting of misconduct, leading to a safer and compliant work environment. Based on the Whistleblowing Program as a subject of the Whistle-blowing Policy, all persons employed by the bank, regardless of the legal basis on which they perform work for the bank, are invited to provide information at an early stage about any behavior of other employees or third parties that is not in accordance with the applicable rules, regulations, acts of the bank and ethical principles. All allegations through whistleblowing are kept as secret and have to be checked.	Own operations	Short-term
G1- Corruption and bribery - Prevention and detection including training	Positive impact	Prevention training offered to all employees can effectively counter-act potential corruption and bribery, which benefits the interests of consumers, employees, business partners and society as a whole and promotes a trusting and ethical business environment. Erste bank has zero tolerance towards any form of negative behavior such as corruption and giving/receiving bribes in relation to employ-ees, management, clients, and business partners. Policy Conflict of interest and Anti-Bribery & Corruption establishes minimum standards for combating corruption and giving/receiving bribes, as well as standards for managing general types of conflicts of interest.	Own operations	Short-term

As this sustainability statement is the first according to the framework of the ESRS, no changes to the previous material IROs can be depicted.

After conducting the materiality assessment, the material IROs were evaluated to understand their potential impact on, or the need to adjust, EBC Group’s business model, value chain and strategy.

Impact, risk and opportunity management

IRO-1 – DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

For the compilation of this year's sustainability statement EBC Group has performed a double materiality assessment (DMA) in accordance with the requirements of ESRS 1 and 2. The Corporate Sustainability Reporting Directive requires organisations to identify which sustainability matters are material.

Consequently, the performed assessment covered the identification and assessment of impacts, risks and opportunities (IROs) under the IFRS consolidation scope. Furthermore, other participations, which are not fully consolidated, were analysed regarding potential IROs and operational control. The outcomes of the assessment are the basis for the scope of topics reported and data points included in this statement.

In 2024, the DMA process was conducted for the first time according to the ESRS. As such, it deviates from the materiality assessment of prior periods by adhering to all requirements of ESRS 1 and 2 and especially by introducing financial materiality (outside-in perspective) as a second materiality perspective alongside the impact materiality (inside-out perspective). Additionally, connections between impacts and dependencies, as well as the risks and opportunities that may arise from them have been considered in the assessment. EBC Group will review the materiality assessment process annually.

Identification of impacts, risks and opportunities

The DMA was performed under the main project team (EBC Group team - Accounting Department, Strategic Initiatives Department, Finance Department), in collaboration with hired consultants, engaged in impact evaluations and expert interviews of in-house representatives (i.e. Accounting Department, Risk Management Division, HR Department, etc.), providing key inputs on sustainability matters, setting scores based on evidence and expert opinion.

Double materiality assessment process

The process to identify the material sustainability matters was conducted in four steps. As a first step a relevance analysis of all sustainability matters listed in ESRS 1 Appendix A AR 16 was conducted. Additionally, this list was enriched with the entity specific topic of Financial Health. If a sustainability matter was assessed as relevant, the respective topic was subsequently subject to an impact and financial materiality assessment. The final step was to validate and approve the outcome of the DMA, where the final scoring per impact, risk and opportunity (IRO) was quality assured by a central expert jury. Subsequent to these steps the results were visualised in a matrix, summarised in an executive presentation and concluded by EBC Group's Management Board.

To gain a deep understanding of the circumstances EBC Group is operating in, various data was collected for the identification of IROs. Inputs for the DMA included:
- sectoral standards, guidance documents and peer benchmarking
- analysis of the group strategy and related business activities
- engagement with affected stakeholder groups and expert interviews
- EBC Group Risk Materiality Assessment results
- mapping of sectoral credit exposures and financed emissions (Portfolio)
- spend for purchased goods and services (Upstream)
- consultation with internal expert jury and attendance of expert jury of the subsidiaries.

Furthermore, to assure the completeness and accuracy of the DMA within the whole Erste Group, ongoing communication with the subsidiaries consolidated under IFRS was necessary, where EBC Group participated as well. This was to identify potentially relevant IROs at both the group and entity levels. This was achieved by:
- biweekly AT/CEE calls
- ad hoc calls or scheduled calls on a 1:1 basis (Erste Group and subsidiaries)
- workshops.

In this year's DMA, no direct consultations with affected communities were conducted for the purpose of the DMA. The assessment was mainly performed by EBC Group's experts in alignment with internal stakeholders. However, EBC Group plans on further stakeholder engagements in future years.
The outcome of the DMA is the list of material IROs that is shown in SBM-3 and lays the foundation for this report.

Stakeholder Engagement

The DMA was informed by internal stakeholders from various business units, e.g Human Resources, Strategic Initiatives Department, Risk Management, Data Protection, Legal etc. and the Employees Council. EBC Group had no other direct consultations with other affected communities in the DMA. The assessment of the IROs was conducted by ESG Coordinator and Accounting Department based on internal stakeholder dialogues. Results were validated by the Expert Jury. The Expert Jury are individuals representing different departments in EBC Group accounted for specific IRO, ESG Coordinator and Accounting Department. For the purpose of the DMA, no direct consultations with affected communities or other stakeholder groups were conducted. However, EBC Group plans on further stakeholder engagements in future years.

Value Chain Assessment

For the DMA, EBC Group aimed to reflect the interests and views of affected stakeholders as well as users of the sustainability statement as described in SBM-2. Moreover, for the identification and assessment of IROs, special consideration was given to the upstream and downstream value chain to ensure completeness of the relevant IROs. In this context, EBC Group analysed the flow of activities, processes and value creation within the organisation.

Further information on EBC Group's value chain can be found in chapter SBM-1.

Impact Materiality Assessment

The assessment was based on the following central assumptions:

- The value chain relevance and the time horizon of their assumed occurrence were identified per impact.
- Impacts were defined as either positive or negative. If multiple but deviating impacts (i.e. positive and negative) were identified to-wards a sustainability matter, each impact was evaluated separately.
- For a sustainability matter to be deemed as material, only one material impact is sufficient, regardless of the count of additional immaterial, its state as actual or potential, its allocated time horizon or value chain relevance.
- The severity and the likelihood were evaluated for each impact. For actual impacts the likelihood was consistently set to 100%. For potential impacts the likelihood was assessed on a scale from 0-5.
- The scoring of severity included the three parameters of scale, scope and irremediability. Each evaluation parameter was assessed individually on a scale from 0-5, weighted equally and multiplied by the likelihood.
- Subsequent impacts and human rights impacts were considered. For human rights impacts severity took precedence over likelihood with a weight of 100%.
- Impacts with a total score above 2.5 on a scale from 0 to 5 were considered material.
- Impact evaluations were conducted under the lead of ESG Coordinator and Accounting Division in expert interviews with in-house representatives with group functions of identified stakeholder groups, setting scores based on evidence and/or expert opinion.
- The material impacts were aligned with the outcome of the financial materiality assessment for sustainability matters whereby financial materiality would be triggered by impact materiality.
- The final scoring per impact was quality assured by a central Expert Jury.

The executed process did not comprise an explicit step of engaging with external stakeholders. Information concerning affected stakeholders was considered implicitly via the above-mentioned in-house experts and their regular exchanges with externals (i.e. customers, NGOs, rating agencies, investors). For more information on stakeholder groups and engagement, please refer to chapter SBM-2.

Impacts relating to E1 Climate Change

The whole value chain was considered and assessed in the context of climate change. As described in section 'SBM-1', some sectors with high emissions, such as IT-services, are part of EBC Group's upstream value chain. These were assessed alongside emissions from EBC Group's own operations and plans. Together, the impact was considered material, especially due to the high score considering the scope of CO_2 emissions, which were considered to have a global impact, as well as the irremediability, as CO_2 emissions are difficult to be reversed.

However, a major part of EBC Group's overall emissions stem from the financed emissions in the portfolio, which are part of its downstream value chain. As such, these are closely monitored. During EBC Group's DMA, the current total carbon footprint based on end of year 2023 values was used as input. EBC Group is calculating and reporting GHG emissions for both its banking operations (scope 1, 2 and 3) as well as its financed portfolio (financed scope 3 emissions). The used methodologies are in line with the GHG Protocol Corporate Accounting and Reporting Standard and the PCAF methodology. Details regarding the computations and calculation scope can be found in chapter E1-6 of this statement.

For the subtopic of climate change mitigation as well as in the subtopic of energy, negative impacts were identified, which, due to their actual and global nature, received the highest notch evaluation and hence were deemed material. The negative impacts in the subtopic of energy are on the one hand driven by the energy mix consumed by EBC Group leading to CO_2 emissions (please also refer to chapter E1-5 for details) and on the other hand, its financing of energy-intensive companies.

EBC Group already finances renewable energy projects supporting the transition to an economic system within the planetary boundaries. It does so based on its Responsible Financing Policy, which sets out financing exclusions for high emitting sectors, as well as its Sustainable Finance Guideline which pursues targets in sustainable financing. Based on the actual and global nature this positive portfolio related impact was assessed as material.

Lastly, concerning the sub-topic of climate change adaptation, the financing of adaptation solutions was assessed to be very likely in the focus of EBC Group's future financing strategy. Given EBC Group's overall size, the evaluation of the significance of the effect resulted in a material positive potential impact.

Impacts relating to E4 Biodiversity and ecosystems

In the upstream value chain, no material impacts in connection to biodiversity and ecosystems were identified. Nevertheless, EBC Group is aware that biodiversity and ecosystems is a topic of increasing importance and is closely monitoring all parts of its value chain to ensure that potential impacts are adequately managed.

EBC Group has no sites (own premises) located in or near biodiversity-sensitive areas and no material impacts were identified related to EBC Group's own operations affecting any biodiversity-sensitive areas.

Concerning downstream impacts, EBC Group's focus on financing real estate and public infrastructure projects was assessed to have a potential negative impact on biodiversity, as soil is sealed and land is degraded. Potential other impact drivers, such as dependencies on ecosystems for certain financed sectors (such as tourism), have been considered, but were not considered material due to the comparatively low exposure share.

In light of these findings, the likelihood of negative impacts from already occurring financing projects was estimated to be high, while potential effects are seen to be hard to remedy. The size of EBC Group's related portfolio, paired with the nature of the impacts on ecosystems as potentially significant and the efforts related to restoring ecosystems, led to the assessment of the impact as material. The evaluation was based on expert judgement. The material potential impacts of biodiversity and ecosystem matters are restricted to the financed portfolio.

Impacts relating to S1 Own Workforce

EBC Group places great importance on the development and support of its own employees, as they are a key factor in the company's success. Topics such as work-life balance, health and safety, gender equality and equal pay for equal work, as well as training and skills development and diversity were identified as material for EBC Group. A comprehensive analysis was conducted, taking into account existing Human Resources strategies and internal policies. The assessment was based on the evaluations of internal experts and the results of existing employee surveys. Health and safety, for example, was given high priority. Further details can be found in the table in the chapter 'SBM-3 - Material impacts, risks and opportunities and their interaction with EBC Group's strategy and business model'.

Impacts relating to S4 Consumers and End Users

As a financial services provider, EBC Group places great importance on its responsibility towards customers and end users. The assessment of potential impacts related to the topics in this chapter - consumers and end users - was therefore carried out with particular care. Topics such as financial health, privacy and social banking were identified as material to Erste. The assessment focused on the direct impact on customers and end users, with a strong emphasis on the overall customer experience and the protection of their interests. A detailed assessment was conducted, taking into account existing customer policies and data protection measures. This assessment was based on evaluations of internal experts and feedback from customer satisfaction surveys. For example, financial well-being was given high priority. Further details can be found in the table in the chapter 'SBM-3 - Material impacts, risks and opportunities and their interaction with EBC Group's strategy and business model'.

Impacts relating to G1 – Business conduct

EBC Group is operating in a highly regulated industry with an emphasis on business conduct. As such, the potential impacts connected to the topics regarding Business conduct were assessed with great care. With the exception of the sub-topic of animal welfare, all other subtopics were deemed in general as relevant for EBC Groups own operations. The up- and downstream value chain was not considered in this context, as the topic is related to EBC Group's own business. An analysis was performed taking EBC Group's existing governance setup and compliance status as well as its role as a tightly supervised and regulated financial institution and financial services provider into account. This influenced the evaluation of the impacts. For example, the impact connected to the prevention and detection including training regarding corruption and bribery was deemed to have the highest likelihood, as EBC Group already has rigorous practices and trainings in place. The evaluation was performed based on EBC Group's internal expert judgment, leading to two material positive impacts in connection to the protection of whistleblowers and the prevention of corruption and bribery (see table in SBM-3).

Financial Materiality Assessment

The assessment was based on the following central assumptions:

- For the financial materiality, risks and opportunities related to future legislation, reputation and uncertainties connected to them are considered. The process is connected to already existing internal risk assessments, as well as the strategic position of EBC Group to capture future business opportunities.
- The identification and evaluation of risks of this year's DMA result, consider information stemming out of EBC Group's annual risk materiality assessment, in which ESG risks and risk drivers where already included and evaluated due to regulatory requirements.
- The value chain relevance and the time horizon of their assumed occurrence were identified per risk and opportunity.
- For a sustainability matter to be deemed as material, only one material risk or opportunity is sufficient, regardless of the count of additional immaterial risks or opportunities, its allocated time horizon or value chain relevance.
- Identified risks and opportunities were evaluated in terms of the magnitude of their financial effect on a scale from 0-3 and subsequently multiplied by the probability of occurrence on a scale from 0-5.
- Risks and opportunities with a total score above 1.5 on a scale from 0 to 3 were considered material.
- Risks and opportunities were defined and evaluated separately under the lead of main project team engaging in expert interviews with in-house representatives (i.e. Accounting Department, Risk Management Division, HR Department, etc.). The score was set individually per risk or opportunity.
- The final scoring per risk and opportunity was quality assured by a central Expert jury.

Risks and Opportunities relating to E1 Climate Change

Physical Risks

For the means of the DMA physical risks are identified and assessed under the subtopic of climate change adaptation. Physical risks can arise at various locations throughout the value chain, such as:

- EBC Group's own fixed assets
- fixed assets of suppliers (e.g. data centers)
- fixed assets of customers and as a specific category thereof
- those customer fixed assets that serve as collateral

Due to its essential importance to EBC Group as a credit institution, the focus of the assessment was centered on the financed portfolio and the transmission channel of credit risk. While the upstream value chain as well as EBC Group's own assets can be affected by physical risks, the potential effect was considered to be minor compared to the downstream value chain. Acute risks can damage collateral and, together with chronic physical risks, impact the viability of business models.

The assessment of the portfolio was guided by multiple inputs. The results of EBC Group's risk materiality assessment, taking into account the results of the comprehensive stress-testing exercise, including a flood risk scenario, as well as the results of a portfolio screening based on MunichRe Location Risk Intelligence data were used as the basis for the materiality assessment. More information can be found in chapter E1 SBM-3.

Transition risks and opportunities

Transition risks and opportunities have been identified and assessed under the subtopics of climate change mitigation and adaptation. Due to its essential importance to EBC Group as a credit institution, the focus of the assessment was centered on the financed portfolio and the transmission channel of credit risk, as transition events such as policy changes can impact the viability and profitability of customers' business models. While risks and opportunities can arise in the upstream value chain and EBC Group's own operations, they have been assessed to be minor compared with the financed portfolio.

The evaluation of transition risks in the portfolio is taking into account the current distribution of the portfolio based on its carbon-intensity and the Energy Performance Certificate distribution across the Commercial and Residential Real Estate portfolio. The rationale applied in this case was that the higher the current GHG emissions, the more investments and costs are likely to be incurred for reducing emissions or improving energy efficiency, which can have a negative impact on credit quality.

The current portfolio state in relation to the above-mentioned indicators led to material transition risks in both climate change mitigation and energy – the latter focusing especially on potential decreased profitability and liquidity shortage due to increasing energy costs and related default risk.

Given the fact, that the decarbonisation of the portfolio also for Erste Group as a member of the Net Zero Banking Alliance (EBC Group is aligned with Erste Group as a subsidiary) dedicated to Paris Agreement and limiting global temperature increase to 1.5 degrees, will be a long-term exercise, transition risks resulting out of the financed portfolio were also assessed to be prominent over all time horizons (short, medium and long-term). For further explanations, please refer to chapter E1 SBM-3.

The evaluation of transition opportunities is taking into account the current distribution of the portfolio and the potential financial benefits of identified opportunities. This includes opportunities from financing companies investing into the decarbonisation of their own business models and clients offering climate change adaptation solutions, for example in the real estate sector.

Non-material sustainability matters

EBC Group examined various topics, including pollution, water and marine resources, resource use and circular economy. In all these areas, no material IROs were identified. The assessment considered EBC Group's business model as a financial institution and its up- and downstream value chain. The assessments indicated that the potential IROs were considered minor and non-material due to EBC Group's non-manufacturing business model and the structure of its portfolio.

E2 Pollution

The upstream value chain, such as IT-providers and infrastructure software, as well as EBC Groups own operations and downstream value chain were considered in the assessment of pollution matters. As EBC Group is not a manufacturing company and has no direct reference points to pollution, potential impacts were assessed not to be material. Concerning potential risks and opportunities regarding pollution were analysed based on the current business strategy and portfolio structure.

E3 Water and marine resources

Similarly to pollution, potential impacts relating to water and marine resources in the upstream value chain, such as the water usage connected to IT services, as well as the downstream value chain were assessed. As EBC Group is not a manufacturing company and as there is direct water consumption only at the bank's office locations, impacts relating to EBC Group's own operations are deemed minor. Concerning potential risks and opportunities were assessed based on the current business strategy and portfolio structure in combination with the results of EBC Group's risk materiality assessment and underlying ESG sector risk heatmap.

E5 Resource use and circular economy

EBC Groups own operations and upstream value chain were assessed together with impacts related to the financed portfolio. While EBC Group's investments in, and financing of companies that operate or manufacture machines that produce a lot of (hazardous) waste, or are resource in-tense, have a negative impact on the state of the environment, the effect was assessed not to be material based on the industry mix of EBC Group's portfolio. For risks and opportunities, the financed portfolio was considered.

IRO-2 – DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT

List of disclosure requirements

After the completion of the DMA the respective material sustainability matters were allocated to the relevant disclosure requirements and data points by using the EFRAG Guidance. Additionally, EBC Group discloses entity specific information following the policy, action and target structure for the sustainability matter of Financial Health. Metrics were disclosed where required.

The list of disclosure requirements and their location in the statement can be found below.

Table 5: List of disclosure requirements

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Table 6: List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27) , Annex II		Material	43
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	44
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	49
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (28) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Material	51
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Material	51
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29) , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not Material	-
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not Material	-
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	169
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g) and Article 12.2		Material	169
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	188
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Material	194
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	194
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Not Material	-
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	195

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page reference
		Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity				
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	195
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not Material	-
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Material	Phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Material	Phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Material	Phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Material	Phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material	-
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material	-
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	-
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	-
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material	-
ESRS E3-4 Total water consumption in m 3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material	-
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Material	203
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Material	203
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Material	203

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page reference
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Material	204
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Material	204
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Material	204
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material	-
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material	-
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Material	206
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Material	206
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	208
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	208
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Material	208
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	208
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	213
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	223
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Material	223
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	224
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Material	224
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Material	225
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Material	225
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material	-
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material	-
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Not material	-
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	-
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material	-

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page reference
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	-
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material	-
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	-
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	-
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Material	227
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	227
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Material	231
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Material	237
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Material	237
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Material	240
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Material	240

Environmental information

EU Taxonomy Disclosures

Legal framework at EU level

The European Union's Regulation EU 2020/852 on the establishment of a framework to facilitate sustainable investment (further referred to as ‘EU Taxonomy Regulation’) serves as a basis for redirecting capital flows towards sustainable economic activities and as a fundamental support of the transition to a sustainable European economy. On the one hand, this is ensured by the introduction of a common classification system for sustainable economic activities and on the other hand, through an introduction of specific reporting obligations for both financial and non-financial undertakings.

EU Commission’s Delegated Regulation (EU) 2021/2178 (further referred to as ‘EU Taxonomy Disclosures Regulation’) addresses the requirement of EU Taxonomy’s Article 8 by specifying the content and presentation of information to be disclosed concerning environmentally sustainable economic activities and specifying the methodology to comply with that disclosure obligation. Additionally, in 2021 and respectively 2023, two further delegated regulations have been issued, establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to each of the six environmental objectives defined by the EU Taxonomy Regulation, as well as for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

Furthermore, EU Commission’s Delegated Regulation (EU) 2022/1214 provides for further specific disclosures as regards specific economic activities in the fossil gas and nuclear energy sectors, applicable to both non-financial undertakings directly involved in such economic activities and financial undertakings financing such non-financial undertakings.

Applicability to credit institutions

By reference to the above described regulatory framework, it follows that, in order to be considered environmentally sustainable (further referred to as ‘taxonomy aligned’), financings of economic activities by credit institutions - whether in the form of term lending or non-trading investments in securities - need to be further directed by the related banking clients or issuers towards revenue-generating activities or capital expenditure that can be assessed as simultaneously (a) making a substantial contribution (‘SC’) to at least one of the 6 EU environmental objectives, (b) not significantly harming other environmental objectives (‘DNSH’) and (c) being compliant with minimum social safeguards (‘MSS’). When, by reference to the related contractual clauses, the use of the related proceeds can’t be specifically connected to such activities or capital expenditure projects, the taxonomy alignment of the related general purpose financings is statistically determined, i.e. via weighing by the applicable Taxonomy KPIs publicly disclosed by the related banking clients or issuers.

The Green Asset Ratio (‘GAR’) represents the ratio of the taxonomy aligned assets or economic activities financed by EBC Group in relation to the total ‘covered assets’. The covered assets are the total assets of the group, except for assets with respect to central governments and supranational issuers, as well as exposures towards central banks and the trading book. Covered financial assets are included in the numerator of this KPI if either the related counterparts are themselves undertakings obligated to publish a corporate sustainability report as of the current year-end (‘CSRD-obligated’) at either individual or consolidated level or belong to a group headed by a CSRD-obligated undertaking. Such financial assets, provided that they are neither held for trading nor derivative assets, are further considered in the GAR numerator as follows:
in full, if the purpose of the financing is known (‘use of proceeds known’) and the financed economic activities demonstrably meet all technical screening criteria of the classification system (e.g. project financing) and are MSS compliant, or
weighed by counterpart’s (or, if unavailable, by counterpart’s group) most recently published Taxonomy-alignment KPI, if the purpose of the financing is unknown (‘general purpose financing’, e.g. working capital loans).

Additionally, ‘use of proceeds known’ non-trading non-derivative financial assets having as counterparts households or local governments (namely, public authority bodies or agencies other than those directly run by related country’s central government, e.g. municipalities or local councils) are also included in the GAR numerator, if the financed economic activities demonstrably meet all the applicable technical screening criteria.

Another significant KPI is the Taxonomy-eligibility KPI. This puts the covered assets of EBC Group classified as Taxonomy-eligible in relation to the total assets covered by the GAR. Similarly to GAR, covered financial assets are included in the numerator of this KPI if either the related counterparts are themselves CSRD-obligated at either individual or consolidated level or belong to a group headed by a CSRD-obligated undertaking. Such financial assets, provided that they are neither held for trading nor derivative assets, are further considered in the numerator of the Taxonomy-eligibility KPI as follows:
in full, if the purpose of the financing is known, and the economic activities financed are found as Taxonomy-eligible by corresponding to the activities described in the classification system, regardless of whether all technical criteria are met (e.g. project financings), or weighed by counterpart's (or, if unavailable, by counterpart's group) most recently published Taxonomy-eligibility KPI, if the purpose of the financing is unknown ('general purpose financing' e.g. working capital loans).

Additionally, 'use of proceeds known' non-trading non-derivative financial assets having as counterparts households or local governments are also included in the numerator of the Taxonomy-eligibility KPI, if the financed economic activities demonstrably are found as Taxonomy-eligible by corresponding to the activities described in the classification system, regardless of whether all technical criteria are met.

Overview of EBC Group's Taxonomy disclosures and KPIs

SCOPE OF THE PUBLISHED EU TAXONOMY REPORTING TEMPLATES

EBC Group has prepared the EU Taxonomy disclosures on a consolidated basis, in accordance with the CRR consolidation scope, which is insignificantly different from Group's IFRS scope of consolidation (as disclosed in the related Annex to this Annual Report), notably in terms of impact in the consolidated Taxonomy disclosures based on Group's total consolidated assets. Thus, EBC Group's total consolidated assets as at 31 December 2024 in accordance with the CRR scope of consolidation amount to EUR 16,507 million (net of related credit loss allowances in amount of EUR 288 million, which are grossed-up for EU Taxonomy reporting purposes along adjustments to other balance-sheet items as further detailed in the sub-chapter 'Reporting methodology and underlying assumptions and interpretations' below), whilst they amount to EUR 16,507 million according to the IFRS consolidation scope. The difference is EUR 0.1 million due to a few entities qualifying as subsidiaries under the IFRS scope of consolidation only.

For the first time for the year-end 2024, EBC Group, as a credit institution, applies Annex V and VI of the EU Taxonomy Disclosures Regulation.

SUMMARY OF THE PUBLISHED EU TAXONOMY REPORTING TEMPLATES

This paragraph provides a concise description of the EU Taxonomy reporting templates published by EBC Group as of 31 December 2024, addressing in the same time the requirements of Annex XI to the EU Taxonomy Disclosures regulation.

Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

Template 0 provides a summarization of key amounts and most significant Taxonomy KPIs, as further disclosed in the Templates 1, 3 or 5 (see below).

Total environmentally sustainable assets / activities

EBC Group discloses in Template 0 total taxonomy-aligned assets in amount of EUR 114 million ('stock'), thereof EUR 3 million corresponding to financings of sustainable activities having been initially recognized during the year 2024 ('flow'). These amounts are disclosed in Template 0 by applying the 'turnover view', namely – as far as general-purpose financings to CSRD-obligated clients or issuers are concerned – by weighing the related exposures by the Taxonomy KPIs published by the related undertakings in connection to their revenue-generating activities (non-financial undertakings) or financings thereof (financial undertakings).

Total environmentally sustainable assets are further detailed, notably per categories of assets and related counterparts, but also per eligibility and alignment towards each of the 6 environmental objectives within Template **1 'Assets for the calculation of GAR'**, distinctly disclosed in both the turnover view and the CapEx view.

Total GAR Stock and Flow (turnover view and CapEx view)

EBC Group discloses total GAR in turnover view amounts 1.15% for stock and 0.10% for flow. In the CapEx view, GAR for stock amounts 1.73% and 0.16% for flow.

GAR Stock and GAR Flow are further detailed, notably per categories of assets and related counterparts, but also per eligibility and alignment towards each of the 6 environmental objectives within Template **3 'GAR KPI Stock'** and respectively Template **4 'GAR KPI Flow'**, distinctly disclosed in both the turnover view and the CapEx view.

FinGuar KPI Stock (turnover view and CapEx view)

Whilst the GAR refers to credit institution's on-balance assets, the FinGuar KPI focuses on credit institution's off-balance exposures. EBC Group's FinGuar Stock KPI amounts 0.88% in the turnover view and 3.04% in the CapEx view.

FinGuar KPI Stock and FinGuar KPI Flow are further detailed, notably per categories of assets and related counterparts, but also per eligibility and alignment towards each of the 6 environmental objectives within Template **5 'KPI Off balance-sheet exposures'**, distinctly disclosed in both the turnover view and the CapEx view, as well as in both stock and flow views.

AuM KPI Stock (turnover view and CapEx view)

The AuM KPI focuses on credit institution's off-balance assets under management and having the nature of bonds or shares issued by CSRD-obligated undertakings, including when such bonds or shares are underlying assets in collective investments (funds) or discretionary management portfolios. EBC Group's AuM Stock KPI amounts 7.77% in the turnover vew and 10.32% in the CapEx view.

AuM KPI Stock and AuM KPI Flow are further detailed, notably per categories of assets and related counterparts, but also per eligibility and alignment towards each of the 6 environmental objectives within Template **5 'KPI Off balance-sheet exposures'**, distinctly disclosed in both the turnover view and the CapEx view, as well as in both stock and flow views.

GAR sector information

Template 2 provides, distinctly in stock turnover view and in stock CapEx view, a breakdown per the applicable NACE codes of all the eligible and aligned amounts featured in Template 1's row 20 (CSRD-obligated non-financial undertakings), across all environmental objectives. EBC Group for this Template disclosing the required information at NACE sector granularity only for those NACE sectors covering.

Additional disclosures addressing financings of specific Nuclear and Fossil Gas related economic activities

Based on the requirements of Annex XII to the EU Taxonomy Disclosures Regulation, EBC Group publishes as at 31 December 2024, in addition to the main Taxonomy templates (0 to 5) in all the required views, six sets of five additional disclosure templates each, providing an insight into Group's direct or indirect financings, either specific or general purpose, attributable to six specific economic activities related to the Nuclear and Fossil Gas energy sectors. Each of the six sets of such additional tables relates to one of Group's main Taxonomy KPIs (namely: GAR, FinGuar KPI and AuM KPI), both stock and flow, in both turnover and CapEx view, as applicable.

As a result, the overall number of distinct EU Taxonomy templates published by EBC Group at 31 December 2024 amounts to 13 main Taxonomy templates and further 36 Nuclear & Fossil Gas activities-related supplementary EU Taxonomy templates.

SELECTED KPIS' OVERVIEW

As of 31 December 2024, EBC Group's total eligibility KPI and total GAR can be summarized as follows:

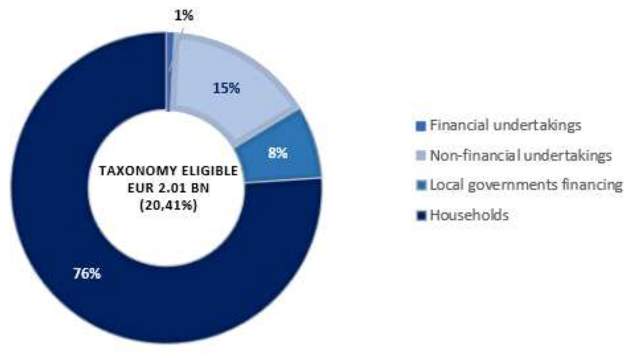
Turnover view

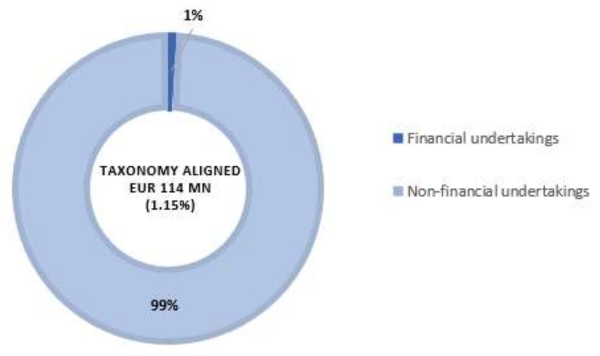
Consolidated taxonomy-eligible assets amount to EUR 2.03 billion , representing 20.50% of the total covered assets.
Consolidated taxonomy-aligned assets amount to EUR 114 million, representing 1.15% of the total covered assets.

CapEx view

Group's taxonomy-eligible assets amount to EUR 2.05 billion, representing 20.72% of the total covered assets.
Group's taxonomy-aligned assets amount to EUR 171 million, representing 1.73% of the total covered assets.

In the turnover view, the total eligibility KPI and total GAR as of 31 December 2024 are further comparatively analyzed and presented in the charts below:





Thus, as of 31 December 2024, EBC Group's total taxonomy-eligibility KPI consists of the following main components:
Financing to private households to the amount of EUR 1.53 billion, the purpose of which corresponds to Taxonomy-eligible activities in the real estate and the automotive sector.
Use of proceeds known and unknown financing to non-financial undertakings to the amount of EUR 313 million and to financial undertakings to the amount of EUR 16 million, the use of proceeds unknown financing having been classified proportionately as Taxonomy-eligible based on the eligibility KPIs published by the respective counterparties.
Financing to local and regional governments to the amount of EUR 154 million, the purpose of which corresponds to Taxonomy-eligible activities.

GAR structural constraints and limitations in data availability

The Taxonomy disclosures and KPIs of EBC Group as of 31 December 2024 are inherently influenced by both structural constraints arising from both the legal design of the GAR and the restricted scope of CSRD, as well as by various other data availability limitations, thereof the following are further outlined below.

GAR structural constraints

Due to the extensive information required to evaluate the applicable taxonomy alignment technical criteria (SC, DNSH), as well as the MSS compliance. the scope of application of the EU Taxonomy Disclosures Regulation is limited by legislation (at EU level: CSRD), as far as qualifying exposures to undertakings are concerned, to those that are CSRD-obligated as at the current reporting year-end, as well as to any subsidiaries thereof. For EBC Group as universal bank, this means that a significant part of the portfolio (small and medium-sized enterprises not CSRD-obligated or part of such a group) cannot be considered at the moment in the numerators of the Taxonomy-eligibility KPI and the GAR, with most of them expected to indefinitely qualify for the respective denominators only ('GAR structural asymmetry').

Additionally, general-purpose exposures to households and local governments (that means: financings of such counterparts having, as per the related lending agreements or prospectus, either no specified purpose or specified purposes other than housing or acquisition of eligible motor vehicles) fall inherently outside the scope of any possible such evaluation. It means that general-purpose exposures to households and local governments, along with qualifying exposures to CSRD non-obligated undertakings, can't possibly contribute to the GAR numerator, whilst however included in GAR's denominator.

Limitations in data availability

Related to real estate and vehicle financing towards private households, as well as related to financings of housing or other taxonomy-eligible specific-purpose projects by local governments, credit institutions are allowed to use reliable third-party evaluations with regards to the central DNSH criterion of conducting a climate risk and vulnerability assessment. Erste Group is currently working on integrating the physical risk data of one of the world's leading reinsurance companies into the taxonomy evaluation process, with the target of applying fully fledged data and related methodologies from year-end 2025 onwards. Furthermore, regarding both new and existing business with CSRD-obligated undertakings and local governments - despite considerable efforts to further advance the examination of individual transactions - in many cases there is still insufficient information and data basis on the customer side to determine whether these transactions can be classified as Taxonomy-aligned.

In particular with regards to the **environmental objectives 3-6, while the** Draft Commission Notice dated 28.11.2024 has indeed provided further clarifications with regards to the related taxonomy- assessment, interpreting and applying the mentioned guidance leads at the moment to relatively few 'use of proceeds known' financings being assigned as at 31 December 2024 as eligible by reference to these environmental objectives.

Reporting methodology and underlying assumptions and interpretations

(Gross) carrying amounts of assets

Regarding the (gross) carrying amounts of assets represented in Template 1, the following approach was taken:
For all relevant financial assets at amortized cost and debt securities at FVOCI (Fair Value Through Other Comprehensive Income), the cost carried forward before adjustment of value adjustments was used - regardless of the counterparty type.
For all other assets falling into lines 1-48 of Template 1, the gross carrying amount, i.e., the amount actually accounted for and used in the CRR-consolidated IFRS FINREP balance sheet, was used. This means:
For performing debt instruments at FVPL (Fair Value Through Profit or Loss), the gross carrying amount corresponds to the fair value. For non-performing debt instruments at FVPL, the gross carrying amount corresponds to the fair value after the negative changes in fair value due to credit risk. For all investments in associated and joint ventures, the carrying value in accordance with IAS28/IFRS11 is used. For all equity instruments at FVPL, the fair value is used. For all non-financial assets ('collateral obtained by taking possession' or 'Other categories of assets'), the carrying amounts disclosed according to IFRS are used.

CSRD-obligated financial and non-financial undertakings and use of their KPIs

All companies considered to be public interest entities and employing more than 500 people at either individual or consolidated level have been obligated to report EU Taxonomy disclosures as at 31 December 2023 under the NFRD and continue to be so as at 31 December 2024 under the CSRD. Financial and non-financial undertakings, that are parents of obligated groups, must publish their KPIs on a consolidated basis. These KPIs are used for the purpose of determining EBC Group's KPIs for qualifying exposures towards all subsidiaries of this group ('closest reporting parent').

Flow

For the purpose of Template 4 (GAR Flow), Template 5 (FinGuar Flow and AuM Flow), as well as for retrieving the 'flow' views of the Nuclear & Gas templates, 'flow' has been defined as a sub-set of 'stock', limited to related asset deals' having been initially recognized during the current reporting year. The two exceptions to this approach are as follows:
Non-financial assets and financial assets not having the nature of loans and advances, debt securities or equity instruments: 'flow' has been deemed zero.
Underlying debt securities and equity instruments in off-balance investment funds or other portfolios under management: 'flow' has been to be arise from any positive year-on-year net increase in the number of units held at underlying ISIN level, within each relevant investment fund or other portfolio under management.

Significant notes for the consideration of assets in Template 1

Accepted for the numerator of the GAR and therefore relevant for the Taxonomy-eligibility or alignment review are non-trading loans and advances, debt securities, equity instruments having CSRD -obligated financial or non-financial undertakings as counterparties (or subsidiaries thereof), as well as real estate and car financing to private households, use of proceeds known financing with local governments and real estate collateral obtained through taking possession.

Financial and non-financial undertakings

Qualifying assets in relation to financial and non-financial undertakings are included in the numerator of the GAR if the direct counterparty is CSRD-obligated or subsidiary of a CSRD-obligated group.
Financing to non-CSRD -obligated financial and non-financial undertakings, which are not part of an-CSRD-obligated group, were considered in the denominator, irrespective of their domicile (EU or Non-EU)
Financing to Multilateral Development Banks listed in the paragraphs in Article 117(1), or Article 117(2) Regulation (EU) 575/2013 (CRR) are considered credit institutions according to the clarifications of the 'Environmental Act' and are allowed for the numerator provided they are based in the EU.

Private households

Financing to private households and subject to further assessment for taxonomy eligibility or alignment comprises only real estate-related financing or car loans (the latter from 1.1.2022). The remaining exposures to households (essentially: general-purpose financing) are included in the 'Households' section of Template 1 only for the purpose of the column '(gross) carrying amount', meaning that they inherently can't contribute to the numerator of either Eligibility KPI or GAR, whilst being included in the denominator of both.

Financing of building renovation and collateralised by residential immovable property are solely included in the row ‘of which building renovation loans’ in order to avoid double counting.

Local & regional governments

Financing to local or regional governments and subject to further assessment for taxonomy eligibility or alignment comprises only financing where the respective use of proceeds is known. Financing without a known use of proceeds is included in the ‘Local governments’ section of Template 1 only for the purpose of the column ‘(gross) carrying amount’, meaning that they inherently can’t contribute to the numerator of either Eligibility KPI or GAR, whilst being included in the denominator of both.

Fund assets of EBC Group

The non-trading fund assets of EBC Group are distributed on a pro-rata basis across the applicable rows of Template 1 according to the composition of the respective fund (i.e., the underlying assets in that fund). To derive this distribution, the underlying assets in the funds were individually analyzed (Look-through approach).

Assets under Management

Off-balance sheet items (‘Assets under management’) are also reported based on a look-through approach. As relevant assets in this regard, however, only securities issued by CSRD-obligated issuers are considered.

Significant information for template population of the supplemental delegated climate regulation

In the portfolio of EBC Group, there are no use of proceeds known financing related to the activities in the area of nuclear energy and fossil gas listed in the Commission Delegated Regulation (EU) 2022/1214. Consequently, populating the respective tables is based on the KPIs published by the related counterparties (namely: CSRD-obligated energy companies or CSRD-obligated banks or insurances directly exposed to such energy companies) in their respective similar templates.

The supplementary templates addressing direct or indirect financings of specific activities in the nuclear energy and fossil gas sectors relate to all Taxonomy KPIs of credit institutions (GAR Stock and Flow, FinGuar KPI Stock and Flow, AuM KPI Stock and Flow), as applicable (turnover and respectively CapEx views).

Consideration of EU Taxonomy in EBC Group’s business strategies, product design processes and engagement with clients and counterparties

EBC Group informs its customers about possible cost advantages that can arise from taxonomy-aligned disclosure. The GAR is current-ly not integrated into the strategic board internal remuneration framework and should not be considered as performance-linked KPI for management incentives.

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets	KPI Turnover	KPI CapEx	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	114	1.15%	1.73%	58.81%	26.69%	41.19%
		Total environmentally sustainable activities	KPI Turnover	KPI CapEx	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	3	0.10%	0.16%	77.46%	34.63%	22.54%
	Trading book						
	Financial guarantees	1	0.88%	3.04%			
	Assets under management	-	7.77%	10.32%			
	Fees and commissions income						

1. Assets for the calculation of GAR, turnover-based view

		a	b	c	d	e	f	g	h	i	j
		Year ending on 31.12.2024									
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
	in EUR million	Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator										
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	5,563	1,942	102	-	-	-	18	2	-	-
0020	Financial undertakings	60	15	1	-	-	-	1	-	-	-
0030	Credit institutions	45	12	1	-	-	-	-	-	-	-
0040	Loans and advances	35	12	1	-	-	-	-	-	-	-
0050	Debt securities, including UoP	10	-	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-	-	-	-	-	-	-	-	-
0070	Other financial corporations	15	3	-	-	-	-	1	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-	-	-	-	-	-	-	-	
0120	of which management companies	5	2	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0150	Equity instruments	5	2	-	-	-	-	-	-	-	-
0160	of which insurance undertakings	5	-	-	-	-	-	-	-	-	-
0170	Loans and advances	4	-	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0190	Equity instruments	1	-	-	-	-	-	-	-	-	
0200	Non-financial undertakings	845	238	101	-	-	-	17	2	-	-
0210	Loans and advances	771	231	98	-	-	-	16	1	-	-
0220	Debt securities, including UoP	74	7	3	-	-	-	1	1	-	-
0230	Equity instruments	-	-	-	-	-	-	-	-	-	-
0240	Households	4,490	1,535	-	-	-	-	-	-	-	-
0250	of which loans collateralised by residential immovable property	1,676	1,522	-	-	-	-	-	-	-	-
0260	of which building renovation loans	13	13	-	-	-	-	-	-	-	-
0270	of which motor vehicle loans	2	-	-	-	-	-	-	-	-	-
0280	Local governments financing	168	154	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-	-	-
0300	Other local government financing	168	154	-	-	-	-	-	-	-	-
0310	Collateral obtained by taking possession: residential and commercial immovable properties	9	9	-	-	-	-	-	-	-	-
0320	Assets excluded from the numerator for GAR calculation (covered in the denominator)	4,322	-	-	-	-	-	-	-	-	-
0330	Financial and Non-financial undertakings	3,599	-	-	-	-	-	-	-	-	-

0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	3,318	-	-	-	-	-	-	-	-	-
0350	Loans and advances	3,293	-	-	-	-	-	-	-	-	-
0360	of which loans collateralised by commercial immovable property	1,637	-	-	-	-	-	-	-	-	-
0370	of which building renovation loans	6	-	-	-	-	-	-	-	-	-
0380	Debt securities	20	-	-	-	-	-	-	-	-	-
0390	Equity instruments	5	-	-	-	-	-	-	-	-	-
0400	Non-EU country counterparties not subject to NFRD disclosure obligations	281	-	-	-	-	-	-	-	-	-
0410	Loans and advances	278	-	-	-	-	-	-	-	-	-
0420	Debt securities	1	-	-	-	-	-	-	-	-	-
0430	Equity instruments	2	-	-	-	-	-	-	-	-	-
0440	Derivatives	-	-	-	-	-	-	-	-	-	-
0450	On demand interbank loans	95	-	-	-	-	-	-	-	-	-
0460	Cash and cash-related assets	383	-	-	-	-	-	-	-	-	-
0470	Other categories of assets (e.g. Goodwill, commodities etc.)	245	-	-	-	-	-	-	-	-	-
0480	Total GAR assets	9,894	1,951	102	-	-	-	18	2	-	-
0490	Assets not covered for GAR calculation	6,928	-	-	-	-	-	-	-	-	-
0500	Central governments and Supranational issuers	3,990	-	-	-	-	-	-	-	-	-
0510	Central banks exposure	2,919	-	-	-	-	-	-	-	-	-
0520	Trading book	19	-	-	-	-	-	-	-	-	-
0530	Total assets	16,822	1,951	102	-	-	-	18	2	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations										
0540	Financial guarantees	96	14	1	-	-	-	2	-	-	-
0550	Assets under management	2	-	-	-	-	-	-	-	-	-
0560	Of which debt securities	1	-	-	-	-	-	-	-	-	-
0570	Of which equity instruments	1	-	-	-	-	-	-	-	-	-

		k	l	m	n	o	p	q	r
		Year ending on 31.12.2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	in EUR million			Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	4	4	-	-	6	6	-	-
0020	Financial undertakings	-	-	-	-	-	-	-	-
0030	Credit institutions	-	-	-	-	-	-	-	-
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-	-		-	-	-	
0070	Other financial corporations	-	-	-	-	-	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-	-		-	-	-	
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-	-		-	-	-	
0160	of which insurance undertakings	-	-	-	-	-	-	-	-
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-	-		-	-	-	
0200	Non-financial undertakings	4	4	-	-	6	6	-	-
0210	Loans and advances	3	3	-	-	4	4	-	-
0220	Debt securities, including UoP	1	1	-	-	2	2	-	-
0230	Equity instruments	-	-	-	-	-	-	-	
0240	Households	-	-	-	-	-	-	-	-
0250	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
0260	of which building renovation loans	-	-	-	-	-	-	-	-
0270	of which motor vehicle loans	-	-	-	-	-	-	-	-
0280	Local governments financing	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-
0320	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-	-	-	-
0330	Financial and Non-financial undertakings	-	-	-	-	-	-	-	-
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
0350	Loans and advances	-	-	-	-	-	-	-	-

0360	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-
0370	of which building renovation loans	-	-	-	-	-	-	-	-
0380	Debt securities	-	-	-	-	-	-	-	-
0390	Equity instruments	-	-	-	-	-	-	-	-
0400	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
0410	Loans and advances	-	-	-	-	-	-	-	-
0420	Debt securities	-	-	-	-	-	-	-	-
0430	Equity instruments	-	-	-	-	-	-	-	-
0440	Derivatives	-	-	-	-	-	-	-	-
0450	On demand interbank loans	-	-	-	-	-	-	-	-
0460	Cash and cash-related assets	-	-	-	-	-	-	-	-
0470	Other categories of assets (e.g. Goodwill, commodities etc.)	-	-	-	-	-	-	-	-
0480	Total GAR assets	4	4	-	-	6	6	-	-
0490	Assets not covered for GAR calculation	-	-	-	-	-	-	-	-
0500	Central governments and Supranational issuers	-	-	-	-	-	-	-	-
0510	Central banks exposure	-	-	-	-	-	-	-	-
0520	Trading book	-	-	-	-	-	-	-	-
0530	Total assets	4	4	-	-	6	6	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations								
0540	Financial guarantees	-	-	-	-	-	-	-	-
0550	Assets under management	-	-	-	-	-	-	-	-
0560	Of which debt securities	-	-	-	-	-	-	-	-
0570	Of which equity instruments	-	-	-	-	-	-	-	-

		s	t	u	v	w	x	z	aa
		Year ending on 31.12.2024							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
in EUR million				Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	49	-	-	-
0020	Financial undertakings	-	-	-	-	-	-	-	-
0030	Credit institutions	-	-	-	-	-	-	-	-
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-	-	-	-	-	-	-
0070	Other financial corporations	-	-	-	-	-	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-	-	-	-	-	-	-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-	-	-	-	-	-	-
0160	of which insurance undertakings	-	-	-	-	-	-	-	-
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-	-	-	-	-	-	-
0200	Non-financial undertakings	-	-	-	-	49	-	-	-
0210	Loans and advances	-	-	-	-	49	-	-	-
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-
0230	Equity instruments	-	-	-	-	-	-	-	-
0240	Households	-	-	-	-	-	-	-	-
0250	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
0260	of which building renovation loans	-	-	-	-	-	-	-	-
0270	of which motor vehicle loans	-	-	-	-	-	-	-	-
0280	Local governments financing	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-
0320	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-	-	-	-
0330	Financial and Non-financial undertakings	-	-	-	-	-	-	-	-
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
0350	Loans and advances	-	-	-	-	-	-	-	-

0360	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-
0370	of which building renovation loans	-	-	-	-	-	-	-	-
0380	Debt securities	-	-	-	-	-	-	-	-
0390	Equity instruments	-	-	-	-	-	-	-	-
0400	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
0410	Loans and advances	-	-	-	-	-	-	-	-
0420	Debt securities	-	-	-	-	-	-	-	-
0430	Equity instruments	-	-	-	-	-	-	-	-
0440	Derivatives	-	-	-	-	-	-	-	-
0450	On demand interbank loans	-	-	-	-	-	-	-	-
0460	Cash and cash-related assets	-	-	-	-	-	-	-	-
0470	Other categories of assets (e.g. Goodwill, commodities etc.)	-	-	-	-	-	-	-	-
0480	Total GAR assets	-	-	-	-	49	-	-	-
0490	Assets not covered for GAR calculation	-	-	-	-	-	-	-	-
0500	Central governments and Supranational issuers	-	-	-	-	-	-	-	-
0510	Central banks exposure	-	-	-	-	-	-	-	-
0520	Trading book	-	-	-	-	-	-	-	-
0530	Total assets	-	-	-	-	49	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
0540	Financial guarantees	-	-	-	-	-	-	-	-
0550	Assets under management	-	-	-	-	-	-	-	-
0560	Of which debt securities	-	-	-	-	-	-	-	-
0570	Of which equity instruments	-	-	-	-	-	-	-	-

	in EUR million	ab	ac	ad	ae	af
		Year ending on 31.12.2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	2,019	114	-	-	-
0020	Financial undertakings	16	1	-	-	-
0030	Credit institutions	12	1	-	-	-
0040	Loans and advances	12	1	-	-	-
0050	Debt securities, including UoP	-	-	-	-	-
0060	Equity instruments	-	-	-	-	-
0070	Other financial corporations	4	-	-	-	-
0080	of which investment firms	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-
0110	Equity instruments	-	-	-	-	-
0120	of which management companies	2	-	-	-	-
0130	Loans and advances	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-
0150	Equity instruments	2	-	-	-	-
0160	of which insurance undertakings	-	-	-	-	-
0170	Loans and advances	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-
0190	Equity instruments	-	-	-	-	-
0200	Non-financial undertakings	314	113	-	-	-
0210	Loans and advances	303	106	-	-	-
0220	Debt securities, including UoP	11	7	-	-	-
0230	Equity instruments	-	-	-	-	-
0240	Households	1,535	-	-	-	-
0250	of which loans collateralised by residential immovable property	1,522	-	-	-	-
0260	of which building renovation loans	13	-	-	-	-
0270	of which motor vehicle loans	-	-	-	-	-
0280	Local governments financing	154	-	-	-	-
0290	Housing financing	-	-	-	-	-
0300	Other local government financing	154	-	-	-	-
0310	Collateral obtained by taking possession: residential and commercial immovable properties	9	-	-	-	-
0320	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-
0330	Financial and Non-financial undertakings	-	-	-	-	-
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-
0350	Loans and advances	-	-	-	-	-
0360	of which loans collateralised by commercial immovable property	-	-	-	-	-
0370	of which building renovation loans	-	-	-	-	-
0380	Debt securities	-	-	-	-	-

0390	Equity instruments	-	-	-	-	-
0400	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-
0410	Loans and advances	-	-	-	-	-
0420	Debt securities	-	-	-	-	-
0430	Equity instruments	-	-	-	-	-
0440	Derivatives	-	-	-	-	-
0450	On demand interbank loans	-	-	-	-	-
0460	Cash and cash-related assets	-	-	-	-	-
0470	Other categories of assets (e.g. Goodwill, commodities etc.)	-	-	-	-	-
0480	Total GAR assets	2,028	114	-	-	-
0490	Assets not covered for GAR calculation	-	-	-	-	-
0500	Central governments and Supranational issuers	-	-	-	-	-
0510	Central banks exposure	-	-	-	-	-
0520	Trading book	-	-	-	-	-
0530	Total assets	2,028	114	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations					
0540	Financial guarantees	16	1	-	-	-
0550	Assets under management	-	-	-	-	-
0560	Of which debt securities	-	-	-	-	-
0570	Of which equity instruments	-	-	-	-	-

	in EUR million	a	b	c	d	e	f	g	h	i	j
		Year ending on 31.12.2023									
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
		Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-	-	-
2	Financial undertakings	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-
20	Non-financial undertakings	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-
24	Households	-	-	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-
28	Local governments financing	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-	-	-	-	-	-
33	Financial and Non-financial undertakings	-	-	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-

35	Loans and advances	-	-	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-	-	-	-	-	-
38	Debt securities	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-
44	Derivatives	-	-	-	-	-	-	-	-	-	-
45	On demand interbank loans	-	-	-	-	-	-	-	-	-	-
46	Cash and cash-related assets	-	-	-	-	-	-	-	-	-	-
47	Other categories of assets (e.g. Goodwill, commodities etc.)	-	-	-	-	-	-	-	-	-	-
48	Total GAR assets	-	-	-	-	-	-	-	-	-	-
49	Assets not covered for GAR calculation	-	-	-	-	-	-	-	-	-	-
50	Central governments and Supranational issuers	-	-	-	-	-	-	-	-	-	-
51	Central banks exposure	-	-	-	-	-	-	-	-	-	-
52	Trading book	-	-	-	-	-	-	-	-	-	-
53	Total assets	-	-	-	-	-	-	-	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-
54	Financial guarantees	-	-	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-

		k	l	m	n	o	p	q	r
		Year ending on 31.12.2023							
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	in EUR million			Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	Financial undertakings	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	Non-financial undertakings	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-
24	Households	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	Local governments financing	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-	-	-	-
33	Financial and Non-financial undertakings	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-

35	Loans and advances	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-	-	-	-
38	Debt securities	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-
44	Derivatives	-	-	-	-	-	-	-	-
45	On demand interbank loans	-	-	-	-	-	-	-	-
46	Cash and cash-related assets	-	-	-	-	-	-	-	-
47	Other categories of assets (e.g. Goodwill, commodities etc.)	-	-	-	-	-	-	-	-
48	Total GAR assets	-	-	-	-	-	-	-	-
49	Assets not covered for GAR calculation	-	-	-	-	-	-	-	-
50	Central governments and Supranational issuers	-	-	-	-	-	-	-	-
51	Central banks exposure	-	-	-	-	-	-	-	-
52	Trading book	-	-	-	-	-	-	-	-
53	Total assets	-	-	-	-	-	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
54	Financial guarantees	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-

		s	t	u	v	w	x	z	aa
		Year ending on 31.12.2023							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	in EUR million			Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	Financial undertakings	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	Non-financial undertakings	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-
24	Households	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	Local governments financing	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-	-	-	-
33	Financial and Non-financial undertakings	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-

35	Loans and advances	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-	-	-	-
38	Debt securities	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-
44	Derivatives	-	-	-	-	-	-	-	-
45	On demand interbank loans	-	-	-	-	-	-	-	-
46	Cash and cash-related assets	-	-	-	-	-	-	-	-
47	Other categories of assets (e.g. Goodwill, commodities etc.)								
48	Total GAR assets	-	-	-	-	-	-	-	-
49	Assets not covered for GAR calculation	-	-	-	-	-	-	-	-
50	Central governments and Supranational issuers	-	-	-	-	-	-	-	-
51	Central banks exposure	-	-	-	-	-	-	-	-
52	Trading book	-	-	-	-	-	-	-	-
53	Total assets	-	-	-	-	-	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
54	Financial guarantees	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-

in EUR million		ab	ac	ad	ae	af
		Year ending on 31.12.2023				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-
2	Financial undertakings	-	-	-	-	-
3	Credit institutions	-	-	-	-	-
4	Loans and advances	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-
6	Equity instruments	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-
8	of which investment firms	-	-	-	-	-
9	Loans and advances	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-
11	Equity instruments	-	-	-	-	-
12	of which management companies	-	-	-	-	-
13	Loans and advances	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-
15	Equity instruments	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-
17	Loans and advances	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	-	-	-	-	-
20	Non-financial undertakings	-	-	-	-	-
21	Loans and advances	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-
23	Equity instruments	-	-	-	-	-
24	Households	-	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-
28	Local governments financing	-	-	-	-	-
29	Housing financing	-	-	-	-	-
30	Other local government financing	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-
33	Financial and Non-financial undertakings	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-
35	Loans and advances	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-
38	Debt securities	-	-	-	-	-

39	Equity instruments	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-
41	Loans and advances	-	-	-	-	-
42	Debt securities	-	-	-	-	-
43	Equity instruments	-	-	-	-	-
44	Derivatives	-	-	-	-	-
45	On demand interbank loans	-	-	-	-	-
46	Cash and cash-related assets	-	-	-	-	-
47	Other categories of assets (e.g. Goodwill, commodities etc.)	-	-	-	-	-
48	Total GAR assets	-	-	-	-	-
49	Assets not covered for GAR calculation	-	-	-	-	-
50	Central governments and Supranational issuers	-	-	-	-	-
51	Central banks exposure	-	-	-	-	-
52	Trading book	-	-	-	-	-
53	Total assets	-	-	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-
54	Financial guarantees	-	-	-	-	-
55	Assets under management	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-

2. GAR sector information, turnover-based view

		a	b	c	d	e	f	g	h
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in EUR million	Of which environmentally sustainable (CCM)	in EUR million	Of which environmentally sustainable (CCM)	in EUR million	Of which environmentally sustainable (CCA)	in EUR million	Of which environmentally sustainable (CCA)
xx	A01.50	1	1	-	-	-	-	-	-
xx	A03.21	1	-	-	-	8	-	-	-
xx	C21.20	4	-	-	-	-	-	-	-
xx	C23.51	4	1	-	-	-	-	-	-
xx	C26.30	-	-	-	-	6	-	-	-
xx	C27.11	4	-	-	-	-	-	-	-
xx	C29.32	1	-	-	-	-	-	-	-
xx	C33.20	1	-	-	-	-	-	-	-
xx	D35.13	155	90	-	-	-	-	-	-
xx	E36.00	1	1	-	-	1	-	-	-
xx	G46.51	1	1	-	-	-	-	-	-
xx	I55.10	46	-	-	-	-	-	-	-
xx	L68.20	12	-	-	-	-	-	-	-
xx	M70.10	1	1	-	-	-	-	-	-
xx	O84.11	6	6	-	-	2	2	-	-

		i	j	k	l	m	n	o	p
		Water and marine resources (WTR)				Circular economy (CE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in EUR million	Of which environmentally sustainable (WTR)	in EUR million	Of which environmentally sustainable (WTR)	in EUR million	Of which environmentally sustainable (CE)	in EUR million	Of which environmentally sustainable (CE)
xx	A01.50	-	-	-	-	-	-	-	-
xx	A03.21	-	-	-	-	-	-	-	-
xx	C21.20	-	-	-	-	-	-	-	-
xx	C23.51	-	-	-	-	-	-	-	-
xx	C26.30	-	-	-	-	-	-	-	-
xx	C27.11	-	-	-	-	-	-	-	-
xx	C29.32	-	-	-	-	-	-	-	-
xx	C33.20	-	-	-	-	-	-	-	-
xx	D35.13	-	-	-	-	-	-	-	-
xx	E36.00	-	-	-	-	1	1	-	-
xx	G46.51	-	-	-	-	-	-	-	-
xx	I55.10	-	-	-	-	-	-	-	-
xx	L68.20	-	-	-	-	-	-	-	-
xx	M70.10	-	-	-	-	-	-	-	-
xx	O84.11	4	4	-	-	5	5	-	-

		q	r	s	t	u	v	w	x
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in EUR million	Of which environmentally sustainable (PPC)	in EUR million	Of which environmentally sustainable (PPC)	in EUR million	Of which environmentally sustainable (BIO)	in EUR million	Of which environmentally sustainable (BIO)
xx	A01.50	-	-	-	-	-	-	-	-
xx	A03.21	-	-	-	-	10	-	-	-
xx	C21.20	-	-	-	-	-	-	-	-
xx	C23.51	-	-	-	-	-	-	-	-
xx	C26.30	-	-	-	-	-	-	-	-
xx	C27.11	-	-	-	-	-	-	-	-
xx	C29.32	-	-	-	-	-	-	-	-
xx	C33.20	-	-	-	-	-	-	-	-
xx	D35.13	-	-	-	-	-	-	-	-
xx	E36.00	-	-	-	-	-	-	-	-
xx	G46.51	-	-	-	-	-	-	-	-
xx	I55.10	-	-	-	-	39	-	-	-
xx	L68.20	-	-	-	-	-	-	-	-
xx	M70.10	-	-	-	-	-	-	-	-
xx	O84.11	-	-	-	-	-	-	-	-

		y	z	aa	Ab
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	in EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
xx	A01.50	1	1	-	-
xx	A03.21	19	-	-	-
xx	C21.20	4	-	-	-
xx	C23.51	4	1	-	-
xx	C26.30	6	-	-	-
xx	C27.11	4	-	-	-
xx	C29.32	1	-	-	-
xx	C33.20	1	-	-	-
xx	D35.13	155	90	-	-
xx	E36.00	3	2	-	-
xx	G46.51	1	1	-	-
xx	I55.10	85	-	-	-
xx	L68.20	12	-	-	-
xx	M70.10	1	1	-	-
xx	O84.11	17	17	-	-

3. GAR KPI stock turnover-based view

		a	b	c	d	e	f	g	h	i
		Year ending on 31.12.2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total covered assets in the denominator)				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
0010	Loans and advances. debt securities and equity instruments not HfT eligible for GAR calculation	34.92%	1.83%	0.00%	0.01%	0.01%	0.31%	0.04%	0.00%	0.00%
0020	Financial undertakings	25.81%	1.76%	0.00%	0.15%	0.08%	1.49%	0.23%	0.00%	0.00%
0030	Credit institutions	27.43%	2.23%	0.00%	0.18%	0.07%	0.00%	0.00%	0.00%	0.00%
0040	Loans and advances	34.26%	2.82%	0.00%	0.20%	0.09%	0.00%	0.00%	0.00%	0.00%
0050	Debt securities. including UoP	2.80%	0.10%	0.00%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%
0060	Equity instruments	18.09%	1.06%		0.66%	0.24%	0.01%	0.01%		0.00%
0070	Other financial corporations	21.12%	0.41%	0.00%	0.08%	0.12%	5.80%	0.89%	0.00%	0.00%
0080	of which investment firms	-	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-	-
0100	Debt securities. including UoP	-	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-	-		-
0120	of which management companies	31.67%	0.53%	0.00%	0.12%	0.16%	0.00%	0.00%	0.00%	0.00%
0130	Loans and advances	31.67%	0.53%	0.00%	0.12%	0.16%	0.00%	0.00%	0.00%	0.00%
0140	Debt securities. including UoP	-	-	-	-	-	-	-	-	-
0150	Equity instruments	31.67%	0.53%		0.12%	0.16%	0.00%	0.00%		0.00%
0160	of which insurance undertakings	1.23%	0.16%	0.00%	0.01%	0.03%	13.95%	2.13%	0.00%	0.00%
0170	Loans and advances	1.09%	0.13%	0.00%	0.01%	0.03%	11.39%	1.73%	0.00%	0.00%
0180	Debt securities. including UoP	-	-	-	-	-	-	-	-	-
0190	Equity instruments	2.03%	0.33%		0.01%	0.06%	28.65%	4.42%		0.00%
0200	Non-financial undertakings	28.14%	11.91%	0.00%	0.02%	0.03%	1.95%	0.25%	0.00%	0.00%
0210	Loans and advances	29.90%	12.69%	0.00%	0.03%	0.04%	2.05%	0.19%	0.00%	0.00%
0220	Debt securities. including UoP	9.75%	3.75%	0.00%	0.00%	0.00%	0.87%	0.87%	0.00%	0.00%
0230	Equity instruments	31.85%	0.51%		0.11%	0.15%	0.09%	0.00%		0.00%
0240	Households	34.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0250	of which loans collateralised by residential immovable property	90.82%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0260	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0270	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%				
0280	Local governments financing	91.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	-	-	-	-	-	-	-	-	-
0300	Other local government financing	91.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	Collateral obtained by taking possession: residential and commercial immovable properties	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	Total GAR assets	19.73%	1.03%	0.00%	0.00%	0.00%	0.18%	0.02%	0.00%	0.00%

		j	k	l	m	n	o	p	q
		Year ending on 31.12.2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total covered assets in the denominator)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
0010	Loans and advances. debt securities and equity instruments not HfT eligible for GAR calculation	0.08%	0.08%	0.00%	0.00%	0.11%	0.10%	0.00%	0.00%
0020	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0030	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0040	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0050	Debt securities. including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0060	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0070	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities. including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0130	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0140	Debt securities. including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0160	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0170	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0180	Debt securities. including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0200	Non-financial undertakings	0.51%	0.51%	0.00%	0.00%	0.71%	0.68%	0.00%	0.00%
0210	Loans and advances	0.39%	0.39%	0.00%	0.00%	0.55%	0.52%	0.00%	0.00%
0220	Debt securities. including UoP	1.74%	1.74%	0.00%	0.00%	2.33%	2.32%	0.00%	0.00%
0230	Equity instruments	0.00%	0.00%		0.00%	0.05%	0.00%		0.00%
0240	Households					0.00%	0.00%	0.00%	0.00%
0250	of which loans collateralised by residential immovable property					0.00%	0.00%	0.00%	0.00%
0260	of which building renovation loans					0.00%	0.00%	0.00%	0.00%
0270	of which motor vehicle loans								
0280	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	Total GAR assets	0.04%	0.04%	0.00%	0.00%	0.06%	0.06%	0.00%	0.00%

		r	s	t	u	v	w	x	z
		Year ending on 31.12.2024							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total covered assets in the denominator)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
0010	Loans and advances. debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.87%	0.00%	0.00%	0.00%
0020	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%
0030	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0040	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0050	Debt securities. including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0060	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0070	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.06%	0.00%	0.00%	0.00%
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities. including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0130	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0140	Debt securities. including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0160	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.23%	0.00%	0.00%	0.00%
0170	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.27%	0.00%	0.00%	0.00%
0180	Debt securities. including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0200	Non-financial undertakings	0.00%	0.00%	0.00%	0.00%	5.74%	0.00%	0.00%	0.00%
0210	Loans and advances	0.00%	0.00%	0.00%	0.00%	6.30%	0.00%	0.00%	0.00%
0220	Debt securities. including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0230	Equity instruments	0.01%	0.00%		0.00%	0.06%	0.00%		0.00%
0240	Households								
0250	of which loans collateralised by residential immovable property								
0260	of which building renovation loans								
0270	of which motor vehicle loans								
0280	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	Total GAR assets	0.00%	0.00%	0.00%	0.00%	0.49%	0.00%	0.00%	0.00%

	% (compared to total covered assets in the denominator)	aa	ab	ac	ad	ae	af
		Year ending on 31.12.2024					Proportion of total assets covered
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
0010	Loans and advances. debt securities and equity instruments not HfT eligible for GAR calculation	36.29%	2.05%	0.00%	0.01%	0.01%	33.07%
0020	Financial undertakings	27.31%	1.99%	0.00%	0.15%	0.08%	0.36%
0030	Credit institutions	27.43%	2.23%	0.00%	0.18%	0.07%	0.26%
0040	Loans and advances	34.26%	2.82%	0.00%	0.20%	0.09%	0.21%
0050	Debt securities. including UoP	2.80%	0.10%	0.00%	0.10%	0.00%	0.06%
0060	Equity instruments	18.10%	1.07%		0.66%	0.24%	0.00%
0070	Other financial corporations	26.98%	1.30%	0.00%	0.08%	0.12%	0.09%
0080	of which investment firms	-	-	-	-	-	0.00%
0090	Loans and advances	-	-	-	-	-	0.00%
0100	Debt securities. including UoP	-	-	-	-	-	0.00%
0110	Equity instruments	-	-		-	-	0.00%
0120	of which management companies	31.67%	0.53%	0.00%	0.12%	0.16%	0.03%
0130	Loans and advances	31.67%	0.53%	0.00%	0.12%	0.16%	0.00%
0140	Debt securities. including UoP	-	-	-	-	-	0.00%
0150	Equity instruments	31.67%	0.53%		0.12%	0.16%	0.03%
0160	of which insurance undertakings	15.41%	2.29%	0.00%	0.01%	0.03%	0.03%
0170	Loans and advances	12.75%	1.86%	0.00%	0.01%	0.03%	0.02%
0180	Debt securities. including UoP	-	-	-	-	-	0.00%
0190	Equity instruments	30.68%	4.75%		0.01%	0.07%	0.00%
0200	Non-financial undertakings	37.05%	13.34%	0.00%	0.02%	0.03%	5.03%
0210	Loans and advances	39.19%	13.79%	0.00%	0.03%	0.04%	4.58%
0220	Debt securities. including UoP	14.69%	8.68%	0.00%	0.00%	0.00%	0.44%
0230	Equity instruments	32.05%	0.51%		0.11%	0.15%	0.00%
0240	Households	34.19%	0.00%	0.00%	0.00%	0.00%	26.69%
0250	of which loans collateralised by residential immovable property	90.82%	0.00%	0.00%	0.00%	0.00%	9.96%
0260	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.08%
0270	of which motor vehicle loans						
0280	Local governments financing	91.70%	0.00%	0.00%	0.00%	0.00%	1.00%
0290	Housing financing	-	-	-	-	-	0.00%
0300	Other local government financing	91.70%	0.00%	0.00%	0.00%	0.00%	1.00%
0310	Collateral obtained by taking possession: residential and commercial immovable properties	100.00%	0.00%	0.00%	0.00%	0.00%	0.05%
0320	Total GAR assets	20.50%	1.15%	0.00%	0.00%	0.00%	33.12%

		a	b	c	d	e	f	g	h	i
		Year ending on 31.12.2023								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances. debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-	-
2	Financial undertakings	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-
5	Debt securities. including UoP	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-		-	-	-	-	
7	Other financial corporations	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities. including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-	
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities. including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-	
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities. including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-	-	-	
20	Non-financial undertakings	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-
22	Debt securities. including UoP	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-		-	-	-	-	
24	Households	-	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-			
28	Local governments financing	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-
32	Total GAR assets	-	-	-	-	-	-	-	-	-

		j	k	l	m	n	o	p	q
		Year ending on 31.12.2023							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances. debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	Financial undertakings	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities. including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-		-	-	-	
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities. including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities. including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities. including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-	-	
20	Non-financial undertakings	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities. including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-		-	-	-	
24	Households	-					-	-	-
25	of which loans collateralised by residential immovable property	-					-	-	-
26	of which building renovation loans	-					-	-	-
27	of which motor vehicle loans								
28	Local governments financing	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-
32	Total GAR assets	-	-	-	-	-	-	-	-

	% (compared to total covered assets in the denominator)	r	s	t	u	v	w	x	z
		Year ending on 31.12.2023							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances. debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	Financial undertakings	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities. including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-		-	-	-	
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities. including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities. including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities. including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-	-	
20	Non-financial undertakings	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities. including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-		-	-	-	
24	Households	-							
25	of which loans collateralised by residential immovable property	-							
26	of which building renovation loans	-							
27	of which motor vehicle loans								
28	Local governments financing	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-
32	Total GAR assets	-	-	-	-	-	-	-	-

		aa	ab	ac	ad	ae	af
		Year ending on 31.12.2023					Proportion of total assets covered
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances. debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-
2	Financial undertakings	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-
5	Debt securities. including UoP	-	-	-	-	-	-
6	Equity instruments	-	-	-		-	-
7	Other financial corporations	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-
10	Debt securities. including UoP	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities. including UoP	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities. including UoP	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-
20	Non-financial undertakings	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-
22	Debt securities. including UoP	-	-	-	-	-	-
23	Equity instruments	-	-	-		-	-
24	Households		-	-	-	-	-
25	of which loans collateralised by residential immovable property		-	-	-	-	-
26	of which building renovation loans		-	-	-	-	-
27	of which motor vehicle loans						
28	Local governments financing	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
32	Total GAR assets	-	-	-	-	-	-

4. GAR KPI flow turnover-based view

		a	b	c	d	e	f	g	h	i
		Year ending on 31.12.2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to flow of total eligible assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	19.82%	0.17%	0.00%	0.02%	0.02%	0.41%	0.00%	0.00%	0.00%
0020	Financial undertakings	15.60%	0.91%	0.00%	0.56%	0.21%	0.65%	0.10%	0.00%	0.00%
0030	Credit institutions	18.13%	1.06%	0.00%	0.66%	0.25%	0.01%	0.01%	0.00%	0.00%
0040	Loans and advances	18.13%	1.06%	0.00%	0.66%	0.25%	0.01%	0.01%	0.00%	0.00%
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-		-	-	-	-		-
0070	Other financial corporations	0.32%	0.05%	0.00%	0.00%	0.01%	4.53%	0.67%	0.00%	0.00%
0080	of which investment firms	-	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-	-		-
0160	of which insurance undertakings	0.32%	0.05%	0.00%	0.00%	0.01%	4.53%	0.67%	0.00%	0.00%
0170	Loans and advances	0.32%	0.05%	0.00%	0.00%	0.01%	4.53%	0.67%	0.00%	0.00%
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-	-		-
0200	Non-financial undertakings	19.07%	1.75%	0.00%	0.14%	0.18%	4.32%	0.00%	0.00%	0.00%
0210	Loans and advances	17.25%	1.86%	0.00%	0.14%	0.19%	4.59%	0.00%	0.00%	0.00%
0220	Debt securities, including UoP	48.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0230	Equity instruments	-	-		-	-	-	-		-
0240	Households	18.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0250	of which loans collateralised by residential immovable property	86.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0260	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0270	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%				
0280	Local governments financing	72.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	-	-	-	-	-	-	-	-	-
0300	Other local government financing	72.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	Collateral obtained by taking possession: residential and commercial immovable properties	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	Total GAR assets	10.97%	0.10%	0.00%	0.01%	0.01%	0.23%	0.00%	0.00%	0.00%

		j	k	l	m	n	o	p	q
		Year ending on 31.12.2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to flow of total eligible assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%
0020	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0030	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0040	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0170	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	Non-financial undertakings	0.00%	0.00%	0.00%	0.00%	0.17%	0.00%	0.00%	0.00%
0210	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.18%	0.00%	0.00%	0.00%
0220	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0230	Equity instruments	-	-		-	-	-		-
0240	Households					0.00%	0.00%	0.00%	0.00%
0250	of which loans collateralised by residential immovable property					0.00%	0.00%	0.00%	0.00%
0260	of which building renovation loans					0.00%	0.00%	0.00%	0.00%
0270	of which motor vehicle loans								
0280	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	Total GAR assets	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%

		r	s	t	u	v	w	x	z
		Year ending on 31.12.2024							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to flow of total eligible assets))			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	1.06%	0.00%	0.00%	0.00%
0020	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%
0030	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0040	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.27%	0.00%	0.00%	0.00%
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.27%	0.00%	0.00%	0.00%
0170	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.27%	0.00%	0.00%	0.00%
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	Non-financial undertakings	0.00%	0.00%	0.00%	0.00%	11.18%	0.00%	0.00%	0.00%
0210	Loans and advances	0.00%	0.00%	0.00%	0.00%	11.89%	0.00%	0.00%	0.00%
0220	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0230	Equity instruments	-	-		-	-	-		-
0240	Households								
0250	of which loans collateralised by residential immovable property								
0260	of which building renovation loans								
0270	of which motor vehicle loans								
0280	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	Total GAR assets	0.00%	0.00%	0.00%	0.00%	0.59%	0.00%	0.00%	0.00%

		aa	ab	ac	ad	ae	af
		Year ending on 31.12.2024					Proportion of total new assets covered
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to flow of total eligible assets)				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	21.31%	0.17%	0.00%	0.02%	0.02%	42.82%
0020	Financial undertakings	16.29%	1.01%	0.00%	0.56%	0.21%	0.31%
0030	Credit institutions	18.14%	1.06%	0.00%	0.66%	0.25%	0.27%
0040	Loans and advances	18.14%	1.06%	0.00%	0.66%	0.25%	0.27%
0050	Debt securities, including UoP	-	-	-	-	-	0.00%
0060	Equity instruments	-	-		-	-	0.00%
0070	Other financial corporations	5.13%	0.72%	0.00%	0.00%	0.01%	0.04%
0080	of which investment firms	-	-	-	-	-	0.00%
0090	Loans and advances	-	-	-	-	-	0.00%
0100	Debt securities, including UoP	-	-	-	-	-	0.00%
0110	Equity instruments	-	-		-	-	0.00%
0120	of which management companies	-	-	-	-	-	0.00%
0130	Loans and advances	-	-	-	-	-	0.00%
0140	Debt securities, including UoP	-	-	-	-	-	0.00%
0150	Equity instruments	-	-		-	-	0.00%
0160	of which insurance undertakings	5.13%	0.72%	0.00%	0.00%	0.01%	0.04%
0170	Loans and advances	5.13%	0.72%	0.00%	0.00%	0.01%	0.04%
0180	Debt securities, including UoP	-	-	-	-	-	0.00%
0190	Equity instruments	-	-		-	-	0.00%
0200	Non-financial undertakings	34.75%	1.75%	0.00%	0.14%	0.18%	4.06%
0210	Loans and advances	33.90%	1.86%	0.00%	0.14%	0.19%	3.82%
0220	Debt securities, including UoP	48.25%	0.00%	0.00%	0.00%	0.00%	0.24%
0230	Equity instruments	-	-		-	-	0.00%
0240	Households	18.88%	0.00%	0.00%	0.00%	0.00%	37.70%
0250	of which loans collateralised by residential immovable property	86.64%	0.00%	0.00%	0.00%	0.00%	8.16%
0260	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.05%
0270	of which motor vehicle loans						
0280	Local governments financing	72.91%	0.00%	0.00%	0.00%	0.00%	0.75%
0290	Housing financing	-	-	-	-	-	0.00%
0300	Other local government financing	72.91%	0.00%	0.00%	0.00%	0.00%	0.75%
0310	Collateral obtained by taking possession: residential and commercial immovable properties	100.00%	0.00%	0.00%	0.00%	0.00%	0.01%
0320	Total GAR assets	11.79%	0.10%	0.00%	0.01%	0.01%	42.83%

5. KPI off-balance sheet exposures turnover-based view, stock

		a	b	c	d	e	f	g	h	i
		Year ending on 31.12.2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	14.87%	0.88%	0.00%	0.10%	0.06%	2.10%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	23.86%	7.18%	0.00%	0.35%	2.66%	0.71%	0.02%	0.00%	0.02%

		j	k	l	m	n	o	p	q
		Year ending on 31.12.2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	0.15%	0.00%	0.00%	0.00%	6.26%	0.54%	0.00%	0.02%

		r	s	t	u	v	w	x	z
		Year ending on 31.12.2024							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	11.31%	0.03%	0.00%	0.03%	0.01%	0.00%	0.00%	0.00%

		aa	ab	ac	ad	ae
		Year ending on 31.12.2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transitional	Of which enabling
0010	Financial guarantees (FinGuar KPI)	16.97%	0.88%	0.00%	0.10%	0.06%
0020	Assets under management (AuM KPI)	42.30%	7.77%	0.00%	0.35%	2.73%

	a	b	c	d	e	f	g	h	i
	Year ending on 31.12.2023								
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-
2 Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-

Footnote: The denominators of the respective percentages correspond to the covered assets at the line level from column a of Template 1.

	j	k	l	m	n	o	p	q
	Year ending on 31.12.2023							
	Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-
2 Assets under management (AuM KPI)	-	-	-	-	-	-	-	-

	r	s	t	u	v	w	x	z
	Year ending on 31.12.2023							
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-
2 Assets under management (AuM KPI)	-	-	-	-	-	-	-	-

		aa	ab	ac	ad	ae
		Year ending on 31.12.2023				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-

5. KPI off-balance sheet exposures turnover-based view, flow

		a	b	c	d	e	f	g	h	i
		Year ending on 31.12.2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	10.37%	0.70%	0.00%	0.04%	0.04%	0.01%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	27.92%	15.41%	0.00%	0.26%	5.04%	0.70%	0.01%	0.00%	0.00%

		j	k	l	m	n	o	p	q
		Year ending on 31.12.2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	0.42%	0.00%	0.00%	0.00%	18.70%	1.69%	0.00%	0.05%

		r	s	t	u	v	w	x	z
		Year ending on 31.12.2024							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	0.55%	0.04%	0.00%	0.04%	0.02%	0.00%	0.00%	0.00%

		aa	ab	ac	ad	ae
		Year ending on 31.12.2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transitional	Of which enabling
0010	Financial guarantees (FinGuar KPI)	10.38%	0.70%	0.00%	0.04%	0.04%
0020	Assets under management (AuM KPI)	48.32%	17.15%	0.00%	0.26%	5.14%

1. Assets for the calculation of GAR, CapEx-based view

		a	b	c	d	e	f	g	h	i	j
		Year ending on 31.12.2024									
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
in EUR million		Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator										
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	5,563	2,010	159	-	-	2	9	-	-	-
0020	Financial undertakings	60	15	1	-	-	-	1	-	-	-
0030	Credit institutions	45	12	1	-	-	-	-	-	-	-
0040	Loans and advances	35	12	1	-	-	-	-	-	-	-
0050	Debt securities, including UoP	10	-	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-	-	-	-	-	-	-	-	-
0070	Other financial corporations	15	3	-	-	-	-	1	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-	-	-	-	-	-	-	-	-
0120	of which management companies	5	2	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0150	Equity instruments	5	2	-	-	-	-	-	-	-	-
0160	of which insurance undertakings	5	-	-	-	-	-	-	-	-	-
0170	Loans and advances	4	-	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0190	Equity instruments	1	-	-	-	-	-	-	-	-	-
0200	Non-financial undertakings	845	306	158	-	-	2	8	-	-	-
0210	Loans and advances	771	296	153	-	-	2	8	-	-	-
0220	Debt securities, including UoP	74	10	5	-	-	-	-	-	-	-
0230	Equity instruments	-	-	-	-	-	-	-	-	-	-
0240	Households	4,490	1,535	-	-	-	-	-	-	-	-
0250	of which loans collateralised by residential immovable property	1,676	1,522	-	-	-	-	-	-	-	-
0260	of which building renovation loans	13	13	-	-	-	-	-	-	-	-
0270	of which motor vehicle loans	2	-	-	-	-	-	-	-	-	-
0280	Local governments financing	168	154	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-	-	-
0300	Other local government financing	168	154	-	-	-	-	-	-	-	-
0310	Collateral obtained by taking possession: residential and commercial immovable properties	9	9	-	-	-	-	-	-	-	-

0320	Assets excluded from the numerator for GAR calculation (covered in the denominator)	4,322	-	-	-	-	-	-	-	-	-
0330	Financial and Non-financial undertakings	3,599	-	-	-	-	-	-	-	-	-
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	3,318	-	-	-	-	-	-	-	-	-
0350	Loans and advances	3,293	-	-	-	-	-	-	-	-	-
0360	of which loans collateralised by commercial immovable property	1,637	-	-	-	-	-	-	-	-	-
0370	of which building renovation loans	6	-	-	-	-	-	-	-	-	-
0380	Debt securities	20	-	-	-	-	-	-	-	-	-
0390	Equity instruments	5	-	-	-	-	-	-	-	-	-
0400	Non-EU country counterparties not subject to NFRD disclosure obligations	281	-	-	-	-	-	-	-	-	-
0410	Loans and advances	278	-	-	-	-	-	-	-	-	-
0420	Debt securities	1	-	-	-	-	-	-	-	-	-
0430	Equity instruments	2	-	-	-	-	-	-	-	-	-
0440	Derivatives	-	-	-	-	-	-	-	-	-	-
0450	On demand interbank loans	95	-	-	-	-	-	-	-	-	-
0460	Cash and cash-related assets	383	-	-	-	-	-	-	-	-	-
0470	Other categories of assets (e.g. Goodwill, commodities etc.)	245	-	-	-	-	-	-	-	-	-
0480	Total GAR assets	9,894	2,019	159	-	-	2	9	-	-	-
0490	Assets not covered for GAR calculation	6,928	-	-	-	-	-	-	-	-	-
0500	Central governments and Supranational issuers	3,990	-	-	-	-	-	-	-	-	-
0510	Central banks exposure	2,919	-	-	-	-	-	-	-	-	-
0520	Trading book	19	-	-	-	-	-	-	-	-	-
0530	Total assets	16,822	2,019	159	-	-	2	9	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations										
0540	Financial guarantees	96	26	3	-	-	2	2	-	-	-
0550	Assets under management	2	-	-	-	-	-	-	-	-	-
0560	Of which debt securities	1	-	-	-	-	-	-	-	-	-
0570	Of which equity instruments	1	-	-	-	-	-	-	-	-	-

		k	l	m	n	o	p	q	r
		Year ending on 31.12.2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	in EUR million			Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	12	12	-	-	2	-	-	-
0020	Financial undertakings	-	-	-	-	-	-	-	-
0030	Credit institutions	-	-	-	-	-	-	-	-
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-	-	-	-	-	-	-
0070	Other financial corporations	-	-	-	-	-	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-	-	-	-	-	-	-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-	-	-	-	-	-	-
0160	of which insurance undertakings	-	-	-	-	-	-	-	-
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-	-	-	-	-	-	-
0200	Non-financial undertakings	12	12	-	-	2	-	-	-
0210	Loans and advances	8	8	-	-	2	-	-	-
0220	Debt securities, including UoP	4	4	-	-	-	-	-	-
0230	Equity instruments	-	-	-	-	-	-	-	-
0240	Households	-	-	-	-	-	-	-	-
0250	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
0260	of which building renovation loans	-	-	-	-	-	-	-	-
0270	of which motor vehicle loans	-	-	-	-	-	-	-	-
0280	Local governments financing	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-
0320	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-	-	-	-
0330	Financial and Non-financial undertakings	-	-	-	-	-	-	-	-
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
0350	Loans and advances	-	-	-	-	-	-	-	-
0360	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-
0370	of which building renovation loans	-	-	-	-	-	-	-	-

0380	Debt securities	-	-	-	-	-	-	-	-
0390	Equity instruments	-	-	-	-	-	-	-	-
0400	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
0410	Loans and advances	-	-	-	-	-	-	-	-
0420	Debt securities	-	-	-	-	-	-	-	-
0430	Equity instruments	-	-	-	-	-	-	-	-
0440	Derivatives	-	-	-	-	-	-	-	-
0450	On demand interbank loans	-	-	-	-	-	-	-	-
0460	Cash and cash-related assets	-	-	-	-	-	-	-	-
0470	Other categories of assets (e.g. Goodwill, commodities etc.)	-	-	-	-	-	-	-	-
0480	Total GAR assets	12	12	-	-	2	-	-	-
0490	Assets not covered for GAR calculation	-	-	-	-	-	-	-	-
0500	Central governments and Supranational issuers	-	-	-	-	-	-	-	-
0510	Central banks exposure	-	-	-	-	-	-	-	-
0520	Trading book	-	-	-	-	-	-	-	-
0530	Total assets	12	12	-	-	2	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations								
0540	Financial guarantees	-	-	-	-	-	-	-	-
0550	Assets under management	-	-	-	-	-	-	-	-
0560	Of which debt securities	-	-	-	-	-	-	-	-
0570	Of which equity instruments	-	-	-	-	-	-	-	-

		s	t	u	v	w	x	z	aa
		Year ending on 31.12.2024							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
in EUR million				Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	7	-	-	-
0020	Financial undertakings	-	-	-	-	-	-	-	-
0030	Credit institutions	-	-	-	-	-	-	-	-
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-	-	-	-	-	-	-
0070	Other financial corporations	-	-	-	-	-	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-	-	-	-	-	-	-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-	-	-	-	-	-	-
0160	of which insurance undertakings	-	-	-	-	-	-	-	-
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-	-	-	-	-	-	-
0200	Non-financial undertakings	-	-	-	-	7	-	-	-
0210	Loans and advances	-	-	-	-	7	-	-	-
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-
0230	Equity instruments	-	-	-	-	-	-	-	-
0240	Households	-	-	-	-	-	-	-	-
0250	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
0260	of which building renovation loans	-	-	-	-	-	-	-	-
0270	of which motor vehicle loans	-	-	-	-	-	-	-	-
0280	Local governments financing	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-
0320	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-	-	-	-
0330	Financial and Non-financial undertakings	-	-	-	-	-	-	-	-
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
0350	Loans and advances	-	-	-	-	-	-	-	-
0360	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-
0370	of which building renovation loans	-	-	-	-	-	-	-	-

0380	Debt securities	-	-	-	-	-	-	-	-
0390	Equity instruments	-	-	-	-	-	-	-	-
0400	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
0410	Loans and advances	-	-	-	-	-	-	-	-
0420	Debt securities	-	-	-	-	-	-	-	-
0430	Equity instruments	-	-	-	-	-	-	-	-
0440	Derivatives	-	-	-	-	-	-	-	-
0450	On demand interbank loans	-	-	-	-	-	-	-	-
0460	Cash and cash-related assets	-	-	-	-	-	-	-	-
0470	Other categories of assets (e.g. Goodwill, commodities etc.)	-	-	-	-	-	-	-	-
0480	Total GAR assets	-	-	-	-	7	-	-	-
0490	Assets not covered for GAR calculation	-	-	-	-	-	-	-	-
0500	Central governments and Supranational issuers	-	-	-	-	-	-	-	-
0510	Central banks exposure	-	-	-	-	-	-	-	-
0520	Trading book	-	-	-	-	-	-	-	-
0530	Total assets	-	-	-	-	7	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations								
0540	Financial guarantees	-	-	-	-	-	-	-	-
0550	Assets under management	-	-	-	-	-	-	-	-
0560	Of which debt securities	-	-	-	-	-	-	-	-
0570	Of which equity instruments	-	-	-	-	-	-	-	-

in EUR million		ab	ac	ad	ae	af
		Year ending on 31.12.2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	2,040	171	-	-	2
0020	Financial undertakings	16	1	-	-	-
0030	Credit institutions	12	1	-	-	-
0040	Loans and advances	12	1	-	-	-
0050	Debt securities, including UoP	-	-	-	-	-
0060	Equity instruments	-	-	-	-	-
0070	Other financial corporations	4	-	-	-	-
0080	of which investment firms	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-
0110	Equity instruments	-	-	-	-	-
0120	of which management companies	2	-	-	-	-
0130	Loans and advances	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-
0150	Equity instruments	2	-	-	-	-
0160	of which insurance undertakings	-	-	-	-	-
0170	Loans and advances	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-
0190	Equity instruments	-	-	-	-	-
0200	Non-financial undertakings	335	170	-	-	2
0210	Loans and advances	321	161	-	-	2
0220	Debt securities, including UoP	14	9	-	-	-
0230	Equity instruments	-	-	-	-	-
0240	Households	1,535	-	-	-	-
0250	of which loans collateralised by residential immovable property	1,522	-	-	-	-
0260	of which building renovation loans	13	-	-	-	-
0270	of which motor vehicle loans	-	-	-	-	-
0280	Local governments financing	154	-	-	-	-
0290	Housing financing	-	-	-	-	-
0300	Other local government financing	154	-	-	-	-
0310	Collateral obtained by taking possession: residential and commercial immovable properties	9	-	-	-	-
0320	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-
0330	Financial and Non-financial undertakings	-	-	-	-	-
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-
0350	Loans and advances	-	-	-	-	-
0360	of which loans collateralised by commercial immovable property	-	-	-	-	-
0370	of which building renovation loans	-	-	-	-	-
0380	Debt securities	-	-	-	-	-

0390	Equity instruments	-	-	-	-	-
0400	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-
0410	Loans and advances	-	-	-	-	-
0420	Debt securities	-	-	-	-	-
0430	Equity instruments	-	-	-	-	-
0440	Derivatives	-	-	-	-	-
0450	On demand interbank loans	-	-	-	-	-
0460	Cash and cash-related assets	-	-	-	-	-
0470	Other categories of assets (e.g. Goodwill, commodities etc.)	-	-	-	-	-
0480	Total GAR assets	2,049	171	-	-	2
0490	Assets not covered for GAR calculation	-	-	-	-	-
0500	Central governments and Supranational issuers	-	-	-	-	-
0510	Central banks exposure	-	-	-	-	-
0520	Trading book	-	-	-	-	-
0530	Total assets	2,049	171	-	-	2
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations					
0540	Financial guarantees	28	3	-	-	2
0550	Assets under management	-	-	-	-	-
0560	Of which debt securities	-	-	-	-	-
0570	Of which equity instruments	-	-	-	-	-

		a	b	c	d	e	f	g	h	i	j
		Year ending on 31.12.2023									
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Total [gross] carrying amount		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
	in EUR million				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-	-	-
2	Financial undertakings	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-
20	Non-financial undertakings	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-
24	Households	-	-	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-
28	Local governments financing	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-	-	-	-	-	-

33	Financial and Non-financial undertakings	-	-	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	-	-	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-	-	-	-	-	-
38	Debt securities	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-
44	Derivatives	-	-	-	-	-	-	-	-	-	-
45	On demand interbank loans	-	-	-	-	-	-	-	-	-	-
46	Cash and cash-related assets	-	-	-	-	-	-	-	-	-	-
47	Other categories of assets (e.g. Goodwill, commodities etc.)	-	-	-	-	-	-	-	-	-	-
48	Total GAR assets	-	-	-	-	-	-	-	-	-	-
49	Assets not covered for GAR calculation	-	-	-	-	-	-	-	-	-	-
50	Central governments and Supranational issuers	-	-	-	-	-	-	-	-	-	-
51	Central banks exposure	-	-	-	-	-	-	-	-	-	-
52	Trading book	-	-	-	-	-	-	-	-	-	-
53	Total assets	-	-	-	-	-	-	-	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-
54	Financial guarantees	-	-	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-

		k	l	m	n	o	p	q	r
		Year ending on 31.12.2023							
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	in EUR million			Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	Financial undertakings	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	Non-financial undertakings	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-
24	Households	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	Local governments financing	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-	-	-	-
33	Financial and Non-financial undertakings	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
35	Loans and advances	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-

37	of which building renovation loans	-	-	-	-	-	-	-	-
38	Debt securities	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-
44	Derivatives	-	-	-	-	-	-	-	-
45	On demand interbank loans	-	-	-	-	-	-	-	-
46	Cash and cash-related assets	-	-	-	-	-	-	-	-
47	Other categories of assets (e.g. Goodwill, commodities etc.)	-	-	-	-	-	-	-	-
48	Total GAR assets	-	-	-	-	-	-	-	-
49	Assets not covered for GAR calculation	-	-	-	-	-	-	-	-
50	Central governments and Supranational issuers	-	-	-	-	-	-	-	-
51	Central banks exposure	-	-	-	-	-	-	-	-
52	Trading book	-	-	-	-	-	-	-	-
53	Total assets	-	-	-	-	-	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
54	Financial guarantees	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-

		s	t	u	v	w	x	z	aa
		Year ending on 31.12.2023							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	in EUR million			Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	Financial undertakings	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	Non-financial undertakings	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-
24	Households	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	Local governments financing	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-	-	-	-
33	Financial and Non-financial undertakings	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
35	Loans and advances	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-

37	of which building renovation loans	-	-	-	-	-	-	-	-
38	Debt securities	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-
44	Derivatives	-	-	-	-	-	-	-	-
45	On demand interbank loans	-	-	-	-	-	-	-	-
46	Cash and cash-related assets	-	-	-	-	-	-	-	-
47	Other categories of assets (e.g. Goodwill, commodities etc.)	-	-	-	-	-	-	-	-
48	Total GAR assets	-	-	-	-	-	-	-	-
49	Assets not covered for GAR calculation	-	-	-	-	-	-	-	-
50	Central governments and Supranational issuers	-	-	-	-	-	-	-	-
51	Central banks exposure	-	-	-	-	-	-	-	-
52	Trading book	-	-	-	-	-	-	-	-
53	Total assets	-	-	-	-	-	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
54	Financial guarantees	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-

		ab	ac	ad	ae	af
		Year ending on 31.12.2023				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)			
	in EUR million			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-
2	Financial undertakings	-	-	-	-	-
3	Credit institutions	-	-	-	-	-
4	Loans and advances	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-
6	Equity instruments	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-
8	of which investment firms	-	-	-	-	-
9	Loans and advances	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-
11	Equity instruments	-	-	-	-	-
12	of which management companies	-	-	-	-	-
13	Loans and advances	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-
15	Equity instruments	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-
17	Loans and advances	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	-	-	-	-	-
20	Non-financial undertakings	-	-	-	-	-
21	Loans and advances	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-
23	Equity instruments	-	-	-	-	-
24	Households	-	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-
28	Local governments financing	-	-	-	-	-
29	Housing financing	-	-	-	-	-
30	Other local government financing	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-
33	Financial and Non-financial undertakings	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-
35	Loans and advances	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-
38	Debt securities	-	-	-	-	-

39	Equity instruments	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-
41	Loans and advances	-	-	-	-	-
42	Debt securities	-	-	-	-	-
43	Equity instruments	-	-	-	-	-
44	Derivatives	-	-	-	-	-
45	On demand interbank loans	-	-	-	-	-
46	Cash and cash-related assets	-	-	-	-	-
47	Other categories of assets (e.g. Goodwill, commodities etc.)	-	-	-	-	-
48	Total GAR assets	-	-	-	-	-
49	Assets not covered for GAR calculation	-	-	-	-	-
50	Central governments and Supranational issuers	-	-	-	-	-
51	Central banks exposure	-	-	-	-	-
52	Trading book	-	-	-	-	-
53	Total assets	-	-	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-
54	Financial guarantees	-	-	-	-	-
55	Assets under management	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-

2. GAR sector information, CapEx-based view

	a	b	c	d	e	f	g	h
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
Breakdown by sector - NACE 4 digits level (code and label)	in EUR million	Of which environmentally sustainable (CCM)	in EUR million	Of which environmentally sustainable (CCM)	in EUR million	Of which environmentally sustainable (CCA)	in EUR million	Of which environmentally sustainable (CCA)
A01.11	1	-	-	-	-	-	-	-
A03.21	15	-	-	-	-	-	-	-
C10.11	1	-	-	-	-	-	-	-
C10.61	1	-	-	-	-	-	-	-
C10.89	5	-	-	-	-	-	-	-
C21.20	3	2	-	-	-	-	-	-
C23.51	3	1	-	-	-	-	-	-
C26.30	-	-	-	-	7	-	-	-
C27.11	5	-	-	-	-	-	-	-
C29.32	1	-	-	-	-	-	-	-
C33.20	1	-	-	-	-	-	-	-
D35.13	193	139	-	-	-	-	-	-
E36.00	1	1	-	-	-	-	-	-
G45.31	1	1	-	-	-	-	-	-
G46.51	1	-	-	-	-	-	-	-
G47.11	1	-	-	-	-	-	-	-
I55.10	44	2	-	-	1	-	-	-
L68.20	12	-	-	-	-	-	-	-
M70.10	2	2	-	-	-	-	-	-
M72.19	1	-	-	-	-	-	-	-
N82.20	4	-	-	-	-	-	-	-
O84.11	10	10			-	-		

	i	j	k	l	m	n	o	p
	Water and marine resources (WTR)				Circular economy (CE)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
Breakdown by sector - NACE 4 digits level (code and label)	in EUR million	Of which environmentally sustainable (WTR)	in EUR million	Of which environmentally sustainable (WTR)	in EUR million	Of which environmentally sustainable (CE)	in EUR million	Of which environmentally sustainable (CE)
A01.11	-	-	-	-	-	-	-	-
A03.21	-	-	-	-	2	-	-	-
C10.11	-	-	-	-	-	-	-	-
C10.61	-	-	-	-	-	-	-	-
C10.89	-	-	-	-	-	-	-	-
C21.20	-	-	-	-	-	-	-	-
C23.51	-	-	-	-	-	-	-	-
C26.30	-	-	-	-	-	-	-	-
C27.11	-	-	-	-	-	-	-	-
C29.32	-	-	-	-	-	-	-	-
C33.20	-	-	-	-	-	-	-	-
D35.13	-	-	-	-	-	-	-	-
E36.00	1	1	-	-	-	-	-	-
G45.31	-	-	-	-	-	-	-	-
G46.51	-	-	-	-	-	-	-	-
G47.11	-	-	-	-	-	-	-	-
I55.10	-	-	-	-	-	-	-	-
L68.20	-	-	-	-	-	-	-	-
M70.10	-	-	-	-	-	-	-	-
M72.19	-	-	-	-	-	-	-	-
N82.20	-	-	-	-	-	-	-	-
O84.11	11	11			-	-	-	-

	q	r	s	t	u	v	w	x
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
Breakdown by sector - NACE 4 digits level (code and label)	in EUR million	Of which environmentally sustainable (PPC)	in EUR million	Of which environmentally sustainable (PPC)	in EUR million	Of which environmentally sustainable (BIO)	in EUR million	Of which environmentally sustainable (BIO)
A01.11	-	-	-	-	-	-	-	-
A03.21	-	-	-	-	7	-	-	-
C10.11	-	-	-	-	-	-	-	-
C10.61	-	-	-	-	-	-	-	-
C10.89	-	-	-	-	-	-	-	-
C21.20	-	-	-	-	-	-	-	-
C23.51	-	-	-	-	-	-	-	-
C26.30	-	-	-	-	-	-	-	-
C27.11	-	-	-	-	-	-	-	-
C29.32	-	-	-	-	-	-	-	-
C33.20	-	-	-	-	-	-	-	-
D35.13	-	-	-	-	-	-	-	-
E36.00	-	-	-	-	-	-	-	-
G45.31	-	-	-	-	-	-	-	-
G46.51	-	-	-	-	-	-	-	-
G47.11	-	-	-	-	-	-	-	-
I55.10	-	-	-	-	-	-	-	-
L68.20	-	-	-	-	-	-	-	-
M70.10	-	-	-	-	-	-	-	-
M72.19	-	-	-	-	-	-	-	-
N82.20	-	-	-	-	-	-	-	-
O84.11	-	-	-	-	-	-	-	-

	y	z	aa	Ab
	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount	
Breakdown by sector - NACE 4 digits level (code and label)	in EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	in EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
A01.11	1	-	-	-
A03.21	24	-	-	-
C10.11	1	-	-	-
C10.61	1	-	-	-
C10.89	5	-	-	-
C21.20	3	2	-	-
C23.51	3	1	-	-
C26.30	7	-	-	-
C27.11	5	-	-	-
C29.32	1	-	-	-
C33.20	1	-	-	-
D35.13	193	139	-	-
E36.00	2	2	-	-
G45.31	1	1	-	-
G46.51	1	-	-	-
G47.11	1	-	-	-
I55.10	45	2	-	-
L68.20	12	-	-	-
M70.10	2	2	-	-
M72.19	1	-	-	-
N82.20	4	-	-	-
O84.11	21	21	-	-

3. GAR KPI stock CapEx-based view

		a	b	c	d	e	f	g	h	i
		Year ending on 31.12.2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	36.16%	2.85%	-	-	0.04%	0.15%	-	-	-
0020	Financial undertakings	26.11%	1.93%	-	0.16%	0.16%	1.48%	0.23%	-	-
0030	Credit institutions	27.72%	2.40%	-	0.19%	0.16%	-	-	-	-
0040	Loans and advances	34.47%	2.99%	-	0.19%	0.17%	0.01%	-	-	-
0050	Debt securities, including UoP	3.40%	0.30%	-	0.20%	0.10%	-	-	-	-
0060	Equity instruments	18.73%	1.60%		0.64%	0.47%	0.02%	0.01%		-
0070	Other financial corporations	21.46%	0.58%	-	0.06%	0.19%	5.75%	0.89%	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-	-	-	-
0120	of which management companies	32.04%	0.75%	-	0.08%	0.27%	-	-	-	-
0130	Loans and advances	32.04%	0.75%	-	0.08%	0.27%	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0150	Equity instruments	32.04%	0.75%		0.08%	0.27%	-	-		-
0160	of which insurance undertakings	1.58%	0.21%	-	0.01%	0.04%	13.78%	2.13%	-	-
0170	Loans and advances	1.49%	0.17%	-	0.01%	0.03%	11.19%	1.73%	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0190	Equity instruments	2.11%	0.43%		0.02%	0.09%	28.67%	4.43%		-
0200	Non-financial undertakings	36.23%	18.65%	-	-	0.27%	0.89%	-	-	-
0210	Loans and advances	38.37%	19.78%	-	-	0.29%	0.98%	-	-	-
0220	Debt securities, including UoP	13.95%	6.88%	-	-	-	-	-	-	-
0230	Equity instruments	32.26%	0.75%		0.08%	0.28%	0.06%	-		-
0240	Households	34.19%	-	-	-	-	-	-	-	-
0250	of which loans collateralised by residential immovable property	90.82%	-	-	-	-	-	-	-	-
0260	of which building renovation loans	100.00%	-	-	-	-	-	-	-	-
0270	of which motor vehicle loans	-	-	-	-	-				
0280	Local governments financing	91.70%	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-	-
0300	Other local government financing	91.70%	-	-	-	-	-	-	-	-
0310	Collateral obtained by taking possession: residential and commercial immovable properties	100.00%	-	-	-	-	-	-	-	-
0320	Total GAR assets	20.42%	1.61%	-	-	0.02%	0.09%	-	-	-

		j	k	l	m	n	o	p	q
		Year ending on 31.12.2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total covered assets in the denominator)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.22%	0.22%	-	-	0.03%	-	-	-
0020	Financial undertakings	-	-	-	-	-	-	-	-
0030	Credit institutions	-	-	-	-	-	-	-	-
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	-	-	-	-	0.01%	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	-	-	-	-	0.03%	-	-	-
0170	Loans and advances	-	-	-	-	0.04%	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	Non-financial undertakings	1.44%	1.44%	-	-	0.22%	-	-	-
0210	Loans and advances	1.10%	1.10%	-	-	0.24%	-	-	-
0220	Debt securities, including UoP	4.93%	4.93%	-	-	-	-	-	-
0230	Equity instruments	-	-		-	0.04%	-		-
0240	Households					-	-	-	-
0250	of which loans collateralised by residential immovable property					-	-	-	-
0260	of which building renovation loans					-	-	-	-
0270	of which motor vehicle loans								
0280	Local governments financing	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-
0320	Total GAR assets	0.12%	0.12%	-	-	0.02%	-	-	-

		r	s	t	u	v	w	x	z
		Year ending on 31.12.2024							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total covered assets in the denominator)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	0.12%	-	-	-
0020	Financial undertakings	-	-	-	-	0.01%	-	-	-
0030	Credit institutions	-	-	-	-	-	-	-	-
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	-	-	-	-	0.04%	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	-	-	-	-	0.15%	-	-	-
0170	Loans and advances	-	-	-	-	0.18%	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	Non-financial undertakings	-	-	-	-	0.81%	-	-	-
0210	Loans and advances	-	-	-	-	0.88%	-	-	-
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-
0230	Equity instruments	-	-		-	0.01%	-		-
0240	Households								
0250	of which loans collateralised by residential immovable property								
0260	of which building renovation loans								
0270	of which motor vehicle loans								
0280	Local governments financing	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-
0320	Total GAR assets	-	-	-	-	0.07%	-	-	-

		aa	ab	ac	ad	ae	af
		Year ending on 31.12.2024					Proportion of total assets covered
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to total covered assets in the denominator)				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	36.68%	3.08%	-	-	0.04%	33.07%
0020	Financial undertakings	27.61%	2.16%	-	0.16%	0.17%	0.36%
0030	Credit institutions	27.72%	2.41%	-	0.19%	0.16%	0.26%
0040	Loans and advances	34.47%	2.99%	-	0.19%	0.17%	0.21%
0050	Debt securities, including UoP	3.40%	0.30%	-	0.20%	0.10%	0.06%
0060	Equity instruments	18.75%	1.61%		0.64%	0.47%	-
0070	Other financial corporations	27.27%	1.46%	-	0.06%	0.19%	0.09%
0080	of which investment firms	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-
0120	of which management companies	32.04%	0.75%	-	0.08%	0.27%	0.03%
0130	Loans and advances	32.04%	0.75%	-	0.08%	0.27%	-
0140	Debt securities, including UoP	-	-	-	-	-	-
0150	Equity instruments	32.04%	0.75%		0.08%	0.27%	0.03%
0160	of which insurance undertakings	15.55%	2.34%	-	0.01%	0.04%	0.03%
0170	Loans and advances	12.90%	1.90%	-	0.01%	0.04%	0.02%
0180	Debt securities, including UoP	-	-	-	-	-	-
0190	Equity instruments	30.78%	4.85%		0.02%	0.09%	-
0200	Non-financial undertakings	39.59%	20.08%	-	-	0.27%	5.03%
0210	Loans and advances	41.58%	20.89%	-	-	0.29%	4.58%
0220	Debt securities, including UoP	18.88%	11.81%	-	-	-	0.44%
0230	Equity instruments	32.38%	0.75%		0.08%	0.28%	-
0240	Households	34.19%	-	-	-	-	26.69%
0250	of which loans collateralised by residential immovable property	90.82%	-	-	-	-	9.96%
0260	of which building renovation loans	100.00%	-	-	-	-	0.08%
0270	of which motor vehicle loans						
0280	Local governments financing	91.70%	-	-	-	-	1.00%
0290	Housing financing	-	-	-	-	-	-
0300	Other local government financing	91.70%	-	-	-	-	1.00%
0310	Collateral obtained by taking possession: residential and commercial immovable properties	100.00%	-	-	-	-	0.05%
0320	Total GAR assets	20.72%	1.73%	-	-	0.02%	33.12%

	% (compared to total covered assets in the denominator)	a	b	c	d	e	f	g	h	i
		Year ending on 31.12.2023								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-	-
2	Financial undertakings	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-	-		-
20	Non-financial undertakings	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-	-		-
24	Households	-	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-				
28	Local governments financing	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-
32	Total GAR assets	-	-	-	-	-	-	-	-	-

		j	k	l	m	n	o	p	q
		Year ending on 31.12.2023							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	Financial undertakings	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	Non-financial undertakings	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	Households					-	-	-	-
25	of which loans collateralised by residential immovable property					-	-	-	-
26	of which building renovation loans					-	-	-	-
27	of which motor vehicle loans								
28	Local governments financing	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-
32	Total GAR assets	-	-	-	-	-	-	-	-

		r	s	t	u	v	w	x	z
		Year ending on 31.12.2023							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	Financial undertakings	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	Non-financial undertakings	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	Households								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	Local governments financing	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-
32	Total GAR assets	-	-	-	-	-	-	-	-

		aa	ab	ac	ad	ae	af
		Year ending on 31.12.2023					Proportion of total assets covered
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-
2	Financial undertakings	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-
7	Other financial corporations	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-
20	Non-financial undertakings	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-
24	Households	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-
28	Local governments financing	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
32	Total GAR assets	-	-	-	-	-	-

4. GAR KPI flow CapEx-based view

		a	b	c	d	e	f	g	h	i
		Year ending on 31.12.2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to flow of total eligible assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	20.60%	0.29%	0.00%	0.00%	0.01%	0.39%	0.00%	0.00%	0.00%
0020	Financial undertakings	16.20%	1.38%	0.00%	0.55%	0.41%	0.63%	0.11%	0.00%	0.00%
0030	Credit institutions	18.77%	1.60%	0.00%	0.64%	0.47%	0.02%	0.02%	0.00%	0.00%
0040	Loans and advances	18.77%	1.60%	0.00%	0.64%	0.47%	0.02%	0.02%	0.00%	0.00%
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-		-	-	-	-		-
0070	Other financial corporations	0.72%	0.07%	0.00%	0.00%	0.01%	4.32%	0.67%	0.00%	0.00%
0080	of which investment firms	-	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-	-		-
0160	of which insurance undertakings	0.72%	0.07%	0.00%	0.00%	0.01%	4.32%	0.67%	0.00%	0.00%
0170	Loans and advances	0.72%	0.07%	0.00%	0.00%	0.01%	4.32%	0.67%	0.00%	0.00%
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-	-		-
0200	Non-financial undertakings	27.23%	2.98%	0.00%	0.00%	0.06%	4.10%	0.00%	0.00%	0.00%
0210	Loans and advances	27.07%	2.14%	0.00%	0.00%	0.06%	4.35%	0.00%	0.00%	0.00%
0220	Debt securities, including UoP	29.77%	16.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0230	Equity instruments	-	-		-	-	-	-		-
0240	Households	18.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0250	of which loans collateralised by residential immovable property	86.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0260	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0270	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%				
0280	Local governments financing	72.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	-	-	-	-	-	-	-	-	-
0300	Other local government financing	72.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	Collateral obtained by taking possession: residential and commercial immovable properties	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	Total GAR assets	11.40%	0.16%	0.00%	0.00%	0.00%	0.22%	0.00%	0.00%	0.00%

		j	k	l	m	n	o	p	q
		Year ending on 31.12.2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to flow of total eligible assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%
0020	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%
0030	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0040	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%
0170	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%
0180	Debt securities, including UoP	-		-	-	-	-	-	-
0190	Equity instruments	-			-	-	-		-
0200	Non-financial undertakings	0.00%	0.00%	0.00%	0.00%	0.23%	0.00%	0.00%	0.00%
0210	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.24%	0.00%	0.00%	0.00%
0220	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0230	Equity instruments	-			-	-	-		-
0240	Households					0.00%	0.00%	0.00%	0.00%
0250	of which loans collateralised by residential immovable property					0.00%	0.00%	0.00%	0.00%
0260	of which building renovation loans					0.00%	0.00%	0.00%	0.00%
0270	of which motor vehicle loans								
0280	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	Total GAR assets	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%

		r	s	t	u	v	w	x	z
		Year ending on 31.12.2024							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to flow of total eligible assets))				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%
0020	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%
0030	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0040	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.18%	0.00%	0.00%	0.00%
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	-	-	-	-	-	-	-	-
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.18%	0.00%	0.00%	0.00%
0170	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.18%	0.00%	0.00%	0.00%
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	Non-financial undertakings	0.00%	0.00%	0.00%	0.00%	0.26%	0.00%	0.00%	0.00%
0210	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.27%	0.00%	0.00%	0.00%
0220	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0230	Equity instruments	-	-		-	-	-		-
0240	Households								
0250	of which loans collateralised by residential immovable property								
0260	of which building renovation loans								
0270	of which motor vehicle loans								
0280	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	Total GAR assets	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%

		aa	ab	ac	ad	ae	af
		Year ending on 31.12.2024					Proportion of total new assets covered
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
	% (compared to flow of total eligible assets)			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	21.04%	0.29%	0.00%	0.00%	0.01%	42.82%
0020	Financial undertakings	16.86%	1.49%	0.00%	0.55%	0.41%	0.31%
0030	Credit institutions	18.79%	1.62%	0.00%	0.64%	0.47%	0.27%
0040	Loans and advances	18.79%	1.62%	0.00%	0.64%	0.47%	0.27%
0050	Debt securities, including UoP	-	-	-	-	-	0.00%
0060	Equity instruments	-	-		-	-	0.00%
0070	Other financial corporations	5.25%	0.73%	0.00%	0.00%	0.01%	0.04%
0080	of which investment firms	-	-	-	-	-	0.00%
0090	Loans and advances	-	-	-	-	-	0.00%
0100	Debt securities, including UoP		-	-	-	-	0.00%
0110	Equity instruments	-	-		-	-	0.00%
0120	of which management companies	-	-	-	-	-	0,00%
0130	Loans and advances	-	-	-	-	-	0.00%
0140	Debt securities, including UoP	-	-	-	-	-	0.00%
0150	Equity instruments	-	-		-	-	0.00%
0160	of which insurance undertakings	5.26%	0.73%	0.00%	0.00%	0.01%	0.04%
0170	Loans and advances	5.26%	0.73%	0.00%	0.00%	0.01%	0.04%
0180	Debt securities, including UoP	-	-	-	-	-	0.00%
0190	Equity instruments	-	-		-	-	0.00%
0200	Non-financial undertakings	31.80%	2.98%	0.00%	0.00%	0.06%	4.06%
0210	Loans and advances	31.93%	2.14%	0.00%	0.00%	0.06%	3.82%
0220	Debt securities, including UoP	29.77%	16.29%	0.00%	0.00%	0.00%	0.24%
0230	Equity instruments	-	-		-	-	0.00%
0240	Households	18.88%	0.00%	0.00%	0.00%	0.00%	37.70%
0250	of which loans collateralised by residential immovable property	86.64%	0.00%	0.00%	0.00%	0.00%	8.16%
0260	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.05%
0270	of which motor vehicle loans						
0280	Local governments financing	72.91%	0.00%	0.00%	0.00%	0.00%	0.75%
0290	Housing financing	-	-	-	-	-	0.00%
0300	Other local government financing	72.91%	0.00%	0.00%	0.00%	0.00%	0.75%
0310	Collateral obtained by taking possession: residential and commercial immovable properties	100.00%	0.00%	0.00%	0.00%	0.00%	0.01%
0320	Total GAR assets	11.64%	0.16%	0.00%	0.00%	0.00%	42.83%

5. KPI off-balance sheet exposures CapEx-based view, stock

		a	b	c	d	e	f	g	h	i
		Year ending on 31.12.2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	26.73%	3.04%	0.00%	0.09%	1.73%	2.21%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	23.37%	9.50%	0.00%	0.38%	3.81%	1.00%	0.66%	0.00%	0.08%

		j	k	l	m	n	o	p	q
		Year ending on 31.12.2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	0.16%	0.00%	0.00%	0.00%	3.45%	0.13%	0.00%	0.00%

		r	s	t	u	v	w	x	z
		Year ending on 31.12.2024							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	4.85%	0.02%	0.00%	0.02%	0.01%	0.00%	0.00%	0.00%

		aa	ab	ac	ad	ae
		Year ending on 31.12.2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transitional	Of which enabling
0010	Financial guarantees (FinGuar KPI)	28.94%	3.04%	0.00%	0.09%	1.73%
0020	Assets under management (AuM KPI)	32.83%	10.32%	0.00%	0.38%	3.91%

		a	b	c	d	e	f	g	h	i
		Year ending on 31.12.2023								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-

		j	k	l	m	n	o	p	q
		Year ending on 31.12.2023							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-

		r	s	t	u	v	w	x	z
		Year ending on 31.12.2023							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-

	aa	ab	ac	ad	ae
	Year ending on 31.12.2023				
	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	-	-	-	-	-
2 Assets under management (AuM KPI)	-	-	-	-	-

5. KPI off-balance sheet exposures CapEx-based view, flow

		a	b	c	d	e	f	g	h	i
		Year ending on 31.12.2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	26.15%	3.49%	0.00%	0.04%	2.26%	0.05%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	34.66%	17.27%	0.00%	0.04%	6.21%	0.62%	0.34%	0.00%	0.01%

		j	k	l	m	n	o	p	q
		Year ending on 31.12.2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	0.42%	0.00%	0.00%	0.00%	9.59%	0.42%	0.00%	0.00%

		r	s	t	u	v	w	x	z
		Year ending on 31.12.2024							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	0.53%	0.03%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%

		aa	ab	ac	ad	ae
		Year ending on 31.12.2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transitional	Of which enabling
0010	Financial guarantees (FinGuar KPI)	26.21%	3.49%	0.00%	0.04%	2.26%
0020	Assets under management (AuM KPI)	45.82%	18.06%	0.00%	0.04%	6.25%

GAR

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES, GAR STOCK

Row	Nuclear energy related activities	
0010	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
0020	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
0030	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
	Fossil gas related activities	
0040	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
0050	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
0060	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR), GAR STOCK, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	104	1.05%	102	1.03%	2	0.02%
0080	Total applicable KPI	104	1.05%	102	1.03%	2	0.02%

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR), GAR STOCK, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	104	100.00%	102	100.00%	2	100.00%
0080	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	104	100.00%	102	100.00%	2	100.00%

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES, GAR STOCK, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.01%	1	0.01%		0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0070	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,864	18.85%	1,850	18.70%	14	0.15%
0080	Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	1,864	18.85%	1,850	18.70%	14	0.15%

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES, GAR STOCK, TURNOVER-BASED VIEW

Row	Economic activities	Amount	Percentage
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.03%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	7,860	79.47%
0080	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	7,863	79.50%

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR), GAR STOCK, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	159	1.61%	159	1.61%		0.00%
0080	Total applicable KPI	159	1.61%	159	1.61%		0.00%

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR), GAR STOCK, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	159	100.00%	159	100.00%		100.00%
0080	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	159	100.00%	159	100.00%		100.00%

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES, GAR STOCK, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	19	0.19%	19	0.19%		0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0070	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,851	18.71%	1,843	18.63%	8	0.08%
0080	Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	1,870	18.71%	1,862	18.83%	8	0.08%

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES, GAR STOCK, CAPEX-BASED VIEW

Row	Economic activities	Amount	Percentage
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	7,842	79.28%
0080	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	7,842	79.28%

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES, GAR FLOW

Row	Nuclear energy related activities	
0010	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
0020	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
0030	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
	Fossil gas related activities	
0040	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
0050	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
0060	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR), GAR FLOW, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	3	0,10%	3	0,10%		0.00%
0080	Total applicable KPI	3	0,10%	3	0,10%		0.00%

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR), GAR FLOW, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.01%		0.01%		0.00%
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	3	99.99%	3	99.99%		100.00%
0080	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	3	100.00%	3	100.00%		100.00%

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES, GAR FLOW, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0070	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	321	11.10%	314	10.87%	7	0.23%
0080	Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	321	11.10%	314	10.87%	7	0.23%

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES, GAR FLOW, TURNOVER-BASED VIEW

Row	Economic activities	Amount	Percentage
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,548	88.21%
0080	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	2,548	88.21%

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR), GAR FLOW, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	5	0.16%	5	0.16%		0.00%
0080	Total applicable KPI	5	0.16%	5	0.16%		0.00%

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR), GAR FLOW, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%		0.00%		0.00%
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	5	100.00%	5	100.00%		100.00%
0080	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	5	100.00%	5	100.00%		100.00%

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES, GAR FLOW, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%		0.00%		0.00%
0070	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	331	11.45%	325	11.24%	6	0.21%
0080	Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	331	11.45%	325	11.24%	6	0.21%

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES, GAR FLOW, CAPEX-BASED VIEW

Row	Economic activities	Amount	Percentage
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.00%
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,553	88.36%
0080	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	2,553	88.36%

FinGuar KPI

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES – FINGUAR KPI STOCK

Row	Nuclear energy related activities	
0010	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
0020	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
0030	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
0040	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
0050	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
0060	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - FINGUAR KPI STOCK, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.01%	-	0.01%	-	0.00%
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1	0.88%	1	0.88%	-	0.00%
0080	Total applicable KPI	1	0.88%	1	0.88%	-	0.00%

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - FINGUAR KPI STOCK, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.77%	-	0.77%	-	0.00%
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	1	99.23%	1	99.23%	-	100.00%
0080	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	1	100.00%	1	100.00%	-	100.00%

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - FINGUAR KPI STOCK, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.04%	-	0.04%	-	0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.01%	-	0.01%	-	0.00%
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	15	16.03%	13	13.94%	2	2.10%
0080	Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	15	16.09%	13	13.99%	2	2.10%

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES, FINGUAR KPI STOCK, TURNOVER-BASED VIEW

Row	Economic activities	Amount	Percentage
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	80	83.02%
0080	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	80	83.03%

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - FINGUAR KPI STOCK, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.01%	-	0.01%	-	0.00%
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	3	3.04%	3	3.03%	-	0.00%
0080	Total applicable KPI	3	3.04%	3	3.04%	-	0.00%

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - FINGUAR KPI STOCK, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.22%	-	0.22%	-	0.00%
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.03%	-	0.03%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	3	99.75%	3	99.75%	-	100.00%
0080	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	3	100.00%	3	100.00%	-	100.00%

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - FINGUAR KPI STOCK, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	25	25.89%	23	23.68%	2	2.20%
0080	Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	25	25.89%	23	23.69%	2	2.20%

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES - FINGUAR KPI STOCK, CAPEX-BASED VIEW

Row	Economic activities	Amount	Percentage
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	68	71.06%
0080	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	68	71.06%

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES - FINGUAR KPI FLOW

Row	Nuclear energy related activities	
0010	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
0020	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
0030	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
0040	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
0050	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
0060	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - FINGUAR KPI FLOW, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.01%	-	0.01%	-	0.00%
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1	0.69%	1	0.69%	-	0.00%
0080	Total applicable KPI	1	0.70%	1	0.70%	-	0.00%

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - FINGUAR KPI FLOW, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.72%	-	0.72%	-	0.00%
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	1	99.28%	1	99.28%	-	100.00%
0080	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	1	100.00%	1	100.00%	-	100.00%

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - FINGUAR KPI FLOW, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.03%	-	0.03%	-	0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.01%	-	0.01%	-	0.00%
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	7	9.64%	7	9.64%	-	0.01%
0080	Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	7	9.68%	7	9.67%	-	0.01%

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES - FINGUAR KPI FLOW, TURNOVER-BASED VIEW

Row	Economic activities	Amount	Percentage
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	64	89.62%
0080	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	64	89.62%

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - FINGUAR KPI FLOW, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.01%	-	0.01%	-	0.00%
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2	3.49%	2	3.48%	-	0.00%
0080	Total applicable KPI	2	3.49%	2	3.49%	-	0.00%

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - FINGUAR KPI FLOW, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.15%	-	0.15%	-	0.00%
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.03%	-	0.03%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	2	99.83%	2	99.83%	-	100.00%
0080	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	2	100.00%	2	100.00%	-	100.00%

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - FINGUAR KPI FLOW CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	16	22.71%	16	22.66%	-	0.05%
0080	Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	16	22.71%	16	22.66%	-	0.05%

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES - FINGUAR KPI FLOW, CAPEX-BASED VIEW

Row	Economic activities	Amount	Percentage
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0070	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	53	73.80%
0080	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	53	73.80%

Climate Change

Erste Group addresses climate change within its sustainability strategy. Transitioning to net zero, based on science-based decarbonisation pathways, is crucial for long-term wellbeing, financial stability and overall prosperity. Committed to the Paris Climate Agreement, Erste Group, including Erste Bank Croatia Group (EBC Group) joined the Net Zero Banking Alliance (NZBA) in November 2021.

EBC Group's double materiality analysis identifies climate change as a key issue affecting its business and stakeholders. As a leading provider of financial services, EBC Group aims to address the impact of its own operations and its financing and investment activities on climate change. To support this transition, it adheres to strict sustainability criteria for finance and investment. These criteria focus on climate change adaptation, mitigation, renewable energy deployment and enhanced energy efficiency.

E1-1 TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION AND ADAPTION

EBC Group has defined our path to net zero with regards to the two central aspects of our value chain – our banking operations as well as our financed portfolio.

In this regards, EBC Group is dedicated to:
- _ Achieving net zero status of banking operations by 2030 to make a direct contribution to ecological transition as a credible champion of sustainability.
- _ Achieving net zero status for our portfolio by 2050. Net zero status refers to achievement of scale of value chain emissions reductions consistent with the abatement required to reach global net-zero pathways and consistent with neutralizing impact of any residual emissions by permanently removing an equivalent amount volume of CO2.
- _ By integrating climate and other environmental considerations into risk management, we support both our business and clients to become more resilient in a changing world.
- _ As a leading financial intermediary, we support the mobilization of capital for the transition towards a sustainable, low carbon economy.

EBC Group conducts banking operations in Croatia as one of the core Erste Group market in CEE. The targets have been defined in regard to:
- _ Share of green electricity
- _ Reduction of electricity consumption, heat consumption and CO^{2} emissions
- _ and the share of electric vehicles in our fleet

In our financed portfolio, EBC Group follows a sector approach, building upon science-based reduction pathways, calculated at Erste Group level as well as understood and supported by our operating units.

By selecting relevant benchmark scenarios, we made sure that these targets are compatible with limiting global warming to 1.5°C to be in line with the Paris Agreement. The only exceptions are commercial real estate and mortgage loans, where EBC Group plans to move from 1.75 to 1.5 degrees in 2025. For further information on the scenarios and methodologies please refer to chapter "E1-4 Targets related to climate change mitigation and adaptation".
With regards to the financing of the coal sector or activities in the coal sector, we plan an exit by 2030 as outlined in Group Responsible Financing Policy.

Erste Group has set targets for its transition that encompass Erste Bank Croatia as well, and which are based on science and are endorsed in all its entities as well as understood and supported by respective operating units. EBC Group follows a group approach and has identified sectors to be of relevance with regards to the local transition plan.
The following shows climate scenario with which our emission reduction pathways have been aligned by sub-portfolio/sector:
- Mortgages – 1.75 °C – IEAB2DS scenario
- Commercial real estate – 1.75 °C – IEAB2DS scenario
- Cement production - 1.5 °C – IEA NZE2050 scenario
- Electricity production - 1.5 °C – IEA NZE2050 scenario

Targets and decarbonization levers

EBC Group has set a three-pronged strategy to achieve net-zero operations, with targets and emissions reduction measured across Buildings and Mobility:
- Buildings:
    - Increase renewable energy sources to 50% by 2025
    - Ambition of EBC Group's is increase of own solar energy generation to 100% by 2030, but this ambition depends on energy regulatory licensing
    - Install smart meters across all locations by 2030
- Mobility:
    - 19% electric cars in our fleet by 2027 and 100% by 2030
    - E-car sharing offered to all employees for business trips
    - Low-carbon travel policy by 2030
    - Minimise and electrify transportation services by 2030

As part of Erste Group, EBC Group is doing its part to contribute to achieving these goals and initiatives, starting with its own operations in regard to the strategic and operational targets:

- **Strategic targets by 2027 (baseline 2021):**
    - Up to 3% reduction of electricity consumption
    - Up to 3% reduction of heat energy consumption
    - Up to 3% reduction of CO2 emissions

EBC Group has been working on achieving set targets through various energy efficiency projects focused on the centralization of the HVAC Systems with set minimum and maximum temperatures for offices, installation of heat pumps, and installation of solar systems. Additionally, carbon footprint is planned to reduce through a reduction of office square footage. At the moment EBC Group has 8.5% e-cars in its carpool and 18.6% plug-in hybrid cars, with a plan to reach a 100% electric carpool by 2030. Additionally, e-car sharing is implemented for business trips for all employees, and installation of more EV charging stations is planned.
With regards to decarbonization levers and key actions within our financed portfolio, we want to highlight the following sectors:

1. **Real Estate:**

The Bank is investing in innovative financing solutions that support both commercial and residential development by promoting measures to increase energy efficiency and speeding up the transition to heating and cooling systems using renewable energy or electricity generated from renewable sources.

2. **Energy sector:**

The Bank is at the forefront of financing renewable projects and technologies, aligning with global shifts towards cleaner and more sustainable energy sources. We are planning to exit from coal by 2030.

3. **Transportation**

The transportation focus involves supporting infrastructure projects and advancements in mobility that promise to reshape the way people and goods move in an increasingly connected world.

For further insights on actions and decarbonization levers please refer to chapter “E1-3 Actions and resources in relation to climate change policies”. Importantly, no significant capital or operating expenditures are required to implement the actions taken or planned for the transition plan. This transition plan has been approved by the management board.

After doing a qualitative assessment of potential locked-in GHG emissions for EBC Group own assets, it was concluded that due to its current circumstances this has no relevancy. There are no indications of potential locked-in GHG emissions in regard to the own operations jeopardizing the achievement of our previously mentioned reduction targets.
EBC Group is not involved in economic activities that are covered by delegated regulations on climate adaptation or mitigation under the Taxonomy Regulation. EBC Group is not excluded from EU Paris-aligned benchmarks.

SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Table 7 - Material impacts, risks and opportunities (IROs)

Sustainability matter	Type of IRO	IRO Description	Value chain	Time horizon
E1-Climate change adaptation	Positive impact	Through the financing of climate-change adaptation solutions EBC Group has a positive impact on reducing vulnerabilities to climate change impacts.	Portfolio	Long-term
	Risk	Portfolio: EBC faces a higher credit risk as climate-related physical risks can lead to a devaluation of collateral and/or to negative effects on the business models and lastly financial stability of debtors. The consequences are increased risk provisions for EBC and connected negative effects to its P&L and own funds. EBC clients are also subject to various transitional risks which can affect their revenues, liquidity and solvency and indirectly impact EBCs financials and the ability of clients covering their debts timely. In the light of new regulations clients are subject to costs of implementing new regulation and implementing new technologies and increased costs of raw materials and logistic services. Changes in customer preferences can also negatively affect revenues of EBC clients. If clients won't be able to decrease GHG emissions, they can as well be subject to additional unexpected costs. In addition to risk of financial stability of EBCs client, EBC can be subject to reputational risks if client data which EBC reported was inaccurate. Own assets: EBC's own assets can be subject to physical risks and transitional risk. Certain assets such as ATMs and branches are in coastal areas and might be subject to higher risk due to location. Transitional risk is present mostly with reference to alignment to changing regulations as non-compliance or reporting of inaccurate data can lead to reputational risk which can affect P&L and costs related to new technologies with lower environmental footprint (e.g. RES solutions such as solar panels).	Own operations & Portfolio	Medium- and long-term
	Opportunity	New funding opportunities for EBC as clients will start investing in new technologies and sustainable solutions. Also, potential for new clients which offer sustainable solutions and which provide asset/services in line with climate change adaptation requirements (e.g. new softwares, residential and commercial real estate built to be resilient to certain physical risks, and similar).	Portfolio	All time horizons
E1-Climate change mitigation	Negative impact	The CO2 emissions of EBC own operations and in the upstream value chain contribute to climate change and thus to global warming.	Upstream & Own operations	Long-term
	Negative impact	By investing in companies that have high CO2 emissions, EBC portfolio generates a lot of CO2, which has a negative impact on climate stability.	Portfolio	Long-term
	Risk	Channeling resources into decarbonisation technologies (both own operations and portfolio) that do not result in desired decarbonisation effects. Risk of having failed to accomplish scope 1, 2 and 3 decarbonisation targets can lead to reputational risk and potential financial loss in the future if the regulation becomes more rigorous. If EBC puts too much pressure on clients regarding decarbonisation, it could lead to revenue loss.	Own operations & Portfolio	Medium- and-long term
	Opportunity	New funding opportunities related to supporting clients in decarbonisation activities.	Portfolio	All time horizons
E1-Energy	Negative impact	The energy mix (electricity, fuel and heating) used by EBC Group creates CO2 emissions and therefore contributes to climate change.	Upstream & Own operations	Long-term
	Negative impact	Investments in and financing of energy-intensive companies that still rely on fossil fuels lead to high CO2 emissions, which in turn contribute to climate change.	Portfolio	Long-term
	Positive impact	By investing in companies that already use renewable energies or would like to rely more intensively on renewable energy sources in the future, the 1.5 degree targets of the Paris Climate Agreement can be achieved more feasibly, thereby minimizing physical climate risks.	Portfolio	All time horizons
	Risk	Price instability on the energy market due to climate change can result in decreased profitability in companies in energy-intensive sectors as well as liquidity shortage of retail clients, leading to a higher default risk and a related increase in risk provisions for EBC, impacting P&L as well as own funds.	Portfolio	All time horizons
	Opportunity	EBC's financing of and investments into renewable energy projects (e.g. pumped storage power plants, green hydrogen) enables CO2-neutral energy production and offers new opportunities for the portfolio.	Portfolio	All time horizons

Resilience of the business model

The increasing volatility and uncertainty in the global climate and environmental landscape necessitate a rigorous evaluation of business model resilience. As climate and environmental (CE) risks continue to shape financial markets and operational paradigms, organisations must adapt their strategic frameworks to ensure long-term sustainability and growth. Erste Group has implemented a comprehensive scenario-based approach to assess and quantify CE risks in the short-, medium and long-term on own operations, client relationships and the asset portfolio. The systematic analysis of potential future scenarios enables the identification of opportunities for enhanced resilience and adaptation. The tools and processes with regards to the CE risks are centrally implemented and cascaded down to EBC Group.

The following disclosures about resilience of the business model provide an overview of the Erste Group approach and framework applied at the EBC Group local level.

Transition Risk Analytical Framework: Scenario Overview

Erste Group's analytical framework incorporates scenarios informed by the Network for Greening the Financial System (NGFS) to assess transition risks arising from the transition to a climate-neutral economy. These scenarios encompass four distinct pathways: (1) Net Zero 2050, (2) Below 2°C, (3) Delayed Transition as well as (4) Hot House World. Each scenario models different assumptions about the timing and intensity of climate policy actions and technological developments: the Net Zero 2050 scenario represents an orderly path to net-zero emissions by 2050, while the Below 2°C scenario achieves climate goals but with less ambitious timing. In contrast, the Hot House World scenario assumes minimal climate action, leading to severe physical risks.

Physical Risk Analytical Framework: Scenario Overview

For the assessment of physical risks, including extreme weather events and gradual climatic changes, Erste Group employs the Representative Concentration Pathway (RCP) scenarios established by the Intergovernmental Panel on Climate Change (IPCC). These internationally recognized scenarios provide standardized trajectories of greenhouse gas concentrations, enabling robust modelling of potential climate outcomes under various emission pathways. The RCP framework encompasses multiple scenarios, from ambitious climate action and low emissions (e.g., RCP 2.6) to high-emission pathways with limited mitigation measures (e.g., RCP 8.5). The scenario labelling does not correspond to the temperature increase; for instance, scenario RCP 4.5 corresponds to a temperature increase of 2.1 to 3.5°C in the long-term.

Transition Risk: Selected Scenario Analysis

The Delayed Transition scenario is selected and applied in the subsequent in-depth analysis laid out in this statement, as global mitigation efforts in line with a Net Zero 2050 scenario are not materializing, but high-emissions scenarios such as the Hot House World may very well still be preventable. The Delayed Transition scenario examines the implications of a rapid, disorderly transition to a low-carbon economy, characterized by sudden policy changes and market disruptions as countries rush to meet the Paris Agreement target of limiting global warming to well below 2°C. The scenario analysis presented here focuses on disorderly transitioning as a downside risk assessment tool. As such, it aims to evalua-te potential financial impacts in adverse conditions and does not represent Erste Group's baseline view on future development.

Physical Risk: Selected Scenario Analysis

Following consultation with climate science experts from the Wegener Center for Climate and Global Change at the University of Graz, Erste Group has currently identified the RCP 4.5 scenario as the most appropriate framework for their climate risk analysis. This intermediate emissions pathway has been selected based on thorough evaluation of current global climate trajectories and policy developments. The assessment indicates that while more optimistic scenarios such as RCP 2.6 are no longer feasible given the current pace of global climate action, high-emissions pathways like RCP 8.5 seem less realistic given current global emission reduction targets. The RCP 4.5 scenario models feasible reduction efforts and provides a realistic baseline for strategic planning.

Scope of the resilience analysis

Erste Group conducts an extensive assessment of the resilience of its business model to climate-related and environmental risks as an integral part of the strategic planning and risk management process. The identification and analysis of current and probable future developments is done from both perspectives (1) impact on risk profile and (2) business opportunities.

Through this Erste Group process, EBC Group benefits from the comprehensive insights and data gathered across Erste Group's core markets, enabling the bank to proactively adapt to evolving economic, regulatory, and environmental conditions within Croatia and the wider Central and Eastern European region.
As an integral part of the Erste Group, EBC Group aligns its strategic planning and risk management processes with the Erste Group's overarching approach. The resilience assessment is performed by considering both transition and physical risks in two key internal processes, namely the Business Environment Scan (BES) and the Risk Materiality Assessment (RMA). Furthermore, business model resilience to CE risks is assessed by integration of physical risks in the Collateral Management Framework. Erste Group also assesses these risks at the client level through an ESG questionnaire and integrates them into the risk analysis of the credit application process.

The scope of the resilience analysis encompasses the most significant parts of EBC Group's portfolio and own operations, making it representative of its business model.

Scope for transition risk evaluation:
- Clients including large corporates, SMEs and real estate (commercial real estate including income producing residential real estate and retail mortgages)
- Erste Group's own operations

Scope for physical risk evaluation:
- Loans collateralized by real estate (commercial real estate including income producing residential real estate and retail mortgages)
- Erste Group's own and outsourced operations (i.e. headquarters and branches incl. critical facilities like data centres)

Beyond collateralized assets, physical risk assessment is planned to be extended also to large corporate customers, and will rely on the availability of geolocation data for clients' assets (i.e. major production sites). The process of collecting such geolocation data is currently under consideration. Once this data becomes available, the assessment of physical risks will be further enhanced.

The assessment of CE risks is conducted over the short-, medium and long-term horizons. The time horizons used for the physical and transition risk assessments are as follows:
- short-term: up to 1 year
- medium-term: 1 to 5 years
- long-term: more than 5 years (for transition risk up to 2050, for physical risks up to 2100)

Physical risks from climate change are expected to materialize in credit risk starting from the middle of the century. Consequently, the short- and medium-term horizons show similar physical outcomes, with substantial differences becoming more apparent in the long-term horizon (2050 and beyond). To emphasize the importance of a long-term outlook, Erste Group has implemented an additional time horizon (2050-2100). This horizon applies to physical risks and allows Erste Group to develop a comprehensive understanding of future risks and to increase preparedness for the full spectrum of climate-related physical risks.

Description of the resilience analysis

As an integral part of the Erste Group, EBC Group aligns its strategic planning and risk management processes with the Erste Group's overarching approach. The Business Environment Scan is a critical component of this framework, conducted at the Group level to identify, assess, and monitor material risks, opportunities, and emerging trends that may impact the bank's operations and value chain. Through this Erste Group process, EBC Group benefits from the comprehensive insights and data gathered across Erste Group's core markets, enabling the bank to proactively adapt to evolving economic, regulatory, and environmental conditions within Croatia and the wider Central and Eastern European region.

The resilience analysis starts with the Business Environment Scan (BES) identifying potential threats or opportunities resulting from the transition to a climate-neutral economy or due to physical risks. The main objective of the BES is to offer a comprehensive understanding of the changes in the operational environment, the drivers and transmission channels of CE risk events and the resulting implications for Erste Group's clients, assets, real estate and overall business model. The sub-portfolio(s), business lines and industry sectors as well as regions/geographic areas, which may be exposed to elevated risks, are identified based on scientific and socioeconomic research as well as technological and demographic trends.

This approach is also used to pinpoint areas where emerging trends and changes in the operational environment can generate new business opportunities.
The scenarios employed to assess transition risk are informed by NGFS but internally adapted to reflect the specifics of EBC Group's business model, drawing on insights from the BES across relevant sectors (industries) and portfolios. While the overall narrative follows the intergovernmental bodies' and standard-setters' vision of a delayed transition, details – such as narrative elements, risk parameters and transmission channels – are refined to reflect the characteristics of Erste Group's business model and clients, as well as the operational and geographic context. Additionally, the scenario incorporates an extra layer of narrative and downside risk assumptions for societal transitions unrelated to climate, i.e. environmental risks, acknowledging that such shifts could realistically occur alongside climate transition efforts.

The methodology for the transition risk assessment focuses on the impact of increasing (shadow) carbon prices on the financial position of counterparties. This (shadow) carbon price encompasses a multitude of risk drivers related to transition risk and is therefore a prudent way to quantify the risk impact. The modelling reflects the direct impact of a higher carbon price on counterparties as well as the indirect effects of macroeconomic developments. The macroeconomic parameters were derived from the regulatory scenarios as well as the economic research department of Erste Group and cover each critical sector individually in a projection of the gross value added. The developments are based on each scenario's narrative tailored to the current economic starting points of key markets. Critical assumptions on developments are therefore aligned to regulatory as well as scientific scenarios.

The impact of physical risks is assessed based on MunichRe data as the primary source. The most relevant physical risks for real estate in the core region of Erste Bank were defined in cooperation with experts from the Wegener Center for Climate and Global Change, University of Graz. They include heat stress, drought stress, fire weather stress, river floods and coastal floods (sea level rise).

Erste Group's RMA framework, applied at EBC Group level, systematically evaluates the impact of climate and environmental risk drivers on various risk types, including credit, operational, market, liquidity, strategic and reputational risks. This analysis is conducted at two levels: first, by examining client portfolios and business segments and second, by assessing own operations as well as key suppliers such as data centres and outsourcing partners.

When assessing client portfolios, one of the primary risk metrics is the potential effect on expected credit loss (ECL). ECL estimates potential future losses by considering both the likelihood of a borrower default the borrowers‘ probability of default and the potential amount lost in such events. In the context of resilience analysis, ECL allows for the quantification of future credit losses arising from climate and environmental risks under various future scenarios. For Erste Group's own operations, the impact is simulated on the profit and loss (P&L) statement, as it provides a comprehensive measure of financial performance by capturing both revenues and expenses, thereby helping to identify how CE risks could affect overall profitability.

The evaluation of transition risks is based on insights from the transition risk scenario analysis. More specifically, downside scenario analysis is used to assess potential financial impacts if the transition of the economy unfolds in a disorderly fashion.

The physical risk assessment combines quantitative analyses, utilizing MunichRe's climate risk data and the results from internal stress testing programs, which simulate extreme climate scenarios to evaluate portfolio resilience.

To evaluate the business model resilience, it is essential to quantify the gross impact of CE risk and assess the effectiveness of Erste Group's strategic responses and mitigation actions to determine the net impact. This process involves comparing the financial impact of the transition risk scenario with and without mitigating actions (i.e., the decarbonisation strategy). The subsequent comparison helps determine the effectiveness of the strategies and reveals whether they provide the expected cost-benefits and resilience for the business model.

At the core of the assessment of the resilience of Erste Group's business model to CE risks also lies the inclusion of the impact assessment of physical risks on the real estate taken as collateral for loans issued by the group. The value of real estate used by clients as collateral for loans is adjusted based on the property's exposure to CE risks. The value of this collateral influences the risk associated with the loans it secures and this level of risk is reflected in the risk-weighted assets (RWA).

In terms of collateral management, to account for future climate risks in property valuation, a reasonable timespan for the assessment of physical risks is necessary. The 20-year period around 2050 (2041-2060) is considered the most appropriate, given our lending standards. Within this period, the difference in climate projections between moderate emission scenarios (RCP 4.5) and the high emission scenario (RCP 8.5) shows no significant deviation.

Results of the resilience analysis of Erste Group

The outcomes of the resilience analysis are as follows:

Transition Risk:

_ Credit Risk: The analysis conducted by Erste Group indicates significant exposure to transition-induced credit risk across all time horizons. The transition risk on the credit risk exposure is driven largely by climate-related factors and drivers such as environmental taxation and subsidies, regulatory requirements, energy and transport policies, behavioural changes of investors, consumers, suppliers and employees as well as technological developments, while non-climate related drivers are immaterial. Looking towards medium and long-term time horizons, these transition risks intensify, with impacts gradually spreading across an expanding range of sectors. This scenario and its impact do not reflect Erste Group's most likely or baseline scenario, but serve as exploratory analysis to assess the exposure to transition risk in the event disorderly and abrupt manner. Under the baseline or orderly transition scenario, the di-rect impact of the transition risk drivers on Erste Group is significantly smaller and limited.

_ Operational Risk: From an operational risk perspective, two material transition risks have been identified in the medium- and long-term horizon. First, there is an increased risk of regulatory non-compliance due to rapidly evolving ESG requirements and heightened regulatory oversight. Second, shifting behaviours and expectations of stakeholders (consumers, suppliers and employees) regarding environmental performance create additional operational challenges that require careful management. Both factors contribute materially to the overall operational risk profile.

_ Market, Liquidity and Reputational Risk: The evaluation concluded that no material transition risks were identified across all time horizons – short-, medium- and long-term.

Physical Risk:

_ Credit and Strategic Risk: According to Erste Group's assessment, physical risks are a material driver for long-term credit and strategic risk. This projection is based on forecasts indicating that (predominantly) climate-related physical hazards will materialize and intensify from the mid-century onwards, thereby impacting the portfolio and strategic position of Erste Group. However, in the short and medium term, physical risks are considered immaterial due to Erste Group's limited exposure to regions or sectors that are particularly vulnerable.

_ Operational Risk: For internal operations, Erste Group identifies physical risks as a material driver in the mid-term, primarily due to the potential for river floods to impact facilities in Austria, Croatia, Slovakia and Serbia. Looking further ahead, up to the year 2100, heat waves threaten to pose substantial challenges to operations in Romania, Croatia and Serbia.

_ Market, Liquidity and Reputational Risk: The evaluation concluded that no material physical risks were identified across all time horizons – short-, medium- and long-term.

Decarbonisation strategy:

_ Erste Group's current decarbonisation strategy is well aligned to NGFS scenarios 'Net Zero 2050' and 'Below 2°C'. The strategy also performs well in the NGFS scenario 'Delayed Transition'. The established decarbonisation pathways for key sectors affected by transition risk help mitigate Erste Group's credit losses from climate and environmental risks. This aligns with the Paris Agreement's Net Zero 2050 scenario. Further information on the established decarbonisation pathways can be found in chapter E1-4.

EBC Group has strengthened risk management processes by embedding CE factors into the core underwriting and collateral management frameworks and by benefitting from Erste Group approach. To mitigate physical risks, EBC Group continuously monitors and reports on collaterals, focusing on countries with very high risk. Furthermore, Erste Group has updated its collateral policy to include detailed guidelines for assessing increased physical risks in both residential and commercial real estate valuations.

Transition Risks

As an integral part of the Erste Group, EBC Group aligns its strategic planning and risk management processes with the Erste Group's overarching approach. To provide a comprehensive understanding of how climate and environmental transition risks are embedded within the internal processes, Erste Group analyses the transmission channels, the scenarios used, and their impact on credit and operational risk. This is the Erste Group framework encompassing EBC Group as a subsidiary and is done at the Group level.

To provide a comprehensive understanding of how climate and environmental transition risks are embedded within the internal processes, Erste Group analyses the transmission channels, the scenarios used, and their impact on credit and operational risk, These two risk types are considered materially exposed to transition risk in at least one time horizon. This section highlights the mechanisms through which transition risks impact Erste Group's business, including the specific pathways and risk factors that influence credit and operational risk profiles. By doing so, Erste Group ensures transparency and demonstrates a commitment to robust risk management practices in the face of evolving environmental challenges.

Erste Group identified several climate-related transition events from the fields of politics and economics, market participant behavior and technological development and these impacts were considered on the probability of default, loss given default, risk-weighted assets and expected credit loss.

For each risk driver, transmission channels have been identified for each customer segment and for own operations:

Large corporates and SMEs.
Regulatory requirements and environmental taxation significantly increase operational and capital expenditure for corporates. This results in higher default probabilities and increased credit risk, especially for industries with high exposure to carbon-intensive activities.

Real estate (commercial real estate including income producing residential real estate and retail mortgages).
Market sentiment and rising renovation costs, driven by energy and transport regulations, create income vulnerabilities for households. These pressures lead to greater difficulties in meeting loan obligations, increasing default probabilities and associated credit losses, particularly for low-income households.

Own Operations. For Erste Group's own operations, regulatory requirements and climate-related compliance obligations increase operational expenditures, such as investments in IT systems and sustainability reporting capabilities. Additionally, reputational risks stemming from stakeholder expectations regarding environmental performance and competitive pressures from sustainability-focused peers may further elevate credit and strategic risk.

Through this framework, Erste Group systematically evaluates and manages credit risk across all customer segments, ensuring resilience in its portfolio while addressing the financial impacts of transition risk.

The selected scenario applied by Erste Group to evaluate transition risk is broadly based on the NGFS scenario 'delayed transition' and its respective narrative of a society first doing too little to mitigate climate change and then pushing with severe effort to reach a net zero society. Hence, this scenario is more adverse than an 'orderly transition' which suffers much less stress due to an organized effort of society to reach the net zero target with a longer potential transition period for economies. In the delayed transition scenario, the stress is expected to increase due to firms continuing to struggle to decarbonize or to transition, needing higher investment volumes to switch their business model to more sustainable technologies. This will have continued effects on their financial position and creditworthiness, particularly on CO_2-intensive 'brown' industries, which are less prepared to adapt quickly. Erste Group added to the 'Delayed Transition' scenario an immediate shock of carbon prices in 2025.

Physical risks

Erste Group conducted an assessment of physical risks using the RCP 4.5 scenario which is regarded as the most realistic under current climate policies. This scenario assumes moderate greenhouse gas emission reduction efforts with emissions peaking around 2040, followed by a gradual decline through a mix of renewable energy adoption and energy efficiency improvements, while maintaining some fossil fuel usage in line with current global commitments and energy trends. The calculation also encompassed the EBC Group portfolio.

The year 2050 was chosen as the central anchor point for this assessment, as it aligns broadly with the average remaining economic lifespan of real estate assets financed by Erste Group, which generally ranges from 20 to 40 years. Physical risks influence collateral value by reducing marketability and increasing operational and adaptation costs for real estate, with their effects expected to materialize predominantly from the middle of the century onwards.

Erste Group assesses physical risks within its portfolio and own assets on geocoordinate-level. This approach allows for a detailed risk analysis to assign risk scores to specific locations, rather than relying on generalized regional data. The Corporate Sustainability Reporting Directive (CSRD) requires aggregation on a regional level using the Nomenclature des Unités territoriales statistiques (NUTS) 3 regions, but Erste utilizes geocoordinate-level analysis to ensure more accurate risk assessments, capturing the diversity and unique vulnerabilities of asset locations across core markets.

To assess the physical risk related to collaterals, Erste Group applied a bottom-up approach. This approach begins with assessing the impact of physical risks, such as climate-related damaging events, on the level of each individual property financed and/or used as real estate collateral for lending products. For instance, Erste Group examines how the market value of a property may be affected by high risk of flooding or extreme weather.

Properties constructed in a location linked to very high risk usually undergo on-site inspections to identify and document any mitigated risks, which can then be used to adjust their valuations. These individual property assessments are then aggregated to understand the overall risk of Erste Group’s entire real estate portfolio.

E1-2 – POLICIES AND TRANSITION MEASURES FOR CLIMATE CHANGE MITIGATION AND ADAPTATION

Erste Group's policies to transition to a sustainable economy focus on targets for investment and financing activities, which are endorsed and supported by the management of all subsidiaries (including the EBC Group). Erste Group is dedicated to the objectives of the Paris Climate Agreement and became a member of the NZBA in November 2021. It prioritizes sectors that benefit the most from a transition comprising real estate, electricity production, heat and steam production, oil and gas extraction, automotive extraction, iron and steel production and cement production.

EBC Group’s business model is included in the criteria of the EU Paris-aligned benchmarks, which have the primary goal of assisting the transition towards a low-carbon economy and limiting global temperature rise to 1.5°C above pre-industrial level. EBC Group’s targets are already compatible with limiting global warming to 1.5°C and 1.75°C. The targets are implemented by internal experts following external guidelines, but without external verification. Furthermore, scope 1 and 2 emissions are monitored from high-emission clients operating in sectors not yet covered by decarbonisation targets.

For further information on the scenarios and methodologies used for target setting please refer to chapter ‘E1-4 Targets related to climate change mitigation and adaption’.

DECARBONISATION LEVERS AND KEY ACTIONS

Portfolio decarbonisation levers and key actions

Given their significance to Erste Group’s portfolio and their overall emission intensity, two decarbonisation levers, including several key actions, have been implemented for the energy and real estate sectors to achieve Erste Group’s Net Zero portfolio decarbonisation targets:

Decarbonisation lever 'Emission reduction in the energy sector'. The first decarbonisation lever focuses on reducing financed emissions within the energy industry. EBC Group supports its customers in their efforts to optimize their existing technology mix and investing in new plants that utilize renewable energy sources. Thus, the key action for EBC Group is the financing of renewable projects. More details can be found in chapter E1-3.

Decarbonisation lever 'Promoting a sustainable real estate sector'. The financed emissions of EBC Group's portfolio are further reduced by directing its investments into a sustainable real estate. EBC Group promotes building renovations and the installation of heating and cooling systems powered by renewable energies. EBC Group aims to attain its target by offering a commercial real estate financial health (FH) tool, which is in implementing phase, as well as a renovation financing and energy efficiency calculator to private individuals. More details can be found in chapter E1-3.

Own operations decarbonisation lever and key actions

EBC Group also takes responsibility for the emissions that lie within its direct control in their own banking operations. Thus, another decarbonisation lever was established that encompasses several key actions.

Decarbonisation lever 'Emission reduction in own operations'. The lever focuses on key activities such as switching to low carbon energy sources, decarbonizing employee mobility and conducting employee engagement and awareness training to promote sustainable behavior. More details can be found in chapter E1-3.

EMBEDMENT IN STRATEGY

As part of its ambition to support the transition to a sustainable economy, EBC Group aims to guide clients and sectors towards decarbonisation and achieving net zero targets, while also reducing emissions from its own operations. This plan is integrated into EBC Group's overall business strategy and financial planning. It emphasizes continuous engagement with clients across various industries to support their transition and manage climate-related risks. The client engagement process has three phases: assessment, engagement and financing, steering and monitoring.

ESG transition assessment
Within the process, we developed a Transition Assessment Framework and Client Transition Scoring to conduct initial assessments based on materiality. Our goal is to classify clients according to their transition planning and readiness. This approach achieves a structured client assessment and proposes engagement with top clients and clusters, while clustering and prioritizing the remaining clients for individual versus portfolio-level steering.

ESG client engagement phase
Within the process, we adopt a structured approach to engage with prioritized clients, focusing on collecting comprehensive information about their transition readiness. This engagement is tailored to address specific client needs for financial and transition-related support while identifying key challenges and regulatory barriers. By employing scenario analysis based on client readiness, we provide strategic steering insights to guide our clients effectively. This method ensures that our engagement is both proactive and responsive, ultimately fostering a coherent and supportive pathway for our clients' decarbonization efforts.

ESG KPI monitoring & steering phase
To ensure the success of these engagements, we monitor portfolio developments and individual client progress on a quarterly basis. Based on the insights provided via ESG KPI Monitoring we are constantly revisiting ESG KPI's relevance. This includes setting new KPIs in strategic planning process. Based on the insights gathered, we identify management actions such as developing new products, solutions, and pricing, as well as reviewing and adjusting steering instruments like limits, FTP, and industry/business strategies. Additionally, this steering process influences our business planning by incorporating lessons learned and adjusting exposure targets and emissions intensity forecasts, ensuring alignment with industry trends and local regulatory requirements.

In relation to the Erste Group targets, EBC has reached the 90% share of green electricity and introduced mandatory sustainability training for all employees.
The pace of the transition to a sustainable economy will be driven by technological advancements and their adoption by both, the economy and EBC Group's clients. Achieving decarbonisation targets requires coordinated efforts and aligned regulations among EU member states, ensuring the necessary infrastructure and legal framework are in place. EBC will continue to track and enhance its transition plan on regular basis.

AT A GLANCE: ADDRESSING IMPACTS, RISKS AND OPPORTUNITIES

Table 8: Addressing impacts, risks and opportunities

Impacts, risks and opportunities	Strategy / Policy	Key decarbonisation lever and actions	Targets
For EBC Group additional financial opportunities arise from investments into and the financing of customers supporting their decarbonisation activities. (Opportunity Climate Change Mitigation) EBC Group's financing of renewable energy projects enables CO2e-neutral energy production, which is necessary for the transition to an economic system within the planetary boundaries. (Positive Impact Energy). EBC's financing of and investments into renewable energy projects (e.g. pumped storage power plants, green hydrogen) enables CO2-neutral energy production and offers new opportunities for the portfolio . (Opportunity Energy)	Sustainable Finance Guideline	Lever: Promoting a sustainable real estate sector Lever: Emission reduction in the energy sector	15% sustainable retail mortgages by 2027 15% sustainable corporate financing by 2026
EBC faces a higher credit risk as climate-related physical risks can lead to a devaluation of collateral and/or to negative effects on the business models and lastly financial stability of debtors. The consequences are increased risk provisions for EBC and connected negative effects to its P&L and own funds. (Risk Climate Change Adaptation) New funding opportunities for EBC as clients will start investing in new technologies and sustainable solutions. Also, potential for new clients which offer sustainable solutions and which provide asset/services in line with climate change adaptation requirements (e.g. new software's, residential and commercial real estate built to be resilient to certain physical risks, and similar).(Opportunity Climate Change Adaptation)	Real Estate Financing (REF) Policy	Lever: Promoting a sustainable real estate sector Lever: Emission reduction in the energy sector	Portfolio decarbonisation target
The financed CO_2e emissions of EBC Group contribute to climate change and therefore to global warming. (Neg. Impact Climate Change Mitigation) Investments in and financing of energy-intensive companies that still rely on fossil fuels lead to high CO2 emissions, which in turn contribute to climate change.(Negative Impact Energy)	Responsible financing policy Corporate Lending Principles	Lever: Promoting a sustainable real estate sector Lever: Emission reduction in the energy sector	Portfolio decarbonisation target
Price instability on the energy market due to climate change can result in decreased profitability in companies in energy-intensive sectors as well as liquidity shortage of retail clients, leading to a higher default risk and a related increase in risk provisions for EBC, impacting P&L as well as own funds. (Risk Energy)	Group Retail Credit Risk Management Policy Corporate Lending Principles Real Estate Financing (REF) Policy	Lever: Promoting a sustainable real estate sector Lever: Emission reduction in the energy sector	Portfolio decarbonisation target
Channelling resources into decarbonisation technologies (both own operations and portfolio) that do not result in desired decarbonisation effects. Risk of having failed to accomplish scope 1, 2 and 3 decarbonisation targets can lead to reputational risk and potential financial loss in the future if the regulation becomes more rigorous. If EBC puts too much pressure on clients regarding decarbonisation, it could lead to revenue loss.(Risk Climate Change Mitigation)	Group Retail Credit Risk Management Policy Corporate Lending Principles	Lever: Promoting a sustainable real estate sector Lever: Emission reduction in the energy sector	Portfolio decarbonisation target
The CO_2e emissions of EBC Group's own operations and in the upstream value chain contribute to climate change and thus to global warming. (Negative Impact Climate Change Mitigation) The energy mix (electricity, fuel and heating) used by EBC Group creates CO_2e emissions and therefore contributes to climate change. (Negative Impact Energy)	No formal policy, but action plan	Lever: Emission reduction in own operations	Net zero operations target
Through the financing of climate-change mitigation solutions EBC Group has a positive impact on reducing vulnerabilities to climate change impacts. (Positive Impact Climate change adaptation)	Sustainable Finance Guideline	Lever: Promoting a sustainable real estate sector Lever: Emission reduction in the energy sector	15% sustainable retail mortgages by 2027 15% sustainable corporate financing by 2026

SUSTAINABLE FINANCE GUIDELINE (SFG)

Policy objectives to address impacts, risks and opportunities

Sustainable Finance Guideline is Erste Group's policy outlining the criteria to provide sufficient transparency and promote a green transition. Following Erste Group approach, EBC Group applies concepts and processes described in the policy. Erste Group's primary environmental impact stems from its lending activities, specifically the emissions generated by the projects it finances. As a financial institution, EBC Group plays a crucial role in facilitating the transition to a low-carbon economy by actively engaging with its clients and supporting them on their decarbonisation journey. Considering the climate crisis, this means to mobilize funds to create a fairer and prosperous world for all and contributing to a sustainable future through this. By adhering to its SFG, EBC Group as part of the Erste Group aims to achieve its strategic priority of strengthening its position in sustainable financing for climate change mitigation (for more details see chapter SBM-1).

The Sustainable Finance Guideline and thus Erste Group's sustainable financings, are a strategy that under certain conditions contributes to its decarbonisation targets and primarily addresses its opportunities and positive impacts, such as:
_ Additional financial opportunities arise from investments into and the financing of customers supporting their decarbonisation and transition to a sustainable state.
_ Group's financing of renewable energy projects enables CO_{2e}-neutral energy production, which is necessary for the transition to an economic system within the planetary boundaries.
_ Group's financing of and investments into renewable energy projects (e.g. pumped storage power plants, green hydrogen) enables CO_{2e}-neutral energy production and offers new opportunities for the portfolio.
_ Through the financing of climate-change adaptation solutions, EBC Group has a positive impact on reducing vulnerabilities to climate change impacts.

Detailed CO_2e results for financed emissions, covering both the current and previous years, are available in chapter E1-6.

Methodology

'Sustainable financing' is a term used by EBC Group to determine financings that address the interplay of Erste Group's identified environmental impacts and opportunities.

By doing so, EBC Group's financing is screened and evaluated in accordance with a bespoke approach and set of criteria, grounded in the principles of established standards and frameworks. With the decarbonisation levers of promoting a sustainable real estate sector as well as the reduction of financed emissions in the energy sector, EBC Group's sustainable financings have a primary focus on:

Real estate financings:
_ energy efficient buildings with energy-efficient indicators in the Energy Performance Certificate (e.g. EPC label A)
_ buildings meeting the requirements for a 'nearly zero energy building' (NZEB) according to EU Directive 31/2010
_ buildings that account to the top 15% (based on an estimate) of the national or regional building stock expressed as operational Primary Energy Demand (PED). This methodology is explained in chapter E1-4.
_

Renewable energy projects via financings supporting:
_ The realization of decarbonisation via cost-effective actions (e.g. innovative technologies, transition or increase to renewable energy sources from non-renewable energy sources).

Further technical details on the screening approach and the criteria can be found in chapter E1-4. In addition, the above mentioned decarbonisation levers contributing to the achievement of the target are explained in chapter E1-3.

Through this Erste Group approach and direction, EBC Group continues to maintain its strong role in sustainable financings (see SMB-1 for more details on strategic priorities). This is underpinned by the portfolio decarbonisation target, the ambition to attain 15% sustainable mortgages by 2027 and the goal of reaching 15% sustainable corporate financing by 2026.

Scope

Sustainable Finance Guideline (SFG) applies to all of Erste Group's entities which are part of the Sustainable Financing Targets as defined in chapter E1-4, including the EBC Group. The policy includes customer groups currently excluded from EU taxonomy disclosure regulations and considers their limited capacity to provide information. In contrast to that, it is important to point out that the Sustainable Finance KPI does only apply to business lines of EBC Group for corporate and retail.

An ongoing dialog is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in Erste Group's policy setting process, which is then cascaded to EBC Group to apply the rules. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

The Chief Corporates and Market Officer of Erste Group is accountable for approving and implementing the policy. The policy is only available internally. EBC Group plans to adopt the policy locally, whilst in the interim period the Group version applies at EBC Group level.

RESPONSIBLE FINANCING POLICY

Policy objectives to address respective impacts, risks and opportunities

The Responsible Financing Policy sets out exclusion criteria for specified economic activities that have harmful socio-environmental effects. Besides addressing the defense/weapons, the gaming and gambling industry as well as the topic of biodiversity, one main area of concern of the policy is the energy sector. The objective is to implement principles for the energy sector for better management of environmental and climate risks, as well as energy security and social impacts of actual energy transition. The alignment of the financed portfolio with Paris Climate Targets is a key priority for the Erste Group, including its EBC Group subsidiary.

Thus, the policy contributes to the achievement of the portfolio decarbonisation targets by 2050. To facilitate the attainment of this target, EBC Group has implemented a well-defined structure and governance framework for the execution of decisions under the Responsible financing policy. The key decarbonisation lever contributing to achieving the policy's target is 'emission reduction in the energy sector' (see chapter E1-3 for more details). For insights into the CO_2e results of financed emissions, you can find detailed information for the current and previous years in chapter E1-6.

Methodology

The policy mandates a two-tier review process. To comply with the requirements of the policy, the deal originator must:

- Seek a dedicated dialogue with high-emitting clients. This typically starts with an industry and client-specific assessment of ESG issues, to identify sustainable finance instruments that match the client's sustainability and funding strategy.
- Collect relevant information and documents related to the specific deal.
- Assess the non-financial risks in line with the Responsible financing policy and propose corresponding follow-up measures if necessary.

The second review is carried out by the Local (Erste&Steiermärkische Bank d.d.) and Group Non-financial Risk Management function (Local and Group NFR). They guide the initiator of the deal and associated employees through the specific NFR process required by the deal in question.

EBC Group implements principles for the energy sector to advance the management of environmental and climate risks as well as energy security and social impacts of actual energy transition projects. These energy sector principles are based on accepted industry principles and acknowledged by various stakeholders as the best practice. These principles are also aligned with Erste Group´s commitment to reduce carbon emissions as Erste Group recognizes the strategic importance of renewable energy and energy efficiency projects.

Scope

All products and services in the Corporates and Markets area for all Erste Group financial institution entities are in scope of this Policy (including EBC Group), no matter whether the financing is direct or indirect; on - or off-balance-sheet financing, and whether financial risks are linked to it or not.

A client company/group is considered within the scope of the policy if the economic activity in question accounts for more than 5% of the group's turnover, unless otherwise specified. Not in scope of this policy are all retail business line products, single payment transactions, transactions below an aggregate amount of EUR 20 mn within an already approved limit and 'responsible investments'.

An ongoing dialog is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in Erste Group's policy setting process. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

The Responsible financing policy is made available on the website of EBC Group and is owned by the C&M Business development Division. By adhering to this policy, EBC Group commits to respect the demands by the EU Paris agreement as well as the EU taxonomy.

RETAIL CREDIT RISK MANAGEMENT POLICY

Policy objectives to address respective impacts, risks and opportunities

Price instability on the energy market due to climate change can result in decreased profitability for companies in energy-intensive sectors as well as liquidity shortage of retail clients, leading to a higher default risk and a related increase in risk provisions for EBC Group and thus impacting the profit and loss statement as well as EBC Group's funds. Additionally, EBC Group faces a higher credit risk as climate-related transition events can lead to negative effects on the profitability of business models and the financial stability of debtors. The consequences for EBC Group are increased risk provisions and connected negative impacts the profit and loss statement and funds. The policy endorses the achievement of the portfolio decarbonisation targets by 2050. Decarbonisation levers primarily contributing are the emission reduction in the energy sector as well as the promotion of a sustainable real estate sector (see chapter E1-3 for more details). For a detailed understanding of the CO_2e metrics associated with financed emissions, chapter E1-6 provides comprehensive results for the current and prior years.

Methodology

Specifically, the policy requires local entities to collect and store sustainability data, which can be obtained through an EPC of the financed object or an alternative method of assessing energy classification. If no energy classification information is received, the worst category of the available energy performance scale is assumed. The policy includes special lending conditions based on the energy efficiency values of the objects being financed. These conditions acknowledge that objects with lower energy efficiency are more likely to incur higher future maintenance and investment costs, which could impact the repayment capacity of customers and represent a credit risk. Higher energy efficiency, supported by the requirement of an EPC, means a lower carbon footprint for the building. Thus, for retail mortgages, the pricing is linked to energy efficiency of the real estate collateral.

In EBC the recommended parameters for housing loans is different for real estates with EPC levels E,F,G with Debt Service to Income (DSTI) ratio of maximum 40% . Housing loans for real estate with EPC level A+ or A can have tenor up to 35 years.

For customers planning to renovate the financed property, the lending parameters can be applied at loan origination, representing the new energy performance category expected to be reached after renovation. The targeted energy performance level post-renovation must be assessed and provided by locally acceptable methods at the time of loan origination.

For clients purchasing residential real estate classified with a lower energy efficiency level, the maximum DSTI must be applied in accordance with the policy requirements. This ensures that potential future cost increases due to higher energy costs or renovation expenses are considered.

Scope

The scope of the policy applies to core local entities and their respective subsidiaries that are engaged in lending to private individuals and micro entities (excludes Erste Card Club, Erste & Steiermärkische S-Leasing, Erste nekretnine). The Chief Risk Officer (CRO) area is responsible for the implementation of the policy and ensuring that majority-owned subsidiaries also comply with the requirements of this policy. The policy covers the entire end-to-end retail credit cycle, which includes loan granting, portfolio management and collections. It is adopted across geographies in compliance with local regulatory requirements. There are no explicit exclusions mentioned in terms of activities or the upstream and down-stream value chain.

An ongoing dialog is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in Erste Group's policy setting process, which was cascaded to EBC Group for implementation. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

By adhering to this policy, EBC Group also follows the European Banking Authority (EBA) guidelines on loan origination and monitoring as well as the EU GDPR and KYC requirements. The policy is made available internally.

REAL ESTATE FINANCING POLICY

Policy objectives to address Respective impacts, risks and opportunities

EBC Group benefits from the financial opportunities that arise from the financing of and investments into companies that offer solutions for adapting to climate change and the funding of adaptation solutions in the real estate market (residential and commercial real estate). However, EBC Group also encounters an elevated credit risk as climate-related physical risks can lead to a devaluation of collateral and/or to negative effects on the business models and financial stability of debtors. The consequences are increased risk provisions and negative impacts on EBC Group’s profit and loss statement and own funds. For this reason, EBC Group's Real Estate Financing (REF) Policy requires a sustainability assessment for real estate financings projects with exposure of EUR 20 million or above before making a credit decision. Through this the policy contributes to the achievement of the portfolio decarbonisation targets by 2050. Principal mechanisms for decarbonisation that are instrumental in attaining the policy's objectives include ‘promoting a sustainable real estate sector’ as well as ‘emission reduction in the energy sector’ (see chapter E1-3 for more details). To gain a deeper insight into the CO_2e outcomes of financed emissions, refer to chapter E1-6.

Methodology

With regards to the monitoring process, the policy requires an assessment of energy efficiency, physical risk (e.g. flooding, drought etc.) and the CO_2e value of the asset. It requires a Technical Due Diligence report, which includes the following areas:

- a technical and functional evaluation of the asset
- verification of the legal authority’s status
- a general evaluation of the building specification
- a technical/economical evaluation of the building materials
- the implemented technology, the overall quality and workmanship
- a rough estimation of necessary investments.

Scope

The scope of the policy encompasses all real estate financing transactions with corporate clients or client groups, regardless of segmentation criteria. It covers the Commercial Real Estate segment, all specialized lending income-producing real estate clients and clients with certain codes in the nomenclature statistique des activités économiques dans la communauté européenne (NACE) related to the corporates segment or the industry segments of Real Estate or Hotels and Leisure. The policy is defined and updated at the Erste Group level and applies to all Erste Group and EBC Group entities where such business is conducted. These entities are required to integrate the policy into their local frameworks. In the process, Erste Group Bank AG has a dual role, both overseeing activities within the group and acting as a distinct legal entity offering corporate banking services. The same process flow applies for EBC subsidiaries. For clients or client groups outside of EBC Group's home markets, group standards are applicable as defined in the country specifics. The policy does not apply to workout clients, as defined in the Workout Policy, which focuses on restructuring rather than new business generation.

For engagements above EUR 40 million, the policy requires legal documentation to be based on international Loan Market Association standards, ensuring the possibility of syndication or sub-participation.

An ongoing dialog is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in Erste Group’s policy setting process which took into consideration and EBC Group aspect. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

The CRO of EBC Group is accountable for approving and implementing the policy. The policy is only available internally.

CORPORATE LENDING PRINCIPLES

Policy objectives to address Respective impacts, risks and opportunities

EBC Group Corporate Lending Principles policy defines group-wide rules and principles for corporate lending to ensure sound credit risk management, responsible banking and standardized client creditworthiness assessments. The policy supports managing risks stemming from energy and climate change mitigation by conducting a comprehensive ESG assessment of large corporate borrowers. EBC Group may face higher credit risk caused by climate-related transition events that can lead to negative effects on the profitability of business models and the financial stability of debtors. The consequences are increased risk provisions for Erste Group and connected to negative impacts to its profit and loss statement and own funds. For example, price instability in the energy market due to climate change can result in decreased profitability in companies belonging to high emitting sectors.

By managing these risks, the policy supports the EBC Group's portfolio decarbonisation targets and potential subsequent emission reduction. The key decarbonisation lever contributing to achieving the policy's target is 'emission reduction in the energy sector' (see chapter E1-3 for more details). For insights into the CO_2e results of financed emissions, you can find detailed information for the current and previous years in chapter E1-6.

If a client is exposed to increased sustainability risks, these must be properly assessed with respect to their financial position in the credit application and considered in the final lending decision as well the rating where relevant. For large corporates in certain industries that lack a climate transition plan and do not measure the current emissions, any new transaction including a policy exception must be approved by the holding credit committee. This ensures that material sustainability matters are integrated into the lending process and encourages clients to adopt sustainable practices. Additionally, ESG assessments are updated annually to reflect any changes in the client's ESG risks.

Methodology

The evaluation of the client performance or solvency includes an assessment of its financial metrics and relevant risks (incl. ESG risks) which is mandatory in the loan origination and monitoring process. ESG factors may have a positive (mitigation) or negative (risks) impact on the financial performance or solvency of the client. Large Corporate clients need to provide their ESG related data to the Bank. The preferred source are client ESG data published on HROK ESG Platform (Croatia-wide unified ESG Assessment questionnaire) which is developed in cooperation with major banks in Croatia and Croatian Credit Information Registry (cro. HROK – Hrvatski registar obveza po kreditima).

Scope

The policy is applicable to the whole EBC group and covers all corporate clients (LC, SME, CRE, Corporates owned by Sovereigns or Sub Sovereigns, public sector). The policy explicitly excludes clients involved in suspicious and illegal activities or controversial industries as well as pure financial holdings without transparency and captive/offshore companies not consolidated into the internal Group connected clients (GCC).

An ongoing dialog is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in EBC Group's policy setting process. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

By adhering to this policy, Erste Group complies with the EBA Guidelines on loan origination and monitoring. The The CRO of EBC Group is accountable for the implementation of the policy. The policy is made available internally.

E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE MITIGATION AND ADAPTATION

Energy and real estate, the largest and most emission-intensive sectors in Erste Group's portfolio, are key to its decarbonisation efforts. To achieve net zero emission targets, Erste Group focuses therefore on two portfolio decarbonisation levers that comprise several already implemented key actions. For a more comprehensive understanding of the CO_2e results pertaining to financed emissions, please consult chapter E1-6.

DECARBONISATION LEVER 'PROMOTING A SUSTAINABLE REAL ESTATE SECTOR'

EBC Group aims to reduce its financed emissions by increasing sustainable financing in the real estate sector through two main enablers, its GRAS (Green asset Screening Check Tool) for evaluation of sustainable projects, and the Renovation Financing and Energy Efficiency Calculator to assess its client's home renovation need and energy efficiency.

On one hand, the action contributes to the achievement of the Sustainable Finance Guideline's objective in strengthening its role in sustainable financing. On the other hand, the action aligns with Real Estate Financing Policy, as the policy requires a sustainability assessment for residential real estate financings projects with exposure of EUR 20 million or above before making a credit decision. Therefore, this decarbonisation lever addresses the impacts, risks and opportunities (IRO) of these policies as outlined in chapter E1-2. As a result, it contributes to the achievement of the portfolio decarbonisation targets by 2050. This lever further contributes to the attainment of the 15% sustainable corporate financing target and the 15% sustainable mortgage target (see chapter E1-4 for more details on targets).

Enabler 1: Financial Health Commerical Real Estate Tool

Erste Group has developed the Financial Health Commercial Real Estate Tool to enhance client engagement, provide greater transparency and improve the overall quality of its portfolio. This tool plays a critical role in supporting climate change mitigation by enabling the identification and promotion of energy-efficient building practices. By integrating asset-level data on energy performance and greenhouse gas (GHG) emissions, the tool allows both the bank and its clients to actively track and manage the carbon footprint of commercial real estate portfolios. The tool raises client awareness and encourages the adoption of renewable energy solutions, such as on-site solar power generation or green electricity procurement. With this initiative Erste Group's aims to enhance energy efficiency and reduce carbon emissions within its commercial real estate holdings.

The Financial Health Commercial Real Estate Tool integrates client asset KPIs with benchmark values derived from EBC Group's portfolio data, internal policies and GHG thresholds. For instance, EBC Group compares client EPCs among other client assets in the portfolio (EPC values of CRE assets). A pre-defined CO_2e threshold allows EBC Group to identify assets that are desirable in terms of CO_2e emissions and are aligned with its portfolio reduction pathway. It enables clients to visualize their projects, compare them with other portfolio projects and place them within the context of Erste Group's commercial real estate decarbonisation pathways. EBC is in the implementation phase of this Erste Group tool.

Erste Group is currently conducting the screening of each client within the portfolio and the implementation is currently underway across all entities and will continue throughout 2025, including the EBC Group. The primary objective is to engage with all relevant commercial real estate clients, utilizing available underlying asset information. As a result, the FH Tool indirectly contributes to climate change mitigation and GHG reduction by facilitating the identification and promotion of energy-efficient building practices among clients.

Green Asset Screening Check tool (GRAS)

In the interim period, EBC Group uses Green Asset Screening Check tool (GRAS) which is being utilized in its preliminary version for the evaluation of green projects. The tool operates by allowing users to input parameters specific to a product, applying distinct criteria across three key industries: real estate, renewable energy, and transport. The tool screens taxonomy eligible deals and sustainable deals. If the purpose is to finance renovations, users can input the differences in achieved energy properties based on energy certificates before and after renovation - Primary Energy Demand (PED). Upon input, GRAS determines the environmental credentials of a project, ensuring alignment with both EBC Group and the Erste Group's sectoral policies. Presently, the renewable energy sector and transportation sector have been partially integrated within the tool's framework. The real estate sector is anticipated to be fully operational by the conclusion of Q1 2025.

Enabler 2: Renovation Financing and the Energy Efficiency Calculator

To support the energy efficiency transition in residential properties, EBC Group provides its retail and corporate clients with digital, web-based solutions that simplify the process of assessing their home renovation needs. The renovation calculator tools offer clients an understanding of their current property's energy efficiency and identify potential improvements. By engaging clients through this platform, Erste Group provides the possibility to get a clear picture of how their home's energy efficiency can be improved, which actions to take and how to quantify the business case for these improvements. The expected results include increased client engagement via digital channels, with more homeowners adopting energy-efficient renovation measures. Additionally, clients are encouraged to access subsidy programs across the the region where EBC Group operates and to receive financing options, leading to better utilization of energy-saving technologies such as solar panels, heat pumps and home insulations. Where financially viable and credit risk parameters are met, EBC Group is easing the time to cash for customers to receive financing for energy upgrades. This measure supports the implementation and realization of the retail credit risk policy, the SFG as well as the Sustainable Finance Framework. It contributes to the achievement of the target 'sustainable retail mortgages' as outlined in the table 'Sustainable financing and investments –actuals and targets'.

EBC Group proactively engages with clients, offering renovation calculation and financing options through various channels. By leveraging the renovation calculator and associated financing solutions, Erste Group supports clients in enhancing the energy efficiency of their homes, thereby promoting sustainable housing solutions. The effectiveness of this initiative is monitored through its impact on financed emissions.

The described decarbonisation lever with its two enablers drives GHG emission reductions as shown in the table 'Sustainable Finance Targets'.

Scope of the decarbonisation lever

The geographic scope for the decarbonisation lever encompasses all regions of operations and focus on the downstream value chain. The implementation relates to a medium-term period. Currently in the rollout phase, the FH Commercial Real Estate Tool is being implemented across all Erste Group regions including EBC, with the screening of all existing stock assets expected to be completed in the short to medium term. The tool focuses on downstream value chain and addresses the commercial real estate portfolio of Erste Group, and subsequently the commercial real estate portfolio of EBC Group. The Renovation and Energy Efficiency Calculator applies to the downstream value chain of EBC Group, focusing on retail mortgage clients. The scope covers all regions where EBC Group operates, particularly targeting clients with high energy intensity. For a better understanding of the CO_2e results of the financed emissions, you can refer to chapter E1-6 for the current and the previous year.

DECARBONISATION LEVER 'FINANCED EMISSIONS REDUCTIONS IN THE ENERGY SECTOR'

EBC Group aims to reduce its financed emissions in the energy sector by increasing sustainable financing for renewable energy projects and by reducing its loan portfolio in the coal sector. The contribution to decarbonisation targets significantly depends on the nature of the financed company.

This action contributes to the decarbonisation of EBC Group's energy portfolio and is in line with the Sustainable Finance Guideline which defines sustainable investments that contribute to climate-neutrality as well as the Responsible Financing Policy which sets exclusion criteria for harmful socio-environmental economic activities, such as investments into carbon-intensive energy activities. Additionally, it contributes to the objectives of the Corporate Lending Principles. Therefore, this decarbonisation lever addresses the IROs of these policies as outlined in chapter E1-2. The lever further contributes towards the policies' objectives such as the net zero portfolio target as well as the 15% sustainable corporate target. The achievement of the policies' targets is outlined in chapter E1-4.

Through the key actions 'renewable energy financing' investment in and financing of energy-intensive energy companies will be reduced, while financing renewable energy projects enables CO_2e-neutral energy production, which is necessary for the transition to an economic system within the planetary boundaries, offering new clean energy opportunities for EBC Group's portfolio.

Key action 1: Renewable energy financing

EBC Group's renewable energy financing aims to increase the share of sustainable financing for projects that support the transition to cleaner energy sources. By focusing on clients with decarbonisation technologies EBC Group seeks to accelerate the adoption of renewable energy solutions, including wind, solar and battery storage. The anticipated impact includes an increase in financing for renewable energy projects and a reduction in financed emissions from the energy and heat production sectors, particularly if fossil-reliant companies transition to cleaner energy technologies. This initiative is a key measure contributing to the realization of the targets and goals outlined in the SFG and the Sustainable Finance Framework policy.

Key action 2: Reducing coal financings

In line with its Responsible Financing Policy, EBC Group is committed to progressively reduce its financing of thermal coal mining and thermal coal-based power generation, phasing out coal financing by 2030.

EBC Group actively engages with all clients exposed to thermal coal, focusing on understanding their transition plans. By the end of 2025, EBC Group aims to analyse all clients in this sector in-depth to assess and align their transition plans with the bank's net zero targets. This includes identifying clients with over 25% of revenues from thermal coal and requiring them to present a credible, time-bound exit plan to phase out coal-related activities by 2030.

Through the implementation of the two outlined measures, this initiative will result in a substantial reduction in financed emissions. Additional information on the achieved GHG reductions can be found in table 'Portfolio Decarbonisation Targets including progress in 2024,' with particular emphasis on the electricity production sector.

Scope of the decarbonisation lever

The scope of the Sustainable Financing for renewable energy measure covers the downstream value chain of EBC Group, specifically targeting renewable energy projects in the energy and heat production sectors. The geographic scope encompasses all regions of EBC Group. The implementation of the sustainable finance measure for renewable energy is designed for a long-term period.

With regards to clients belonging to sectors not included in EBC Group's portfolio decarbonisation targets, EBC Group conducts similar engagement strategies for clients with high financed emissions.

None of the three decarbonisation levers directly address providing remedies for those affected by actual material impacts. The related expenditure for the three decarbonisation levers is not significant for the financial performance of the Group.

DECARBONISATION LEVER 'EMISSION REDUCTION IN OWN OPERATIONS'

EBC Group aims to decarbonise its operations by decarbonising employee mobility through electrification, enhancing building energy efficiency, switching to low-carbon energy sources and increasing employee engagement through trainings and joint action. The implemented actions target the bank's CO_2e emissions from own operations, thus contributing to its net zero operations goal. EBC Group's actions currently focus on the reduction of scope 1 and 2 emissions as managing operational scope 3 emissions represents a significant challenge, as these emissions are largely influenced by the activities of third parties and external stakeholders. Please refer to chapter E1-4 to gain a deeper understanding of the achieved GHG emission reductions within Scope 1 and 2. Additionally, chapter E1-6 outlines the current CO_2e balance results and those from the previous year. For more insights into energy consumption and its breakdown, please see chapter E1-5.

No significant capital expenditure and operating expenditure is required for the described measures.

With regards to the decarbonisation levers affecting the portfolio, no assessments can be made concerning the CO2e reduction potential yet. Similarly, no projections have yet been made for the CO2e reduction potential concerning own operations.

Scope of the decarbonisation lever

The implementation of the measures relates to the short-term period for employee engagement and awareness and to the medium-term period for decarbonisation of employment mobility, increased energy efficiency of own buildings and low carbon energy use.

E1-4 – TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTION

PORTFOLIO DECARBONISATION TARGETS

EBC Group's decarbonisation targets are presented in the 'Portfolio Decarbonisation Targets' table, detailing emission scopes, the base year, the target value, the reference value and the selected scenario pathways and methodologies. Most of EBC Group's GHG emission reduction targets are scientifically sound and compatible with limiting global warming to 1.5°C.

The net zero portfolio target aims to minimize credit risks from climate-related physical and transition risks, capitalize on opportunities to finance climate change adaptation solutions and renewable energy projects, enhance positive impacts through the financing of renewable energy solutions and reduce negative impacts through the financing of energy-intensive companies.

The net zero portfolio target is strategically designed to evaluate the effectiveness and efficiency of EBC Group's initiatives in mitigating the emissions associated with its financing activities. This target not only serves as a benchmark for assessing the success of various measures implemented to reduce the carbon footprint of financed projects but also underscores the Group's commitment to sustainable finance. For a comprehensive understanding, the CO_2e results of the financed emissions for this year, along with those from the previous year, are detailed in chapter E1-6.

The policies described in chapter E1-2, such as the SFG, the Responsible financing policy, the Corporate Lending Principles Policy, the Real Estate Financing Policy and the Retail Credit Risk Management Policy, collectively support the achievement of the portfolio decarbonisation target by addressing EBC Group's material IROs as listed in the table 'Material Impacts, Risks and Opportunities' in chapter SBM-3. The portfolio target is primarily achieved through a reduction in financed emissions in the energy sector as well as the promotion of a sustainable real estate sector. This is explained in more detail in the prior chapter E1-3.

Target setting process is Erste Group wide process, coordinated at the Group level with EBC Group providing key inputs. Client executives, industry experts, and sustainability advisors were engaged to ensure that our goals are aligned with broader industry standards and expectations.

By focusing on both the energy and real estate sectors, EBC Group aims to address major sources of emissions through sustainable financing, energy efficiency improvements and the transition to renewable energy sources. These efforts are expected to contribute significantly to achieving the GHG emission reduction targets. The portfolio decarbonisation targets address Erste Group's downstream value chain and applies to all regions in which it operates, including the EBC Group.
Client executives, industry experts and sustainability advisors were engaged to ensure that Erste Group's goals are aligned with broader industry standards and expectations.

The following EBC Group medium and long-term targets have been set to define the path towards a net zero portfolio and make progress clearly measurable:

Table 9: Portfolio Decarbonisation Targets

				Baseline		Targets			
Sector	Metric	Methodology[3]	Scenario/ pathway	Year	Value	2030	Reduction in %	2050	Reduction in %
Mortgages	$kgCO_2e/m^2$	SBTi SDA	IEA B2DS	2022	50.44	31.81	-37%	0.54	-99%
Commercial real estate	$kgCO_2e/m^2$	SBTi SDA	IEA B2DS	2022	76.66	44.08	-42%	0.64	-99%
Electricity production	$kgCO_2e$/MWh	PACTA	IEA NZE2050	2022	34.8	18.5	-47%	1.94	-94%
Cement production [1]	tCO_2e/tonne cement	SBTi SDA	IEA NZE2050	2023	0.583	0.463	-21%	0.03	-95%

[1] The base year / actual values are based on available input data (e.g., client sustainability reports), some of them only show CO2 values as a counter or tonne cementitious as a denominator. If, instead of the CO2e intensity per tonne of cement, only the CO2 intensity per tonne of cementitious was available, this was used.

As all targets are derived based on the Science-Based Target Initiative (SBTi) and PACTA methodologies, these targets serve as 1.5°C scenario-based benchmarks, except the real estate sectors. For those, Erste Group considers to re-baseline the targets.

Methodology defined measures and the current progress towards the targets will be described below.

Table 10: Portfolio Decarbonisation Targets including progress in 2024

				Baseline		Value		Targets			
Sector	**Metric**	**Methodology**	**Scenario/ pathway**	**Year**	**Value**	**2024**	**Reduction in%**	**2030**	**Reduction in %**	**2050**	**Reduction in %**
Mortgages	$kgCO_2e/m^2$	SBTiSDA	IEAB2DS	2022	50.44	39.57	-21.6%	31.81	-37%	0.54	-99%
Commercial real estate	$kgCO_2e/m^2$	SBTiSDA	IEAB2DS	2022	76.66	41.81	-45.5%	44.08	-42%	0.64	-99%
Electricity production	$kgCO_2e/MWh$	PACTA	IEA NZE2050	2022	34.8	0.04	-100%	18.5	-47%	1.94	-94%
Cement production [1]	tCO_2e/tonne cement	SBTiSDA	IEA NZE2050	2023	0.583	0.587	0.7%	0.463	-21%	0.03	-95%

[1] The base year / actual values are based on available input data (e.g., client sustainability reports), some of them only show CO2 values as a counter or tonne cementitious as a denominator. If, instead of the CO2e intensity per tonne of cement, only the CO2 intensity per tonne of cementitious was available, this was used.

After defining portfolio decarbonisation targets for priority sectors, the EBC Group’s risk appetite has been enhanced through the introduction of an internal indicator. The internal indicator addresses the question at what level of CO_2e emissions or CO_2e emissions per physical metric in the respective year (e.g., 2024) puts the target achievement for 2030 at risk. Thus, its aim is not only to support the commitment to climate action, but also to enable pro-active steering of portfolio development along the defined decarbonisation path. The internal indicator is set in a form of the buffer above the downward decarbonisation pathway, thus allowing benign deviations above it but still ensuring sufficiently early alert in case of possible misalignment with 2030 targets.

In case of a trigger event, the reasons for the indicator breach are analysed and mitigation measures are developed with the involvement of relevant stakeholders. This process is dependent on the drivers, industry specifics, impact as well as necessary time for remediation. It is discussed and agreed upon with the relevant stakeholders on a case-by-case basis.

The explanation on the progress is elaborated in the chapters dedicated to the decarbonisation of the respective sectors.

Energy sector decarbonisation target

Our focus within the electricity production portfolio is on diversified electricity producers, as well as project-based financing of electricity production. We apply a thorough review process to confirm that our activities are centered on electricity generation. This focus supports our broader goal of reducing carbon emissions in the power sector, which is a significant contributor to global greenhouse gas emissions.

Moreover, energy sector will be the central cornerstone of Europe’s decarbonization success. As one of the most pollutive industries at the present time, it also offers a substantial opportunity to transform from fossil fuels to renewable. The greener energy mix will be a key contributor in the reduction of emissions of other industries.

This portfolio's scope includes direct emissions (Scope 1) from the combustion of fossil fuels and indirect emissions (Scope 2) associated with the purchase of electricity, heat, and cooling necessary for operations. Emissions related to activities further down the value chain (Scope 3) are not included, as they represent a relatively small part of the total emissions in the power generation sector.

Our methodological approach is grounded in the PACTA (Paris Agreement Capital Transition Assessment) framework, customized for financial institutions. This allows us to track and manage the physical emission intensity of electricity production within our portfolio. We use a key metric that measures the amount of CO2 equivalent emissions per megawatt-hour (kgCO2e/MWh) of electricity generated. This metric plays a crucial role in evaluating whether our clients are prepared for the necessary transition in line with our 2030 and 2050 decarbonization objectives.

To align with global efforts to limit temperature rise, we have adopted the IEA Net Zero 2050 scenario as our guiding benchmark. Our targets aim for a 47% reduction in the physical emission intensity of our portfolio by 2030, bringing it down from a 2022 baseline of 34.8 kgCO2e/MWh to 18.5 kgCO2e/MWh. We are tracking our progress closely, with interim results showing a reduction to 30.7 kgCO2e/MWh by 2024.

For deriving the future trajectories for each technology, the NZE 2050 (1.5 degree) scenario was used. The IEA with its' "Net Zero by 2050: a roadmap for the Global Energy Sector" depicts the pathway to building a global energy sector with net-zero emissions in 2050. The key drivers of this scenario are electrification and electricity supply and demand. The NZE scenario (WEO 2021) foresees a reduction in demand for fossil fuels. Oil demand will decline very gradually, and natural gas remains mostly stable until 2030.

Cement decarbonisation target

A Net Zero target of EBC Group is defined for the clients in cement manufacturing. A thorough review process was carried out to identify the clients whose activities fall under definition of this sector. This portfolio includes scope 1 and 2 of emissions.
Our methodological approach is grounded in the SBTi (Science Based Targets Initiative) framework. We applied the SDA (Sectoral Decarbonization Approach) for 2030 and the Net-Zero Tool for 2050. This allows us to track and manage the physical emission intensity of cement production within our portfolio. We use a key metric that measures the amount of CO2 equivalent emissions per tonne of cement (tCO2e/tonne cement). This metric plays a crucial role in evaluating whether our clients are prepared for the necessary transition in line with our 2030 target.

To align with global efforts to limit temperature rise, we have adopted the Net Zero 2050 (IEA 2021) scenario as our guiding benchmark. There is an uncertainty in the development of the technology, that is needed to support transition to net zero for this sector after 2030.

Our targets aim for a -21% reduction in the physical emission intensity of our portfolio by 2030, bringing it down from a 2023 baseline of 0.583 tCO2e/tonne cement to 0.463 tCO2e/tonne cement. We are tracking our progress closely, with interim results showing 0.587 tCO2e/tonne cement at the end of 2024.
We categorize our portfolio assets based on the current and planned cement related emission intensities of the clients and if not disclosed of related national-wide cement associations to which the client belongs to. This classification helps us gauge our clients' readiness for the transition and shapes our engagement strategies with them.
In setting these targets, we engaged with key stakeholders, including client executives, industry experts, and sustainability advisors, to ensure that our goals are aligned with broader industry standards and expectation.

Real estate and mortgages decarbonisation target

Decarbonisation targets of EBC Group are defined for the clients in scope of the PCAF real estate calculation, comprising specific mortgage and commercial real estate asset classes. This portfolio includes scope 1 and 2 emissions.

The methodological approach is grounded in the SBTi framework using the SDA. This allows EBC Group to track and manage the physical emission intensity of this portfolio. It uses a key metric that measures the amount of CO_2e emissions per square meter ($kgCO_2e/m^2$). This metric plays a crucial role in evaluating whether the real estate assets are in line with the decarbonisation pathway connected to the 2030 target. To align with global efforts to limit temperature rise, it has adopted the Beyond 2°C Degrees (IEA ETP 2017) scenario as the guiding benchmark. The mortgage targets aim for a 37% reduction in the physical emission intensity of the portfolio by 2030, bringing it down from a 2022 baseline of 50.44 $kgCO_2e/m^2$ to 31.8 $kgCO_2e$/m2.

The portfolio largely consists of volumes in retail business segments. EBC Group is tracking its progress closely, with interim results of 39.57 kg CO_2e/m2 by 2024, indicating a stable development. The stable development in this sector stems mainly from the different business characteristics in comparison with the other segments for which targets are set:

- Mortgages cannot be steered on an individual client basis, but systematic and portfolio-based approaches need to be followed.
- Mortgages are highly exposed to the macroeconomic circumstances and national programs in the respective region, such as the availability of Heating & Electricity sources and national renovation campaigns. Systematic approaches need to be taken by the respective policy makers to be on track for this segment.

Considering these characteristics, EBC Group acknowledges its limited possibility to steer this portfolio stand-alone. Currently, based on the year-end monitoring of the decarbonisation progress of mortgages, the actual metric is not in line with the internal indicator (46.6 $kgCO_2e/m^2$) established by EBC Group, thus triggering internal governance with corrective measures aiming to effectively mitigate potential risks. One of these measures is a renovation campaign being launched in EBC Group for the year 2025. This will help EBC Group's clients to transition (also supported by digital channels) and as well to reduce their energy costs and improve their property value.

The commercial real estate target is a 42% reduction in the physical emission intensity of the portfolio by 2030, bringing it down from a 2022 baseline of 76.66 $kgCO_2e/m^2$ to 44.08 $kgCO_2e/m^2$. EBC Group is tracking progress closely, with interim results showing a reduction by 45.5% to 41.81 $kgCO_2e/m^2$ with respect to the baseline year. The portfolio largely consists of volumes in the corporate business segment, primary from the sub-segment commercial real estate and SME. Developments in this segment are driven by improvements in data quality (e.g., obtaining energy performance certificates), new business with lower emission intensity and methodological changes. Based on the year-end monitoring of the decarbonisation progress of commercial real estate, the actual metric is in line with the internal indicator (44.2 gCO_2e/m^2) established by Erste Group, thus indicating that the bank's respective decarbonisation target set for 2030 is not at risk.

EBC Group categorizes the portfolio real estate assets based on factors of relevance for the portfolio such as energy demand and energy source. This classification helps to assess the readiness of clients for the transition and to shape engagement strategies with them.

In setting these targets, it engaged with key stakeholders, including client executives, industry experts and sustainability advisors, to ensure that goals are aligned with broader industry standards and expectations.

NET ZERO OPERATIONS TARGET

EBC Group has recognized the importance of reducing its operational carbon footprint to decarobanize its operations. Since 2013., EBC Group has consistently delivered reductions in its operational scope 1 and 2 emission already achieving 85.07% of sourced electricity form sustainable sources – remaining portion of 14.93% relates to the ATMs. Taking into consideration that 96.39% of own locations have sustainable electricity, EBC group has set zero reduction targets in relation to the targets set by ISO 14001 and ISO 50001. The target is set for the period of 2022 – 2027, and considers a 3% reduction in relation to the base year (2021.).

The Net Zero operations target addresses climate change mitigation and energy by aiming to reduce negative impacts through energy mix and own GHG emissions. Currently, there is no formal policy covering the operational emission reduction target but an internal action plan. The decarbonisation measures necessary, to achieve the operational target, have been identified to be renewable energy transition, energy efficiency improvement, decarbonizing employee mobility and employee engagement and awareness trainings like explained in chapter E1-3.

At Erste Group level, an ongoing dialog is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in Erste Group's target setting process. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

Table 11: Scope 1 and 2 targets

		Baseline		Actual		Short term		Mid term	
Targets	**Metric**	**Year**	**Value**	**Year**	**Value**	**Year**	**Target**	**Year**	**Target**
Electric fleet	% of e-cars in total carfleet	-	-	2024	8%	2027	19%	2030	100%

SUSTAINABLE FINANCING TARGETS

In line with Erste Group's Sustainable Finance Guideline (SFG) described in E1-2 Erste Group uses this as a framework under which it classifies its sustainable financings for which Erste Group has defined a target in the corporate and retail area. EBC Group follows this methodology at local level.

Methodology

The SFG outlines the following categories based on which a financing can be qualified as a 'sustainable financing':

1. either complies fully with the respective EU Taxonomy criteria for specific purpose financings or general purpose financings weighed by counterpart's most recently published Taxonomy-alignment KPI, if the purpose of the financing is unknown (please refer to the 'EU Taxonomy Disclosure' chapter for more information) or
2. Coverage of an economic activity outlined in the EU Taxonomy, however using broader, simplified internal criteria sets for evaluation
3. Support of projects from supranational institutions in key-sectors,
4. Fulfilment of project categories of voluntary frameworks
5. Support of dedicated national programmes

While the category 1 relates to taxonomy aligned financings, the categories 3 to 5 are of subordinate relevance. EBC Group's focus is therefore category 2 for which its sustainable financings need to comply only with the technical screening criteria for the substantial contribution to one of the environmental objectives defined by the EU Taxonomy with following additional simplification for construction and real estate under the environmental objective Climate Change Mitigation:
Related to climate change mitigation economic activity 'Construction of new buildings'
For construction of new buildings and the acquisition and ownership of buildings built after 2020, EBC Group requires that the primary energy demand of such buildings must be at least 10% lower than the threshold set for the nearly zero-energy buildings (NZEB) requirements in accordance with current national legislation, in order to be classified as Sustainable Financing. This is certified by an Energy Performance Certificate.

In deviation from the EU Taxonomy, the assessment of buildings larger than 5000 m2 upon completion, the building resulting from the construction undergoes testing for airtightness and thermal integrity as well as the life-cycle global warming potential (GWP) for each stage in the life cycle is not mandatory.

Climate change mitigation economic activity 'Acquisition and ownership of buildings'

The general methodology for real estate proxies has been provided by management experts. These estimates use reference benchmarks of energy demand by building energy code, year of construction based on applicable technical standards at the time and results in an estimated primary energy demand of a certain type of building in a certain area depending on the available date of construction of the building (e.g. building permit, year of construction completion, year of construction from the energy performance certificate). For this purpose, the top 15% existing national building stock are determined by the year of construction respectively major renovation, using assumptions and extrapolation, such as a linear distribution between data points available, using the number of building permits per building use and age according to national legislation.
In deviation from the EU Taxonomy, the assessment for efficient operation through an energy performance monitoring and assessment for large non-residential building is not mandatory.

To qualify as Sustainable Financings the compliance with the simplified substantial contribution criteria only is required. Assessment of the 'do no significant harm' criteria and minimum safeguards is not a mandatory condition to qualify as Sustainable Financings but is taken into consideration where existing due diligence process can be applied.

The project financings analysed and documented by the EGB-specific classification methodology are included in the sustainable financing figure, see table 'Sustainable Financings - actuals and targets'. The Sustainable Financing figure also includes all taxonomy aligned financings.

15% sustainable corporate financing target by 2026

The 15% sustainable corporate financing target addresses EBC Group's identified impacts and opportunities related to climate change mitigation and energy deployment. This includes financing and investing in renewable energy projects, as well as financial opportunities that arise from supporting customers in their decarbonisation efforts and transition to a sustainable state. The SFG outlines which financing contributes to the target achievement (see chapter E1-2 for more details).

EBC Group aims to achieve a ratio of 15% of sustainable financings towards corporates in 2026. The target is defined in relative manner to the on-balance gross carrying financing amount towards corporates. The target is applicable for all corporate business lines of parent banks in core markets within Erste Group, including EBC Group.

In terms of the target's progress, EBC Group is well on its way towards meeting the target of 15% in 2026. In 2024, the share of sustainable financing related to the corporates portfolio increased from 7.2% (2023) to 13.4% which represents a positive trend towards target achievement. It is monitored on a quarterly basis and discussed at respective Board meetings.

15% sustainable mortgages target by 2027

The 15% target for sustainable mortgages tackles EBC Group's recognised impacts and opportunities concerning climate change mitiga-tion and energy deployment. This involves financing and investing in real estate, renovation and energy efficiency projects supporting the transition to a sustainable state. The Sustainable Finance Guidelines outline which financings contribute to the target achievement (see 'Methodology' in this chapter and E1-2 for more details).

Erste Group aims to achieve a ratio of 15% of sustainable mortgage lending towards retail clients in 2027. The target is defined in relative terms to the on-balance gross carrying mortgage amount towards retail clients. The target is applicable for the retail business lines of parent banks in the core markets of Erste Group, including EBC Group.

In 2024, the share of sustainable financing related to sustainable mortgages developed from 13.8% (2023) to 15%. The actuals are monitored and reviewed in regular intervals. Monitoring is done on a quarterly basis and discussed at respective Management Board meetings.

The sustainable corporate financing target and the sustainable mortgages target were set based on guidance collected through bilat-eral discussions, conferences, dialogues from supervisory and regulatory authorities, investors, analysts and rating agencies as well as NGOs, academic and environmental institutions. The experts' recommendations were subsequently integrated into the target-setting process. For more details on consideration of interests and view of stakeholders please refer to chapter SBM-2.

No changes in the targets, corresponding metrics or the underlying methodologies have been made in 2024. Sustainable corporate financings increased from 7.2% in 2023 to 13.4% in 2024 and were mainly driven by real estate financings and renewable energy projects, while also further enhancing EBC Group's financing opportunities in other sustainable areas. The sustainable retail mortgage ratio increased from 5.2% in 2023 to 11.8% in 2024. Thereby EBC Group fulfils its sustainable retail mortgage target ahead of the schedule.

The targets were set based on guidance collected through bilateral discussions, conferences, dialogues from supervisory and regulatory authorities, investors, analysts and rating agencies as well as NGOs, academic and environmental institutions. The experts' recommendations were subsequently integrated into the target-setting process. For more details on consideration of interests and view of stakeholders please refer to chapter SBM-2.

No changes in the targets, corresponding metrics or the underlying methodologies have been made in 2024.

Table 12: Sustainable financing and investments – actuals and targets

				Targets			
		Actual		short term		mid term	
	Metric	Year	Value	Year	Target	Year	Target
Sustainable corporate financing*	% of corporate financing portfolio	2024	13.4%	-	-	2026	15%
Sustainable retail mortgages1	% of retail mortgage portfolio	2024	11.8%	-	-	2027	15%

1 – refers to the ratio of sustainable retail mortgages in relation to the total retail mortgage portfolio

New corporate sustainable financing has been supported by a strong contribution from commercial real estate financing and renewable energy projects. This growth has further strengthened our sustainable corporate financing KPI. Additionally, the existing stock of retail mortgage financing has increased, contributing to the achievement of our sustainable retail mortgages KPI. The measurement of this metrics has not been validated by an external body, apart from the assurance provider.

The sustainable corporate financing target and the sustainable mortgages target were set based on guidance collected through bilateral discussions, conferences, dialogues from supervisory and regulatory authorities, investors, analysts and rating agencies as well as NGOs, academic and environmental institutions. The experts' recommendations were subsequently integrated into the target-setting process. For more details on consideration of interests and view of stakeholders please refer to chapter SBM-2. Monitoring is done on a quarterly basis and discussed at respective Management Board meetings.

Table 13: Specific purpose sustainable financing

in EUR million	2024
New corporate sustainable financing, total new business	191,6

E1-5 – ENERGY CONSUMPTION AND MIX

Erste Group uses the UL360 software programme from UL Solutions to gather energy consumption data, the process is applied centrally at Erste Group level where the calculations are done for EBC Group as well. Energy consumption at approximately 2,500 business locations is individually recorded and evaluated. Annual electricity and heating consumption values in MWh are collected on an individual address level, broken down by source of electricity and heating type to be able to split the total energy consumption into fossil, nuclear and renewable sources. As proof documents, supplier invoices are recorded in the system. The split between energy from fossil, nuclear and renewable sources is done directly in the UL360 system following this logic:

- consumption from 100% renewable sources (e.g. purchased green electricity as defined in the contract with the energy supplier) is automatically allocated to "renewables".
- consumption from 100% fossil sources (e.g. oil for heating or diesel for emergency generators) is automatically allocated to "fossil".
- For mixed sources like national electricity supply or district heating partially from biomass and fossil sources, data contributors have the option to enter the split as indicated on their energy bills or provided by their suppliers into the system.
- If data contributors do not have access to this information a national average split is applied.

Measurement uncertainty can result from the fact that the collection of energy consumption is not linked directly to the meters installed at the office or branch locations but based on the manual input of energy consumption as invoiced by the energy provider. For some locations, data must be extrapolated if invoices are received after the reporting deadline or to account for different cut-off periods. For those locations where no consumption values, supported by a supplier invoice, were available, an average consumption is automatically applied and calculated for the individual location based on the net floor area considering a national average split of energy source by fossil, nuclear and renewables. Furthermore, energy consumption data from leasing properties owned and rented out by EBC Group's leasing companies is not included due to limitations in data availability. Data of energy consumption and mix were not validated by an external body other than the assurance provider.

Compared to previous year the total energy consumption remained stable with only a slight increase in 2024, while the share of energy from renewable sources increased from 55.99% to 57.87%, mirroring the rise in green electricity and renewable heating usage across the group.

Table 14: Energy consumption and mix

Energy consumption mix	2023	2024
Total fossil energy consumption (MWh)	8,233	7,986
Share of fossil sources in total energy consumption (%)	44.01%	42.13%
Consumption from nuclear sources (MWh)	48	47
Share of consumption from nuclear sources in total energy consumption (%)	0.26%	0.25%
Total energy consumption from renewable sources disaggregated by:	**10,425**	**10,922**
-fuel consumption for renewable sources[1]		
-consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources;	10,356	10,721
-consumption of self-generated non-fuel renewable energy.	69	201

[1] incl. biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renew. Sources

E1- 6 – GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

TOTAL GREENHOUSE GAS EMISSIONS

Table 15: Total GHG emissions

	Base year	Previous year (T-1)	Reporting year (T)	Retrospective % Change compared to previous year
Scope 1 GHG emissions[1]				
Gross scope 1 GHG emissions (tCO_2e)	1,173.83	1,266.29	1,362.92	7.55%
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)[2]	-	-	-	-
Scope 2 GHG emissions				
Gross location-based scope 2 GHG emissions (tCO_2e)	2,865.85	2,354.81	2,926.06	24.26%
Gross market-based scope 2 GHG emissions (tCO_2e)	1,163.09	883.26	1,045.20	18.33%
Significant scope 3 GHG emissions[3]				
Total Gross indirect (scope 3) GHG emissions (tCO_2e)	1,797,473.21	2,119,938.82	2,081,863.21	-1.80%
Purchased goods and services	186.70	131.89	218.93	66.00%
Capital goods	28.74	43.46	34.88	-19.75%
Fuel and energy-related activities	578.88	529.83	492.95	-6.96%
Upstream transportation and distribution	1,316.44	1,059.21	1,237.82	16.86%
Waste generated in operations	99.25	98.51	101.64	3.18%
Business travels	143.90	288.59	395.26	36.96%
Employee commuting	1,781.81	1,605.66	2,105.09	31.10%
Downstream leased assets	329,233.01	376,750.56	459,174.54	21.88%
Investments	1,464,104.49	1,739,431.11	1,618,102.10	-6.98%
Total GHG emissions				
Total GHG emissions (location-based) (tCO_2e)	1,801,511.89	2,123,559.93	2,086,151.20	-1.76%
Total GHG emissions (market-based) (tCO_2e)	1,799,809.13	2,122,088.37	2,084,270.33	-1.78%

[1]Note: No biogenic emissions are emitted.
[2] EBC Group is not part of any regulated emission trading schemes. Therefore, no scope 1 GHG emissions stem from such schemes.
[3] ESRS E1 refers to the GHG protocol Corporate Value Chain (scope 3) Accounting and Reporting Standard, 2011, which defines 15 scope 3 categories of which only material ones should be disclosed.

With regards to the methodologies and assumptions used for calculating the measured GHG emission please refer to the subsequent paragraphs concerning operational and financed emissions.

GREENHOUSE GAS INTENSITY PER NET REVENUE

Table 16: GHG intensity per net revenue

	2023	2024	Change compared to 2023
Total GHG emissions (location-based) per net revenue (tCO2e/monetary unit)	10,572.07	8,675.23	-17.94%
Total GHG emissions (market-based) per net revenue (tCO2e/monetary unit)	10,564.74	8,667.41	-17.96%

RECONCILIATION OF NET REVENUE AND ASSETS

Table 17: Reconciliation of Net Revenue

in million EUR	Net revenue	Assets (Carrying Amount)
Amounts used to calculate GHG intensity per net revenue	240	-
Total amount according to the financial statements	839	16,507

Information about revenue can be found in the Statement of Profit or Loss within the Financial Statements for the year ended 31 December 2024.

GHG emissions caused by EBC Group's operations are calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. Calculations cover scope 1, scope 2 and scope 3 emissions and each was measured in CO_{2e}. The organisational scope of the calculation refers to all entities in the IFRS scope of consolidation with at least one FTE. To calculate the emissions from activities emission factors with a GWP100 were used including relevant GHG emissions (CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3).

In case of the various emission categories, Erste Group implemented the following approaches, which are applied at EBC Group level:

Scope 1 and 2

The calculation of emissions is a central activity, carried out by the Erste Group. In the following excerpts, Erste Group methodology, applied at EBC Group level, is explained.

Erste Group uses the UL360 software programme from UL Solutions to gather scope 1 and scope 2 environmental data as stated in chapter E1-5. For a better understanding of Erste Group's methodologies and significant assumptions behind the metrics please refer to chapter E1-5. Scope 2 emissions were calculated by using a location-based and a market-based method. In case of the location-based method, Grid factors were used to calculate the emissions. In case of the market-based evaluation approach, Erste Group considered its actual energy composition based on its own procurement strategy. For conversion to GHG equivalents (CO_2e), UL360 uses emission factors from DBEIS 2024 (UK Department for Environment, Food and Rural Affairs) and the IEA 2024 (International Energy Agency).

In 2024, 24% of Erste Group's total energy consumption was covered by contractual instruments. The purchased instruments include Energy Attribute Certificates (EECS-GO) for green electricity, covering 39% of the total electricity consumption, and biomass, covering 28% of total district heating consumption from biomass.

Scope 3

Scope 3 category 1 - Purchased goods and services

For scope 3 category 1 a spend-based method was used. Emissions for goods and services were estimated by collecting data on the economic value of goods (spend in EURO) and services purchased by EGB and multiplying it by emission factors originating from an environmentally extended input-output analysis (EEIOA; exiobase 2024). Each purchase, based on customer country, was mapped with the corresponding emission category from exiobase and multiplied accordingly.

Scope 3 category 2 - Capital goods

For scope 3 category 2 a spend-based method was used. Just like for scope 3 category 1, emissions for capital goods were estimated by collecting data on the economic value (spend in EURO) of capital goods purchased by and multiplying it by emission factors originating from an EEIOA (exiobase 2024). Each purchase, based on customer country, was mapped with the corresponding emission category from exiobase and multiplied accordingly.

Scope 3 category 3 - Fuel-and-energy-related activities (not included in scope 1 or 2)
For scope 3 category 3 the average-data method was used. The emissions were estimated by using secondary emission factors (DBEIS, 2024) for upstream emissions per unit of consumption (T&D and WTT). The data for purchased energy and fuel is actual supplier data, which also serves as the basis for the scope 1 and 2 calculations. This data is extracted from the internal ESG database UL360, which is populated by local facility management.

Scope 3 category 4 - Upstream transportation and distribution
For scope 3 category 4 a spend-based method was used. Just like for scope 3 category 1 and scope 3 category 2, emissions for upstream transportation and distribution were estimated by collecting data on the economic value (spend in EURO) of transportation and distribution services purchased by EGB and multiplying it by emission factors originating from an environmentally extended input-output-analysis (exiobase, 2024). Each purchase, based on customer country, was mapped with the corresponding emission category from exiobase and multiplied accordingly.

Scope 3 category 5 - Waste generated in operations
For scope 3 category 5 a waste-type-specific method was used if primary data was available for different waste types in countries. For all primary data available, waste descriptions from EGB countries were mapped to waste activities and waste types. Waste types were then matched to waste treatment options based on ‘‘GHG reporting by department for business, Energy and Industrial Strategy UK’’ (defra 2024). After that, the emissions for the waste types were multiplied by emission factors based on the waste treatment options provided by defra. The waste treatment splits were set based on research and municipal waste treatment data from OECD and European Environment Agency.

If a country had no primary data at all, a conservative approach with 100 % municipal waste was assumed. To calculate emissions, municipal waste splits per countries as well as defra emission factors were used.

Scope 3 category 6 - Business travel
For scope 3 category 6 the distance-based method was applied. The distance and mode of business trips are collected in the UL360 system and partially extrapolated when no primary data was available. For the extrapolation country average distance travelled by mode of transportation based on actual data entered in the system was used. The appropriate emission factors (Umweltbundesamt (UBA), 2023) for each mode of transportation used were applied.

Scope 3 category 7 - Employee commuting
For scope 3 category 7 a survey was performed among Erste Group employees in selected countries to assess the average distance travelled and mode of transportation used by employees to travel to their place of work. The 2024 emission calculation is based on survey results from 29 entities. In total, approximately 50% of FTEs were surveyed with an average participation rate per entity of over 70%. In addition, the number of working days per country, with consideration to vacation days, average sick days and home office rates, was determined. To do this, Erste Group People and Culture department provided the necessary information for vacation days, the average sick days reported per country of last year’s non-financial report as well as the home office rate. The appropriate emission factors for each mode of transportation used were applied (UBA, 2024) and multiplied accordingly.

Measurement uncertainty can result especially where extrapolations are made in calculating emissions. This is especially relevant for emission categories where actual data availability is limited such as ‘‘waste generated in operations’’ and ‘‘employee commuting’’.

Other categories of scope 3 emissions were analyzed and deem irrelevant for EBC Group.

In the process for preparation and presentation of sustainability information in 2024, Erste Group assessed the ESRS-related requirements on the reporting on Total GHG emissions, to provide information of the group’s GHG emissions occurring from its upstream value chain. It was identified that ESRS requires Erste Group to consider the emissions for associates/joint ventures which were previously not included. After its analysis, it was concluded that there were no such emissions for EBC Group.

Scope 3 Category 13 and 15 Financed Emissions

Financed emissions stood at 2,077 thousand tons CO_2e and include ‘Investments and Downstream Leased Assets’ in table ‘Financed Emissions’. Financed emission intensity stood at 332 tCO_2e/EUR million.

The Scope 1+2 financed emissions stood at 995 thousand CO_2e despite increasing exposure development, mainly coming from the Energy Industry.

Overall, the calculation of 2024 financed emissions covers 56.85% of the credit exposure, driven by the inclusion of the exposure to central governments (reported separately from table ‘Financed Emissions’ in table ‘Sovereign emissions’). The remaining uncovered exposure originates from the fact that selected portfolios (e.g., exposure to central banks and credit institutions, off-balance sheet items and consumer loans) are not part of the current financed emission calculation.

Table 18: Share of the portfolio covered by the calculations

	Credit exposure	Covered by financed emissions		Not covered by financed emissions	
	in EUR million	in EUR million	%	in EUR million	%
	3,503		0.00%	3,503	100.00%
Central banks	17		0.00%	17	100.00%
Central governments	4,157	3,269	78.64%	888	21.36%
Credit institutions	205		0.00%	205	100.00%
Other financial corporations	37	20	53.91%	17	46.09%
Non-financial corporations	4,362	4,353	99.79%	9	0.21%
Households	4,489	1,891	42.12%	2,598	57.88%
Total	**16,770**	**9,533**	**56.85%**	**7,237**	**43.15%**

Erste Group uses the PCAF methodology (version 2022) to account for its financed emissions (scope 3 emissions category 15 ‘Investments’). As this standard is in conformity with the internationally recognised GHG Protocol (Corporate Value Chain (scope 3) Accounting and Reporting Standard) emissions are calculated for all the seven GHGs that are listed in the Kyoto Protocol. These are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) and the fluorinated gases (F-gases): hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6) as well as nitrogen trifluoride (NF_3).

For details of the methodology including assumptions see the ‘Methodology’ section below. Erste Group includes the following PCAF-defined asset classes in its calculation: corporate bonds, business loans, project finance, commercial real estate finance and mortgages. Additionally, Erste Group calculates emissions of the PCAF-defined asset class ‘sovereign debt’ and reports them in a separate table. The leasing business (category 13 ‘Downstream Leased Assets’) is included in Erste Group scope 3 emissions. This category is calculated using the same methodology as for category 15 and is separately shown as a sub-item.

One out of the seven currently existing PCAF calculation methodologies – motor vehicle loans – have not been applied yet. The motor vehicles asset class has not been implemented as such because of the low weight of this portfolio. The financed emissions of this portfolio are currently calculated by means of the methodology used for business loans.

Methodology Business Loan, Corporate Bonds and Project Finance

In the case of business loans, Erste Group follows the PCAF methodology by relying either on emissions reported by the corporate customers or emission factors drawn from the PCAF database or on its own approach for loans to large real estate managing companies. The loans granted to large real estate management companies (NACE L68) are included in the PCAF business loans asset class if the finance purpose cannot be unambiguously assigned to one or more commercial real estate properties. As the PCAF database shows only very low emission intensity figures for these exposures, it replaced them with the higher emission intensities of the commercial real estate asset class. In doing so, it proceeded on the conservative assumption that a large part of the funds granted to real estate management companies will de facto be used to finance the relevant buildings, even if the loan agreements as such contain no evidence thereof. Erste Group is working on improving the assignment of deals to the respective PCAF asset classes and expect that specific deals (e.g., allocated in NACE L68) currently calculated as Business Loan, will move to Commercial Real Estate asset class to ensure consistency with internal segmentation.

Erste Group is deviating from PCAF standard for listed companies in the business loan and corporate bond modules. It applies the balance sheet value instead of the Enterprise Value including Cash (EVIC) as a denominator to calculate the attribution factor, as using EVIC might lead to higher volatilities only driven by capital market movements, e.g., in a market stress situation its financed emissions would increase, which doesn't need to be directly related to movements in the physical production of the company. The use of EVIC in the financed emission calculation is not applied by all financial institutions due to the limitation of the metric. The topic was recognized by PCAF, which published a discussion paper on that topic in December 2024.

In case of project finance, Erste Group assumes that renewable energy projects (wind, solar, geothermal and hydropower) have an emission factor for Scope 1 and 2 of zero. In the absence of a financing purpose and with other project finance it follows the calculation methodology for the business loans asset class by using either the emissions reported by the businesses or estimates based on financial metrics and emission factors drawn from the PCAF database.

Erste Group keeps using the base year 2015 PCAF emission factors (Exiobase database) for the 2024 reporting to ensure comparability with the figures of the previous year, which were also used as a basis for target setting.
The decision to maintain the Exiobase 2015 dataset aligns with PCAF's user guidance, which recommends applying the same economic emission factor dataset for longer periods (minimum of three years) to support consistent trend analysis and comparability over time.
It is noted that the PCAF emission factors used for Scope 3 calculations do not include downstream emissions.

Methodology Commercial Real Estate and Mortgages

With regards to commercial real estate and mortgages, the calculation of financed emissions is based on building data, which in a first step is used to calculate the emissions of a building. Depending on data availability, Erste Group calculates emissions from buildings in the following order (which does not reflect the data quality score):

1. CO2e emissions as per energy performance certificate
2. Primary energy demand (PED) as per energy performance certificate
3. PED class as per energy performance certificate
4. PED class with advanced EPC proxy estimation approach
5. PED class based on the year of construction
6. PED class based on the national average drawn from the PCAF database for buildings in Europe as of 2022

For calculation 3 to 6, average primary energy demand is based on the primary energy demand class recorded in the PCAF database of buildings in Europe as of 2022 to ensure comparability with the previous year's figures, which were likewise used as the basis for setting targets in the priority sectors. Once primary energy demand has been determined it has to be converted into emissions as input for calculation 2 to 6.

Erste Group decided to use emission conversion factors based on statistical data on energy mixes and emission intensities. These factors are also a key component in the development of scenarios for the future in the decarbonisation model. In addition, conversion factors obtained in this manner comes with the advantage, that where in-house portfolio data are available, national averages may be substituted by the relevant portfolio data (e.g. if the gas portion in the portfolio is below/above the national average). Main data source for the energy mixes and electricity-based emission intensities of the core countries was the European Calculator[1] and for the heating-based emission intensities the German UBA[2]. Plausible local data sources were as well taken into consideration, particularly for non-EU countries.

[1] https://www.european-calculator.eu/
[2] umweltbundesamt.de/sites/default/files/medien/1410/publikationen/2021-12-13_climate-change_71-2021_emissionsbilanz_erneuerbarer_energien_2020_bf_korr-01-2022.pdf

Table 19: Financed emissions

	Credit exposure	Credit exposure covered by emission calculation	Financed emissions, thousand tCO_2e [1, 2]		Emission intensity	Weighted data quality (High=1, Low=5)		Weighted average carbon intensity	
	in EUR million	in EUR million	scope 1 and scope 2[3]	scope 3[2,4]	tCO_2e/in EUR million	scope 1 and scope 2	scope 3	scope 1 and scope 2	scope 3
2024									
per PCAF asset class									
Corporate bonds		74	9	91	1,349	2.5	2.5	136	1,335
Business loans		3,402	792	943	510	3.8	3.8	248	295
Project finance		209	69	49	563	3.3	3.3	1,168	829
Mortgages		1,691	84		50	3.6			
Commercial real estate		888	41		46	4.1			
Total	16,770	6,264	995	1,083	332	3.8	3.8	297	346
per sector									
Natural resources & commodities	425	336	194	89	844	3.7	3.8	484	222
Energy	795	472	314	230	1,152	3.0	3.0	1,154	845
Construction	1,211	494	158	213	751	4.0	3.9	325	449
Automotive	218	140	14	42	400	3.9	3.9	61	180
Cyclical consumer goods	443	274	20	31	188	3.9	3.9	45	71
Non-cyclical consumer goods	574	306	29	91	392	3.9	3.9	76	236
Machinery	232	80	5	31	453	3.8	3.9	45	284
Transportation	1,206	418	56	102	378	3.5	3.6	242	445
TMT	240	134	8	27	260	4.0	4.0	46	160
Healthcare & Services	467	252	20	56	302	3.8	3.8	67	187
Hotels and Leisure	997	849	61	145	243	3.8	4.0	71	255
Real estate	953	726	30	7	52	4.5	4.9	80	42
Public sector	3,812	65	1	15	245	2.0	2.0	37	1,114
Financial institutions	342	27	1	2	97	4.6	4.6	28	98
Private customers	4,854	1,691	84		50	3.6			
Other sectors	1	1	0	0	172	4.9	4.9	52	148
Total	**16,770**	**6,264**	**995**	**1,083**	**332**	**3.8**	**3.8**	**297**	**346**
of which category 13 (Downstream Leased Assets)									
according to risk countries									
Croatia			948	1,045	346	3.7	3.7	289	362
Montenegro			44	35	187	4.1	4.2	270	295
Marshall Islands			1	0	206	5.0	5.0	601	360
Slovenia			1	0	36	4.9	4.3	72	166
Poland			0	1	722	3.7	4.0	75	439
Austria			0	0	62	3.8	4.6	29	95
Luxembourg			0	0	41	4.9	5.0	6	159
United Kingdom			0	0	35	4.9	5.0	10	71
United States			0	0	50	4.6	5.0	32	89
Italy			0	0	126	4.0	4.0	83	216
Remaining Countries			0	0	31	3.6	4.4	104	168
Total			**995**	**1,083**	**332**	**3.8**	**3.8**	**297**	**346**

[1] For details on the calculation of financed emissions see Methodology

[2] Financed emissions also include category 13 ‘Downstream Leased Assets’ of EBC Group Scope 3 emissions, which are shown separately as a sub-category.

[3] including biogenic CO2 emissions

[4] Where EBC Group uses reported emissions for calculating scope 3 emissions, this includes – if both are reported – both upstream and downstream emissions. Where Erste Group uses emissions with national emission factors from the PCAF database, only Scope 3 upstream emissions are accounted for due to data availability. The data quality score for Scope 3 emissions is therefore reported separately.

Detailed results by PCAF asset class

Corporate bonds

Corporate bonds with exposure of EUR 74 million, account for 100 thousand tCO_2e in financed emissions and an emission intensity of 1,349 tCO_2e/ EUR million.

Business loans

Business loans in the amount of EUR 3,402 million are a major source of financed emissions, because of both their absolute amount (1,735 thousand tCO_2e) and financed emission intensity (510 tCO_2e/EUR million). Business loans comprise financing granted to large international and national corporates, small and medium-sized enterprises as well as micro entrepreneurs (non-financial corporates).

Project finance

The project finance portfolio had a moderate exposure of EUR 209 million and 118 thousand tCO_2e of financed emissions and an emission intensity of 563 tCO_2e/EUR million.

Commercial real estate

Commercial real estate accounted for an exposure of EUR 888 million, with emissions of 41 thousand tCO_2e and a financed emission intensity of 46 tCO_2e/EUR million.

Mortgages

Retail mortgages with an exposure of EUR 1,691 million were the second largest contributor of absolute emissions with 84 thousand tCO_2e but had a low financed emission intensity of 50 tCO_2e/EUR million.

Detailed results by sector

Erste Group used its in-house customer segmentation by sectors for the purpose of PCAF measuring and disclosure of financed emissions. The aggregated level of financed emissions had a positive impact on Erste Group's emission intensity as well as the favourable balance between the low financed emission intensity of real estate and the marginal share of the high-emission heavy industry and energy sectors.

The sector posting the highest financed emission intensity (scope 1, 2 and3) of 1,152 tCO_2e/EUR million, was the energy industry, with a credit exposure covered in the emission calculation of EUR 795 million.

Detailed results by country

Financed emissions are broken down by country rather than based on the entity in which the exposure was posted. Because of its business model, the country with the highest absolute level of financed emissions (1,993 thousand tCO_2e) is Croatia, with level of emission intensity at 346 tCO_2e/EUR. The country with the highest emission intensity is Poland at 722 tCO_2e/EUR.

Detailed results by data quality

Erste Group relies on the PCAF methodology for scoring data quality (data availability), where the scale ranges from a score of DQ 1 (= highest data quality) to DQ 5 (= lowest data quality). The data quality of the calculations reflects the high dependence on sectoral emission factors, as relevant customer information was not widely available. Reported emissions in the corporate customers segment are currently not distinguished between verified and non-verified and therefore the DQ 2 is applied, following a conservative approach.

The weighted average data quality of the quantified portfolio was 3.8 as of 2024 reporting and thus improved versus the previous year (2023: 3.9). The table shows a breakdown of financed emissions distinguished by data availability (energy performance certificates for the real estate sector and reported emissions for the other PCAF asset classes).

EBC Group is disclosing financed emissions from clients reported emissions or derived from an available energy performance certificate separately from financed emissions where it used PCAF factors to calculate financed emissions. The share of emissions derived from reported emissions or an available energy performance certificate amounts to 21.36% of the credit exposure (covered by the emission calculations) and 18.52% of financed emissions. The exposure share is higher for the real estate sector, even though it must be noted that the energy performance certificate – depending on country-specific standards – often covers only the (primary) energy demand and not the level of emissions.

For corporate segments, the emission intensity (tCO_2e/EUR million) is lower where Erste Group uses PCAF factors to calculate emissions. For scope 3 this is mainly driven by the fact that PCAF emission factors only contain upstream emissions. Also, the scope 1 and 2 emission intensity for corporate clients are higher in the reported emissions segment. One of the drivers can be unequal industry distribution as clients in carbon intensive sector are more likely subject of emission disclosure requirements.

Table 20: Financed emissions by data quality

	Credit exposure covered by calculated emissions	Financed emissions, thousand tCO_2e		Emission intensity tCO_2e/in EUR million		Weighted data quality (High = 1, Low = 5)	
	In EUR million	scope 1 and scope 2[3]	scope 3	scope 1 and scope 2	scope 3	scope 1, 2 and 3	scope 3
2024 Total	**190,417**	**14,554**	**27,712**	**76**	**146**	**3.8**	**1.8**
Reported emissions / energy performance certificate available (by PCAF asset class)							
Corporate bonds[1]	57	9	89	161	1,569	2.0	2.0
Business loans[1]	424	151	125	357	295	2.0	2.0
Project finance[1]							
Mortgages[2]	635	9		14		2.9	
Commercial real estate[2]	223	2		8		2.9	
Total	**1,338**	**171**	**214**	**128**	**445**	**2.6**	**2.0**
No Reported emissions / no energy performance certificate available (by PCAF asset class)							
Corporate bonds	18	0	2	7	124	4.0	4.1
Business loans	2,978	641	818	215	275	4.0	4.1
Project finance	209	69	49	329	234	3.3	3.3
Mortgages	1,056	75		71		4.0	
Commercial real estate	665	39		59		4.5	
Total	**4,926**	**824**	**869**	**167**	**271**	**4.1**	**4.0**

[1] Availability of reported emissions for corporate bonds / business loans : reported emissions are available for all scopes that are of relevance for calculating financed emissions (equivalent to DQ 2).
[2] Availability of energy performance certificate for mortgages and commercial real estate: energy performance certificate is available and has been used for calculating financed emissions (equivalent to DQ 3).
[3] including biogenic CO2 emissions

Sovereign emissions

EBC Group's sovereign emissions stand at 748 thousand tCO_2e including land use, land change and forestry (LULUCF) and 613 thousand tCO_2e excluding LULUCF. The decision to report them separately from other financed emissions is driven by the fact that sovereign scope 1 emissions include the whole production of a country, thus leading to double counting of financed emissions. Additionally, it is important to note that sovereign emissions will decarbonise automatically when the respective country is decarbonizing. For the calculation of Sovereign emissions, Erste Group applies the PCAF database as of March 2024. The database provides mainly 2021 and partially 2020 figures, expressed in million USD. For the calculation of sovereign emissions, it converted the emission factor by USD with the USD/EUR FX rate of the respective emission factor year.

Table 21: Financed sovereign emissions by data quality

	Credit exposure covered by emissions calculation	Financed emissions, thousand tCO_2e		Emission intensity tCO_2e/EUR million		weighted data quality
Country	In EUR million	Scope 1 incl. LULUCF[1]	Scope 1 excl. LULUCF[1]	Scope 1 incl. LULUCF[1]	Scope 1 excl. LULUCF[1]	Scope 1[2]
Croatia	2,289	359	470	157	206	1.0
Montenegro	208	76	75	365	362	4.0
Slovakia	278	56	69	202	248	1.0
Poland	193	58	61	298	314	1.0
United States	187	51	58	271	308	1.0
Remaining Countries	116	13	15	115	132	1.0
Total	**3,271**	**613**	**748**	**187**	**229**	**1.2**

[1] Land use, land change and forestry (LULUCF)
[2] no change between incl. and excl. LULUCF

Biodiversity and ecosystems

Biodiversity loss refers to the reduction of any aspect of biological diversity, including diversity at the genetic, species, and ecosystem levels, in a particular area through death (including extinction), destruction, or physical/manual removal. It can occur at various scales from global extinctions to population extinctions, ultimately resulting in decreased total diversity at the same scale.

EBC Group is committed to assess and disclose its biodiversity-related impacts, dependencies, risks and opportunities. Erste Group recognises the indirect impact its investments can have on biodiversity through the identified subtopic soil sealing.

E4 SBM-3 – MATERIAL IMPACT RELATED TO BIODIVERSITY AND ECOSYSTEMS

Table 22: Material impacts related to biodiverstiy and ecosystems

Sustainability matter	Type of IRO	IRO description	Value chain	Time horizon
E4-Soil sealing	Potential negative impact	Investments in real estate and public infrastructure projects have a negative impact on biodiversity as soils are sealed and land is degraded which has a negative impact on biodiversity,	Portfolio	Short-term

Soil sealing

The EU Soil Strategy for 2030 emphasises that soil sealing is highly relevant for Europe and the region EBC Group is active in. Soil sealing has substantial negative impacts on the environment and society, including the loss of essential ecosystem services, increased flood risks, and more intense urban heat island effects. Additionally, soil sealing can contribute to water scarcity, as sealed surfaces prevent the natural infiltration of water into the ground. We did not identified impacts on threatened species.

The relationship between biodiversity and financial institutions is indirect. EBC Group finances companies that are at least partly dependent on ecosystem services to produce goods and services. Soil sealing has been identified in the 2024 double materiality assessment as a negative impact on biodiversity originating from EBC Group's portfolio activities, in particular the financing of real estate projects and public infrastructure that seal land. Soil sealing contributes to increased flooding risk, exacerbates climate change, and can lead to potential health issues due to reduced air and water quality.

Real estate accounts for one of the largest share of EBC Group's portfolio activities. Further information can be found in the Financial Statements in Note 28 Credit risk exposure under the sections 'Credit Risk Exposure by Industry IFRS 9 treatment.

EBC Group has no material sites (in form of office and branch locations) located in or near biodiversity-sensitive areas and no material impacts were identified related to its own operations affecting any biodiversity-sensitive areas.

E4-1 – RESILIENCE OF EBC GROUP'S STRATEGY AND BUSINESS MODEL IN RELATION TO SOIL SEALING

EBC GROUP'S BUSINESS ENVIRONMENT

As an integral part of the Erste Group, EBC Group aligns its strategic planning and risk management processes with the Erste Group's overarching approach. Erste Group has analysed the business environment it is operating in and performed an analysis to assess the resilience of Erste Group's business model. As part of the resilience analysis, both physical and transitional risks are tracked and analysed. Within this framework, biodiversity loss is categorised under other-environmental risks. Erste Group's own operations and upstream value chain have not been assessed.

The assessment covers short-, medium- and long-term horizons. The time horizons, used for the assessment of the business environment and resilience, are as follows:
- short-term: 0-2 year
- medium-term: 3-5 years
- long-term: more than 5 years (up to 2050).

Currently, systematic external stakeholder involvement in the analysis has not yet been established. However, an ongoing dialog is conducted with relevant stakeholders, such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. The status of the dialogues was also taken into account in the assessment of the topic as material.

The evaluation for the resilience analysis was carried out in a holistic and qualitative manner and included in the assessment process.

Results of the resilience analysis

The primary goal of the resilience analysis was to illustrate how the business model of Erste Group, and EBC Group, could be influenced by various climate and environmental risk factors. EBC Group did not identify any significant threats to its business model or strategy when considering biodiversity and ecosystems-related physical, transition or systemic risks.

Further details regarding the resilience analysis can be found in chapter E1 SBM-3.

Strategy and Business Model

Erste Group is assessing its strategy and business model in the light of the analysis described above. Erste Group actively engages with clients and takes environmental policies into account when deciding on new business. As an example, in the course of the valuation of the collateral and inspection of a property, it must be examined in terms of biodiversity. For this purpose, the Green Building Certificate can be checked for information on biodiversity as the first source of information. The biodiversity related information has to be documented in the valuation report. If violations of environmental protection are identified, the necessary renaturation costs must be taken into account in the valuation.

E4-2 – POLICIES RELATED TO SOIL SEALING

EBC Group did not yet develop a comprehensive policy to address this sustainability matter. As a first immediate step, its internal Responsible Financing Policy has been complemented by restrictions to finance activities or construction projects that may impact protected sites. Once having established a methodology to estimate or measure the actual contribution to soil sealing from its financed portfolio, EBC Group is dedicated to developing a strategy, establish more actions and set targets to reduce negative impacts on biodiversity and ecosystems from soil sealing. Material dependencies, physical and transition risks and opportunities are currently not covered.

Responsible financing policy

The Responsible Financing Policy establishes the principles for financing of the Energy, Defence/Weapons, Biodiversity and Gaming sector. In the double materiality assessment, EBC Group has identified a material impact related to its financed portfolio for the subtopic soil sealing. EBC Group fully adopted Responsible Financing Policy as Erste Group's subsidiary. As a result, EBC Group has broadened the scope of this policy and implemented exclusion criteria regarding activities and construction projects in protected areas as a first step to reduce the identified negative impact. EBC Group will not finance any activities or projects located in or having a material impact on protected areas. An impact assessment of the project must be carried out to assess all potential impacts. If the impact assessment confirms that satisfactory mitigation measures have been taken to compensate for any negative impacts of the project on the protected area, the project may be financed. Responsible Financing Policy focuses on the financing business for large corporate clients of EBC Group and its credit institution subsidiaries. This policy supports the steering of the portfolio and contributes to addressing the identified material impact. This does not address production, sourcing or consumption from ecosystems that are managed to maintain or enhance conditions for biodiversity, as demonstrated by regular monitoring and reporting of biodiversity status and gains or losses.

EBC Group has established a clear structure and governance for executing decisions within the scope of the Responsible Financing Policy and has implemented both a first (carried out by the business function) and second (carried out by the non-financial risk management function) line of defense. The Responsible Financing Policy has been communicated to employees and is owned by C&M Business Development Division and is available to external stakeholders online on Erste Group's website. The principles described in this policy are reviewed at least annually, however, more frequent updates are made whenever EBC Group deems it necessary.

As explained above, EBC Group has expanded the scope of its Responsible Financing Policy in 2024 and introduced exclusion criteria regarding activities and construction projects in protected areas as an initial measure to mitigate the identified negative impact. These criteria apply to EBC including Erste Bank AD Podgorica, and to all loans to customers where the financed activity constitutes more than 5% of the customer (group)'s turnover, with the exception of retail business line products, single payment transactions, transactions below a threshold of EUR 1 million within an existing approved limit.

At present, the Responsible Financing Policy does not take into account any third-party standards or initiatives.

E4-3 – ACTIONS AND RESOURCES RELATED TO SOIL SEALING

EBC Group recognises the critical importance of biodiversity and ecosystems and is committed to addressing the negative impact of soil sealing. Specific actions have not yet been established. However, EBC Group has broadened the scope of its Responsible Financing Policy and implemented exclusion criteria regarding activities and construction projects in protected areas as a first step to reduce the identified negative impact. Following the identification of the material impact in the double materiality assessment 2024, specific actions to measure progress will be defined in the upcoming years on the basis of a more in-depth analysis.

E4-4 – TARGETS RELATED TO SOIL SEALING

EBC Group is dedicated to integrating targets to reduce negative impacts on biodiversity and ecosystems into its strategic framework. Specific targets have not yet been established. The identified material impact of soil sealing will trigger more comprehensive disclosures in upcoming years.

E4-5 – IMPACT METRICS RELATED TO SOIL SEALING

Specific metrics related to the identified material impact of soil sealing in EBC Group's real estate portfolio have not yet been established. EBC Group does not disclose biodiversity metrics relating to its own operations, because it has no material sites located in or near biodiversity-sensitive areas.

Social information

Own workforce

The scope of this chapter covers the impacts, risks and opportunities that EBC Group has identified towards the company's own employees and non-employees.

EBC Group's success in the ongoing development of its organisation, the corporate culture and competences is critically driven by employee engagement. EBC Group promotes modern working methods that support flexible, adaptive and client-centric work. EBC Group attaches great importance to recruiting, retaining and engaging a highly qualified workforce to ensure its continuing success and strive to be the employer of choice in the region in both the financial and the IT sectors by offering opportunities for training and continuing professional development, diverse and international teams, as well as exciting tasks within a flexible organisation.

S1 SBM3 – MATERIAL IMPACTS, RISK AND OPPORTUNITIES RELATED TO OWN WORKFORCE, AND THEIR INTERACTIONS WITH STRATEGY AND BUSINESS MODEL

As part of its commitment to transparency and sustainability, this chapter provides a comprehensive overview of the impacts, risks and opportunities (IROs) related to its own workforce. As a leading bank, it is crucial for EBC Group to prioritize the well-being and development of its employees.

Table 23: Material impacts, risks and opportunities related to own workforce

Sustainability matter	Sustainability matter	Type of IRO	IRO Description	Value chain	Time horizon
Working conditions	S1-Work-life balance	Positive impact	Promoting the compatibility of career and family positively impacts the quality of life and satisfaction of employees.	Own operations	Short-term
	S1-Health and safety	Positive impact	All Bank's premises are set up in line with required standards of safety. Also, all employees are required to attend safety education once a year Each new employee receives his or her mentor, who is trained as an 'Employer's Authorized Officer', before being staffed for work in a safe manner. The bank has delegated three occupational safety experts whose job is to provide professional assistance to the employer and his authorized representatives, workers and workers' commissioners for occupational safety in the implementation and improvement of occupational safety. Bank has also implemented Dobro.biti initiative, Zdrava glava platform (psichological help), etc.	Own operations	Short-term
Equal treatment and opportunities for all	S1-Gender equality and equal pay for work of equal value	Negative impact	The current gender pay gap at Erste Group disadvantages female employees.	Own operations	All time horizons
	S1-Training and skills development	Opportunity	Training and further education can increase employee motivation, improve their professional skills and qualifications and lead to continuous greater employee loyalty and productivity.	Own operations	Short-term
	S1-Diversity	Positive impact	Promoting diversity inside the organization creates an open and inclusive corporate culture which has a positive impact on the well-being of the employees.	Own operations	Short-term

Work-life balance

A work environment that allows employees to achieve a sound work-life-balance is essential for satisfaction and well-being of the employees. EBCGroup is committed to creating an environment that fosters successful collaboration, productivity, efficiency, trust, safety and health, regardless of where and how many hours employees work. A sound work-life balance contributes to the business strategy by increased satisfaction and productivity of EBCGroup's employees.

EBC Group's overarching strategy is to encourage employees to actively manage their work-life balance by using various options that are in place. Developing healthy self-management skills and the ability to set coherent priorities are crucial for employees to work effectively and maintain a good balance between time at work and private time. Hybrid working, which combines working from home and in the office, has become an essential aspect of the new normal in working life.

Additionally, the organization is dedicated to optimizing office space and exploring technological advancements to enhance the working environment. Actions are defined locally, tailored to the needs of own employees of each entities respecting cultural differences and legal frameworks.

Health & safety

By focusing on both physical and mental health, EBC Group continuously expands their health offerings to ensure timely access to medical support. By caring for its employees' physical and mental health, EBC Group ensures that its employees can work effectively and avoid health-related disruptions.

Overall, EBC Group's focus on promoting a healthy work environment and ensuring fair working conditions is integral to its business strategy. The company believes that ensuring timely health support for its employees leads to improved health and satisfaction, which, in turn, results in better business performance, reduced absenteeism, and higher engagement levels. EBC Group prioritize health and safety of the employees by implementing comprehensive health and safety strategies that go beyond legal requirements. These strategies offer preventive health checks and medical examinations measures, private health insurance, private medical services, accident insurance, psychological support for mental health care, and access to wellness programs and activities. These actions demonstrate the strong commitment to ensuring timely access to medical support and prevention. For more details, please refer to chapter S1-4.

Gender equality and equal pay for work of equal value

EBC Group’s commitment to financial well-being includes initiatives fostering fair and equal pay and enhancing financial literacy, ensuring its customers and employees are empowered and financially secure. There has been a negative impact of gender pay gap identified related to own employees, which is systemic in context of job structure and prevalence of certain gender in certain job roles. This necessitates to strive for a reduction of the adjusted as well as the unadjusted gender pay gap of EBC Group’s employees. First steps towards transparency of gender pay gap reporting was done in 2023 by establishing a group-wide common approach, definition and external certification. Actions and targets are focused on the job structural aspects of gender pay gap, to balance representation of women and men in various job roles especially in top-management. For more information about the methodology and measurements please refer to chapter S1-16, and chapter S1-4 for actions.

Training and skills development

Training and further education improves the professional qualifications of employees and therefore leads to greater personal satisfaction with a positive impact on their employees. EBC Group’s **growth focus** is centered on providing its employees with the best possible support in their ongoing development. Training and further education creates an opportunity to increase employee motivation, improve their professional skills and qualifications and lead to continuously greater employee engagement and productivity. EBC Group’s promotion of talent is based on Erste Group-wide defined leadership dimensions and, as part of a structured succession planning process for senior management, its managers of tomorrow will be developed on this basis, thus ensuring seamless management transitions in the future.

Erste Group's People & Culture strategy links to the business strategy of the company. The company's focus on employee training and skills development ensures its employees can offer a full spectrum of banking services ranging from lending, deposit, and investment products to current accounts and credit cards. Erste Group fosters financial literacy among its employees through participation of WeShare participation program. Further development of its employees in close connection to company goals is managed through performance reviews and development talks between managers and employees.

Moreover, by putting emphasis on its leadership, development and growth and empowerment approach, Erste Group and EBC Group as its subsidiary, ensure a strong talent pipeline and continuous development of next generation leaders. This focus on leadership is integral to the bank's ability to deliver a full spectrum of banking services and meet the diverse needs of its customer base. Talent management and leadership programs are actions to foster positive impact.

Erste Group’s growth focus is centered on providing its employees with the best possible support in their ongoing development. Training and further education creates an opportunity to increase employee motivation, improve their professional skills and qualifications and lead to continuously greater employee engagement and productivity. Erste Group’s promotion of talent is based on group-wide defined leadership dimensions and, as part of a structured succession planning process for senior management, its managers of tomorrow will be developed on this basis, thus ensuring seamless management transitions in the future.

Talent management and leadership programs are actions to foster opportunity to continuous greater employees engagement and productivity. Coordination of the actions is in group and local People & Culture departments (including the EBC Group and its Human Resource Department) and Erste Group's subsidiary Österreichische Sparkassenakademie with expenditures resulting in EUR 21.3 million in 2024.

Diversity

Erste Group and EBC Group as its subsidiary, foster an inclusive corporate culture that creates an open environment of acceptance and support for all employees, regardless of gender, ethnic background, sexual orientation, age or any other characteristics. A work culture of acceptance, respect, fairness and equal opportunities has a positive impact on its employees and increases employer attractiveness, as one of the pillars of Group People & Culture strategy and company business strategy.

By promoting diversity, EBC Group can better serve its diverse customer base, as its employees understand the needs of customers from different backgrounds. In addition, diversity within the organisation enables EBC Group to leverage a wide variety of perspectives, approaches and ideas in decision-making, resulting in more innovative solutions and better outcomes for the business Finally, diversity indexing is an action to establish a group-wide monitoring methodology. Coordination of the actions lies in group and local human resources departments.

EBC Group has not identified any material negative impacts on the own workforce arising from transition plans for reducing negative impacts on the environment and achieving greener and climate-neutral operations. Moreover, EBC Group did not identify any significant risk of incidents of forced labour, compulsory labour or child labour. Generally, there are not any sub-groups of their employees that are at greater risk of harm, except for the negative impact of the unadjusted gender pay gap, where female employees are disadvantaged.

Actions taken by EBC Group to address diversity and equality include various Diversity initiatives such as #različitoplavi blog, people with disabilities as our clients, professional rehabilitation of people with disabilities on the workplace - a project in cooperation with CPRZ (Centar za profesionalnu rehabilitaciju Zagreb).

S1-1 – POLICIES RELATED TO OWN WORKFORCE

The People & Culture strategy of Erste Group is founded on the objective of building the bank of tomorrow through its people. People & Culture strategy is organized around three key priorities: Empowerment, Growth and Attractiveness. As part of Erste Group's empowerment approach, Erste Group, and EBC Group as group subsidiary, gives its employees a voice through regular group-wide engagement surveys described in S1-2 in more detail. Based on this continuous feedback from its employees, EBC Group supports targeted improvement measures in all areas and constantly grows with its employees. The growth focus is centered on providing Erste Group's employees with the best possible support in their ongoing development. EBC Group is committed to strategic workforce planning to enable more targeted recruitment and further development measures as well as flexible skills development. Talent promotion is based on group-wide defined leadership dimensions and, as part of a structured succession planning process for senior management, EBC Group's managers of tomorrow will be developed on this basis, thus ensuring seamless management transitions in the future.

EBC Group stands for a work culture that fosters a sense of belonging and values the work of its employees. Therefore, with the attractiveness pillar of its People & Culture strategy, it focuses on ensuring the financial health of EBC Group's employees and further establishing a successful employer brand. Measures include a commitment to greater transparency and gender equality in remuneration as well as the continuous improvement of its employees' financial literacy. EBC Group's principles of employee centricity drive its operations, enabling Erste Group to realize the potential of its employees. Furthermore, EBC Group is committed to nurturing an inclusive work environment for all employees, including monitoring progress towards targets with its local bank subsidiaries to achieve underrepresented gender ratio metrics on managerial levels. This policy is available internally.

Human rights commitments

The Code of Conduct, which aligns with international standards and conventions, including the UN Guiding Principles on Business and Human Rights and prohibits involvement in human trafficking, forced labor, or child labor was updated and internally published in December 2024. The principles which are included in Code of conduct derive from the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights, amongst others.

EBC Group must under no circumstances be involved in human trafficking, forced labor, or child labor, nor should it benefit from these practices in any way. This commitment aligns with ILO Convention No. 29 on Forced Labour, ILO Convention No. 138 on the Minimum Age, and ILO Convention No. 105 on the Abolition of Forced Labour, as outlined in the Code of Conduct. Processes and mechanisms to monitor compliance with these international standards and conventions include Erste Group's regular procedures outlined in ESRS S1-2 and ESRS S1-3 to raise the concerns and remedies for negative impacts on human rights violation. The Code of Conduct is available on EBC website.

The Gender Pay Gap is a form of discrimination. It means that women are being paid less than men for doing the same job or work of equal value, because of their gender. This can have significant negative impacts on women's economic security. EBC Group prevents and mitigates discrimination once detected in accordance with group diversity policy and local antidiscrimination processes described in chapter 'S1-3 – Process to remediate negative impacts and channels for own workforce to raise concerns'. These policies ensure compliance with legal requirements and international standards, promoting a positive and supportive work environment.

Physical security on EBC Group's premises is governed by the Group Physical Security Policy. Accident prevention measures are implemented at local level. Workplace accident prevention is carried out in accordance with national regulations on occupational health and safety.

Work-life balance

Work-life balance is steered under common umbrella within the Erste Group, without specific group policy in place, to respect local cultural specifics and local legislation. Regardless of location and hours worked, Erste Group strives to create an environment that promotes collaboration, productivity, efficiency, trust, safety, and health. For EBC group as Erste group subsidiary a good work-life balance is crucial to business success as it leads to increased employee satisfaction and productivity, resulting in better client satisfaction and improved internal processes. To achieve this, EBC Group encourages employees to actively use the opportunities provided by its local entities to balance their private and professional goals, develop healthy self-management skills and prioritize their work effectively. Even though the measures can be used in each entity differently based on legal framework and cultural habits, EBC Group's overarching objective in the group is to provide options for work-life balance of all its employees and encourage them actively manage their choices with an emphasis on effective collaboration, productivity, efficiency, personal and business goals.

Health and safety

The topic of Health and Safety is steered under common umbrella within the Erste Group, without specific group policy in place, to respect local cultural specifics and local legislation. EBC Group's aims to create a positive impact on employees by focusing on their physical and mental health. EBC Group's overarching group-wide objective is to provide additional health services beyond the legal requirements, to ensure preventive healthcare and timely access to medical health care to all its employees EBC Group's entities employees are offered the option to conduct a preventive medical check. offered private medical health insurance or private medical healthcare. and access to psychological and emotional support by industry professionals as well as sports initiatives, work-life balance options.

Gender equality and equal pay for work of equal value

Employees should feel rewarded fairly according to the relative value of their jobs within EBC Group. Employees engaged in similar jobs in different parts of the company should be rewarded equally. Erste Group strives to reward employees competitively compared to those who are engaged in similar jobs in other organizations of the respective market and/or sector. Having a compensation structure based on competitive base pay is key. All employees are entitled to fair and favorable working conditions with special focus on remuneration. Remuneration policies and practices shall be gender neutral. "Gender neutral remuneration policy" means a remuneration policy based on equal pay for women and men for equal work or work of equal value.

EBC Group observes that unadjusted gender pay gap is, among other, also attributed to the uneven distribution of men and women in better paid positions, with men dominating higher-remuneration type of positions or leadership roles. Through collective bargaining agreements and internal job grading, Erste Group and EBC Group fosters equality within job roles. To mitigate this negative effect, Erste Group introduces targets for underrepresented gender, women, in top management position and fair succession planning (see chapter S1-5). These is addressed in Group and EBC Remuneration Policy, Suitability and Succession Policy, and Diversity and Inclusion Policy. These policies are available internally.

Remuneration policy of ESB Group

EBC as a subsidiary operates under collective bargaining agreements, ensuring wage security. By fostering gender equality, EBC enhances professional development and mental well-being for its employees. The opportunity that arises from offering competitive compensation packages is positioning and recognition towards stakeholders, especially employees. Paying above-average salaries can lead to a good image in the industry and thus strengthen EBC Group's ability to attract talent with lower recruitment costs, which can lead to better financial performance overall. The associated risk has been assessed in EBC Group's double materiality assessment as unsignificant.

Erste Group's Remuneration Policy promotes gender equality and ensures equal pay for equal work, thereby creating a secure environment with standardised and adequate wages. It supports equal professional development opportunities and addresses the gender pay gap. Most subsidiaries operate under collective bargaining agreements, ensuring wage security. By fostering gender equality, Erste Group enhances professional development and mental well-being for its employees.

Remuneration policy of Erste Group aims to attract and retain competent and committed employees who perform their roles in the long-term interests of the Erste Group, its customers, and shareholders. It establishes the standards, rules, and principles of the remuneration system and strategy, which are designed to reward competitively based on long-term sustainable performance. The policy defines the remuneration system, including pay components, variable remuneration schemes, performance processes, job structures, salary benchmarking, and both monetary and non-monetary rewards, all of which are linked to Erste Group's values and respective company strategies.

The Remuneration Committee is responsible for advising on, approving, and monitoring remuneration-related policies and topics. Committee members collectively possess adequate knowledge, skills, and experience in remuneration policies and practices, risk management and control activities, as well as variable remuneration schemes and the associated risks. The committee considers the long-term interests of employees, shareholders, investors, and other stakeholders in EBC Group. It holds meetings at least twice a year to align remuneration strategies and practices across Erste Group.

Remuneration policy of ESB Group provides a remuneration framework and applies to all employees of EBC Group. The Remuneration Committee is responsible for overseeing the implementation of the policy to ensure it operates as intended. The Committee functions under delegated authority from the supervisory function. The Group Remuneration Policy refers to Erste Group's Code of Conduct, which covers third-party standards like the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights. Furthermore, Erste Group adheres to various banking-related guidelines, such as those issued by the European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA). National regulations are continuously monitored and incorporated into the Remuneration Policy.

The interests of key stakeholders are considered through engagement and close collaboration with relevant stakeholders such as the Management Board, Risk Management and Compliance, Controlling, Human Resources division, and the ESG coordinator. Furthermore, a review of the policy is held by Management Board and the Remuneration Committee of the Supervisory Board at least once a year. The Remuneration Policy is available on the intranet.

Training and skills development

EBC Group aims to be the place where people transform obstacles into opportunities, learn every day and collaboratively work together. Collective contribution and impact should go beyond geography, entity, or business area borders. EBC Group's employees are encouraged and supported to challenge their confidence by taking regular steps outside the comfort zone and go above and beyond for its customers. Training and further education improves professional qualifications and leads to continuously greater employee engagement and productivity. Talents, skills and capabilities should be placed at the core of placements for key positions and the right people will have the chance to contribute to the right roles, across the group. All the employees have the opportunity to improve their professional qualification coordinated by group and local Human Resources Department.

Group Suitability and Succession Policy

The Group Suitability and Succession Policy outlines the process for assessing the suitability of individuals who are members of the Management and Supervisory Board, and Key Functions Holders, it also outlines the succession process for potential members of its Supervisory and Management Boards. This policy provides a structured framework for defining a diverse succession list of potential candidates for these boards, while also monitoring and considering the gender balance targets as specified in the Diversity and Inclusion Policy. The Management Board, with the facilitation of Human Resources, calibrates respective managers based on performance and potential, using specified criteria outlined in the policy. The results of all assessments form the basis for a pre-selection of potential successors and are discussed in upcoming succession talks. The Human Resources function is responsible for developing and constantly reviewing the succession process, providing instructions and documentation templates.

The Group Suitability and Succession Policy applies to local banks within Erste Group's core markets and their subsidiaries which include EBC Group. The CEO, all members of the Management and Supervisory Boards, Human Resources, and the Nomination Committee share the responsibility for implementing this policy.

The Group Suitability and Succession Policy is available on the Intranet.

Diversity

EBC Group believes in the people of its region and their power to implement plans, make dreams come true and create prosperity. This is only possible if everyone can develop freely, unhindered by barriers such as discrimination or fear. Believe in yourself as you are and follow your own path – EBC Group tries to live this attitude towards its customers and employees every day. For Erste Group, an inclusive corporate culture means recognizing every employee in their individuality. EBC Group understands diversity and inclusion as a mindset that obliges everyone to treat each other with respect, so that everyone feels safe to speak their mind openly. EBC Group seeks to create an environment in which people are enabled to develop themselves, support each other when facing challenges and bring out the absolute best in themselves and their peers. By communicating EBC Group's diversity values outside and inside the organization, all employees, non-employees, and business partners perceive the overarching objective of EBC Group's open environment and acceptance of all.

Diversity and Inclusion Policy

Erste Group's Diversity and Inclusion Policy addresses sustainability matters related to diversity and gender equality. Promoting diversity within the organization fosters an open and inclusive corporate culture, which positively impacts equal opportunities for its employees, so that they can develop and grow within Erste Group's organization regardless of gender. Embracing diversity, equality, and inclusion not only enriches the workforce and enhances creativity and productivity but it also makes Erste Group an employer of choice.

The purpose of this policy is to outline how Erste Group responds to the societal context in which it operates. It addresses stakeholders' expectations by defining the common understanding of diversity and inclusion within Erste Group. Additionally, it describes roles and responsibilities, as well as general guidelines for developing, implementing, and adjusting diversity and inclusion strategies and targets. The policy mitigates the risk of poor practices in equality or cases of discrimination, which could pose reputational risks.

Diversity manager collects group-wide diversity data, identifies key focus areas, and develops a diversity strategy in close collaboration with relevant stakeholders, such as local Diversity Management, Group Communications, Group ESG Office, and Group Corporate Affairs and Stakeholder Management. GDM sets diversity targets and provides diversity data for annual reports and rating agencies, as well as communication at the Group level, supported by the executive responsible for managing the company's diversity and inclusion initiatives. Regular meetings are being held to continuously discuss and monitor the interests of stakeholders.

The Erste Group Diversity and Inclusion Policy covers employees of local banks in Erste Group's core markets (including EBC Group), with the respective entities responsible for their local subsidiaries. The management board holds the highest level of accountability for the implementation of the policy. The policy refers to Erste Group's Code of Conduct, which aligns with third-party standards such as the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights.

The interests of key stakeholders are considered through engagement and close collaboration with relevant parties, including local Diversity Management, Corporate Communications, Group ESG Office, and EBC Management Board Office . The Group Diversity and Inclusion Policy is available on the intranet. The policy is also implemented in subsidiaries locally and the information about the policy is made available to employees through intranet.

S1-2 – PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

As a responsible employer, Erste Group recognizes the importance of engaging with its workforce and workers' representatives to understand the impacts of its operations on its employees. One approach that EBC Group takes to mitigate negative impacts is by fostering a feedback culture. The company supports this culture by providing many channels for direct and indirect engagement with employees, managers, teams, and communities. This gives employees ample opportunities to voice their views and concerns and provide feedback on material matters of work-life balance, health and safety, training and skills development, diversity and equality and any other topic. With the actions that EBC Group takes it tries to prevent the negative impact on its employees and strengthen the positive impacts.

The Management Board and the CEO are entrusted with the responsibility of managing the organization in a manner that serves the best interests of the company, while considering the interests and concerns of the employees.

Direct Engagement

EBC Group engages with its employees directly through annual one-to-one performance reviews, through the Group internal social network, via the Group engagement survey, or indirectly via representative bodies such as works councils. Employee engagement activities take place at both the organizational level and lower ones such as team, project, or community level.

Performance Reviews

Talent management at EBC Group is driven by constructive feedback and a fair and transparent assessment of individual potential. The individual performance review meeting takes place annually between the direct superior and the employee. During the performance review, the contribution and impact the employee has made to the company's success and employee's personal development plan are discussed. The division management (B-1), as the most senior role, is required to consider the results of these discussions and have an overview of performance and impact in their area of responsibility. Additionally, assessments of long-term performance and potential of individuals can be made during talent reviews / succession planning sessions throughout the year. Resources for monitoring yearly personal performance reviews are allocated at the entity level.

Group-wide Internal Social Network

Erste Group's internal social network was successfully launched for all 46,000 employees of Erste Group on June 10, 2024, including EBC Group. It is the first part of the communication platform "echo." The second part of "echo," will be launched step by step across all entities of Erste Group by mid-2025.

This tool is an interactive and easy-to-use communication channel, which fosters dialogue between employees. It increases visibility and interaction across country and entity borders and establishes unique and shared employee experience. Additionally, this tool is useful for top management to share and discuss current topics, initiatives, and events with all employees. For example, the CEO of Erste Group connects directly with employees through the platform in "Ask Me Anything" chat sessions.

Overall, Erste Group's internal social network is very well received by employees. The average number of active users is approximately 38,000, which is high considering the total number of employees. As of the end of December 2024, there are already 14 active Group-wide communities in which employees exchange knowledge about ESG, Artificial Intelligence, Tech trends, etc or get together to support each other (e.g. Queer and Allies community, Erste Colours community, Ability and Inclusion, community Women's Talk, Gen Z Community etc.) and which are accessible also to EBC employees. Furthermore, there are 270 country- and institute specific communities in place. Group Communications together with the local Communications Departments take responsibility to develop the communication platform enhancing employee experience and strengthening its Group-wide governance.

Engagement Survey

EBC Group, together with Erste Group, aims to improve its workplace culture by actively listening to employees and acting on their feedback. Employee surveys provide insights into employee engagement, identifying both strengths and areas for growth. EBC Group aims to conduct the survey on a yearly basis. Human Resources division is responsible for coordinating regular engagement surveys.

The employee engagement survey serves as a highly valuable mechanism for receiving feedback from employees, which influences decisions directly. The transparent nature of the results and feedback obtained from the survey enables the implementation of an effective improvement and action plan. These results are presented to both EBC Group management board and the Holding Board at the Erste Group level. Teams are encouraged to work on improving identified areas at a team level.

In 2024, in collaboration with Erste Group, EBC Group conducted an employee engagement survey to measure employee engagement and help make Erste the best workplace it can possibly be – 2,200 employees from EBC Group participated in survey, achieving a response rate of 81% and leaving more than 1 100 comments on different elements of engagement. An Employee Engagement Index score of 65 out of 100 possible points was measured and inputs from employee feedback were used for action planning. Survey follow-up process to discuss feedback with employees and plan the next steps were initiated at various levels across the EBC Group.

Indirect Engagement via Worker's Representatives

EBC Group continuously collaborates with employee representation bodies at the strategic and operational levels and arranges regular meetings between the Management Board and the representative body. Collective agreement is concluded between EBC and the union representatives.

Regular engagement between management and representative bodies occurs as required by local laws and beyond. As part of this obligation, the workers council participates in legally defined responsibilities of information, advising or providing consent on different topics.

Erste Group has concluded an agreement with the European Works Council. This agreement also applies to all employees in EBC Group operations and entities subject to Directive 2009/38/EC on the Establishment of a European Works Council and, beyond that, and which have entered into an association agreement with the European Union.

EBC Group works council meets with the management board. In addition, Human Resources Department routinely convene with the works council to hold discussions and keep a steady line of communication.

Engagement with vulnerable groups

To gain insights into the interests of employees who are part of vulnerable groups, EBC Group has established various initiatives such as #različitoplavi blog in LMS; People with disabilities as our clients (educational program for Retail); professional rehabilitation of people with disabilities on the workplace - a project in cooperation with CPRZ (Centar za profesionalnu rehabilitaciju Zagreb) (for more information, see chapter S1-4).

S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS

Processes to remediate negative impacts and channels for own workforce to raise concerns are crucial for any organization that cares about its employees' satisfaction and engagement. EBC Group takes this responsibility seriously and is dedicated to addressing any material negative impacts on its workforce that it may cause or contribute to with special attention to equal treatment and discrimination. Erste Group identifies and assesses negative impacts through employee engagement survey, feedback mechanisms between managers and employees, and incident reporting systems through dedicated channels. Furthermore, EBC Group investigates reported issues to understand their root causes.

When a negative impact is identified, EBC Group takes steps to provide a remedy, which may include:
_ Providing access to counseling and support services.
_ Implementing corrective actions, such as policy changes or additional training.
_ Engagement with employees and their representatives to ensure that the remedies provided are fair and effective.

To ensure effectiveness, EBC Group monitors the outcomes of its remediation actions through feedback from affected employees and engagement surveys.

Approach to remediation of discrimination

To remediate the cases of discrimination, EBC Group has established specific channels and processes to enable employees to raise their concerns. Each local bank in EBC Group's core markets including EBC Group has an Anti-Discrimination procedure in place as well as other matters, such as diversity, equal opportunity, and inclusion being monitored and managed by responsible departments.

The Anti-Discrimination Officer provides advice and mediates in cases of harassment, discrimination, or bullying. Advice for employees is confidential and is accompanied by a structured conflict resolution process if required. Awareness-building and prevention measures implemented by the Anti-Discrimination Officer in cooperation with management are instrumental in achieving that aim. The primary focus is on raising awareness and improving processes, behaviour, and organisational issues among both management and employees. To support these efforts, unconscious bias training is offered to make employees aware of unconscious prejudices and help them act more sensitively. The Anti-Discrimination Officer is also the contact person for all complaints and questions relating to harassment and bullying and plays a key role in ensuring compliance with all human rights. All employees may seek advice in absolute confidentiality and develop measures and resolution strategies in a collective process, the implementation of which is then supported by the Anti-Discrimination Officer.

In Erste Bank Croatia, discrimination complaints are processed in accordance with legal requirements and Erste values. Any grievance can be filed with the "Authorized persons" named by the Management Board. The "Authorized persons" usually include employees from Legal and HR who ensure due process and provide support to employees. Special attention is also paid to the implementation of prevention measures. In close cooperation with the works council and other employee representatives, specific actions are taken related to education, awareness, and conflict management. Special attention is paid to management training programs, in particular the "Start program," where managers are trained in the core values and obligations of Erste towards its employees.

Channels to raise concerns

As already described, EBC Group has established multiple channels available through which employees can raise their concerns and have their needs addressed by the company:

_ Line manager as the first contact point to raise any concerns
_ Whistleblowing process
_ Worker's representatives, e.g., local workers' councils
_ Employee Survey
_ Performance reviews
_ Contact with Human Resources Business Partners
_ Contact with the Anti-Discrimination Officer, ethics manager, ombudsman office, or Authorized persons

All employees may seek advice in absolute confidentiality from HR business partners or Anti – discrimination office, while the formal process is described in Labour Regulation Rulebook.

Each entity decides on local initiatives to inform employees about the availability of channels to raise their concerns. One of the options used is to inform newcomers right from the beginning of their employment as part of the onboarding welcome day program.

The channels through which employees can raise their concerns and needs are well-established, as dialogues with line managers and the employee survey occur regularly. Due to the consistent rhythm of engagement opportunities and the multitude of channels available for employees to raise their concerns and issues, the measures taken to improve employee matters are regularly monitored with consideration of employee interests at the local entity level.

On a group level Erste Group can assess the effectiveness of whistleblowing channel which includes also reports related to unacceptable behavior. The measures taken based on the whistleblowing reports are reported to management and supervisory board. In addition, Head of Human Resources Department is a member of Whistleblowing committee which indicates that cases related to its employees are given special attention. On a group level EBC Group can assess the effectiveness of whistleblowing channel which includes also reports related to unacceptable behavior. The measures taken based on the whistleblowing reports are reported to management and supervisory board. In addition, HR is a member of whistleblowing committee which indicates that cases related to its employees are given special attention.

S1-4 – TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE AND EFFECTIVENESS OF THOSE ACTIONS

EBC Group has implemented various actions to address the material topics of diversity and equality, trainings and skills development, work-life balance as well as health and safety to demonstrate a commitment to preventing, mitigating and remedying significant negative impacts while especially contributing to achieving positive impacts and opportunities. EBC Group has established group policies that provide a framework for its approach to these material matters (listed in chapter S1-1). EBC policies respect the Croatian legal framework of and are in line with the group policies through a rollout implementation process. Resources for actions related to EBC Group's own employees are allocated locally based on the strategy of each entity, however mostly in human resources local departments.

Table 24: List of key actions related to own-workforce

Sub-topic	List of key actions	Policy
S1-Work-life balance	Increasing flexibility of working time and parental leave	Local strategies under overarching group objectives
S1-Health and safety	Healthcare	Local strategies under overarching group objectives
S1-Gender equality and equal pay for work of equal value	Diversity Indexing	Overarching group objective Group Remuneration Policy
S1-Training and skills development	"We Share" by Erste Group Program Talent management and leadership Performance reviews and development talks	Overarching group objective Group Succession Policy
S1-Diversity	Diversity initiatives #razlicitoplavi, Professional rehabilitation of people with disabilities	Group Diversity and Inclusion Policy

Work-life balance

EBC Group has adopted a number of measures to allow working times to be adjusted to personal requirements. Erste Group offers a range of family-friendly measures which are regularly adapted to the needs of its employees. With family-friendly flexi-time and work-from-home schemes, Erste Group enables its employees to balance parental time and work. EBC Group's offer is complemented by nursing-care leave.

This action represents a current mid-term initiative designed to achieve a sustained impact. The effectiveness of the actions related to work-life balance are tracked through stable turnover ratio (see S1-6), proportion of part-time and full-time employees (see S1-6, S1-15) and by engagement index of EBC Group's employees.

Health and safety

EBC healthcare strategy places a strong emphasis on employee well-being, with activities and initiatives focused on both physical and mental health, falling under the common name Dobro.bit. The bank provides private health insurance policies at a polyclinic, with a free annual check-up and discounts on indicated tests. EBC also offers a voluntary health insurance policy at the employer's expense, ensuring that employees receive the best possible medical care when required. The bank provides its staff with 24-hour accident insurance to support employees in case of an emergency. Additional preventive healthcare offers include vaccination, physical wellness by offering co-financed multisport cards. Mental health is addressed through the Zdrava glava platform, which was created based on the need for psychosocial support during the long-term pandemic and the consequences of devastating earthquakes in Croatia. Today, the Zdrava glava platform is used to address the mental health of employees.

Gender equality and equal pay for work of equal value

Erste Group has launched diversity indexing initiative and gender pay gap monitoring to prevent and mitigate the material negative impact regarding the sustainability matter gender equality and equal pay for work of equal value. The aim of the Gender Pay Gap analysis group initiative is to have a common approach group-wide, to use a common methodology, common definitions, and the same certification. Gender pay gap is measured as unadjusted index and also as adjusted index where structural explanatory factors are taken into account. More information is provided in chapter S1-16. Coordination of the actions lies in group and local People & Culture departments, additional expenditures for gender pay gap project group wide amounts to EUR 201 thousand in 2024.

Various initiatives foster gender equality in Erste Group such as:

- Performing a Gender Pay Gap Analysis
- Ensuring balanced nominations in talent programs
- Conducting hearings for all positions
- Providing direct approaches to the female target group/career coaching
- Including female candidates on shortlists and succession lists
- Conducting a group-wide diversity audit (Women's Career Index)

A Gender Pay Gap calculation of unadjusted gender pay gap is performed for all employees. Analyses of the structural impacts and adjusted gap is performed for more than 80% of employees (excluding students and trainees). Objective of this action is to bring transparency on equal gender opportunities and remuneration group wide. Since 2023, Gender Pay Gap calculation is coordinated on the group and in short-term horizon should increase its scope of analyses.

Ensuring balanced nominations in talent management, conducting hearings for all positions, targeted coaching, balanced succession lists and conducting a group-wide diversity audit are actions to balance gender representation in management position to target negative impact of gender pay gap in the entities in scope of Group Diversity Policy and Group Succession Policy. This action is part of the Erste Group process in which EBC Group actively participates by providing all the relevant data. The process of data collection and analysis has been completed in 2024. The results have been communicated to the local banks and target agreements with corresponding measures have been defined

Via regular review and adjustment, EBC Group hopes to prevent negative impacts and contribute to positive impacts. The actions related to the sustainability matter of gender equality and equal pay for equal work are monitored through the established targets concerning gender representation and are continuously assessed for their effectiveness (for more information, see chapter S1-5).
By implementing these initiatives and setting targets on balanced gender distribution in the top-management, the organization fosters a more inclusive and diverse environment, where equal opportunities and remuneration are provided for all employees, irrespective of gender or any other characteristics.

Talent management and leadership

EBC Group provides centrally managed group-wide learning programs as well as country-specific personalized development offers. Specialized training in Austria and across the group covers areas such as corporates & markets, finance including controlling, asset/liability management, accounting, data excellence and AI knowledge.

All courses and programs are easily accessible and bookable through the Learning Management System. Erste continually updates learning materials to reflect changes in regulations and offer training in fields like risk management, security and compliance. The accessibility of learning offerings is constantly enhanced by the extensive implementation of digital learning formats.

Leadership development is a key focus within EBC Group’s learning and development initiatives. Through coaching, mentoring and customized programs, Erste Group supports its leaders in developing their leadership potential and skills. The CEO board development program for 2025 has been presented in the nomination committee. Target group are local CEOs and Holding Board members, including the EBC Group, the goal is to gain insights on world-wide trends via moderated discussions around topics such as digital transformation, digital mindset, business model innovation and executive leadership as well as to strengthen a common picture around leadership and technology in the context of Erste Group’s strategy.

Erste Group offers its employees centrally managed group-wide learning programs as well as country-specific personalized development, which also applies to EBC Group. These programs are a current long-term initiative designed to achieve a sustained impact. All these pro-grams are happening on yearly basis and are ongoing throughout some years.

Performance reviews and development talks

At EBC Group, talent management is driven by constructive feedback, a fair and transparent assessment of individual potential and high-quality development activities in partnership with internationally renowned institutions. Each year, all employees are invited to an employee appraisal interview with their line managers to define goals for the current year and come up with development plans to assist employees in their further personal development.

The employees' appraisal interview with line managers is an EBC group wide current measure. These employee interviews are long-term initiative designed to achieve a sustained impact. The interviews are initiated on a yearly basis.

The opportunity effectiveness of qualified highly skilled employees with greater employee engagement and productivity is not directly measurable with any specific indicator but can be visible in a long run through improvements in processes and products that indirectly contribute to financial result of the company.

Diversity

EBC strives to create an environment that supports diversity and respect for others, whether they are employees, partners, or bank clients. In recent years, the bank has launched and implemented a series of initiatives and activities under the slogan #različitoplavi, aimed at supporting diversity within the organization. The main sponsor of these initiatives is the bank's CEO, Christoph Shoefboeck, who occasionally actively participates in some of the activities. Throughout the year, educational workshops on the topics of stereotypes, prejudices and unconscious bias are regularly held, tailored to different groups of employees and in different formats (online, live, webinars, etc.).

In 2023, a new format for promoting diversity and inclusion was launched, the #različitoplavi blog, as part of the e-learning platform Erste Guru. Blog brings texts, video materials, interviews and articles on topics such as people with disabilities, gender stereotypes, LGBTIQ+, and more. The content is available to all employees and in a less formal format encourages them to reflect on these topics. The blog is continuously updated with the new content and recordings of online education on topics in this area.

As part of the preparation for new legislation related to people with disabilities and accessibility of products and services, in 2024 an education program for Retail employees was launched called People with Disabilities as Our Clients. The program's goal is to break down prejudices towards people with disabilities and learn how to communicate with them more effectively. As part of the program, regular workshops are held for employees in branches, and in collaboration with the Center for Professional Rehabilitation Zagreb, a webinar was organized on the topic of mindset and adequate communication with people with disabilities who come to the bank's branch as clients. The recording of this webinar was published on the #različitoplavi blog and is thus available to all employees.

The collaboration with the Center for Professional Rehabilitation Zagreb was launched in 2022 when the bank joined the project of workplace mentoring for people with disabilities. A successful pilot project was carried out during which a young person with cerebral paralysis underwent mentoring with the aim of acquiring new business knowledge and skills, as well as socialization and adaptation to new situations. To ensure the success of the project, the entire team that the person with disability joined participated in a workshop on accepting diversity. After completing the mentoring and successfully integrating into the team, the project ended in the best possible way - the person with a disability became an employee of the bank.
In 2024, the bank renewed its collaboration on this project and organized mentoring for another Center resident. This initiative is not only a benefit for the person being mentored but also for their teammates and a working environment that becomes more sensitized and open to people with disabilities. The valuable experiences from this project were presented by the bank at a panel at the Challenges of Employment Systems for People with Disabilities conference held in November 2024

People with disabilities on the workforce

EBC Group uses general framework reflecting percentage-based disability ratings or categorization of severity, in Croatia we report disabilities which are registered in the HZMO (Croatian Institute for Pension Insurance). This is a continuous activity with no set completion date and will proceed indefinitely.

Anti-Harassment Initiative

At EBC Group we stand for an environment free of harassment, discrimination, and exclusion. To state a clear guideline of our collaboration and anti-sexual harassment principles, two mandatory trainings have been created on Erste Group level and will be gradually rolled out for all employees in Erste Group's local banks in the core markets (including EBC Group), the full completion of rollout is anticipated by 2025. Further, Erste Group prolonged the partnership with UN Women and took again part in the campaign" Orange the World", initiated by the United Nations, to raise awareness on violence against women. This is a Erste Group-wide action, including EBC Group.

The key actions of Erste Group's anti-harassment initiative are structured around three main actions. Firstly, the mandatory training on recognizing and prevent sexual harassment in the workplace. This training intends to help employees and managers to identify, prevent and report sexual harassment. Secondly, the training on fostering respectful collaboration should guide employees to identify and deal with microaggressions.

Continuous engagement with employees helps EBC Group to track and ensure the effectiveness of these actions and initiatives. Satisfaction and commitment is monitored via employee surveys, turnover rates and feedback on training is tracked Via regular review and adjustment, EBC Group hopes to prevent negative impacts and contribute to positive im-pacts. The actions related to the sustainability matter of gender equality and equal pay for equal work are monitored through the three established targets concerning gender representation and are continuously assessed for their effectiveness (for more information, see chapter S1-5).

In EBC Group's commitment to sustainability, it seeks to ensure that its practices do not cause or contribute to material negative impacts for employees. When tensions arise between the prevention or mitigation of material negative impacts and other business pressures, EBC Group focuses on the well-being of its employees. Erste engages in open dialogue with stakeholders, including its own employees, to find balanced solutions that uphold its commitment to sustainability while meeting business objectives. To name one concrete example for EBC Group: EBC Group's employees receive psychosocial support from internal experts, as well as regular education and webinars on health and well-being topics through the #zdravaglava initiative.
The processes for designing and reviewing the programs offered and the measures being implemented are participatory and evidence-based and ensure ongoing consultation with employees. Internal communication channels (intranet) are used to inform employees about health matters.

Resources for actions related to EBC Group's own employees, in terms of human and financial resources, are allocated based on the annual budgeting plan, as part of the regular budgeting process.

S1-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

Target setting is an important practice in an organization, as it helps to focus efforts and resources towards achieving specific goals and is managed centrally at Erste Group. While Erste Group does not set measurable targets to track effectiveness of all policies and actions on the group level, Erste Group has specific targets related to material matter diversity and gender equality and equal pay for work of equal value. These targets are published in Group Diversity and Inclusion Policy and foster equal professional development to ensure equal opportunities for all.

On the group level Erste Group wants to remediate the impact of gender pay gap by balancing gender distribution in top-management positions (board level and B-1). Targets for EBC have been defined: Proportion of underrepresented gender in management board and proportion of underrepresented gender in board –1 management.

As EBC Group does not have any other targets related to the other sustainability matters, it tracks the effectiveness of the policies and actions in relation to material impacts, risks, and opportunities at group level via its engagement survey. The overarching goal of EBC Group's personnel strategy is to ensure a diverse corporate culture that promotes collective contribution and impact beyond gender, geography, entity, or business area borders. The effectiveness of material impacts on the EBC Group can be seen through results in the annual engagement survey, which focuses on various critical topics. These include individual contributions, empowerment, continuous improvement, feedback from management, opportunities for growth, motivation to go the extra mile, the availability of technology resources and intent to continue working for Erste Group in the future. More than 32,000 employees participated, achieving a response rate of 81%. Their ratings and more than 37,000 comments contributed to a Group-wide Employee Engagement Index score of 80 out of a possible 100 points.

The survey serves as an essential tool for measuring the group's employee's satisfaction, identifying areas for improvement and ensuring that the needs and expectations of its employees are being met. Field for improvement and results are transparent and available in Erste Group Share point.

Target on gender representation in management board

Group diversity management team in People & Culture department on level of Erste Group analysed the proportion of women in management in previous years and discussed the necessity of target setting for local banks in core markets listed below. After discussion with Holding board, the targets were set and anchored in Group Diversity and Inclusion Policy. The group diversity team tracks performance on quarterly basis and together with local diversity teams analyses reasons in case of deviations.

The first target aims a minimum of 30% representation of the underrepresented gender in management board positions by 2028 for each local bank in each core market, including EBC. The second target aims a minimum of 33% representation of the underrepresented gender in board-1 positions by 2028 for each local bank in each core market, while EBC set here a more ambitious target of 40%. These targets are linked to Erste Group's Group Diversity and Inclusion Policy and Group Suitability and Succession Policy and address material matter diversity and gender equality and equal pay for work of equal value. By setting the targets to support women in the top-management position, Erste Group and EBC Group aim to mitigate negative impact of unadjusted gender pay gap that is focused on prevalence of men in better paid management job roles.

There was no change in targets in 2024 and since the target is set until 2028 (medium-term), there is no need to update them regularly unless there is a new regulatory change or a change in strategy.
The diversity dashboards are updated quarterly and made available to top management on an ongoing basis. Performance against the set targets is monitored on an annual basis.

The performance against disclosed targets is shown in the table Current Target Achievements for EBC Group.

Table 25: Current target achievements

	Underrepresented gender in management board				Underrepresented gender in Board -1			
	Minimum target by 2028	2024	2023	2022	Minimum target by 2028[1]	2024	2023	2022
Erste & Steiermärkische bank d.d. (Erste Bank Croatia)	30%	20%	0%	0%	40%	43%	43%	43%

[1*] Taking this minimum quota into account, a higher quota can be decided. Erste Bank Croatia decided to put their local target of underrepresented gender in B-1 to 40%

Targets related to material impacts, risk and opportunities related to work-life balance, healty and safety, diversity and training and skills development have not yet been developed.

S1-6 – CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

In the 2024 reporting period, EBC Group had 3,344 employees. Employees are actively undertaking business activities or rendering service to the reporting company based on their job role for which they are compensated in form of remuneration in line with Group Remuneration Policy. All employees, long-term sick leave employees, interns, trainees and early retirement are included.

Data is reported in headcounts (one person = one headcount, irrespective of the number of hours worked). The headcount measure is the relevant metric for labour law and offers a better representation when it comes to material topics such as training, diversity, health and safety than full-time equivalent measures. It provides a full picture of an organization's diversity and inclusion efforts and its employees' overall health and safety irrespective of hours worked. Data points related to own employees refer to the end of the reporting period as per 31 December 2024.

Table 26: Employee headcount broken down by gender

Gender	Number of employees (head count)
Male	992
Female	2,352
Other	0
Not reported	0
Total Employees	**3,344**

Table 27: Own workforce headcount in EBC Group in countries

Countries	Number of employees (head count)
Croatia	2,970
Montenegro	374

The majority of EBC Group's workforce hold a permanent contract. A permanent (unlimited) contract of employment is a contract of unlimited duration including all new employees currently on their probation period who are likely to have their contract made permanent. Temporary employees have limited contracts, here EBC Group counts for instance, interns, some service positions. Most of the active headcount are full-time employees, defined as those with 100% occupancy, i.e. FTE= 1. In some countries its employees use the flexibility of part-time work more, in some less.
EBC Group does not have any non-guaranteed hours employees.

Table 28: Own workforce headcount by contract type, broken down by gender

2024	Female	Male	Other	Not reported	Total
Number of employees (headcount)	2,352	992	0	0	3,344
Number of permanent employees (headcount)	2,235	946	0	0	3,181
Number of temporary employees (headcount)	117	46	0	0	163
Number of full-time employees (headcount)	2,287	989	0	0	3,276
Number of part-time employees (headcount)	65	3	0	0	68
Number of non-guaranteed hours employees (headcount)	0	0	0	0	0

Table 29: Employee turnover (including retirements)

	2024
New hires	243
Female	183
Male	60
Other	0
Gender not reported	0
Leavers	340
Female	250
Male	90
Other	0
Gender not reported	0
Turnover ratio (%)	10.09%

*Turnover ratio includes employees who leave voluntarily or due to dismissal, retirement, or death in service.

In 2024, employee turnover at EBC Group (total of men and women) stood at 10.09% (2023: 11.51%).

Turnover ratio presents the number of employees who left voluntarily, due to dismissal, retirement, or death in service during the fiscal year. The number of leavers does not include employees on parental leave and internal transfers within the group. The employee turnover rate in % is calculated (based on the BDA formula) as follows: the number of employees who left the company during the reporting period (12 months) is divided by the average headcount (HC) at the beginning of the year.

Information about average number of employees on a full time equivalent basis can be found in the Note 8 to the Financial Statements for the year ended 31 December 2024. Using Full-time Equivalent for financial statements, especially in tracking administrative expenses, is generally more effective than headcount as it better represents the cost of labor.

S1-7 – CHARACTERISTICS OF NON-EMPLOYEES IN THE UNDERTAKING'S OWN WORKFORCE

In addition to own employees, there are 42 non-employee workers (headcounts as of 31 December 2024), which are self-employed individuals, there are no individuals contracted through a third party engaged in employment activity. Non-employees are contracted for a specific period of time based on the conditions stated in their contract. As in EBC Group's operations, employees' contracts prevail over non-employees' contracts, this group of workers represents only 1.26% of total own-workforce headcount. For non-employees, there are currently no policies, actions or targets in place. Thus, all policies are specifically addressed to Erste Group's own employees. Additionally, actions, targets, metrics and engagement and grievance mechanisms are designed to support and benefit its own employees.

S1-9 – DIVERSITY METRICS

Employee gender distribution at top management

Table 30: Employee gender distribution at top management

Gender	Top Management (headcount)	Top Management (share)
	2024	2024
Female	20	38.46%
Male	32	61.54%
Other	0	0
Not reported	0	0
Total Employees	52	100.00%

Top Management is defined as EBC Group (Management Board (B0), and positions reporting directly to the management board (B-1)),

The assumption here is that board members/managing directors is a governing body responsible for the development and success of the entity. They make decisions in the interests of the entity and its stakeholders and ensure that their employees are supported in achieving the entity's objectives.

Employee age distribution

Table 31: Employee age distribution

Age Groups	2024	
	Number of employees (headcount)	Share of employees (headcount)
under 30 years old	361	10.80%
between 30-50 years old	2,310	69.08%
over 50 years old	673	20.13%
Total Employees	3,344	100%

S1-12 – PERSONS WITH DISABILITIES

Number of employees with disabilities in head count (as of 31.12.2024) is collected using the definition based on the UN Convention on the Rights of Persons with Disabilities. It defines persons with disabilities as those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others. This can be reflected in percentage-based disability ratings or categorization of severity.

EBC Group employees 53 employees with health disability (disability above 50% or equivalent severity grade) as of 31. December 2024 which represents 1.58% of the total headcount.

S1-13 – TRAINING AND SKILLS DEVELOPMENT METRICS

Material matter of training and skills development are tracked by average training hours metrics and the proportion of performance reviews to the foreseen number of reviews proportion of performance reviews by the management.

Training and skills development metrics

Table 32: Training and skills development metrics

	2024
Average training hours	38.89
Female	38.36
Male	40.15
Other	0
Gender not reported	0
Management functions	58.82
Non management functions	36.02

In 2024, EBC (the Bank, excluding the subsidiaries) employees completed on average 38.89 (2023: 34.18) hours of professional development, thereof women 38.36 (2023: 34.34) hours and men 40.15 (2023: 33.84) hours. Employees in management positions completed an average of 58.52 (2023: 36.46) hours of training. EBC Group monitors average trainings hours by collecting the information per year end for each entity and comparing them to the previous year. The indicator is calculated as the number of training hours in the reporting period of its employee's headcount as of 31. December divided by the total head count as of 31. December. There is no targeted value on the group level, as for each entity the optimal number of trainings hour might be different. Moreover, the number of training hours may fluctuate throughout the years, as some regulatory training may be required.

Next to talent management and leadership, performance reviews are one of EBC Group's actions to address the material matter of Training and skill development identified in double materiality assessment.

Generally, employees are invited to a personal performance interview with their line managers to talk about their performance, to define goals for the current year and define plans for their further personal development once a year. However, not for all own employees is the performance review planned or foreseen. For instance, when the employee joins the company within the year or when internal procedures foresee that an annual performance review is mandatory only for employees eligible for a bonus. In 2024, appraisal talks were held with 98.03% (2023: 97.22%) of all employees of EBC. The figure is reported as the number of performance reviews per active head count (as of 31 December) during the reporting period divided by the number of total head count (as of 31.December).

The proportion of reviews to the foreseen number of reviews by EBC Group's local internal procedure is 100%. This figure has been derived as number of performance reviews per active head count (as of 31.December) during the reporting period and divided by the number of head count that is agreed for performance review based on internal processes (e.g. based on eligibility for variable remuneration)

Table 33: Performance Reviews

	2024
Percentage of employees that participated in regular performance and career development reviews	93.75%
Female	91.96%
Male	97.98%
Other	0
Gender not reported	0
Management functions	100%
Non management functions	100%

S1-14 – HEALTH AND SAFETY METRICS

The total number of own employees (head count as of 31.12.2024) who are covered by the company´s health and safety management system based on local legal requirements and/or recognized standards or guidelines in the respective country is collected.
All (100%) EBC employees are covered by the health and safety management system based on legal requirements in respective country. In 2024, EBC recorded 12 work-related accidents. The rate of recordable work-related accidents of 1.85 indicates the number of work-related injuries per 500 full time people in the workforce over a 1-year timeframe. This calculation is using a proxy of 2.000 working hours per one FTE per year (as suggested in ESRS S1-14 AR89). The number of cases of recordable work-related ill health was 0. The number of calendar days lost to work-related injuries and work-related health was 259. The indicators of work-related illness and accidents cover own employees and non-employees working in EBC Group's premises when information about the event is available and recorded. There is no exact split between own employees and non-employees available this year. There were no work-related fatalities recorded for own employees, non-employees and value chain workers working on the site of EBC Group's premises

Table 34: Health and safety metrics represented in headcount

Health and safety metrics represented in headcount	2024
Number of fatalities related to work-related injuries / ill health	0
Number of recordable work-related accidents	12
Rate of recordable work-related accidents	1.85
Number of cases of recordable work-related ill health	0
Number of days lost to work-related injuries/ill health/fatalities	259

Additionally, EBC tracks the number of sick leave days as an indicator if specific initiatives in health and health center action are needed. Sick leave is a type of leave that is either paid for by the employer or by social insurance or is unpaid, the cause for such leave is illness or incapacity (health problems). Sick leave is calculated in workdays from the first day of leave. The total duration of illness-related absences from work is calculated based on the total number of days of leave attributable to sickness or incapacity for the given period. In the reporting period, there were in 11.62 (2023: 16.79) average sick leaves days per headcount (as of 31. December).

S1-15 – WORK-LIFE BALANCE METRICS

All (100%) of EBC own employees are entitled to take family-related leaves (based on head count). Family related leave includes maternity leave, paternity leave, parental leave and leave for family caregivers, etc. granted under national law or collective bargaining agreements. 21.31% of its employees took family related leave during the reporting period (female employees, 25.83%, male employees 10.15%).

The compatibility of career and family positively impacts the quality of life and satisfaction of employees at EBC Group. Since work-life balance is an individual decision of each employee, EBC Group's aim is to create a working environment that supports individual decisions of its employees. In this respect EBC Group tracks proportion of full-time and part time employments.

Table 35: Work-life balance metrics

	Employees (Full-time and Part-time)		
2024	Female	Male	Other
EBC Group	635	101	0

S1-16 – REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION)

EBC Group has identified a negative impact in relation to gender pay gap in the sustainability matter gender equality and equal pay for work of equal value. This is a Erste Group process which is calculated centrally, whilst EBC Group contributes with the relevant data needed for the calculation.

Erste Group's approach is to understand the reasons for the gap and bring transparency to what part of the gender pay gap can be explained and foreseen due to job structure and other explanatory factors. Erste Group established a methodology to analyze and monitor the gender pay gap. It aligns on transparent communication and coordinate efforts to mitigate any potential negative impacts on Erste Group's workforce related to gender pay gap within Erste Group.

Erste Group holds a Fair Pay Analyst certification from the Fair Pay Innovation Lab, with its UNIVERSAL FAIR PAY CHECK® recognized as a certification trademark by the European Union Intellectual Property Office. This check integrates different European legislative initiatives into a single procedure, accommodating both current and future legislation, making certification possible regardless of location and applicable laws. The analysis, based on the organization's internal data, lays the groundwork for accurately determining the necessary steps to implement fair pay. Through this certification, Erste Group underscore its commitment to conducting fair pay analyses correctly.

In Erste Group, the gender pay gap is viewed from two perspectives: an unadjusted pay gap and adjusted pay gap. The unadjusted gender pay gap shows the percentage difference between the average gross hourly pay for women and men.
The adjusted gender pay gap shows the percentage difference between the average gross hourly pay for women and men after accounting for factors that typically influence pay. It is calculated using a regression analysis, which is a robust mathematical method to determine how each variable affects each employee's compensation.

To support a common methodology over the group, job levelling is used as the main objective factor. This factor explains most differences in pay. On top we use performance rate and organization unit as additional explanatory factor.

Unadjusted gender pay gap

In Erste Group, the gender pay gap for its employees is calculated based on an annualized, full-time equivalent measures, as the average pay of all men and women across the group and all job levels, representing the unadjusted gender pay gap. The consolidation on group level is done by weighing the individual entity results by their headcounts.

Regarding the EBC Group, this unadjusted gender pay gap calculation for own employees in 2024 is 28.25%. This covers all own employees in scope where remuneration data was available through payroll systems.

Variable remuneration for performance 2024 is based on the overall performance of the entity and individual performance of each employee. Therefore, most of the variable remuneration is granted in April 2025. For the pay gap 2024 the estimate of variable remuneration based on performance 2023 (granted 2024) had to been conducted to cover total compensation. For long-tern incentive bonus schemes, the granted variable remuneration is reported, no matter if paid out in reporting year or in the future.
The Gender Pay Gap analyses shows that, the unadjusted pay gap is driven by job leveling as it is used as the main objective factor. This factor explains most differences in pay. One of the ways Erste Group and EBC Group as subsidiary addresses this topic is by setting the targets for gender representation in top management.

Remuneration ratio
EBC shows the income distribution within the company EBC by comparing yearly salary as from 31.12.2024. annualised (multiplied by 12), together with granted bonuses for 2023 distributed in 2024, of the highest-paid employee with the median remuneration calculated in a same manner of all employees. All salaries are calculated as annual salaries on the basis of full-time equivalents. The remuneration ratio for the 2024 fiscal year is 32.
It is calculated by means of the following formula: annual total remuneration of the highest-paid employee of each entity in the EBC Group divided by the median annual total remuneration of all employees of the organisation except for the highest-paid person.

S1-17 – INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

EBC Group has reported on its approach to complaints, channels to raise them and on remediation of negative impacts in chapters S1-2 and S1-3. Channels for raising concerns have been identified and the number of complaints submitted to the company's reporting tool has been recorded. There have been no reported incidents of discrimination.

EBC Group has implemented processes to mitigate and solve discrimination cases. EBC Group's commitment to providing a safe and inclusive workplace means all claims of discrimination are taken seriously, and EBC Group strives to resolve them in a timely and effective manner. As part of these established processes, every employee has the opportunity to have their specific case examined by internal, independent bodies. This ensures that each individual case is followed up accordingly, with sensitivity and respect for all parties involved as well as utmost confidentiality.

In most cases, a respectful and substantial solution can be found internally. This reflects EBC Group's dedication to fostering a culture of trust, respect, and equality throughout its organization.

The company has received no complaints from its workforce regarding various topics. There have been no fines, penalties, or compensation for damages resulting from incidents of discrimination and complaints or relating to severe human rights issues or incidents connected to the company's own workforce. In 2024, there were no incidents reported involving violations of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises.

Consumers and end-users

This chapter focuses on EBC Group's impacts, risks and opportunities (IROs) on consumers and end-users. The scope of this chapter covers the IROs that EBC Group has identified towards the company's retail customer base. As part of EBC Group's commitment to transparency and sustainability, Erste Group places the interests and needs of its customers at the core of its business activities considering dependencies of business model related to consumers and end users.

Erste Group acknowledges the positive impact that it has on its customer base regarding financial health and access to products and services (social banking). Furthermore, Erste Group recognises the opportunity related to the financial health of its customers on its business model. However, a negative impact and risk was identified on the topic of privacy that will also be disclosed in this chapter.

S4 SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

As part of its commitment to transparency and sustainability, this section provides a comprehensive overview of the IROs related to consumers and end-users. As a leading bank, it is crucial for Erste Group to prioritize the interests and needs of its customers while effectively managing risks.

Table 36: Material impacts, risks and opportunities related to consumers and end-users

Sustainability matter	Type of IRO	IRO Description	Value chain	Time horizon
S4-Financial Health (entity specific)	Positive impact	Through educational programs, financial advice and tools EBC Group has a positive impact on the financial health of customers contributing to customers overall economic stability, leading to a better quality of life.	Own operations	Medium-term
	Opportunity	Through the active support of its customers' financial health EBC Group can not only improve customer satisfaction and loyalty but also enhance its own financial performance and market position.	Own operations & Downstream	Medium-term
S4-Privacy	Potential negative impact	Data breaches or cyberattacks could lead to compromised sense of security and privacy for individuals, leaking private and financial data of affected customers.	Own operations	Short-term
	Risk	Data breaches or cyberattacks could lead to a loss of trust from customers and a loss of reputation, as well as legal consequences (e.g. breach of GDPR).	Own operations & Downstream	Short-term
S4- Access to products and services	Positive impact	By ensuring that all banking products and services are accessible to socially vulnerable people (e.g. people with disabilities and the elderly), EBC Group promotes their autonomy, social and professional integration and active participation in community life.	Downstream	All time horizons

Financial health

Positive Impact

EBC Group positively impacts the financial health of its retail customer base through educational programs as well as financial advice and tools. Initiatives such as financial literacy workshops contribute to the economic stability and quality of life of EBC Group's customers. Financial literacy workshops develop a combination of financial awareness as well as the knowledge, skills, attitudes and behaviours necessary to make sound financial decisions and ultimately achieve individual financial well-being.

Opportunity

EBC Group believes that actively supporting the financial health of its retail customer base can improve their satisfaction and loyalty while enhancing its financial performance and market position. With a large customer base and an increase in customers, EBC Group has a strong foundation for financial health advisory services. This also presents an opportunity to deepen client relationships, especially with those who are digitally active. Technological advancements are driving a shift in their approach to financial health advice. Digital channels allow EBC Group to increase advisory touchpoints and reach more customers.

Privacy

EBC Group highly values the protection of its customer's data as a crucial part of its business model and therefore must also consider potential data breaches or cyberattacks that could negatively impact the business, presenting a material risk. Examples of this could include identity theft, fraud and financial loss. Such incidents could compromise the security and privacy of customers by exposing their private and financial data. This risk over all time horizons could lead to a loss of trust, damage to EBC Group's reputation and legal consequences (e.g., breach of the General Data Protection Regulation (GDPR)).

S4-1 – POLICIES RELATED TO CONSUMERS AND END-USERS

EBC Group commits itself to meeting its responsibilities towards consumers and end-users regarding human rights, labour standards and the fight against corruption. The principles included within the Group's strategy derive from the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the United Nations Convention Against Corruption, among others.

EBC Group's Code of Conduct sets out a commitment to understand the needs, views and opinions of the Group's customer base as well as providing adequate access to products. In addition, EBC Group is committed to responding to feedback from its customers on a range of topics. This commitment illustrates how its policies are aligned with international instruments that respect the human rights of its customer base as it references the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises as a basis. These international instruments are also incorporated into EBC Group's policies ensuring that operations involving Erste EBC Group's customer base are undertaken with the highest standards of ethical behavior and respect for human rights.

Furthermore, any non-respect of human rights within the downstream value chain is reported and addressed promptly through the whistleblowing platform. This reporting mechanism allows EBC Group to maintain transparency and accountability, ensuring that any violations are identified and rectified in a timely manner. In 2024, there were no reported breaches of Human Rights towards EBC Group's customer base.

For more information on the whistleblowing platform, please see 'G1-1 – Business conduct policies and corporate culture'.

Financial Health

EBC Group guides its customers through important decisions and enables choices that allow them to improve their financial health. Financial Health is EBC Group's way to provide a financial mindset and toolset for its customers that helps them to make better financial decisions and puts them in control of their future. In addition, EBC group follows Erste Group strategic approach and direction.

In that regard, Erste Group's monitoring process for financial health is based on five indicators that support its customers to 1) live within their means, 2) build their financial reserve, 3) ensure their risks, 4) plan retirement and 5) invest for future. The calculation of these indicators helps Erste Group take a personalised approach towards supporting each customer. The Group Retail Transformation department is responsible for monitoring and implementing the framework that is currently being rolled out within the core markets which will apply to the EBC Group as well. There are no current plans to expand the framework outside the Group's core markets.

The financial health of EBC Group's retail customers is reflected by the status and stability of their financial situation. By analysing and evaluating the financial health indicators of its customers, EBC Group can better understand their needs to help them become financially independent. Information regarding the framework, including the indicators will be also available to customers online.

Financial health (opportunity)

EBC Group plans to take advantage of the opportunity to expand its customer base by supporting its clients in leading better and healthier financial lives. This involves understanding each client's unique situation through listening, showing empathy and analysing their finances. EBC Group is building on the strengths of its human advisors while enhancing its digital advisory capabilities.

The overarching aim of this strategy is to democratise financial advice, ensuring every customer receives outstanding support, by combining the expertise of human advisors with digital advice through its digital platform, George. This involves understanding each client's unique situation through listening, showing empathy and analysing their finances. Erste Group is building on the strengths of its human advisors while enhancing its digital advisory capabilities.

Privacy

EBC Group considers the protection of its customer's data to be of the utmost importance. To earn trust, it is essential to ensure transparency. EBC Group places significant emphasis on providing customers with clear and comprehensible information regarding the processing of their personal data. Where necessary, prior consent for the processing of personal data is obtained.

The EBC Group Security Strategy, approved by the Management board is aligned with regulatory standards. Organizationally, many security policies and procedures govern security-related requirements and controls for systems, infrastructure and EBC Group's own employees to protect the data of its customers. Compliance with these policies is mandatory for EBC Group and its subsidiaries.

Information related to data protection is made available to EBC's client base on the website. This includes the rights of its clients regarding their data as well as whom to contact in case of any concerns related to data processing or potential breaches.

EBC Group ensures that employees are well-informed about the implementation of Group policies related to privacy through yearly trainings. This comprehensive understanding enables EBC's staff to better serve its customers by adhering to high standards of service and data protection. Consequently, these policies directly support EBC's commitment to meeting the needs and rights of its customers, while mitigating the risk of any cyberattacks or data breaches. This policy is available internally.

Personal data protection

The application of General Data Protection Regulation (GDPR) has raised the obligations regarding personal data protection and privacy to a new level. EBC has used the applicability of GDPR as an opportunity to increase the transparency of its business practices as well as an additional motive to increase the level of its security system. GDPR fosters the rights of natural persons regarding their privacy. Raising the information security to the highest level in a manner of access and managing of personal data is certainly one of its goals.

EBC is continuously working on enhancing its relevant processes. The high level of personal data protection as well as exercising the rights of clients, employees and associates in accordance to applicable legal regulations, EBC maintains by monitoring the state of the art practices and industry standards of managing information-communication and technology infrastructures, via transparent communication as well as by other technical and organizational security measures.

To achieve this, EBC has implemented its internal acts designed to promote and maintain the highest level of data protection and privacy. The purpose of the Data Protection Policy, along with its associated Procedures, is to ensure and sustain the appropriate safeguarding of all personal data in alignment with both regulatory requirements and business needs within EBC. This objective is also focused on achieving compliance with the GDPR and Law on Implementing the General Data Protection Regulation.

In alignment with the GDPR, the focus of the data protection policy is the personal data of natural persons. Additionally, personal data pertaining to natural persons acting for or on behalf of a legal person are included within the scope of this policy as well. The Management Board is ultimately accountable for the policy's implementation and policy is available internally.

Group Cyber Information Security

Group Cyber Information Security policy, also localized and adapted at EBC level, defines security principles, security management objectives and an overall cyber and information security governance and management framework. Additionally, it outlines the organisational structure, related roles and responsibilities, information security risk management context, as well as definitions and implementation activities to be performed at both Group and local levels.

The EBC Chief Information Security Officer (Group CISO) is specifically accountable for cyber and information security control and management within the EBC, including the definition of the Cyber and information security strategy. A primary task of the EBC CISO is to monitor and support the local implementation of cyber and information security, ensuring it follows "good practices" and is executed effectively, efficiently, and consistently in daily operations.

The rules and requirements stipulated by this policy are binding for all Erste Group employees, including EBC employees, contractors or service providers who implement, manage or administer IT-solutions used by or for Erste Group entities and their employees. The holding Management Board is the most senior level responsible for the implementation of the policy, while the Chief Security Officer is the document owner of the A-level policies. For each entity, the local management board is the most senior level responsible for the local implementation of the policy and the policy is available internally.

Erste Group regularly adapts its policies to meet changing practices and developing technologies. The policy has been updated to adhere to the requirements of the Digital Operational Resilience Act (DORA). Additional internal stakeholders and experts were consulted in the drafting of this policy to best cater to the protection of customer data.

Social banking (Access to products and services)

Social banking at EBC Group seeks to improve access to financial goods and services for vulnerable groups who might otherwise be excluded, offering them access to financial products, sounds financial advice as well as mentoring. Social banking seeks to foster starting entrepreneurs through working capital loans and start up loans to create new jobs as well as supporting vulnerable groups in financial difficulty by improving their financial situation through special accounts and housing micro loans. This support contributes to the overarching goal of fighting poverty and increasing prosperity. These overarching objectives are linked to specific targets that group social banking have set related to financing and retention. Further information on these targets can be found in S4-5, 'Targets related to consumers and end-users'.

In its bi-annual impact report, Erste Group Social Banking publishes information related to the output of its activities as well as the direct and intended outcomes of its clients. Data in the previous bi-annual impact report was collected through 1190 interviews within its client base. The report is publicly available on EBC´s website and policy is available internally.

Furthermore, the Social Banking policy establishes principles with consideration to Erste Group's retail customer base through implementing UN Sustainable Development Goals 1 (no hunger), 3 (good health and well-being), 4 (quality education), 5 (gender equality) & 10 (reduced inequality).

S4-2 – PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

Financial Health & Access to products and services

Through analysing and evaluating the financial health of its customers, including those in financial difficulties, EBC Group better understands their needs and help them to become more financially independent. EBC Group is also able to determine whether the actions, products and services it recommends to its customers are making a difference in their financial health, as well as defining areas to focus its efforts on to ultimately benefit its customers.

Direct engagement with retail customers occurs through a variety of channels, both online and in the branches where Erste Group offers advisory services to help them achieve their financial goals. To ensure that its customers continue to benefit from EBC Group's positive impacts, an advisory framework is in place. This framework revolves around encouraging active customer engagement around EBC Group's advisory propositions, which leads to addressing their drivers of financial health. A key method to facilitate this process is through the democratisation of advice across all channels and increased accessibility.

EBC Group also has a process in place to determine the effectiveness of these channels of engagement. Following an appointment regarding a customer's financial health, an email is sent to the customer who is free to respond with tailored feedback as well as the chance to respond to a series of standardised questions on the level of their satisfaction towards the process of engagement. Studies are then conducted on the feedback provided that occur on a quarterly basis and further help to inform group strategy. EBC Group continuously improves accessibility and service quality by collecting and analysing customer feedback from advisory interactions. One example of this is the Banking Market Monitor study 2,400 customers annually, to understand and meet evolving customer needs. Further research is also undertaken to gain insight into the perspectives of retail customers that may be particularly vulnerable.

EBC Group designs and offers financial health products and services for all people in the regions it operates in. The development and approval of new products and services are based on an orderly process and guarantees comprehensive quality assurance. EBC Group creates an environment in which special needs customers (e.g. those with disabilities) have adequate access to its products and services. EBC Group does pilots before rolling out products to get customer feedback as soon as possible and adapt its processes if necessary.

Privacy (negative impact)

By continuously sharing information and best practices across all markets, Erste Group ensures that the best interests of its customer base are always considered throughout the core markets (including EBC Group). EBC Data Protection Officer (DPO), who reports to the Chief Operations Officer (COO), ensures a consistently high level of data protection throughout EBC. To ensure data protection governance, binding standards have been rolled out to and implemented by EBC.

In addition, the Data Protection Officer carries out monitoring measures as required under Article 39 of the GDPR, both at the local and international levels. EBC Group places great emphasis on providing customers with clear and understandable information about how their personal data is being processed. Where necessary, prior consent is obtained for the processing of personal data. Furthermore, cooperation partners are contractually committed to fulfilling strict requirements related to the handling of customer data.

The processes surrounding the GDPR are heavily regulated and thus are valid for all customers, regardless of background. Therefore, EBC Group does not single out specific groups for insight into an already heavily regulated process.

S4-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

Privacy

Data breaches are defined as breaches of security leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, personal data transmitted, stored or otherwise processed. The reasons for a data breach can vary, e.g. from an email sent erroneously to the wrong recipient, to a system malfunction. Data breaches can be detected through internal technical or organizational measures (e.g., through the data leak prevention system or through internal reports from employees that became aware of the data breach) or through external reports (e.g., through a notification from the wrong recipient).

All internal and external data breach reports are collected and evaluated per entity/subgroup. The root causes are analyzed on a case-by-case basis, and relevant steps are taken in a follow-up activity. A notification will be filed with the responsible data protection authority if, based on the evaluation, it is concluded that the data breach is likely to result in a risk to the rights and freedoms of natural persons. When the personal data breach is likely to result in a high risk to the rights and freedoms of natural persons, it is communicated to the data subject without undue delay. The relevant risk assessment is supported by an internally developed data breach risk assessment tool, based on the methodology provided by the European Union Agency for Cybersecurity. Developing and refining Erste Group's incident response plan is a crucial element of its risk mitigation efforts. This includes clear protocols for identifying, reporting, investigating, lessons learned and mitigating any potential negative impact on customers.

All data breaches are documented and evaluated. The root causes are analyzed on a case-by-case basis and relevant steps are taken in a follow up activity.

EBC Contact Center is the first port of call for instant customer support, playing a crucial role in maintaining strong business relationships. They are available from 7:00 – 22:00 except holydays (on holydays only card deactivation possible)) and can be contacted by many communication channels: telephone, e-mail, web chat, George chat, George authorized calls, IVR, WhatsApp, Viber, George Messenger, Facebook Messenger. Client can contact each EBC Group entity related to processing of his personal data at contact information published on website applicable for each individual Erste Group entity.

S4-4 – TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END- USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS AND EFFECTIVENESS OF THOSE ACTIONS

EBC Group's various initiatives share a common goal of promoting financial and social inclusion, while mitigating the impact and risk of data breaches and cyberattacks. These actions are designed to address the diverse needs of different demographic groups, from individuals facing financial exclusion to entrepreneurs trying to start their own business. Continuous monitoring, regular assessments and stakeholder engagement are integral to ensure the effectiveness and adaptability of these actions. By focusing on education, financial stability and social innovation, EBC Group aims to create a positive and lasting impact on its customer base. Customers and end users feedback are considered when designing the targets related to actions, but customers and end users were not directly involved in creating targets that address material IROs.

Table 37: List of key actions related to consumers and end-users

Subtopic	List of key-actions	Policy
S4-Financial Health	Advice and offering	Financial Health Framework
S4-Financial Health	The School of Smart Finance	Financial Health Framework
S4-Financial Health	Channels	Financial Health Framework
S4-Financial Health	Leave a good mark programme	Group Social Banking Policy
S4-Privacy	Investing in customer centric training programs	Group Cyber Information Security
S4-Access to products and services	Microfinancing	Group Social Banking Policy
S4-Access to products and services	Support for social organisations	Group Social Banking Policy

Financial Health

Advice and offering

Through financial advice and offerings, EBC Group positively impacts the financial health of its customers, specifically those in financial difficulty, by contributing to an improvement in their overall economic stability. By actively supporting its customers' financial health, EBC Group also improves customer satisfaction and loyalty, building on the opportunity to enhance its own financial performance and market position.

As a part of its approach to Financial Health, Erste Group is currently in the process of rolling out the financial health indicators (described in S4-1 "Policies related to consumers and end-users) to all retail banks in the core markets to help implement this framework within CEE.

Financial literacy

The school of smart finance

The School of Smart Finance is a financial literacy program by Erste Bank Croatia (EBC), encompassing workshops for all adult citizens as well as primary and secondary school students. This national program aims to engage as many citizens as possible in acquiring knowledge and skills in personal finance management, encouraging them to think about future life and financial goals, and to consciously manage their spending.

These workshops are free of charge, lasting up to 120 minutes, and are led by EBC's trainers. They are conducted in small groups, with a maximum of 20 participants, where simple tools for everyday personal finance management are introduced. Participants learn about conscious consumer decision-making and simple methods for developing saving habits.
The workshops are held live in EBC's branches, schools, and universities, or online via the MS Teams application. Additionally, financial literacy workshops are organized for employees of public and private companies in collaboration with their human resources departments and based on recommendations from colleagues in the Corporate Business Sector and the SME Sector of Erste Bank Croatia.

From the end of 2023 to the end of 2024, 105 workshops were held with about 1,600 participants. In total, over 900 workshops have been held so far, which were attended by over 15,200 participants. As in previous years, during 2024, the focus is on holding workshops intended for young people, i.e. for primary and secondary school and university students. In total, Erste Bank has organized more than 500 workshops for young people so far, in which 11,200 young people participated.

The most valuable resource allocated to the School of Smart Finance is human capital. The program was designed and implemented by the bank's internal experts, who also carry out the program activities. A total of 23 bank employees are involved in the School of Smart Finance, including 20 educators.

Time horizons include end-of-year, five-year, and ten-year estimates. Quantitative information includes the number of workshops and participants, as well as workshop satisfaction survey results. Qualitative information encompasses the results of PR and marketing activities, along with projections of material impacts.

LEAVE A GOOD MARK PROGRAMME

In 2023, Erste Bank Croatia (EBC), in cooperation with partners Solidarna Foundation, Social Prudence, Panda Communications and Erste Foundation, completed the first and started the second cycle of the 'Leave a good mark' programme. It is a programme that aims to improve financial resilience through the improvement of fundraising capacity.

The idea was born from the long-term experience of inclusive banking that the bank implements with start-up entrepreneurs and non-profit organizations, support in transferring ideas 'from theory to reality' and understanding the administrative burden and the involvement of the non-profit sector in the race for EU funds. It consists of two parts - educational and mentoring, through which all participants are provided with individual support for the development of social business canvas, fundraising strategy, storytelling along with instructions for adapting digital channels as a prerequisite for the successful implementation of a fundraising campaign.

A total of 22 associations passed the program. Through the support of fundraising campaigns, organizations have collected over EUR 50,000 for the implementation of their programs. The positive impacts are revised through direct feedback from customers and anonymized surveys. The program is enhanced based on the collected information, typically updated through content enhancement, financial visibility, and increasing the number of committed partners.

PRIVACY

INVESTING IN CUSTOMER CENTRIC TRAINING PROGRAMS

Erste Group, including EBC Group, is committed to refining our incident response plan as a crucial element of our risk mitigation efforts on the topic of privacy and data processing. While clear protocols are in place for identifying, reporting, investigating, lessons learned and mitigating any potential negative impacts on customers, these protocols must be communicated and taught to all employees across the group.
Investing in customer-centric training programs ensures all staff members are well equipped with the knowledge and skills necessary to handle customer data securely. In addition, our employees are then expected to be able to communicate effectively to our customers about the processing of their personal data. By emphasizing the importance of data protection and security, EBC aims to not only safeguard its customers' information and maintain their trust in its organization but also to foster a culture of responsibility by raising awareness among its employees about potential risks.
All employees are required to undertake the training once a year and Erste Group monitors the participation rate. The training program is overseen by the Data Protection Officer (DPO), with dedicated team responsible for organizing and conducting these training sessions. In accordance with personal data protection and information security internal acts, these educations are conducted on a regular and ad-hoc basis – including the existing employees and new employees via onboarding process.

Annual training sessions as well as ad-hoc educations, when necessary, reinforce best practices and keep employees informed about the latest security threats and mitigation strategies. Furthermore, in the scope of the Group initiative, articles intended for EBC employees have been published on a regular and quarter basis, covering various topics such as data classification, fraud/social engineering, cyber-hygiene and phishing security awareness quizzes.

DATA PROTECTION CONTROL FRAMEWORK

A specific Data Protection Control Framework is used for the core markets to ensure ongoing adherence to data protection standards and to identify any areas requiring improvement. The design and execution of the control framework is derived from requirements defined in the Group Data Protection Policy, the Group Data Processing Legitimacy Procedure, the Group Data Controller Responsibility Procedure, the Group Data Protection Transparency and Data Subjects Rights Procedure and the Group Data Protection Officer Procedure. The controls therefore cover the principles relating to processing of personal data as laid out in the GDPR. The scope of the control framework is to monitor and ensure that the policy and the procedures are properly implemented. A self-assessment is done on a local level, and afterwards approved on Group level. Continuous monitoring and quality assurance are also done on local and Group level.

SECURITY MANAGEMENT SYSTEM

The Security Management System is measured and steered by the Erste Group Security Maturity Assessment (SMA) framework. The SMA is a control self-assessment to measure the compliance of implemented security requirements as defined in Security policies and procedures. The Chief Security Officer is accountable for the in time and correct execution of the SMA assessments. Also, the SMA process is integrated into the Group Policy Framework process. Group Security performs quality checks on security key-controls and, where applicable, spot checks on a regular basis. Group Security performs regular reviews with the local entity including EBC Group to harmonize the quality within Erste Group.

Access to Products and Services

Microfinancing

EBC Group’s Social Banking initiative focuses on financing entrepreneurs to fund start-ups throughout our core markets that are not covered by the regular retail business, specifically targeting clients who do not meet the eligibility criteria of the regular retail lending policy. This initiative ensures that these individuals have access to necessary financial resources, contributing to the economic stability and growth of their businesses.

Social Banking department is established in with dedicated full-time employees (FTEs) to support the financing of starting enterprises and micro businesses. Specific programs include "Poduzetnički starter – financiranje poduzetnika početnika", which focuses on currently unemployed individuals.

Every two years, a social impact assessment, including ex-post client surveys, is performed to evaluate the effectiveness of these initiatives. This ongoing assessment ensures that the social banking activities continue to have a positive impact on the financial health of customers, contributing to their overall economic stability and better quality of life.

Support for social organisations

Erste Group’s social banking experts and external mentors provide support and financial solutions to NGOs and social enterprises. The bank offers working capital loans, bridging loans, and investment loans. Social Banking department supports the financing of starting enterprises and micros. Results for 2024 will be available at the beginning of 2025.

S4-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

Financial Health (Opportunity)

Customer Experience Index (CXI) Target

Erste Group, including EBC Group, is committed to improving the financial health and economic stability of its customers. This commitment is reflected in several key initiatives and targets. By enhancing the financial health of its customers, EBC Group aims to improve their satisfaction and loyalty, which are key components of the CXI – this index is part of the Erste Group wide framework and is calculated and monitored at the Erste Group level.

The Customer Experience Index (CXI) measures customer satisfaction and loyalty, derived from satisfaction ratings, referrals, readiness to switch banks, customer effort scores, and repurchase rates. It captures the overall customer experience and its impact on the relationship with EBC. The CXI is calculated using the formula:

CXI=%advocates+%loyal customers+0.5×%simply satisfied−%non-engaged−%dissatisfied

	% Dissatisfied Satisfaction 0–4	% Not engaged Satisfaction 5–6	% Simply satisfied Satisfaction 7–10	% Loyal Simply satisfied and Repurchase 9–10 Bank change 0–1	% Advocates Loyal and Recommendation 10 Effort 10
Vs. competition	Clear competitive disadvantage	Competitive disadvantage	No advantage or disadvantage	Clear competitive advantage	Clear competitive advantage
Likely behavior	Likely to change bank as soon as they can	Likely to look for better offers and change bank	Leave easily even for slightly better offer	Likely to repurchase even pays some price premium	Likely to recommend to friends and family
Target	Optimize		Neutral	Maximize	

The CXI is measured through quarterly and annual surveys conducted by an external market research institute, covering private, micro and SME segments. These surveys involve 2,400 telephone interviews annually in the retail segment and at least 1,600 companies per country in the corporate segment. The results are used to set targets for the following year, aiming for significant yearly improvements and ultimately becoming the leader in CXI in each country. The CXI is also used in bonus assessments for management and employees, with targets set by Group People & Culture, Group Customer Experience and relevant business lines. Due to the large amount of market research involved in calculating the CXI, a limitation of this metric is standard deviation.

Supporting financially excluded micro enterprises and start-ups, Erste Group fosters economic stability and enhances customer satisfaction, thereby positively impacting the CXI.

Table 38: Customer Experience Index (CXI)

	PI		Micro		SME		Total	
	Difference in relation to the top 3 competitors		Difference in relation to the top 3 competitors		Difference in relation to the top 3 competitors		Difference in relation to the top 3 competitors	
	2024	2023	2024	2023	2024	2023	2024	2023
Erste Bank Croatia	13.2	13.6	6.8	2.2	9.3	8.2	11.1	10.2

* no comparison to the previous year, because of changes in the Top 3 Banks
**no comparison to the previous year, because of changes in the definition of the SME Segment
number 1 in the respective market

In 2024, EBC again succeeded in maintaining the excellent customer satisfaction scores of the previous year which is evident in the next paragraph where Erste Group provides overview of results. EBC is among the best banks, as per the CXI score, in its respective markets.

CXI Privates
In the segment of private customers, Erste Bank Croatia attained the best scores in markets of Erste Group.

CXI Micro Segment
In the Micro Segment, Erste Bank Croatia managed to improve on the top 3 competitors. Erste Bank Croatia also managed to take the lead in the banking market here.

CXI SME Segment
In the SME segment, Erste Bank Croatia achieved the first place in own market. The development in this segment is stable in relation to the top 3 competitors in most markets.

Financial Health (Positive Impact) & Social Banking

TARGETS

Privacy

Due to the high level of regulation within the fields of data protection and cybersecurity, Erste Group has set no additional overarching quantitative targets. However, Erste Group's aim is continued strict compliance with the GDPR to ensure the highest level of protection for customer data and to prevent regulatory penalties.

Social banking

EBC Group is committed to promoting social banking to improve access to products and services as well as the financial health of its customers through financial literacy initiatives. The set targets directly support these objectives and contribute to the economic stability of customers. The targets for social banking financing are related to measuring the effectiveness of EBC Group's Social Banking initiatives, while the target related to education support initiatives measures the effectiveness of the EBC Group's financial health positive impact.
The target of social banking financing volume focuses on increasing access to financial services for individuals across all core markets. This is achieved by financing micro companies and start-ups that do not meet regular retail lending criteria.
The target related to financial health (positive impact) of education support participants aims to increase financial education and knowledge among individuals, especially disadvantaged groups. These educational activities are organised and conducted in all core markets.
The target of job creation and retention refers to the number of jobs created or retained as a result of social banking financing. This is assessed through regular surveys and reports. These targets are continuously monitored and evaluated to ensure their effectiveness and positive impact. The volume of social banking financing is reported quarterly by local entity departments to Erste Group. The number of financial literacy participants is reported annually by local entity departments.
By promoting social banking and achieving these targets, Erste Group contributes to the financial health and economic stability of its customers, ultimately leading to a better quality of life and a stronger market position.

PERFORMANCE INDICATORS

EBC Group has developed social banking yearly performance indicators. Part of them serve as a measure to track the progress of the social banking targets, which have been set.

Table 39: Social Banking financing

	Up to 2022	2023	2024	Up to 2030
New Social Banking financing in EUR mln	12	5.2	6.4	50.0
Count of new financed clients	525	163	189	2,000
Microfinance and Start-up finance in mln EUR	7.2	2.5	3.9	31.0
Microfinance and Start-up finance in number of new financed clients	395	105	131	1,200
Social Organization finance in mln EUR	4.8	2.7	2.5	19.0
Social Organization finance in number of new financed clients	130	58	58	800
Number of education participants	13,548	8,889	8,756	8,756

Governance information

Business conduct

This section focuses on EBC Group's business conduct and its commitment to ethical behaviour. EBC Group places a high value on ethically correct behaviour, considering it as a fundamental prerequisite for its business activities and strategic priorities. This commitment is reflected in its Statement of Purpose, which requires employees to consider not only the legality and profitability of business decisions but also whether they are the right thing to do. Building on this foundation, EBC Group's Code of Conduct, approved by the management board in 2015 and updated in January 2025, sets forth binding rules and ethical principles for all employees and board members. The Code emphasizes responsibility, respect and sustainability in all business activities. Additionally, EBC Group is committed to the principles of the UN Global Compact, which include upholding human rights, labour standards and combating corruption, drawing from key international declarations and conventions.

In the context of the double materiality assessment (DMA), two sustainability matters have been identified within Business Conduct, each with positive impacts:

Table 40: Material impacts, risks and opportunities related to business conduct

Sustainability matter	Type of IRO	IRO description	Value chain	Time horizon
G1-Protection of whistle-blowers	Positive impact	Whistle-blower protection at EBC Group has a positive impact by encouraging the reporting of misconduct, leading to a safer and compliant work environment. Based on the Whistleblowing Program as a subject of the Whistle-blowing Policy, all persons employed by the bank, regardless of the legal basis on which they perform work for the bank, are invited to provide information at an early stage about any behavior of other client employees or third parties that is not in accordance with the applicable rules, regulations, acts of the bank and ethical principles. All allegations through whistleblowing are kept as secret and have to be checked.	Own operations	Short-term
G1- Corruption and bribery - Prevention and detection including training	Positive impact	Prevention training offered to all employees can effectively counter-act potential corruption and bribery, which benefits the interests of consumers, employees, business partners and society as a whole and promotes a trusting and ethical business environment. Erste bank has zero tolerance towards any form of negative behavior such as corruption and giving/receiving bribes in relation to employ-ees, management, clients, and business partners. Policy Conflict of interest and Anti-Bribery & Corruption establishes minimum standards for combating corruption and giving/receiving bribes, as well as standards for managing general types of conflicts of interest.	Own operations	Short-term

Protection of whistleblowers

Whistleblower protection at EBC Group plays a crucial role to positively impact the work environment and society by encouraging the reporting of misconduct, therefore securing the integrity and ethical standards of the organisation. By providing a secure and confidential channel for all stakeholders to report unethical behaviour, EBC Group ensures that potential issues are addressed promptly and effectively.

Corruption and bribery – prevention and detection including training

Prevention training offered to all employees is another key component of EBC's strategy for its employees to counteract potential corruption and bribery. By educating employees on the importance of ethical behaviour and providing them with the tools to recognize and prevent corruption, EBC strengthens its commitment to corporate responsibility and ethical business practices.

Ultimately, these initiatives contribute to a positive corporate culture and enhance the reputation of EBC as a responsible and ethical financial institution. EBC Group demonstrates its commitment to ethical business conduct and reinforces its position as a trusted partner in the financial industry.

Other sustainability related matters

Advocacy

Erste Bank Croatia engages in advocacy activities on the national level through the memberships in several interest organization. The topics of the EBC's interest included the initiatives that foster domestic policies that are conducive for the Croatian economy and the development of the overall business climate in Croatia, further strengthen the legal and investment certainty, promote healthy market competitiveness, as well as those that aim to ensure smooth ESG/green transition process.

Selected memberships and affiliations:
Croatian Chamber of Economy (mandatory membership by law)
Croatian Banking Association
Croatian Employers' Association
Foreign Investors Council Croatia
Croatian Business Council for Sustainable Development
Green Building Council Croatia
International Institute for Climate Activities

G1-1 – BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

EBC Group's policies relating to business conduct comprise the Code of Conduct at EBC Group, which fosters its corporate culture by embedding its core values of people, fairness and transparency into every aspect of its operations. Therefore, EBC Group's culture is aligned with its group and business strategy Erste Group values. Leadership plays a pivotal role in EBC Group's culture, guided by its five leadership dimensions: out of comfort zone, servant leadership, performance impact, future orientation and client orientation. The Code of Conduct also serves as a guide for leaders to ensure the organization is fit for the future while adhering to all relevant ethical standards. EBC Group regularly monitors and refines its culture through exchanges, employee feedback and 360 leadership evaluations to ensure it remains strong and effective. Code of conduct is available on EBC website. EBC Group enhances its corporate culture through leadership development, employee training on values and ethics, conducting 360 Leadership feedback and engagement surveys. Erste Group also offers Town Halls, Open Forums, and onboarding programs. Erste Group's cultural initiatives include Diversity and Inclusion (D&I), Social Responsibility, and Sustainability efforts.

To ensure the integrity and trust in the organisation, EBC Group has implemented two key policies: the Whistleblowing Policy and the Policy on Conflict of Interest and Anti-Bribery and Corruption. These policies are essential components of its governance structure and contribute to an ethical and transparent work environment.

Protection of whistleblowers

The Whistleblowing Policy at EBC Group establishes group-wide standards to identify, report and investigate concerns about unlawful behaviour. Whistleblowing policy is based on the EU Directive 2019/1937 transposed into the Croatian Whistleblower Protection Act

EBC Group provides various channels for reporting concerns, including an intranet portal, mail, telephone and personal meetings. These channels are accessible not only to employees but also to third parties, in accordance with applicable whistleblower protection laws. Information about whistleblowing is provided through EBC intranet portal and internal mandatory trainings. Whistleblowing officers are qualified and authorized employees educated to operate securely, maintaining the confidentiality of the whistleblower's identity and third parties.

The Whistleblowing officer, receive and process the information regarding the process and protection against retaliation is available in provided by the FAQ section of Erste Group's Whistleblowing platform, Erste Integrity. The 'Erste Integrity' system includes an internal reporting office where employees can report suspected cases or ask questions about possible violations. The Whistleblowing officer, under the Chief Risk Officer division, is staffed by qualified and authorised employees within the Non-Financial Risk Division function. Reports are received and processed confidentially according to a standardised process, with all reports being investigated and appropriate measures taken if necessary. The system provides safeguards for whistleblowers, including anonymity protection, protection of involved individuals and protection against false accusations. Correct processing of concerns is ensured through regular reporting to the Management Board, as well as internal and external audits.

Whistleblowing Policy covers all employees, customers and third parties and includes a category for 'Unacceptable behaviour' to ad-dress concerns of violence, discrimination, harassment and similar misconduct. The Non-Financial Risk Division within the Chief Risk Officer area along with Human resources Division is responsible for implementing this with the involvement and support of employee representatives to ensure better acceptance among employees.

All policies related to employees are available on the intranet, accessible to internal stakeholders and external stakeholders are in-formed via Erste Group websites and the 'Erste Integrity' Whistleblowing platform on the internet.

Corruption and bribery – prevention and detection including training

The Policy on Conflict of Interest (CoI) and Anti-Bribery and Corruption (ABC) directly addresses the positive impact identified in the materiality assessment, Corruption and bribery - Prevention and detection including training. The policy establishes comprehensive standards to prevent and detect conflicts of interest, bribery and corruption. The policy is derived from the Statement of Purpose and the Code of Conduct. Responsibilities and standardised procedures for managing conflicts of interest and Anti-Bribery and corruption throughout all levels of EBC Group's business are defined in the policy. It aims to prevent legal breaches and protect the company's reputation through a responsible corporate culture, a clear compliance framework and appropriate employee qualifications. This policy is implemented through prevention training offered to all employees. This training effectively counteracts potential corruption and bribery, benefiting the interests of consumers, employees and business partners and promoting a trusting and ethical business environment.

All individuals are considered at risk for bribery and corruption therefore EBC Group does not differentiate between employees. Thus, the Conflict of Interest and Anti-Bribery and Corruption web-based trainings (WBT) are mandatory for all EBC employees The WBT must be repeated every two years. The training provides an overview of different types of conflicts of interest, such as treatment of benefits, secondary activities, organisational CoI, confidential CoI and CoI regarding procurement or the supply chain. The WBT consists of four categories: general information, treatment of benefits, treatment of secondary activities and personal and close relationships. It details various terms to ensure a uniform understanding and presents the reporting and approval processes for different types of CoI involving various stakeholders. The trainings are centrally defined in Croatian. Employees must pass a knowledge test with a rate of at least 80% at the end of the training. Additionally, a targeted training is (on top of the basic training) conducted for the Management Board, as well as to groups of employees working in specific areas.

Compliance Group monitors the e-learning completion rates with support from the department of Human Resources Division and is locally responsible for the monitoring of the e-learning implementation and escalating cases of non-completion. According to Human Resources Division statistics at the end of 2024 the completion rate was above 94%.

Monitoring processes include reporting obligations via a reporting tool or email, data analysis by the Non-Financial Risk Division to detect material gaps for training purposes, ad-hoc controls when conflicts of interest arise and desk reviews. All relevant EBC Group entities and their staff must implement necessary policies, processes and infrastructure to fully support compliance with the defined minimum standards. The policy applies across all geographies in which EBC Group operates and addresses the needs and concerns of all affected stakeholder groups.

The policy is approved by all members of the Management Board, who are legally accountable and liable for the group-wide ABC policy. The document is owned by Non-Financial Risk Division and follows a review cycle of two years, during which contents are reviewed and assessed based on changes in legal acts or recommendations from public authorities. Investigations regarding the prevention and detection of corruption and bribery are carried out by the Compliance Group and it is separate from the chain of management.

The policy is made available through the intranet for all employees and is part of the yearly compliance training that all employees must complete. Local process owners define detailed processes and regulations, which are rolled out via the intranet to employees.

G1-3 – PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

Internal fraud involving bribery and/or corruption occurs when an employee unlawfully accepts or offers bribes to influence decisions or gain undue advantages. A corruption incident is defined as the abuse of entrusted public or business power, office, or resources for private gain, either by elected government officials or by other private individuals. Bribery, a form of corruption, is defined as the act of receiving a benefit, whether financial or non-financial, that alters the behaviour of the recipient. A bribery incident involves intentionally offering, giving, receiving, or soliciting the benefit, directly or indirectly, or through a third party, to improperly influence a person in the performance of a duty, to obtain or retain a benefit or any undue advantage, or to influence the actions of an official or other person in charge of a public or business duty.

When an incident of internal fraud involving bribery or corruption is suspected, the Non-financial Risk Management Division performs comprehensive investigation on incident. Within the EBC Group, Compliance Group is, along with Financial Crime Group and Operational and ICT Risk Management Group part of Non-financial Risk Management Division assigned to the Chief Risk Officer but reporting directly to the Management Board which ensures that all allegations are investigated independently and comprehensively. Responsibility for compliance matters - in the event of breaches of ethical behaviour - lies with Human Resources Division a which is assigned to the Chief Executive Officer but report directly to the Management Board. The outcomes of investigations are reported to management according to internally defined escalation processes. In case a suspicion on internal fraud occurs for an employee, who has already been dismissed, the Non-financial Risk Management Division together with Human Resources Division and Legal Division will perform steps on the matter, which might lead to legal actions.

Therefore, EBC Group has established rigorous procedures to prevent, detect and address allegations or incidents of corruption and bribery. These efforts focus on ensuring compliance with financial sanctions, embargoes, securities compliance and good conduct compliance, which includes anti-bribery and anti-corruption agendas. In addition, EBC has introduced dedicated Guidelines for the Handling of Business Gifts, and the Marketing Department's internal "Sponsorships and Donations Rulebook," both of which fully align with the policy.

Regular risk-based monitoring by Non-financial Risk Management Division units ensures adherence to these procedures and raises awareness of compliance risks among all relevant staff. Critical conflicts of interest, particularly those indicating corruption, are reported to the Board and Supervisory Board of EBC Group.

Compliance officers are provided with specific internal working instructions outlining procedures to prevent, detect and address allegations or incidents of corruption and bribery. Investigations are carried out by the Non-financial Risk Management Division which operates independently from the chain of management, ensuring unbiased and thorough investigations.

An escalation process involving various stakeholders (internal audit, Human Resource, Legal Division) is conducted to investigate potential cases of corruption or bribery.

Fraud is addressed by EBC Fraud Management, which provides a comprehensive and mandatory fraud prevention training to employees. This training educates employees on common fraud schemes, red flags, preventive measures and reporting procedures, including internal fraud awareness. It includes EBC Group's legal/regulatory framework around fraud, addressing its zero-tolerance policy and elaboration of all types of fraud. The training tackles techniques how to detect fraud, strategies to prevent and how to report fraud. The training is designed for both new and existing employees, with specific formats and frequencies to ensure comprehensive coverage. New employees receive on-site fraud training available in Croatian.

All employees must complete the mandatory web-based fraud training available on the Local Erste Group learning platform every two years.

Compliance Group monitors the e-learning completion rates with support from the Human Resources Department, which is locally responsible for monitoring the e-learning implementation and escalating cases of non-completion.

The following data includes the completion rates of entities within the EBC scope, which is basically based on majority stakes and the Compliance's risk-based approach. The scope hence differs from the IFRS consolidation scope.

Table 41: Anti-corruption and bribery training 2024.

Anti-corruption and bribery training 2024	Staff at-risk functions	Management Bodies
Training coverage	95.82%	100.00%
Total trainings completed	2,634	5

Training data are based preliminary on completion of the groupwide Web-Based-Training on COI & ABC (or its localized versions). Where this training was not yet implemented, comparable local COI & ABC training formats were considered in the statistic. Group Conduct Compliance recommends entities to assign the WBT to all staff at least every two years. The WBT covers all relevant aspects around the different types of conflicts of interests, corruption and bribery, how they occur, how they can be prevented and reported. It is based on Erste Group´s legal/regulatory framework and the Group CoI/ABC Policy, addressing its zero-tolerance towards all types of corruption and -Bribery. The WBT takes 1 hour, with the theoretical input lasting 45 minutes and the quiz 15 minutes. Additional ad-hoc trainings vary in duration and are adapted to the specific content and targeted audience, based on local entity risks. Members of the Supervisory Board are obliged to yearly participate in defined regulatory educations. HR division has to as-sure adequate provider and learning platform. Currently, regulatory educations are provided by EY via e-learning platform and topics relevant for this report are included.

G1-4 – INCIDENTS OF CORRUPTION OR BRIBERY

Incidents of corruption or bribery within an organisation can severely undermine its integrity and ethical standards. At EBC Group, such incidents are addressed with utmost seriousness, in alignment with the Policy on Conflict of Interest and Anti-Bribery and Corruption.

There have been zero convictions for violations of anti-corruption and anti-bribery laws, and the number of fines for such violations is zero.

Table 42: List of key actions related to business conduct

Subtopic	List of key-actions	Policy
G1- Corruption and bribery - Prevention and detection including training	Training programs to prevent and detect corruption and bribery	Policy on Conflict of Interest and Anti-Bribery and Corruption

Corruption and bribery - prevention and detection including training

Training programs to prevent and detect corruption and bribery

EBC Group has established comprehensive training programs to prevent and detect corruption and bribery, aligned with the Policy on Conflict of Interest and Anti-Bribery and Corruption. These ongoing actions are designed to raise awareness, prevent corruptive behaviour and address any material gaps, thereby supporting the positive impact of promoting a trusting and ethical business environment.

Employees are assigned a web-based training that covers general anti-corruption principles and specific issues identified through analyses. These trainings are mandatory and must be repeated as described above (at least every two years). The contents include general information, treatment of benefits, secondary activities, personal and close relationships. Regular annual trainings that are part of continuous education for the members of the Supervisory Board are provided by external provider. Trainings vary in duration due to different modules and updates of the legal framework.

An additional group-wide action is the implementation of a CoI/ABC SharePoint. However, the exact timeline for implementation within EBC Group has yet to be determined. This platform will serve as a central hub for knowledge transfer, including topics such as conflicts of interest, the Policy on Conflict of Interest and Anti-Bribery and Corruption, important contact persons and notes on the web-based training. The SharePoint aims to enhance the accessibility and dissemination of critical compliance information across the organisation.

The progress of these actions is monitored through evaluations of the web-based training, data analysis, checks and risk assessments. Compliance Group, with the support from the Human Resources Division, monitors the completion rates of the e-learning programs and escalates cases of non-completion. By implementing these targeted training programs and CoI/ABC SharePoint, EBC Group effectively fosters the positive impacts identified in the materiality assessment 2024.

Financial Statements for the year ended 31 December 2024

Erste&Steiermärkische Bank d.d.

Responsibility for the Financial Statements

Pursuant to the Croatian Accounting Law, the Management Board is responsible for ensuring that separate and consolidated financial statements are prepared for each financial year in accordance with International Financial Reporting Standards (IFRS) as published by International Accounting Standards Board (IASB) and adopted in the EU, which give a true and fair view of the financial position, results of operations and cash flow of Erste&Steiermärkische Bank d.d. together with its subsidiaries and associates (the Group) for that period as well as of Erste&Steiermärkische Bank d.d. (the Bank), separately.

In preparing those financial statements, the responsibilities of the Management Board include ensuring that:
- suitable accounting policies are selected and then applied consistently;
- judgments and estimates are reasonable and prudent;
- applicable accounting standards are followed, subject to any material departures disclosed and explained in the financial statements; and
- the financial statements are prepared on the going concern basis, unless it is inappropriate to presume that the Group and the Bank will continue in business.

The Management Board is responsible for keeping proper accounting records, which discloses with reasonable accuracy at any time the financial position of the Group and the Bank and must also ensure that the financial statements comply with the Croatian Accounting Law. The Management Board is also responsible for safeguarding the assets of the Group and the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Moreover, in accordance with the Accounting Law, the Management Board is obliged to prepare an Annual Report comprising the financial statements, the Management Report and the Corporate Governance Statement. The Management Report and the Corporate Governance Statement were prepared in line with the requirements of Articles 21, 22 and 24 of the Accounting Law. Also, the Management Board is responsible for the submission of its Annual report, which includes annual separate and consolidated financial statements, to the Supervisory Board for acceptance. If the Supervisory Board approves the Annual report it is deemed confirmed by the Management Board and Supervisory Board.
In accordance with Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of the single electronic reporting format ("ESEF Regulation"), the Management Board is obliged to prepare and publish separate and consolidated Annual Report in XHTML format and to mark the annual financial statements prepared in accordance with IFRS in XHTML format using XBRL codes to meet Article 462 requirements of the Capital Market Act.

After making enquiries, the Management Board has a reasonable expectation that the Group and the Bank have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Management Board continues to adopt the going concern basis in preparing the financial statements.

Christoph Schoefboeck
President

Krešimir Barić
Member

Martin Hornig
Member

Katarina Kraljević
Member

Hannes Frotzbacher
Member

Erste&Steiermärkische Bank d.d.
Jadranski trg 3a
51 000 Rijeka
Republic of Croatia

27 March 2025

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Erste&Steiermärkische Bank d.d.

Report on the Audit of Separate and Consolidated Annual Financial Statements

OPINION

We have performed an audit of the separate and consolidated annual financial statements for the year ended 31 December 2024 of credit institution Erste&Steiermärkische Bank d.d., Rijeka, Jadranski trg 3/a ("the Bank") and its affiliated companies ("the Group"), which include the Separate and Consolidated Statement of Financial Position as at 31 December 2024, Separate and Consolidated Statement of Profit or Loss, the Separate and Consolidated Statement of Comprehensive Income, Separate and Consolidated Statement of Cash Flows and Separate and Consolidated Statement of Changes in Equity for the year then ended, with Notes to the Separate and Consolidated Annual Financial Statements, including a summary of significant accounting policies.

In our opinion, the enclosed separate and consolidated annual financial statements, in all material respects, give a fair presentation of the separate and consolidated financial position of the Bank and the Group as at 31 December 2024, its separate and consolidated financial performance and its separate and consolidated cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU.

BASIS FOR OUR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate and Consolidated Annual Financial Statements* section of our report. We are independent of the Bank and the Group in accordance with the International Code of Ethics for Professional Accountants ("IESBA Code"), including the International Independence Standards issued by the International Ethics Standards Board of Accountants ("IESBA") and with other rules of ethics applying to our audit of the separate and consolidated annual financial statements in Croatia, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of Separate and Consolidated Annual Financial Statements (continued)

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the separate and consolidated annual financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our Independent Auditor's Report:

Key audit matter	How we addressed the key audit matter
Impairment Assessment for Credit Losses on Loans and Advances to Customers As of 31 December 2024, the Bank and the Group reported credit losses on loans and advances to customers, with the Bank recognizing an amount of EUR 244 million and the Group EUR 268 million. We have selected the impairment assessment as a key audit matter due to the complexity of the calculation and the subjectivity of the judgments involved, which are based on an extensive process for determining the amount of impairment for credit losses, assessing the timing of its recognition, and the complex model for calculating expected credit losses. Impairment directly affects capital preservation and its adequacy. For loans classified in Stage 1, impairment is calculated on a collective basis as an amount equal to the expected credit losses over a twelve-month period. If there has been a significant increase in credit risk, impairment is calculated as the expected credit loss over the lifetime of the loan, and the loans are classified into Stage 2. For loans in default status that are not individually significant, credit losses are calculated on a collective basis. Expected credit losses for exposures ("ECL") are determined based on the probability of default at the exposure level ("PD"), the loss given default ("LGD"), the definition of a significant increase in credit risk, and the exposure at the time of the default status ("EAD").	Our audit approach was as follows: • We documented the credit management process, gained an understanding of the control environment, the way loans are managed, and the policies for their valuation; • We gained an understanding of the functioning of the internal control system related to credit risk management, the loan approval and monitoring process, and the procedure for assessing the required impairment of loans and advances to customers, and we tested their effectiveness; • We checked the classification of loans and the corresponding impairments in accordance with IFRS 9 and the Decision on the Classification of Placements and Off-Balance Sheet Liabilities of Credit Institutions; • We reviewed and assessed the methodology for recognizing provisions for ECL, including the estimates of probability of default (PD), loss given default (LGD), and exposure at default (EAD), and in the process we utilized the expertise of specialists in statistical and mathematical models; • We checked the quality and accuracy of the historical financial information used, the appropriateness of the assumptions made, and the macroeconomic forward-looking information; • We verified the results of model validation and model management in accordance with IFRS 9 to confirm the accuracy of the allocation to individual impairment stages due to credit risk;

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of Separate and Consolidated Annual Financial Statements (continued)

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How we addressed the key audit matter
Impairment Assessment for Credit Losses on Loans and Advances to Customers (continued) The ECL calculation models use forward-looking information that represent the best estimate of the impact of macroeconomic indicators on the risk of the Bank and the Group's portfolio. In 2024, due to the improved quality of historical information used in the ECL calculation model, the Bank modified the level of reliance on historical data in the process of determining risk parameters. For individually significant exposures that have entered default status, credit losses are calculated on an individual basis. The impairment calculation consists of an individual assessment of the difference between the gross carrying amount and the present value of expected future cash flows, which also include cash flows from the realization of collateral, where applicable, and the use of key assumptions such as the scenario probability. Discounting of cash flows is based on the effective interest rate. **Related disclosures in the respective annual separate and consolidated financial statements.** See note 14 Financial assets at amortized cost - *Loans and advances to customers*, notes 28-34 of the separate and consolidated annual financial statements for further details on expected credit losses ("ECL") on loans and advances to customers and *Impairment arising from financial instruments in accordance with IFRS 9*.	• We verified the accuracy of the ECL calculation results using an example with the results obtained from the existing ECL calculation tool and checked their alignment with the accounting records • We assessed the appropriateness of the disclosures in relation to IFRS. For impairments determined on an individual basis: • We selected a sample of loans, specifically those with the highest amounts and the greatest risk within each characteristic group of exposures; • We performed substantive testing of the selected loan sample and related receivables to assess the accuracy of the classification and valuation of the loans; • We checked the appropriateness of the criteria used to determine significant deterioration in credit risk, the accuracy of financial information for identifying loans that require impairment, recalculation or critical reassessment of the financial position and performance evaluation, expected future cash flows, the time required for recovery, the appropriateness of the selected scenarios, the adequacy of collateral valuation, and the assessment of the financial impact of collateral liquidation. For impairments determined on a collective basis: • We reassessed the appropriateness of the assumptions used to calculate the probability of default over the instrument life (PD) and the loss given default (LGD); • We assessed the appropriateness of the exposure classification and the calculation of the ECL for individual exposures as of the Balance Sheet date, as well as their compliance with the requirements of the Croatian National Bank (HNB).

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INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of Separate and Consolidated Annual Financial Statements (continued)

KEY AUDIT MATTERS (CONTINUED)

<table>
<tr><th>Key audit matter</th><th>How we addressed the key audit matter</th></tr>
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Provisions for Legal Disputes on Loans Initially Approved or Indexed in Swiss Francs

The Bank and the Group are exposed to significant legal claims, the outcome of which is inherently uncertain and depends on a number of significant assumptions and judgments. This is why we have focused our attention on this issue. As these are potentially significant amounts where the timing and amount of potential outflows of economic resources required to settle the Bank's and the Group's liabilities are key elements, the Management Board has assessed the future outcomes,the probability of their occurrence and the amounts of contingent liabilities that may arise as a result of these claims in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets ("IAS 37").

As of 31 December 2024, the Bank and the Group recognized provisions for legal disputes related to loans that were initially approved or indexed in Swiss Francs ("CHF").The provisions for legal disputes relate to loans that were not converted into Croatian kuna (HRK) and are still denominated in CHF, including claims for the annulment of the loan agreements in their entirety and claims for the cancellation of specific clauses in the loan agreements, as well as default interest on loans converted from CHF to EUR, where the conversion was carried out in accordance with the Consumer Credit Act.

Related disclosures in the corresponding annual separate and consolidated financial statements

See notes 44. Provisions

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Our audit approach was as follows:

We got acquainted with the system for recording and managing litigation, interviewed key persons involved in litigation, and learned about the method of determining the necessary provisions as of 31 December 2024;
We obtained a detailed overview of the legal disputes being conducted against the Bank for loans denominated in CHF, as well as the analytics of the provisions recognized for these disputes.
We performed an understanding of the processes and methodologies used in estimating provisions for legal disputes on loans initially approved in CHF.
We collected information about the legal advisors engaged and received and reviewed the attorneys' responses to our written inquiries and discussed outstanding issues with the attorneys and the Bank;
We critically reviewed the assumptions and estimates used in relation to the claims, including the assessment of the probability of adverse outcomes of legal proceedings, and checked the accuracy of the calculation of the related amounts of required provisions in accordance with IAS 37. We used a legal expert in our procedures, and included all recorded legal proceedings against the Bank in the scope;
We assessed the adequacy of the disclosures in the notes to the annual separate and consolidated annual financial statements.

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OTHER MATTERS

The Bank's and the Group's annual separate and consolidated financial statements for the year ended 31 December 2023, were audited by another auditing firm, PricewaterhouseCoopers d.o.o., which expressed an unmodified opinion on these annual financial statements on 18 March 2024.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of Separate and Consolidated Annual Financial Statements (continued)

OTHER INFORMATION

The Management Board is responsible for the other information. Other information includes the Management Report, Non-financial Report and Corporate Governance Statement included in the Annual Report, but does not include the separate and consolidated annual financial statements, our Independent Auditor’s Report thereon and Sustainability report. Our opinion on the separate and consolidated annual financial statements does not include other information.

The Sustainability Report presented separately within the annual separate and consolidated financial statements was audited by another audit firm and is not within the scope of our audit of the annual separate and consolidated financial statements.

In connection with our audit of the separate and consolidated annual financial statements, our responsibility is to read the other information indicated above and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated annual financial statements or our knowledge obtained in the audit, or otherwise appear to be materially misstated.

With respect to the Management Report and Corporate Governance Statement, we also performed procedures required by the Accounting Act. These procedures involve verifying whether the Management Report has been prepared in accordance with Articles 21, 22 and 24 of the Accounting Act, and whether the Corporate Governance Statement contains information specified in Article 25 of the Accounting Act.

Based on the procedures performed, to the extent determinable, we hereby report that:

1. The information in the enclosed Management Report and Corporate Governance Statement complies, in all material respects, with the enclosed separate and consolidated annual financial statements;

2. The enclosed Management Report has been prepared in accordance with Articles 21, 22 and 24 of the Accounting Act;

3. The enclosed Corporate Governance Statement includes the information specified in Article 25 of the Accounting Act.

Based on our knowledge and understanding of the Bank’s and the Group’s operations and its surroundings acquired by us while performing the audit of the separate and consolidated annual financial statements, we are obligated to report any finding of significant misstatement in the enclosed Management Report and Corporate Governance Statement. We have nothing to report in this respect.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of Separate and Consolidated Annual Financial Statements (continued)

RESPONSIBILITIES OF THE MANAGEMENT BOARD AND THOSE CHARGED WITH GOVERNANCE FOR THE ANNUAL SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

The Management Board is responsible for the preparation and fair presentation of the separate and consolidated annual financial statements in accordance with IFRS and for such internal control as the Management Board determines necessary to enable the preparation of separate and consolidated annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated annual financial statements, the Management is responsible for assessing the Bank's and the Group's ability to continue as a going concern, for disclosing, where applicable, matters related to its treatment as a going concern, and for using the going concern basis of accounting unless the Management Board either intends to liquidate the Group, cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's and the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the separate and consolidated annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Independent Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken based on these separate and consolidated annual financial statements.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of Separate and Consolidated Annual Financial Statements (continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS(CONTINUED)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Determine the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, determine whether there is any material uncertainty related to events or circumstances that may cast significant doubt on the Bank's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Independent Auditor's Report to the related disclosures in the separate and consolidated annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Independent Auditor's Report. However, future events or conditions may cause the Bank and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated annual financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Bank and Group to express an opinion on the annual financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of Separate and Consolidated Annual Financial Statements (continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We communicate with those charged with governance, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on other legal requirements

1. On 16 September 2024, the General Assembly of the Bank appointed us to perform the audit of the separate and consolidated annual financial statements for the year 2024, which represents our first year of engagement.
2. In the audit of the consolidated annual financial statements for 2024, we determined the materiality for the consolidated annual financial statements as a whole at EUR 15,541 thousand, which represents approximately 5% of the Group's profit before tax for the period. In the audit of the separate annual financial statements for 2024, we determined the materiality for the separate annual financial statements as a whole at EUR 14,047 thousand, which represents approximately 5% of the Bank's profit before tax for the period. We chose profit before tax for the period as the benchmark, as we consider it an appropriate measure for assessing the performance of the Bank and the Group by users of the separate and consolidated annual financial statements and shareholders, and it is generally accepted as a measure of business performance.
3. Our audit opinion is consistent with the additional report for the Audit Committee of the Bank and the Group, prepared in accordance with the provisions of Article 11 of Regulation (EU) No. 537/2014.
4. During the period between the initial date of the audited separate and consolidated annual financial statements of the Bank and the Group for 2024 and the date of this Report, we have not provided the Bank and the Group with prohibited non-audit services, nor did we provide services for designing and implementing internal control or risk management procedures related to the preparation and/or control of financial information, or designing and implementing technological systems for financial information in the year preceding the aforementioned period. We maintained our independence in conducting the audit of the Bank and the Group.

Based on the Resolution on the Structure and Content of the Annual Financial Statements of Credit Institutions (Official Gazette 42/18, 122/20, 119/21, and 108/22), ("the Resolution"), the Bank's Management has prepared the forms shown in Appendix 1 - Prescribed Forms ("the Forms"), titled Profit and Loss Account of the Bank and the Group for the year ended 31 December 2024, the Statement of Financial Position of the Bank and the Group as of 31 December 2024, the Statement of Changes in Equity of the Bank and the Group, and the Statement of Cash Flows of the Bank and the Group for the year then ended, together with information on the reconciliation of the Forms with the financial statements of the Bank and the Group presented in Appendix 2 - Differences between the Financial Statements under IFRS and the Prescribed Forms. The Bank's Management is responsible for the preparation of the Forms and the reconciliation information. These do not form part of the audited separate and consolidated annual financial statements but contain information in accordance with the requirements of the Resolution. The financial information in the Forms is derived from the audited separate and consolidated annual financial statements of the Bank and the Group prepared in accordance with the International Financial Reporting Standards adopted in the European Union, as shown on pages 256 to 413, and which have been adjusted for the purposes of the Resolution.

INDEPENDENT AUDITOR'S REPORT (continued)

Report based on the requirements of Delegated Regulation (EU) 2018/815 supplementing Directive 2004/109/EC of the European Parliament and of the Council regarding regulatory technical standards for specifying a single electronic reporting format

Auditor's Assurance Report on the Compliance of the separate and consolidated annual financial statements, prepared based on the provisions of Article 462, paragraph 5 of the Capital Market Act (Official Gazette, No. 65/18, 17/20, 83/21, and 151/22) in application of the Requirements of Delegated Regulation (EU) 2018/815, which prescribes a single electronic reporting format for issuers (ESEF Regulation).

We have performed an engagement expressing reasonable assurance on whether the separate and consolidated annual financial statements prepared for the purposes of public disclosure under Article 462, Paragraph 5 of the Capital Market Act, which are contained in the attached electronic file “549300A2F46GR0UOM390-2024-12-31-0-en”, have been prepared in all material respects in accordance with the requirements of the ESEF Regulation.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE

The Bank’s Management Board is responsible for the preparation and content of separate and consolidated annual financial reports in accordance with the ESEF Regulation.

The Bank’s Management Board is also responsible for maintaining an internal control system that provides reasonable assurance about the preparation of separate and consolidated annual financial statements without material non-compliance with the requirements of the ESEF Regulation, whether due to fraud or error.

The Bank’s Management Board is also responsible for:

- public disclosure of separate and consolidated annual financial statements contained in the annual report in a valid XHTML format; and
- choosing and selecting XBRL tags in accordance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the preparation of separate and consolidated annual financial statements in ESEF format as part of the financial reporting process.

INDEPENDENT AUDITOR'S REPORT (continued)

Report based on the requirements of Delegated Regulation (EU) 2018/815 supplementing Directive 2004/109/EC of the European Parliament and of the Council regarding regulatory technical standards for specifying a single reporting electronic format (continued)

AUDITOR'S RESPONSIBILITIES

Our responsibility is to express a conclusion based on the obtained audit evidence whether the separate and consolidated annual financial statements have been prepared without material non-compliance with the requirements of the ESEF Regulation. We have carried out this reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) - *Assurance Engagements Other than Audits or Reviews of Historical Financial Information.*

PROCEDURES PERFORMED

The nature, timeframe, and scope of the selected procedures depend on the auditor's judgment. Reasonable assurance is a high level of confidence, but it does not guarantee that the testing will identify every significant non-compliance with the ESEF Regulation.

As part of the selected procedures, we performed the following activities:

- we read the requirements of the ESEF Regulation;
- we obtained an understanding of the Bank's and the Group's internal control relevant to the application of the ESEF Regulation
- we identified and assessed the risks of material non-compliance with the ESEF Regulation, whether due to fraud or error;
- based on that, designed and formed procedures to respond to the assessed risks and to obtain reasonable assurance for the purpose of expressing our conclusion.

The objective of our procedures was to assess whether:

- The separate and consolidated annual financial statements included in the annual report have been prepared in a valid XHTML format;
- The data contained in the separate and consolidated annual financial statements required by the ESEF Regulation has been tagged and that all tags fulfil the following conditions:
    - XBRL was used to tag data;
    - core XBRL taxonomy elements with the narrowest accounting meaning defined in the ESEF Regulation were used unless an extension taxonomy element was created in accordance with Annex IV of the ESEF Regulation;
    - Tags comply with the common rules on markups in accordance with the ESEF Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

PKF Fact Revizija

INDEPENDENT AUDITOR'S REPORT (continued)

Report based on the requirements of Delegated Regulation (EU) 2018/815 supplementing Directive 2004/109/EC of the European Parliament and of the Council regarding regulatory technical standards for specifying a single reporting electronic format (continued)

CONCLUSION

In our opinion, based on the audit procedures performed and evidence obtained, the separate and consolidated annual financial statements presented in ESEF format, contained in the aforementioned enclosed electronic file and prepared pursuant to the provisions of Article 462, paragraph 5 of the Capital Market Act for the purpose of public disclosure, comply with the requirements of Articles 3, 4 and 6 of the ESEF Regulation for the year ended 31 December 2024 in all material respects.

In addition to this conclusion and the opinion contained in this Independent Auditor's Report for the enclosed separate and consolidated annual financial statements and Annual Report for the year ended 31 December 2024, we do not express any opinion on the information contained in these presentations or on any other information contained in the aforementioned file.

The partner engaged to audit the separate and consolidated annual financial statements of the Bank and the Group for 2024, which resulted in this Independent Auditor's Report, is Jeni Krstičević.

In Zagreb, on 27 March 2025

PKF FACT revizija d.o.o.
ZAGREB, OIB: 66538066056

Jeni Krstičević	Jeni Krstičević
Certified Auditor	President of the Management Board

PKF FACT revizija d.o.o.

Zadarska ulica 80

10000 Zagreb

Statement of Profit or Loss

in EUR million	Notes	GROUP 2023	GROUP 2024	BANK 2023	BANK 2024
Net interest income	2	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	3	125	134	87	98
Fee and commission income		171	187	125	141
Fee and commission expenses		(46)	(53)	(38)	(43)
Dividend income	4	-	-	8	4
Net trading and fair value result	5	15	16	14	15
Gains/losses from financial instruments measured at fair value through profit or loss	6	1	1	1	2
Net result from equity method investments		1	1	-	-
Rental income from investment properties & other operating leases	7	7	7	-	-
Personnel expenses	8	(128)	(136)	(100)	(111)
Other administrative expenses	8	(105)	(114)	(86)	(87)
Depreciation and amortisation	8	(31)	(30)	(19)	(20)
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	9	(21)	(5)	(21)	(5)
Impairment result from financial instruments	10	46	18	43	17
Other operating result	11	(22)	(15)	(14)	(7)
Other operating income		4	11	5	11
Other operating expenses		(26)	(26)	(19)	(18)
Pre-tax result for the period		**298**	**311**	**266**	**281**
Income tax	12	(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**	**-**	**-**

The attached accounting policies and notes are an integral part of the annual financial statements.

Earnings per share

For the purposes of calculating earnings per share, earnings are calculated as the net profit for the period attributable to ordinary shareholders after deducting preference dividends, if any. In the Group there is no any preference shares. A reconciliation of the profit after tax attributable to ordinary shareholders is provided below.

in EUR million	GROUP 2023	GROUP 2024
Net result for the period	245	250
Net result attributable to owners of the parent	241	247
Weighted average number of shares (for basic earnings per share)	16,984,175	16,984,175
Earnings per ordinary share – basic (in EUR)	**14.20**	**14.52**

Statement of Other Comprehensive Income

in EUR million	GROUP		BANK	
	2023	2024	2023	2024
Net result for the period	**245**	**250**	**219**	**226**
Other comprehensive income				
Items that may be reclassified to profit or loss	**-**	**-**	**-**	**-**
Fair value reserve of debt instruments	57	28	54	26
Gain/(loss) during the period	41	25	38	24
Reclassification adjustments	21	5	21	5
Credit loss allowances	(5)	(2)	(5)	(3)
Income taxes relating to items that may be reclassified	(10)	(5)	(10)	(5)
Gain/(loss) during the period	(6)	(4)	(6)	(4)
Reclassification adjustments	(4)	(1)	(4)	(1)
Total	**47**	**23**	**44**	**21**
Total other comprehensive income / (loss)	**47**	**23**	**44**	**21**
Total comprehensive income	**292**	**273**	**263**	**247**
Total comprehensive income attributable to non-controlling interests	4	3	-	-
Total comprehensive income attributable to owners of the parent	**288**	**270**	**-**	**-**

The attached accounting policies and notes are an integral part of the annual financial statements.

Statement of Financial Position

in EUR million		GROUP		BANK	
	Notes	31 December 2023	31 December 2024	31 December 2023	31 December 2024
Assets					
Cash and cash balances	13	2,355	3,380	2,186	3,211
Financial assets – held for trading		23	19	23	19
Derivatives	17	23	19	23	19
Non-trading financial assets at fair value through profit or loss		7	9	7	9
Equity instruments	18	1	4	1	4
Debt securities	18	6	5	6	5
Financial assets at fair value through other comprehensive income		1,093	1,005	1,039	929
Pledged as collateral	24	82	42	82	42
Equity instruments	19	-	1	-	1
Debt securities	20	1,093	1,004	1,039	928
Financial assets at amortised cost		10,357	11,085	9,620	10,490
Pledged as collateral	24	4	39	4	39
Debt securities	14	1,803	2,102	1,757	2,055
Loans and advances to banks	14	68	79	31	52
Loans and advances to customers	14	8,486	8,904	7,832	8,383
Finance lease receivables	41	483	568	-	-
Property and equipment	38	161	170	113	129
Investment properties	38	2	2	-	1
Intangible assets	39	19	17	13	13
Investments in subsidiaries	47	-	-	91	25
Investments in associates	48	9	10	5	5
Current tax assets	12	2	7	-	7
Deferred tax assets	12	41	17	33	16
Assets held for sale		-	10	-	60
Trade and other receivables	15	170	179	109	179
Other assets	40	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	17	21	18	21	18
Financial liabilities measured at amortised cost		12,841	14,330	11,678	13,200
Deposits from banks	16	784	796	308	271
Deposits from customers	16	11,382	12,553	10,781	11,943
Debt securities issued	16	537	954	537	954
Other financial liabilities	16	138	27	52	32
Lease liabilities	42	14	14	15	15
Provisions	44	75	87	71	85
Current tax liabilities	12	18	4	16	-
Liabilities associated with assets held for sale		-	86	-	-
Other liabilities	43	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 from other comprehensive income		(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	47	31	34	-	-
Total equity	**46**	**1,675**	**1,827**	**1,379**	**1,680**
Total liabilities and equity		**14,752**	**16,507**	**13,257**	**15,113**

The attached accounting policies and notes are an integral part of the annual financial statements.

Statement of Changes in Equity

in EUR million										GROUP
	Subscribed capital	Capital reserves and share premium	Retained earnings	Fair value reserve	Currency translation reserve	Remea-surement of defined benefit plans	Income tax	Equity at-tributable to owners of the parent	Equity at-tributable to non-controlling interests	Total equity
As of 1 January 2024	**238**	**238**	**1,210**	**(52)**	**-**	**-**	**10**	**1,644**	**31**	**1,675**
Dividends paid	-	-	(121)	-	-	-	-	(121)	-	(121)
Capital increases/decreases	-	-	-	-	-	-	-	-	-	-
Other changes (Note 47: Scope of consolidation)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**247**	**28**	**-**	**-**	**(5)**	**270**	**3**	**273**
Net result for the period	-	-	247	-	-	-	-	247	3	250
Other comprehensive income	-	-	-	28	-	-	(5)	23	-	23
Change in fair value reserve	-	-	-	28	-	-	(5)	23	-	23
As of 31 December 2024	**238**	**238**	**1,336**	**(24)**	**-**	**-**	**5**	**1,793**	**34**	**1,827**
As of 1 January 2023	**225**	**250**	**1,047**	**(109)**	**-**	**-**	**20**	**1,433**	**28**	**1,461**
Dividends paid	-	-	(78)	-	-	-	-	(78)	-	(78)
Capital increases/decreases	12	(12)	-	-	-	-	-	-	-	-
Other changes (Note 47: Scope of consolidation)	1	-	-	-	-	-	-	1	(1)	-
Total comprehensive income	**-**	**-**	**241**	**57**	**-**	**-**	**(10)**	**288**	**4**	**292**
Net result for the period	-	-	241	-	-	-	-	241	4	245
Other comprehensive income	-	-	-	57	-	-	(10)	47	-	47
Change in fair value reserve	-	-	-	57	-	-	(10)	47	-	47
As of 31 December 2023	**238**	**238**	**1,210**	**(52)**	**-**	**-**	**10**	**1,644**	**31**	**1,675**

The attached accounting policies and notes are an integral part of the annual financial statements.

Statement of Changes in Equity (continued)

in EUR million	Subscribed capital	Capital reserves and share premium	Retained earnings	Fair value reserve	Currency translation reserve	Remeasurement of defined benefit plans	Income tax	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity BANK
As of 1 January 2024	**238**	**238**	**943**	**(49)**	**-**	**-**	**9**	**1,379**	**-**	**1,379**
Dividends paid	-	-	(121)	-	-	-	-	(121)	-	(121)
Capital increases/decreases	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	175	-	-	-	-	175	-	175
Total comprehensive income	**-**	**-**	**226**	**26**	**-**	**-**	**(5)**	**247**	**-**	**247**
Net result for the period	-	-	226	-	-	-	-	226	-	226
Other comprehensive income	-	-	-	26	-	-	(5)	21	-	21
Change in fair value reserve	-	-	-	26	-	-	(5)	21	-	21
As of 31 December 2024	**238**	**238**	**1,223**	**(23)**	**-**	**-**	**4**	**1,680**	**-**	**1,680**
						-				
As of 1 January 2023	**225**	**250**	**802**	**(103)**	**-**	**-**	**19**	**1,193**	**-**	**1,193**
Dividends paid	-	-	(78)	-	-	-	-	(78)	-	(78)
Capital increases/decreases	12	(12)	-	-	-	-	-	-	-	-
Other changes	1	-	-	-	-	-	-	1	-	1
Total comprehensive income	**-**	**-**	**219**	**54**	**-**	**-**	**(10)**	**263**	**-**	**263**
Net result for the period	-	-	219	-	-	-	-	219	-	219
Other comprehensive income	-	-	-	54	-	-	(10)	44	-	44
Change in fair value reserve	-	-	-	54	-	-	(10)	44	-	44
As of 31 December 2023	**238**	**238**	**943**	**(49)**	**-**	**-**	**9**	**1,379**	**-**	**1,379**

The attached accounting policies and notes are an integral part of the annual financial statements.

Statement of Cash Flows

in EUR million	Notes	GROUP 2023	GROUP 2024	BANK 2023	BANK 2024
Net result for the period		**245**	**250**	**219**	**226**
Non-cash adjustments for items in net profit/loss for the year					
Depreciation, amortisation, impairment and reversal of impairment, revaluation of assets	38, 39	31	30	19	20
Net allocation of credit loss allowances and other provisions	10, 11	(31)	(6)	(28)	(5)
Gains/(losses) from the sale of assets	11	-	(1)	-	-
Income tax expense/(income)	12	53	61	47	55
Other adjustments		1	(1)	1	1
Changes in assets and liabilities from operating activities after adjustment for non-cash components					
Non-trading financial assets at fair value through profit or loss					
Equity instruments	18	2	-	1	(4)
Debt securities	18	(1)	(2)	(1)	2
Financial assets at fair value through other comprehensive income: debt securities	20	184	119	184	139
Financial assets at amortised cost					
Debt securities	14	(473)	(298)	(467)	(297)
Loans and advances to banks	14	316	(11)	314	(21)
Loans and advances to customers	14	(743)	(416)	(694)	(376)
Finance lease receivables	41	(83)	(85)	-	-
Derivatives	17	-	1	-	1
Other assets from operating activities	18	(61)	(64)	(54)	(61)
Financial liabilities measured at amortised cost					
Deposits from banks	16	(705)	12	(709)	(37)
Deposits from customers	16	207	1,172	108	1,161
Debt securities issued	16	53	417	53	417
Other financial liabilities	16	21	(27)	13	(106)
Other liabilities from operating activities	43	(3)	30	9	27
Cash flow from operating activities		**(987)**	**1,181**	**(985)**	**1,142**
Proceeds from disposal					
Property and equipment, intangible assets and investment properties	38, 39	5	5	-	-
Acquisition of					
Property and equipment, intangible assets and investment properties	38, 39	(32)	(39)	(16)	(27)
Merger of subsidiary (net of cash and cash equivalents acquired) (Note: Scope of consolidation)	47	-	-	-	35
Cash flow from investing activities		**(27)**	**(34)**	**(16)**	**8**
Dividends paid to equity holders of the parent	46	(78)	(121)	(78)	(121)
Lease liabilities	42	(1)	(1)	(4)	(4)
Cash flow from financing activities		**(79)**	**(122)**	**(82)**	**(125)**
Cash and cash equivalents at beginning of period	**13**	**3,448**	**2,355**	**3,269**	**2,186**
Cash flow from operating activities		(987)	1,181	(985)	1,142
Cash flow from investing activities		(27)	(34)	(16)	8
Cash flow from financing activities		(79)	(122)	(82)	(125)
Cash and cash equivalents at end of period1)		**2,355**	**3,380**	**2,186**	**3,211**
Cash flows related to taxes, interest and dividends (included in cash flow from operating activities)	**13**	**319**	**339**	**285**	**293**
Payments for income tax	12	(66)	(64)	(60)	(61)
Interest received	2	481	537	418	463
Dividends received	4	-	-	8	4
Interest paid	2	(96)	(134)	(81)	(113)

The attached accounting policies and notes are an integral part of the annual financial statements.

Notes to the Financial Statements

A. GENERAL INFORMATION

HISTORY AND INCORPORATION

Erste&Steiermärkische Bank d.d. (the Bank) was established in 1954 and was entered into the Court Register as a joint stock company on 24 January 1990. The Bank's registered head office is at Jadranski trg 3a, Rijeka, the Republic of Croatia.
The Bank is a holding company for the Erste Bank Croatia Group (the Group) which has operations in the Republic of Croatia and Republic of Montenegro.
Direct and ultimate parent company of Erste&Steiermärkische Bank d.d. is Erste Group Bank AG.

These financial statements comprise both the separate financial statements of the Bank and the consolidated financial statements of the Group.

PRINCIPAL ACTIVITIES OF THE BANK

The Bank is licensed to conduct commercial banking activities in the Republic of Croatia. The Bank's main operations are as follows:

_ accepting deposits from the clients and deposits placement,
_ granting loans, issuing guarantees and letters of credit to the individuals, companies, public and other clients,
_ treasury operations in the interbank market,
_ trust management and investment banking services,
_ performing domestic and international payments,
_ providing banking services through an extensive branch network in the Republic of Croatia.

SUPERVISORY BOARD

Willibald Cernko	President
Georg Bucher	Deputy President
Ingo Bleier	Member
Roland Klimesch	Member
Judit Ágnes Havasi	Member
Walburga Seidl	Member
Nina Begičević Ređep	Member

MANAGEMENT BOARD

The Bank is represented jointly by two members of the Management Board or by one member of the Management Board together with the procurator.

Christoph Schoefboeck	President
Zdenko Matak	Member until July 31, 2024
Katarina Kraljević	Member as of August 1, 2024
Martin Hornig	Member
Krešimir Barić	Member
Hannes Frotzbacher	Member

A. GENERAL INFORMATION (CONTINUED)

PROCURATORS:

The Bank at the moment does not have procurators.

The Bank's share capital, fully subscribed, amounts to EUR 237,778,450.00 and is divided into 16,984,175 ordinary shares. All shares of the Bank hold companies Erste Group Bank AG (10,023,326 shares or 59.02%) and Steiermärkische Bank und Sparkassen AG (6,960,849 shares or 40.98%).

DEFINITION OF THE CONSOLIDATED GROUP

The Bank is a parent company of the banking group (the Group) which includes the following subsidiaries and associates:

Name of subsidiary	Note	Ownership interest	Principal activity	Registered office
Erste Nekretnine d.o.o.	47	100%	Real estate business	Ivana Lučića 2A, Zagreb
Erste Bank AD Podgorica, Montenegro	47	100%	Credit institution	Arsenija Boljevića 2A, Podgorica, Montenegro
Erste Card Club d.o.o.	47	100%	Financial intermediation and services	Ulica Frana Folnegovića 6, Zagreb
Erste&Steiermärkische S-Leasing d.o.o.	47	50%	Financial and operating leasing	Zelinska 3, Zagreb
Izbor Nekretnina d.o.o.	47	100%	Real estate management and lease	Ivana Lučića 2A, Zagreb
Name of associate				
Erste d.o.o.	48	45.86%	Management company for obligatory and voluntary pension fund	Ivana Lučića 2A, Zagreb

Additions and disposals

Acquisition and merger

Merger of Erste Group IT HR d.o.o.

In July 2023, an additional 20% share was acquired by Erste Group IT HR d.o.o which makes a total of 100% ownership of Erste Group IT HR d.o.o.
Merger of Erste Group IT HR d.o.o. was realized on 2nd January 2024, in accordance with a Decision of Commercial Court in Rijeka as of January 2, 2024.

Merger of the Issuing business from Erste Card Club d.o.o.

On October 1, 2024 the Issuing business was carved out from ECC and transferred to Bank.
The transaction had an impact on the book value of the Bank's investment in ECC. As a result of distinguishment of those main business streams, the book value of investment in subsidiary (as of December 31, 2023 EUR 65 million) was allocated as follows: Card issuing and other business EUR 4.4 million and Merchant acquiring business EUR 60.1 million. On December 31, 2024 the book value of the investment represents Merchant acquiring business only.

Material accounting policy information

BASIS OF PREPARATION

The financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).
In accordance with the applicable measurement models prescribed or permitted under IFRS, the consolidated financial statements have been prepared on a cost basis, except for financial assets measured at fair value through other comprehensive income and financial assets and liabilities measured at fair value through profit or loss.

The financial statements are prepared on an accrual basis of accounting, under the going concern assumption.

Except for regulatory restrictions on capital distributions stemming from the EU-wide capital requirements regulations applicable to all credit institutions based in the EU, the Group does not have any other significant restrictions on its ability to access or use the assets and settle the liabilities of the Group. Also, the owners of non-controlling interests in Group subsidiaries do not have rights that can restrict the Group's ability to access or use the assets and settle the liabilities of the Group.

Except as otherwise indicated, the amounts in the financial statements are stated in millions of euro ("EUR").

The preparation of financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported income, expenses and other comprehensive income for the reporting period. These estimates are based on the information available at the statement of financial position date and actual amounts may differ from those estimates.
The Bank maintains its books of accounts in accordance with the regulations of the statutory accounting requirements for banks in Croatia.
The accompanying financial statements are based on the accounting records of the Bank and its subsidiaries.

Accounting and measurement methods

Foreign currency translation

The financial statements are presented in euro, which is the presentation currency of the Group and functional currency of the Bank. The functional currency is the currency of the primary business environment in which an entity operates. Each entity in the Group determines its own functional currency, and items included in the financial statements of each entity are measured using that functional currency.

i.Transactions and balances in foreign currency

Transactions in foreign currencies are initially recorded in euro at the functional currency exchange rate effective as of the date of the transaction.
Subsequently, monetary items denominated in foreign currencies are translated at the functional currency exchange rates as of the statement of financial position date. Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value are translated into the functional currency using the exchange rate at the date when the fair value is measured, thus the exchange differences are part of the fair value gains or losses. Non-monetary assets and liabilities denominated in foreign currencies and measured at historical cost are translated using the exchange rates as of the dates of the initial transactions and they do not give rise to exchange differences.

Exchange differences arising on translation into functional currency, are recognised in the statement of profit or loss for the period, under the line item ‘Net trading and fair value result’ except for exchange differences arising on translation of financial assets denominated in foreign currencies and measured at fair value through other comprehensive income and translation of foreign operations as explained below.

For debt instruments that represent monetary items and are measured at fair value through other comprehensive income, foreign currency translation differences are recognized in the statement of profit or loss, if related to the amortised cost components of the instrument, and in other comprehensive income, if related to fair value components of the instrument.
For non-monetary items that are measured at fair value through other comprehensive income, exchange differences are recognised in other comprehensive income. Conversely, exchange differences are recognised in the statement of profit or loss if a non-monetary item is measured at fair value through profit or loss.

ii.Translation of the statements of Group companies

The assets and liabilities of foreign operations (foreign subsidiaries) are translated into euro, the Group’s presentation currency, at the rate of exchange as of the statement of financial position date (closing rate). Their consolidated statement of profit or loss and consolidated statement of other comprehensive income are translated at the average exchange rate of the respective reporting period calculated on the basis of daily rates. Goodwill, intangible assets recognised on acquisition of foreign subsidiaries and fair value adjustments to the carrying amounts of assets and liabilities are treated as asset and liabilities of the foreign subsidiaries and are translated at the closing rate. Exchange differences arising on translation are recognised in other comprehensive income under the line item ‘Currency translation reserve’ of the statement of other comprehensive income. On disposal of a foreign subsidiary, the cumulative amount of translation differences recognised in other comprehensive income is recognised in the statement of profit or loss under the line item ’Other operating result’.

Material accounting judgements, assumptions and estimates

The consolidated financial statements contain amounts that have been determined on the basis of judgements and by the use of estimates and assumptions. The estimates and assumptions used are based on historical experience and other factors, such as planning as well as expectations and forecasts of future events that are currently deemed to be reasonable. The estimates and underlying assumptions are regularly evaluated. As a consequence of the uncertainty associated with these assumptions and estimates, actual results could in future periods lead to adjustments in the carrying amounts of the related assets or liabilities.
The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed in:

_ Business model assessment (Chapter Financial instruments – Material accounting policy information)
_Impairment of financial instruments (Chapter Financial instruments – Material accounting policy information, Chapter Risk management)
_Control of subsidiaries (Note 47 Investment in subsidiaries)
_ Impairment of non-financial assets (property and equipment, investment properties, right of use assets) (Chapter Non-current assets and other investments)
_Sundry provisions (Note 44 Provisions)

Application of amended and new IFRS/IAS

The accounting policies adopted are consistent with those used in the previous financial year except for standards and interpretations that became effective for financial years beginning on or after 1 January 2024. As regards new standards and interpretations and their amendments, only those that are relevant for the business of the Group are listed below.

Effective standards and interpretations

The following amendments of standards have become mandatory for the financial year 2024, and have been endorsed by the EU:

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback. The amendments to IFRS 16 were issued on 22 September 2022 and become effective for annual periods beginning on or after 1 January 2024.

Amendments to IAS 1 Classification of liabilities as current or non-current. The amendments were originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022 and become effective for annual periods beginning on or after 1 January 2024.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements. The amendments were issued on 25 May 2023 and become effective for annual periods beginning on or after 1 January 2024.

Application of these amendments did not have a significant impact on Erste Group's financial statements.

Standards and interpretations not yet effective

The following standards, amendments and interpretations were issued by the IASB and endorsed by the EU but are not yet effective until financial statements publication.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability. The amendments to IAS 21 were issued in August 2023 and become effective for annual periods beginning on or after 1 January 2025. The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9. May 2024) and will become effective on 1 January 2027.
IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April) and will become effective on 1 January 2027.

Application of amended and new IFRS/IAS (continued)

Standards and interpretations not yet effective (continued)

Contracts relates to nature-dependent renewable– Amendments to IFRS 9 and IFRS 7 (issued on 18 December 2024.) and will become effective on or after 1 January 2026.
*Annual Improvements Volume 11 (*issued on 18 July 2024) and will become effective on or after 1 January 2026.
Amendments of Clasification and measurement of financial instruments – Amendments of IFRS 9 and IFRS 7 (issued on 30 May 2024) and will become effective on or after 1 January 2026. Group intends to early apply these amendments in 2025.

Application of these amendments is not expected to have a significant impact on Group's financial statements, exept amendments of IFRS9 and IFRS 7 for which management assesses possible effects.

PERFORMANCE / RETURN

1. Segment reporting

The Group segment reporting comprises four operating segments reflecting Group management structure.

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 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. Small and medium-sized enterprises (SME) are clients which are under the responsibility of the local corporate commercial center network, mainly consisting of companies with-in defined annual turnover thresholds. Large Corporates (LC) are clients/client groups with specific annual turnover thresholds (lying above SME thresholds) which are operating on domestic market but also on core markets/extended core markets of Erste Group. Commercial Real Estate (CRE) covers for example investors in real estate for the purpose of generating income from the rental of individual properties or portfolios of properties, developers of individual properties or portfolios of properties for the purpose of generating capital gains through sale. Public Sector consists of three sets of customers: public sector, public corporations and non-profit sector. In addition, the majority of municipalities are also segmented as Public Sector clients.

Asset Liability Management (ALM) and Local Corporate Center (LCC) segment includes all asset/liability management functions, local corporate center which comprise all non-core banking business activities such as internal service providers and reconciliation items to local entity results as well as free capital segment (defined as the difference of the total average IFRS equity and the average economical equity allocated to the segments).

Group Markets 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 including custody, depository services, commercial business (loans, cash management, trade & export finance).

1. Segment reporting (continued)

	Retail		Corporates		Group Markets		ALM & LCC		GROUP	
in EUR million	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Net interest income	205	213	153	156	7	8	45	57	410	434
Net fee and commission income	76	83	43	47	6	5	-	(1)	125	134
Net trading and fair value result	7	6	3	4	5	5	-	1	15	16
Gains/losses from financial instruments at FVPL	-	-	1	-	-	-	-	1	1	1
Net result from equity method investments	1	1	-	-	-	-	-	-	1	1
Rental income from investment properties & other operating leases	2	2	5	5	-	-	-	-	7	7
General administrative expenses	(191)	(200)	(62)	(68)	(7)	(6)	(4)	(6)	(264)	(280)
Other gains/losses from derecognition of financial instruments not at FVPL	-	-	-	-	-	-	(21)	(5)	(21)	(5)
Impairment result from financial instruments	3	(21)	37	37	-	-	6	2	46	18
Other operating result	-	1	1	1	-	-	(23)	(17)	(22)	(15)
Pre-tax result for the period	**103**	**85**	**181**	**182**	**11**	**12**	**3**	**32**	**298**	**311**
Income tax	(18)	(15)	(32)	(33)	(2)	(2)	(1)	(11)	(53)	(61)
Net result for the period	**85**	**70**	**149**	**149**	**9**	**10**	**2**	**21**	**245**	**250**
Net result attributable to non-controlling interests	**-**	**-**	**4**	**3**	**-**	**-**	**-**	**-**	**4**	**3**
Net result attributable to owners of the parent	**85**	**70**	**145**	**146**	**9**	**10**	**2**	**21**	**241**	**247**
Operating income	291	305	205	212	18	18	45	58	559	593
Operating expenses	(191)	(200)	(62)	(68)	(7)	(6)	(4)	(6)	(264)	(280)
Operating result	**100**	**105**	**143**	**144**	**11**	**12**	**41**	**52**	**295**	**313**
Risk-weighted assets (credit risk, eop)	2,116	2,490	3,382	3,819	43	49	650	574	6,191	6,932
Average allocated capital	302	357	367	416	10	11	397	253	1,076	1,037
Cost/income ratio	66%	65%	30%	32%	39%	32%	9%	10%	47%	47%
Return on allocated capital	28%	20%	41%	36%	90%	100%	1%	8%	23%	24%
Total assets (eop)	4,380	4,892	5,173	5,159	107	105	5,092	6,351	14,752	16,507
Total liabilities excluding equity (eop)	6,786	7,212	3,881	4,194	616	720	1,794	2,554	13,077	14,680
Impairments	**3**	**(21)**	**37**	**37**	**(1)**	**(1)**	**7**	**3**	**46**	**18**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	9	(12)	45	42	(1)	(1)	7	3	60	32
Net impairment loss on commitments and guarantees given	(6)	(9)	(8)	(5)	-	-	-	-	(14)	(14)

1. Segment reporting (continued)

Measurement

The profit and loss statement of the segment report is based on the measures to the Group management board for the purpose of allocating resources to the segments and assessing their performance. Management reporting as well as the segment report for Group, is based on IFRS. Accounting standards and methods as well as measurements used in segment reporting are the same as for the consolidated statement of accounting.
Capital consumption per segment is regularly reviewed by the management of Group to assess the performance of the segments. The average allocated equity is determined by the credit risk, market risk, operational risk and business strategic risk. According to the regular internal reporting to the Group management board, total assets and total liabilities as well as risk weighted assets and allocated equity are disclosed per segment. For measuring and assessing the profitability of segments, the Group also uses the return on allocated equity defined as a net result for the period before minorities in relation to the average allocated equity of the respective segment. In addition, the cost/income ratio is calculated for each segment 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 and fair value result, net result from equity method investments, rental income from investment properties and other lease).

Interest revenues are not reported separately from interest expenses for each reportable segment. Those measures are reported on the 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. 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. ‘Net fee and commission income’ and ‘Other operating result’ are reported on a net basis according to the regular reporting to the chief operating decision maker.

The Group doesn’t have a single external customer whose revenues from transactions amount to 10% or more of the Group’s revenues.

Return on asset ratio (ROA) in the Group was 1.6% on 31 December 2024 (2023: 1.7%) and in the Bank 1.6% (2023: 1.7%).

Return on equity ratio (ROE) in the Group was 14.4% on 31 December 2024 (2023: 15.8%) and in the Bank 15.3% (2023: 17.2%).

Additional information about geographical areas

The domicile of Group subsidiaries serves as the basis for additional information about geographical information about geographical areas where the Group operates. The majority of the Bank's and Group's operations and clients are located in the Republic of Croatia.

Measurement

in EUR million	Croatia 2023	2024	Montenegro 2023	2024	GROUP 2023	2024
Net interest income	380	398	30	36	410	434
Net fee and commission income	118	127	7	7	125	134
Net trading and fair value result	14	15	1	1	15	16
Gains/losses from financial instruments at FVPL	1	1	-	-	1	1
Net result from equity method investments	1	1	-	-	1	1
Rental income from investment properties & other operating leases	7	7	-	-	7	7
General administrative expenses	(242)	(256)	(22)	(24)	(264)	(280)
Other gains/losses from derecognition of financial instruments not at FVPL	(21)	(5)	-	-	(21)	(5)
Impairment result from financial instruments	44	16	2	2	46	18
Other operating result	(22)	(13)	-	(2)	(22)	(15)
Pre-tax result for the period	**280**	**291**	**18**	**20**	**298**	**311**
Income tax	(50)	(58)	(3)	(3)	(53)	(61)
Net result for the period	**230**	**233**	**15**	**17**	**245**	**250**
Net result attributable to non-controlling interests	**4**	**3**	**-**	**-**	**4**	**3**
Net result attributable to owners of the parent	**226**	**230**	**15**	**17**	**241**	**247**
Operating income	520	550	39	43	559	593
Operating expenses	(242)	(256)	(22)	(24)	(264)	(280)
Operating result	**278**	**294**	**17**	**19**	**295**	**313**
Risk-weighted assets (credit risk, eop)	5,624	6,315	567	617	6,191	6,932
Average allocated capital	1,008	964	68	73	1,076	1,037
Cost/income ratio	47%	47%	57%	55%	47%	47%
Return on allocated capital	22%	24%	23%	23%	23%	24%
Total assets (eop)	13,957	15,598	795	909	14,752	16,507
Total liabilities excluding equity (eop)	12,395	13,902	682	778	13,077	14,680
Impairments	**44**	**16**	**2**	**2**	**46**	**18**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	58	30	2	2	60	32
Net impairment loss on commitments and guarantees given	(14)	(14)	-	-	(14)	(14)

2. Net interest income

Net interest income is broken down into line items of interest income, other similar income, interest expenses and other similar expenses. The distinguishing factor is whether the EIR method is applied for recognition of interest income or expense in accordance with IFRS 9.

'Interest income' relates to interest revenue from financial assets measured at amortised cost and at fair value through other comprehensive income. It is calculated using the EIR method as discussed in chapter 'Financial instruments – Material accounting policy information', part 'Measurement methods for financial instruments'.

'Other similar income' captures interest-like sources of income resulting from non-derivative financial assets measured at fair value through profit or loss, held-for-trading derivatives, finance lease receivables and negative interest on financial liabilities.

'Interest expenses' relates to interest expense from financial liabilities measured at amortised cost calculated using effective interest rate as discussed in chapter 'Financial instruments - material accounting policy information', part 'Measurement methods for financial instruments'.

'Other similar expenses' capture interest-like sources of expense resulting from non-derivative financial liabilities measured at fair value through profit or loss, held-for-trading derivatives, negative interest on financial assets, lease liabilities, impairments recognised under IFRS 9 and IAS 37 (unwinding of the time value of the money effect due to passage of time) and net defined liabilities (net interest cost on severance payment, pension and jubilee obligations) under IAS 19.

As regards types of financial instruments, interest income and other similar income include interest income on loans and advances to banks and customers, on cash balances, on debt securities in all measurement categories of financial assets, on trade and other receivables and on finance lease receivables. Interest expenses and other similar expenses include interest paid on deposits from customers, deposits from banks, debt securities issued, interest paid on lease liabilities and other financial liabilities in all measurement categories of financial liabilities. Net interest income also includes interest on derivative financial instruments.

Interest income also includes modification gains and losses recognised on financial assets in Stage 1. Further, the unamortised balance of the origination fees/transaction costs upon derecognition of assets in Stage 1 and 2 considered in the effective interest rate is presented as interest income at the derecognition date.

2. Net interest income (continued)

	GROUP		BANK	
in EUR million	2023	2024	2023	2024
Interest income	462	549	413	500
Financial assets at AC	444	529	397	482
Financial assets at FVOCI	18	20	16	18
Other similar income	51	70	28	39
Financial assets – held for trading	28	38	28	39
Other assets	23	32	-	-
Interest and other similar income	**513**	**619**	**441**	**539**
Interest expenses	(75)	(146)	(60)	(125)
Financial liabilities measured at amortised cost	(75)	(146)	(60)	(125)
Other similar expense	(28)	(39)	(28)	(39)
Financial liabilities – held for trading	(28)	(38)	(28)	(38)
Other liabilities	-	(1)	-	(1)
Interest and other similar expense	**(103)**	**(185)**	**(88)**	**(164)**
Net interest income	**410**	**434**	**353**	**375**

An amount of EUR 5 million for the Group and EUR 4 million for the Bank (2023: EUR 5 million for the Group and EUR 4 million for the Bank) relating to impaired financial assets is included in interest income

3. Net fee and commission income

Group applies the five-step revenue recognition model from IFRS 15 for fees and commissions recognition it generates by providing services to clients.
The exception are fees and commissions income that are an integral part of the effective interest rate on financial assets or financial liabilities and are subject to IFRS 9 requirements.
Income from fees and commissions having the character of non-interest income are recognised in the profit and loss upon the performance of the Bank's contractual obligation. Accordingly, fees generated by the provision of the service over a period of time are delimited and recognised in revenue during that same period of time.

Type of service	Revenue recognition policies
Services such as commitment fees, premiums received for guarantees and other fees from lending business, commission income from asset management, custody and other management and advisory fees as well as fees from insurance brokerage, building society brokerage and foreign exchange transactions. Payment services partly include fees for services satisfied over a period of time like periodic card fees.	Revenue is recognised over time as the services are provided.
Transaction services such as arranging the acquisition and sale of shares or other securities on behalf of customers or foreign exchange transactions, as well as commission income earned from services such as the sale of collective investments and insurance products. Payment services partly include transaction-based fees like card fees.	Revenue related to transactions is recognised at the point in time when the transaction takes place.

A contract with a customer that results in the recognition of a financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

Client reward programs

According to IFRS 15, if an entity gives a customer in a contract the option to acquire additional goods or services, that option creates a performance obligation in the contract only if it gives the buyer a material right that it would not have received if it had not entered into that contract (for example, a discount that is incremental in the range of discounts normally given for that good or service to the class of customers in that geographic area or market). If the option gives the buyer a material right, the buyer actually pays the entity in advance for future goods or services and the entity recognizes income when the transfer of those future goods or services is made or when this option expires.

The Group has client reward programs that provide users with material rights and are calculated as a separate performance obligation. In accordance with the above, the Group determines the individual stand-alone price of each reward program, i.e. allocates a part of the total transaction price (compensation it receives per transaction that participates in the reward program) to them as separate performance obligations. Upon fulfillment of its obligations under an individual program, income is recognized.

In the case when several parties participate in the fulfillment of the contractual obligation, it is considered whether the Group is in the role of agent or principal, and the rules of revenue recognition are applied accordingly. When the Group acts as an agent, fees are reported on a net basis, while, when the Group acts as an principal, the related income and expenses are recognized on a gross basis.

3. Net fee and commission income (continued)

in EUR million	GROUP				BANK			
	2023		2024		2023		2024	
	Income	Expenses	Income	Expenses	Income	Expenses	Income	Expenses
Securities	4	-	2	-	4	-	2	-
Own issues	3	-	1	-	3	-	1	-
Transfer orders	1	-	1	-	1	-	1	-
Asset management	3	-	3	-	2	-	3	-
Custody	2	(1)	2	(1)	2	(1)	2	(1)
Payment services	141	(42)	155	(48)	101	(36)	114	(41)
Card business	80	(36)	86	(42)	43	(32)	49	(37)
Current accounts from customers			64	-			64	-
Other	61	(6)	5	(6)	58	(4)	1	(4)
Customer resources distributed but not managed	6	-	8	-	6	-	8	-
Insurance products	5	-	7	-	5	-	7	-
Building society brokerage	1	-	1	-	1	-	1	-
Lending business	11	(1)	13	(2)	9	(1)	11	(1)
Loan commitments given, Loan commitments received	2	(1)	5	(1)	1	(1)	4	(1)
Guarantees given, guarantees received	8	-	7	(1)	8	-	7	-
Other lending business	1	-	1	-	-	-	-	-
Other	4	(2)	4	(2)	1	-	1	-
Total fee and commission income and expenses	**171**	**(46)**	**187**	**(53)**	**125**	**(38)**	**141**	**(43)**
Net fee and commission income	**125**	**-**	**134**	**-**	**87**	**-**	**98**	**-**

The fee and commission income and expense, which are presented in this table, are not an integral part of the effective interest rate.

Fees relating to financial assets and financial liabilities not measured at FVTPL for 2024 amount EUR 97 million for the Group and EUR 53 million for the Bank in income (2023: EUR 149 million for the Group and EUR 105 million for the Bank) and EUR 51 million for the Group and EUR 41 million for the Bank in expense (2023: EUR 45 million for the Group and EUR 36 million for the Bank).

4. Dividend income

Dividend income is recognised when the right to receive the payment is established.
This line item includes dividend from shares and other equity investments in all measurement categories.

in EUR million	GROUP		BANK	
	2023	2024	2023	2024
Shareholdings in subsidiaries and associate	-	-	8	4
Dividend income	**-**	**-**	**8**	**4**

5. Net trading and fair value result

Results arising from trading activities include all gains and losses from changes in fair value on financial assets and financial liabilities classified as held for trading, including all derivatives not designated as hedging instruments. In addition, ‘Net trading result’ includes foreign exchange gains and losses on monetary assets and liabilities.

The accounting policy for recognition of foreign exchange gains and losses is described in the chapter Material accounting policy information, Accounting and measurement methods, i. Foreign currency translations, ii. Transactions and balances in foreign currency.

5. Net trading and fair value result (continued)

in EUR million	GROUP 2023	GROUP 2024	BANK 2023	BANK 2024
Securities and derivatives trading	2	-	-	-
Foreign exchange transactions	13	16	14	15
Net trading and fair value result	**15**	**16**	**14**	**15**

The amounts of the fair value changes that are attributable to changes in own credit risk can be found in the Chapter Risk management.

6. Gains/losses from financial assets and liabilities measured at fair value through profit or loss, net

Changes in fair value (clean price) of non-trading financial assets at fair value through profit or loss are reported under this line item.

in EUR million	GROUP 2023	GROUP 2024	BANK 2023	BANK 2024
Result from measurement of financial assets mandatorily at FVPL	1	1	1	2
Gains/losses from financial instruments measured at fair value through profit or loss	**1**	**1**	**1**	**2**

7. Rental income from investment properties & other operating leases

Rental income from investment properties and other operating leases is recognised on a straight-line basis over the lease term.

in EUR million	GROUP 2023	GROUP 2024	BANK 2023	BANK 2024
Other operating leases	7	7	-	-
Rental income from investment properties & other operating leases	**7**	**7**	**-**	**-**

More detailed information about assets under operating lease is provided in Note 38 Property, equipment and Investment property.

8. General administrative expenses

Personnel expenses

Personnel expenses include wages and salaries, bonuses, statutory and voluntary social security contributions. They also include service cost for severance payments, pension and jubilee obligations and remeasurements of jubilee obligations. Other personnel expenses include remuneration of management and employees related to IFRS 2 Employee share program. More detailed information is provided in Note 50 Share based payment.

Other administrative expenses

Other administrative expenses include information technology expenses, expenses for office space, office operating expenses, advertising and marketing, expenditures for legal and other consultants.

Depreciation and amortisation

This line item comprises depreciation of property and equipment, depreciation of investment property, depreciation of right of use assets and amortisation of intangible assets.

8. General administrative expenses (continued)

in EUR million	GROUP 2023	GROUP 2024	BANK 2023	BANK 2024
Personnel expenses	**(128)**	**(136)**	**(100)**	**(111)**
Wages and salaries	(109)	(117)	(85)	(94)
Compulsory social security	(15)	(16)	(12)	(14)
Other personnel expenses	(4)	(3)	(3)	(3)
Other administrative expenses	**(105)**	**(114)**	**(86)**	**(87)**
Deposit insurance contribution	(9)	(3)	(7)	-
IT expenses	(38)	(45)	(39)	(39)
Expenses for office space	(13)	(13)	(11)	(11)
Office operating expenses	(21)	(23)	(11)	(14)
Advertising/marketing	(12)	(14)	(8)	(10)
Legal and consulting costs	(9)	(12)	(8)	(10)
Sundry administrative expenses	(3)	(4)	(2)	(3)
Depreciation and amortisation	**(31)**	**(30)**	**(19)**	**(20)**
Software and other intangible assets	(8)	(8)	(5)	(6)
Owner occupied real estate	(6)	(6)	(5)	(5)
Office furniture and equipment and sundry property and equipment	(17)	(16)	(9)	(9)
General administrative expenses	**(264)**	**(280)**	**(205)**	**(218)**

The Group does not have pension arrangements separate from the State pension system of Croatia. This system requires that current contributions by the employer are calculated as a percentage of current gross salary payments; these expenses are charged to the statement of profit or loss in the period in which the related compensation is earned by the employee. In 2024 the expense amount for pension contributions was EUR 18 million for the Group (2023: EUR 17 million) and EUR 16 million for the Bank (2023: EUR 14 million).
More detailed information about depreciation and amortisation is provided in Notes 38 and 39.

Number of employees on a full time equivalent basis

	2023	2024
Erste&Steiermärkische Bank d.d.	2,513	2,595
Erste Card Club d.o.o.	223	189
Erste Nekretnine d.o.o.	26	27
Erste Group IT HR d.o.o.	71	-
Erste bank Podgorica d.d.	315	342
Erste&Steiermärkische S-Leasing d.o.o.	96	100
Total	**3,244**	**3,253**

The number of employees on a full-time equivalent basis is disclosed in accordance with the Credit Institutions Act, and it represents the number of employees calculated with actual paid working hours in the period.

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

This line item includes derecognition gains or losses on financial assets measured at fair value through other comprehensive income, financial liabilities measured at amortised cost and other financial instruments not measured at fair value through profit or loss, such as finance lease receivables or financial guarantees.

However, if such gains/losses relate to financial assets in Stage 3, they are reported under the line ‘Impairment result from financial instruments’.

in EUR million	GROUP 2023	GROUP 2024	BANK 2023	BANK 2024
Disposal of financial assets at FVOCI	(21)	(5)	(21)	(5)
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	**(21)**	**(5)**	**(21)**	**(5)**

10. Impairment result from financial instruments

Net impairment losses on financial instruments comprise impairment losses and reversals of impairment on all financial instruments to which the IFRS 9 expected credit loss model applies. The impairment result also includes direct write-offs and recoveries on written-off financial assets. Modification gains and losses recognised on financial assets in Stage 2, Stage 3 and POCI assets are also included in this line item.

Moreover, gains/losses from derecognition of financial assets in Stage 3 and POCI assets are presented as part of the impairment result.

	GROUP		BANK	
in EUR million	2023	2024	2023	2024
Financial assets at FVOCI	4	2	3	2
Financial assets at AC	54	29	53	27
Net release to credit loss allowances	42	18	41	16
Direct write-offs	(2)	(1)	-	-
Recoveries recorded directly to the income statement	14	12	12	11
Finance lease receivables	2	1	-	-
Net allocation to credit loss allowances	2	1	-	-
Net allocation of credit loss allowances for loan commitments and financial guarantees given	(14)	(14)	(13)	(12)
Impairment result from financial instruments	**46**	**18**	**43**	**17**

Reconciliation of the annual movement in credit loss allowances against the impairment result from financial instruments for the year

	Credit loss allowances			GROUP
in EUR million	Impairment result of financial instruments	Other changes through profit or loss	Changes not affecting profit or loss	Total
Credit loss allowances Jan 24				**(323)**
Net (allocation)/release to credit loss allowances	(1)	-	-	(1)
Increase due to passage of time (unwinding correction)	-	(3)	-	(3)
Write-offs	-	-	18	18
Credit loss allowances Dec 24				**(309)**
Impairment gain/(loss) from POCI without CLA	8	-	-	-
Direct write-offs	(1)	-	-	-
Recoveries recorded directly to the income statement	12	-	-	-
Impairment result from financial instruments	**18**			

10. Impairment result from financial instruments (continued)

Reconciliation of the annual movement in credit loss allowances against the impairment result from financial instruments for the year (continued)

	Credit loss allowances			GROUP
in EUR million	Impairment result of financial instruments	Other changes through profit or loss	Changes not affecting profit or loss	Total
Credit loss allowances Jan 23				**(372)**
Net (allocation)/release to credit loss allowances	33	-	-	33
Increase due to passage of time (unwinding correction)	-	(1)	-	(1)
Derecognition due to sales	-	-	2	2
Write-offs	-	-	15	15
Credit loss allowances Dec 23				**(323)**
Impairment gain/(loss) from POCI without CLA	1			
Direct write-offs	(2)			
Recoveries recorded directly to the income statement	14			
Impairment result from financial instruments	**46**			

	Credit loss allowances			BANK
in EUR million	Impairment result of financial instruments	Other changes through profit or loss	Changes not affecting profit or loss	Total
Credit loss allowances Jan 24				**(271)**
Net (allocation)/release to credit loss allowances	(4)	-	-	(4)
Increase due to passage of time (unwinding correction)	-	(3)	-	(3)
Write-offs	-	-	17	17
Changes in scope of consolidation	-	-	(19)	(19)
Credit loss allowances Dec 24				**(280)**
Impairment gain/(loss) from POCI without CLA	10	-	-	-
Recoveries recorded directly to the income statement	11	-	-	-
Impairment result from financial instruments	**17**			

	Credit loss allowances			BANK
in EUR million	Impairment result of financial instruments	Other changes through profit or loss	Changes not affecting profit or loss	Total
Credit loss allowances Jan 23				**(314)**
Net (allocation)/release to credit loss allowances	30	-	-	30
Increase due to passage of time (unwinding correction)	-	(1)	-	(1)
Derecognition due to sales	-	-	2	2
Write-offs	-	-	11	11
Credit loss allowances Dec 23				**(272)**
Impairment gain/(loss) from POCI without CLA	1			
Recoveries recorded directly to the income statement	12			
Impairment result from financial instruments	**43**			

11. Other operating result

The other operating result reflects all other income and expenses not directly attributable to the Bank's and the Group's ordinary activities.

It includes expenses for allocations to and income from release of provisions in scope of IAS 37. Further, impairment losses or any reversal of impairment losses as well as results on the sale of property and equipment, investment property and intangible assets are presented as other operating result.

In addition, the other operating result encompasses the following: resolution fund contributions, expenses for other taxes.

	GROUP		BANK	
in EUR million	**2023**	**2024**	**2023**	**2024**
Other operating expenses	**(26)**	**(26)**	**(19)**	**(18)**
Provisions for litigations	(15)	(14)	(15)	(14)
Other operating expenses	(11)	(12)	(4)	(4)
Other operating income	**4**	**11**	**5**	**11**
Release of other provisions	-	2	-	2
Other operating income	4	9	5	9
Other operating result	**(22)**	**(15)**	**(14)**	**(7)**

12. Income tax

Income tax is comprised of current and deferred tax.

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period. However, they are recognised in other comprehensive income or directly in equity if they arise from a transaction or event which itself is recognised in OCI or equity.

Deferred tax assets for deductible temporary differences are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

Income tax is made up of current income taxes calculated in each of the Group companies based on the results reported for tax purposes, corrections to income tax for previous years, if any, and the change in deferred taxes.

	GROUP		BANK	
in EUR million	**2023**	**2024**	**2023**	**2024**
Current tax expense / income	(50)	(43)	(45)	(37)
Current period	(50)	(37)	(45)	(32)
Prior period	-	(6)	-	(5)
Deferred tax expense / income	(3)	(18)	(2)	(18)
Current period	(3)	(18)	(2)	(18)
Total	**(53)**	**(61)**	**(47)**	**(55)**

The following table reconciles the income taxes reported in the statement of profit or loss to the pre-tax profit/loss multiplied by the nominal Croatian tax rate of 18% (2023: 18%).

	GROUP		BANK	
in EUR million	**2023**	**2024**	**2023**	**2024**
Pre-tax profit	298	311	266	281
Income tax expense for the financial year at the domestic statutory tax rate	(54)	(56)	(48)	(50)
Impact of different foreign tax rates	1	1	-	-
Impact of tax-exempt earnings of investments and other tax-exempt income	-	4	1	5
Tax increases due to non-deductible expenses, additional business tax and similar elements	-	(1)	-	-
Tax income/(expense) attributable to other effects	-	(3)	-	(4)
Tax income not attributable to the reporting period	-	(6)	-	(6)
Total	**(53)**	**(61)**	**(47)**	**(55)**
Effective tax rate	**18%**	**20%**	**18%**	**20%**

In accordance with tax regulations, the Tax Administration may at any time review the books and records of companies within a period of three years after the end of the year in which the tax liability was reported, and may impose additional tax liabilities and penalties. The Company's Management is not aware of any circumstances that could lead to potential significant liabilities in this regard.

PILLAR 2

At 31 December 2024 Group applied the temporary exception to the requirements of IAS 12 under which a company discloses limited information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar 2 model rules. By the time of publishing the report, the Rulebook on the minimum global profit tax had not yet been adopted in Republic of Croatia. The Group performed an assessment of the potential exposure to Pillar Two income taxes. This assessment is based on the most recent information available regarding the financial performance of the constituent entities in the Group.
Based on the assessment in two of the jurisdictions in which the Group operates, the Pillar Two effective tax rates in Croatia is above 15%. However, in Montenegro, the Pillar Two effective tax rate is close to 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

12. Income tax (continued)

Major components of deferred tax assets and deferred tax liabilities

GROUP

in EUR million	Tax assets As of Dec 2024	Tax assets As of Dec 2023	Tax liabilities As of Dec 2024	Tax liabilities As of Dec 2023	Net variance 2024 Total	Net variance 2024 Through profit or loss	Net variance 2024 Through other equity	Net variance 2024 Through other comprehensive income
Trading Assets / Liabilities and Designation at fair value through Profit or Loss	3	3	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	4	10	-	-	(6)	-	(1)	(5)
Financial assets at amortised cost & trade & other receivables	2	6	-	-	(4)	(4)	-	-
Impairment of investments in subsidiaries	1	15	-	-	(14)	(14)	-	-
Other	7	7	-	-	-	-	-	-
Total deferred taxes	**17**	**41**	**-**	**-**	**(24)**	**(18)**	**(1)**	**(5)**
Current taxes	**7**	**2**	**(4)**	**(18)**	**(43)**	**(43)**	**-**	**-**
Total taxes	**24**	**43**	**(4)**	**(18)**	**(67)**	**(61)**	**(1)**	**(5)**

GROUP

in EUR million	Tax assets As of Dec 2023	Tax assets As of Dec 2022	Tax liabilities As of Dec 2023	Tax liabilities As of Dec 2022	Net variance 2023 Total	Net variance 2023 Through profit or loss	Net variance 2023 Through other equity	Net variance 2023 Through other comprehensive income
Trading Assets / Liabilities and Designation at fair value through Profit or Loss	3	4	-	-	(1)	(1)	-	-
Financial assets at fair value through other comprehensive income	10	20	-	-	(10)	-	-	(10)
Financial assets at amortised cost & trade & other receivables	6	5	-	-	1	1	-	-
Impairment of investments in subsidiaries	15	16	-	-	(1)	(1)	-	-
Other provisions (tax valuation different)	-	1	-	-	(1)	(1)	-	-
Other	7	8	-	-	(1)	(1)	-	-
Total deferred taxes	**41**	**54**	**-**	**-**	**(13)**	**(3)**	**-**	**(10)**
Current taxes	**2**	**1**	**(18)**	**(33)**	**(50)**	**(50)**	**-**	**-**
Total taxes	**43**	**55**	**(18)**	**(33)**	**(63)**	**(53)**	**-**	**(10)**

12.Income tax (continued)

Major components of deferred tax assets and deferred tax liabilities (continued)

									BANK
	Tax assets		Tax liabilities		Net variance 2024				
in EUR million	As of Dec 2024	As of Dec 2023	As of Dec 2024	As of Dec 2023	Total	Through profit or loss	Through other equity	Effect of business combina tions	Through other compreh ensive income
Trading Assets / Liabilities and Designation at fair value through Profit or Loss	3	3	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	4	9	-	-	(5)	-	-	-	(5)
Financial assets at amortised cost & trade & other receivables	2	2	-	-	-	(4)	-	4	-
Impairment of investments in subsidiaries	1	15	-	-	(14)	(14)	-	-	-
Other	6	4	-	-	2	-	-	2	-
Total deferred taxes	**16**	**33**	**-**	**-**	**(17)**	**(18)**	**-**	6	**(5)**
Current taxes	**7**	**-**	**-**	**(16)**	**(37)**	**(37)**	**-**	-	**-**
Total taxes	**23**	**33**	**-**	**(16)**	**(54)**	**(55)**	**-**	6	**(5)**

									BANK
	Tax assets		Tax liabilities		Net variance 2023				
in EUR million	As of Dec 2023	As of Dec 2022	As of Dec 2023	As of Dec 2022	Total	Through profit or loss	Through other equity	Effect of business combina tions	Through other compreh ensive income
Trading Assets / Liabilities and Designation at fair value through Profit or Loss	3	4	-	-	(1)	(1)	-	-	-
Financial assets at fair value through other comprehensive income	9	19	-	-	(10)	-	-	-	(10)
Financial assets at amortised cost & trade & other receivables	2	2	-	-	-	-	-	-	-
Impairment of investments in subsidiaries	15	15	-	-	-	-	-	-	-
Other	4	5	-	-	(1)	(1)	-	-	-
Total deferred taxes	**33**	**45**	**-**	**-**	**(12)**	**(2)**	**-**	-	**(10)**
Current taxes	**-**	**-**	**(16)**	**(31)**	**(45)**	**(45)**	**-**	-	**-**
Total taxes	**33**	**45**	**(16)**	**(31)**	**(57)**	**(47)**	**-**	-	**(10)**

Financial instruments – Material accounting policy information

Accounting and measurement methods for financial instruments

A financial instrument is any contract giving rise to a financial asset of one party and a financial liability or equity instrument of another party.
In accordance with IFRS 9, all financial assets and liabilities – which also include derivative financial instruments – have to be recognised on the statement of financial position and measured in accordance with their assigned categories.

Regular way (spot) purchases and sales of financial assets are recognized at the settlement date (settlement date accounting), which is the date when the asset is delivered.

Measurement of financial assets and financial liabilities is subject to two primary measurement methods: at amortised cost and fair value.

i. Amortised cost and effective interest rate

Amortised cost of the financial asset is the amount at which a financial asset or a financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Gross carrying amount of the financial asset is the amortised cost of the financial asset before adjustment for loss allowances.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the gross carrying amount of the financial asset or net carrying amount of financial liability. The effective interest rate is calculated on initial recognition of an instrument. For floating rate financial instruments, periodic reestimation of cash flows to reflect movements in market rates of interest, alters the effective interest rate.
When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but shall not consider expected credit losses. The calculation includes origination fees that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts to the par amount.

ii. Fair value

Details on valuation techniques applied for fair value measurement and on the fair value hierarchy are disclosed in Note 21 Fair value of assets and liabilities.

Classification and subsequent measurement of financial assets

In accordance with IFRS 9, the classification and subsequent measurement of financial assets depends on the following two criteria:

1. The business model for managing the financial assets; and
2. The cash flow characteristics of the financial assets.

Business models for managing the financial assets
The business model is determined on the basis of the business goal of financial asset management, i.e. an assessment of whether the assets are held in order to collect contractual cash flows, to both collect contractual cash flows and sell financial assets or sell financial assets.

Classification and subsequent measurement of financial assets (continued)

The Group, based on the assessment performed in accordance with the IFRS 9 requirements, defined its business models:

1) Business model 'hold to collect' for entire loan portfolio (client business), for which hold-to-collect assessment of the sales within hold to collect contractual cash flows business model is performed on a yearly basis. From the Group's point of view, sales due to increases in credit risk, sales close to assets' maturity, infrequent sales triggered by a non-recurring event (such as changes in regulatory or tax environment, major internal reorganisation or a business combination, severe liquidity crisis, etc.) are considered as not contradicting the hold to collect contractual cash flows business model.
   Cases of sales carried out in the 'hold to collect' business model are assessed retrospectively, based on retrospective information about the frequency, number, amount and the reasons for past sales and if they exceed certain quantitative thresholds, where the carrying amount of the sold assets held within the hold to collect portfolio measured at amortised cost is:
   > 1% of the moving average carrying amount of the portfolio in the respective period over last 3 months,
   > 3% of the moving average carrying amount of the portfolio in the respective period over last 12 months or
   > 5% of the moving average carrying amount of the portfolio in the respective period over last 36 months), OR

   it is considered necessary with regard to new management's expectations that the threshold in the prospective assessment could be breached, the Group performs a prospective test.
   If the outcome is that the carrying amount of assets expected to be sold over the expected life of the current business model portfolio, for reasons other than the cases above, exceeds 10% of the carrying amount of the portfolio, any new acquisitions or originations of assets would be classified in a different business model.
2) Business models 'hold to collect', 'hold and sell' and other business models for securities (non-client business).
   For sales of securities held under business model "hold to collect", a hold-to-collect assessment is performed as explained above for the loan portfolio.

Characteristics of contractual cash flows (SPPI test)
As required by IFRS 9, the Group performs the assessment of whether the contractual cash flows of financial assets give rise, on specific dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI test).

The Group, based on this assessment, and taking into account the business model under which the financial asset is managed, determines the classification and measurement category of financial assets.
The SPPI assessment is an instrument-by-instrument assessment meaning the cash flow characteristics of the financial asset shall be assessed on a contractual level.

Generally, contractual cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding are consistent with a basic lending arrangement. In the basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest. Interest can also include the following basic elements:
Interest = Consideration for time value of money + Credit Spread + Admin costs + Compensation for any 'other basic lending risks' + Reasonable profit margin.

Classification and subsequent measurement of financial assets (continued)

If the contractual terms include characteristics that are not the basic elements of interest and therefore introduce exposure to risks or volatility in the contractual cash flows that are unrelated to basic lending arrangement, then financial asset fails the SPPI test. For financial assets not passing the SPPI test, measurement at amortised cost or at fair value through other comprehensive income is not possible and the assets must be measured at fair value through profit or loss.
Furthermore, the significance of any ‘modifications’ to the time value of money element of interest (e.g. mismatch between interest rate reset frequency and tenor of the interest rate, or non-standard base rate, etc.) shall be assessed by applying the ‘benchmark test’.
The purpose of the benchmark test is to determine whether the modified time value of money element could result in contractual (undiscounted) cash flows which are significantly different from the (undiscounted) benchmark cash flows (benchmark deal). Apart from the interest mismatch features, the terms of this benchmark deal correspond to the asset in the test. If the difference is material, the financial asset does not meet the SPPI condition. Hence, the fair value through profit or loss measurement applies.
To make this determination, the Group must consider the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

Application of the business model and SPPI test criteria leads to classification of financial assets into the following measurement categories described in the respective note:

1) Financial assets at amortised cost (AC)
2) Financial assets at fair value through other comprehensive income (FVOCI)
3) Financial assets at fair value through profit or loss (FVPL)

Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at amortised cost, except for:
_ Financial liabilities at fair value through profit or loss
_ Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition
_ Financial guarantee contracts
_ Commitments to provide a loan at a below-market interest rate
_ Contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies.
Interest expense is calculated by applying the EIR to the amortised cost of a financial liability.
Further details on financial liabilities are in the Note 16.

Impairment of financial instruments under IFRS 9

Expected credit loss model
Expected credit loss model is more forward-looking impairment model, meaning a credit event (or impairment ‘trigger’) no longer has to occur before credit losses are recognised. Therefore, the measurement of expected credit losses is performed at origination/purchase of a financial instrument and credit losses are recognised at its initial recognition. Main characteristic of the model is that all reasonable and supportable information that is available to the Group considering past due information, current conditions and forward-looking information are used for expected credit loss measurement. This model applies to all financial instruments that are subject to impairment, regardless of the type of the instrument or its measurement category.

The following financial instruments are included within the scope of IFRS 9 impairment requirements:
_ Financial assets measured at amortised cost
_ Financial assets measured at fair value through other comprehensive income (except equity instruments)
_ Other debt instruments in the scope of IFRS 9 impairment requirements (finance/operating lease receivables, trade and other receivables, contract assets)
_ Loan commitments given
_ Financial guarantees contracts to which IFRS 9 applies

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Impairment of financial instruments under IFRS 9 (continued)

12-month expected credit loss is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Lifetime expected credit loss is defined as the expected credit losses that result from all possible default events over the expected life of a financial instrument.

For financial instruments in scope of IFRS 9 impairment requirements, the Group always recognises (at a minimum) the loss allowance in the amount of 12-month expected credit loss in profit or loss. Loss allowance in the amount of the lifetime expected losses is recognised on instruments for which there is a significant increase in credit risk since initial recognition or on credit impaired financial instruments.

Loss allowance is the way the expected credit losses are reflected in accounting:
- as the allowance for expected credit losses on financial assets measured at amortised cost, lease receivables or contract assets, booked on a separate account decreasing the carrying amount of the asset, included in the net carrying amount of the financial assets on the statement of financial position;
- as the accumulated impairment amount for financial assets measured at fair value through other comprehensive income recognized against other comprehensive income (not decreasing the carrying amount of the asset), reported under the line item 'Fair value reserve'; or
- as the provision (liability) for loan commitments and financial guarantees given, reported under the line item 'Provisions' in the statement of financial position.

In the statement of profit or loss, impairment losses and their reversals (gains) on all types of financial instruments are reported under the line item 'Impairment result from financial instruments'.

When a financial asset subsequently becomes credit-impaired financial asset, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods as long as the asset is credit-impaired. From balance sheet perspective, interest is accrued based on the financial assets' gross carrying amount. The difference between the interest accrued on the assets and the interest income recognised is reflected through the allowance account (without impacting the impairment loss).

For financial assets that are credit-impaired at initial recognition (purchased or originated credit-impaired financial assets "POCI") lifetime expected credit losses are initially reflected in the credit-adjusted effective interest rate. Subsequently, only adverse changes in lifetime expected credit losses after the initial recognition are recognised as loss allowance, whilst favourable changes are recognised as impairment gains increasing the gross carrying amount of the POCI financial assets. No impairment stages are distinguished for the POCI financial assets.

As previously mentioned, financial guarantees and loan commitments fall under the scope of IFRS 9 impairment model. For loan commitments and financial guarantees, the date that the Group becomes a party to the irrevocable commitment is the date of initial recognition for impairment purposes. Provisions for expected credit losses are not reversed when recognising the financial asset resulting from the loan commitment. Instead, the amount previously recognised as provision is transferred to the loss allowance, with only the difference up to the newly calculated loss allowance for resulting financial asset recognised in profit or loss as allocation or release of allowance (except for POCI).

Stages of credit quality of financial instruments

The three-stage approach for impairment of financial instruments is defined, based on whether there has been a significant deterioration in the credit risk of the financial asset. The stage of the financial instrument determines the amount of expected credit loss to be recognised as well as the amount of interest revenue recognised for the period:

Stage 1
- the credit risk for the financial instrument has not increased significantly since initial recognition
- the loss allowance (or provision): at an amount equal to 12-month expected credit loss
- interest revenue: recognised based on the gross carrying amount of the financial asset

Impairment of financial instruments under IFRS 9 (continued)

Stage 2
- the credit risk for the financial instrument has significantly increased since initial recognition
- the loss allowance (provision): at an amount equal to lifetime expected credit loss
- interest revenue: recognised based on the gross carrying amount of the financial asset

Stage 3
- the financial instrument is identified as credit-impaired
- the loss allowance (provision): at an amount equal to lifetime expected credit loss
- interest revenue: recognised based on the net carrying amount (amortised cost) of the financial asset

Measurement of expected credit losses reflects cash flows expected from collateral and those financial guarantees held by the Group which are considered as integral to the contractual terms of financial assets whose risk is guaranteed. The Group considers as integral those guarantees which are entered into at or close to the inception of the guaranteed financial assets. If the bank has in a loan contract an option to require provision of a guarantee, it is also considered as integral. Premiums paid for integral financial guarantees and other credit enhancements are considered in the EIR of the related financial assets.

Financial guarantees which are not considered integral are recognised as reimbursement assets under 'Other assets' in the balance sheet. In the statement of profit or loss they reduce the impairment loss incurred on guaranteed financial assets under 'Impairment result from financial instruments'. A precondition for this treatment is that it must be virtually certain that the guarantee would reimburse the bank for the loss. Premiums paid for non-integral financial guarantees are presented in the statement of income under the line item 'Fee and commission expense' under 'Net fee and commission income'.

More detailed information about identification of significant increase in credit risk including collective assessment, estimation techniques used to measure 12-month and lifetime expected credit losses and definition of default is provided in the chapter Risk management.

Derecognition of financial instruments including the treatment of contractual modifications

(i) Derecognition of financial assets

The difference between the carrying amount of the derecognised asset and the consideration received is reported in the statement of profit or loss under the line item 'Gains/losses from derecognition of financial assets measured at amortised cost' or, for financial assets at fair value through other comprehensive income, under the line item 'Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss'.
For financial assets measured at fair value through profit or loss, all gains and losses are reported in the line item 'Net trading result' or 'Gains/losses from financial instruments measured at fair value through profit or loss'.

(ii) Derecognition criteria with respect to contractual modifications of financial assets

In the normal course of running its lending business and in agreement with the respective debtors, the Group may renegotiate or otherwise modify some terms or conditions of the underlying contracts. This can involve either market-driven commercial renegotiations or contractual changes aimed at alleviating or preventing borrower's financial difficulty.
In some circumstances, the renegotiation or modification of the contractual cash flows of the financial asset can lead to derecognition of the existing financial asset and initial recognition of the modified financial asset.

Derecognition of financial instruments including treatment of contractual modifications (continued)

The Group has developed a set of derecognition criteria that reflect modifications which are (either quantitatively or qualitatively) substantial enough, to satisfy the derecognition trigger:

- The modification results in a change of the contractual counterparty
- The modification results in one (or more) preceding contractual agreement(s) being changed in any of the following manners: currency change, the modification involves the introduction or removal of one or more contractual clauses which would trigger different IFRS 9 classification/measurement of a new instrument. The modification results in adjustment of the maturity/due dates of the repayment schedule. The modification results in changing amounts and/or due dates of the contractually due cash flows, and the arising modification loss/gain exceeds 10% of asset's gross carrying amount outstanding at the current modification date.
- The modification results from a commercial renegotiation of a performing non-forborne lending agreement and is initiated by a customer seeking better terms and conditions as an alternative to refinancing or early termination (prepayment).

As already mentioned, contractual modifications leading to derecognition of the related original asset result in the initial recognition of a new financial asset. For loans measured at amortised cost, the unamortised balance of the origination fees/transaction costs considered in the effective interest rate is presented in the line item 'Interest income' under 'Net interest income' at the derecognition date. The release of the credit loss allowance attached to the original asset at the date of that significant modification as well as the credit loss allowance recognised for the new asset are presented in the line item 'Impairment result from financial instruments'.
If the debtor is in default or the significant modification leads to the default, the new asset is treated as POCI. The difference between the carrying amount of the derecognised asset and the initial fair value of the new POCI asset is reported in the statement of profit or loss in the line item 'Impairment result from financial instruments'.

Modifications of contractual cash flows not leading to derecognition of financial asset represent all contractual changes which affect the amount and/or repayment schedule of the remaining contractual cash flows but do not lead to derecognition.
For debt instruments assets not measured at FVPL that are subject to a change in underlying cash flows due to contractual modifications that do not result in derecognition, the Group is obliged to recalculate the gross carrying amount of the financial asset and recognise a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets):

- Modification loss: if the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate is lower than the gross carrying amount of the financial asset before the modification
- Modification gain: if the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate is higher than the gross carrying amount of the financial asset before the modification.

In the statement of profit or loss, the modification gain or loss is presented in the line item 'Interest income' under 'Net interest income' if the modification relates to financial assets in Stage 1. For financial assets in Stage 2 and 3 and POCI financial assets, the modification gain or loss is presented in the line item 'Impairment result from financial instruments'.

(iii) Write-off
If there are no reasonable expectations of recovery, the Group will write-off the gross carrying amount of the financial assets. The written-off amount can be either a full write-off or a partial write-off.
A write-off constitutes a derecognition event and it is recognized as an offset between the loss allowance booked for the respective financial asset and its gross carrying amount.

Derecognition of financial instruments including treatment of contractual modifications (continued)

The Group has specified criteria for writing off the unrecoverable balances in its loan business:
Write-off can result from forbearance measures whereby the Group contractually waives part of the existing balance in order to help the customers overcome financial difficulties and thus improve the prospects of recovering the remaining loan balance. Write-offs of the unrecoverable exposure parts can be triggered by enforcement activities such as filing or termination of legal proceedings (bankruptcy, liquidation, court case).

Other write-off triggers may result from decisions about no enforcement due to worthlessness of the claim/collateral or generally from assessment that the receivable is economically lost or, the non-recoverability and the timing and amounts of write-off crystallise during the collection process when it becomes evident that the amount due cannot be collected, e.g. due to ongoing bankruptcy proceedings. For more information on Forbearance please refer to Note 33 Restructuring, renegotiation and forbearance.

(iv) Derecognition of financial liabilities
In the statement of profit or loss, the difference between the carrying amount of the derecognised financial liability and the consideration paid is presented in the line item 'Other gains/losses from financial instruments not measured at fair value through profit or loss', 'Gains/losses from financial instruments measured at fair value through profit or loss' and 'Net trading result' depending on the measurement category of the derecognised financial liability.

Material accounting judgements, assumptions and estimates

Business model assessment
Business model is determined by the key management personnel and it does not depend on management's intentions for an individual instrument. Accordingly, this condition is not an instrument-by-instrument approach to classification and it is determined on a higher level of aggregation.
Business model assessment can be observed by the way the Group is managed and information is provided to its management. The main criteria for performing the assessment stated in this paragraph can be grouped as follows:
_How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
_The risks that affect the performance of the business model (and the financial assets held within that business model) and in particular, the way in which those risks are managed; and
_How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

Impairment of financial instruments
The expected credit loss impairment model is inherently based on judgement since it requires assessment of significant increase in credit risk and measurement of expected credit losses without providing detailed guidance. In respect of significant increase in credit risk, the Group has determined specific assessment rules consisting of qualitative information and quantitative thresholds. The Group first assesses whether there is evidence of impairment for individually significant assets and on a collective basis for assets that are not individually significant. The area of complexity relates to establishing groups of similar assets when credit risk deterioration has to be assessed on a collective basis before specific information is available at individual instrument level. Measurement of expected credit losses involves complex models relying on historical statistics of probabilities of default and loss rates in case of defaults, individual estimates of credit-adjusted cash flows and probabilities of various scenarios including forward-looking information. In addition, the life of the instruments has to be modelled in respect of behavioural life of revolving credit facilities.
The Group continuously monitors client's creditworthiness, and credit loss allowances are assessed at least monthly.
Impairment losses are recognized against the carrying amount of loans and advances and contingent liabilities.
Detailed disclosures are provided in chapter Risk management. For further information on the definition of default refer to Note 30 Measurement of expected credit loss.
The development of loan loss provisions is described in Note 31 Development of credit loss allowances.

Financial instruments held at amortised cost (AC)

Non-derivative financial assets are measured at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model whose objective is to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost include debt securities and loans and advances that meet the conditions stated above as well as trade receivables and other receivables and cash and cash balances. On the statement of financial position, they are presented under the line items 'Financial assets at amortised cost', 'Trade and other receivables' and 'Cash and cash balances'.

Gains and losses, resulting from subsequent measurement of financial assets measured at amortised cost, are recognised as follows:
- Interest income is recognised in profit or loss, by using effective interest rate method, and presented in the line item 'Interest income' under 'Net interest income' in the statement of profit or loss
- Allowances for expected credit loss (gains and losses) are recognised in profit or loss, and presented in the line item 'Impairment result from financial instruments' in the statement of profit or loss
- Gains and losses resulting from foreign currency exchange differences are recognised in profit or loss and presented in the line item 'Net trading and fair value result' in the statement of profit or loss.

Realised gains or losses from derecognition of the assets are recognised in profit or loss for the period and presented in the line item 'Gains/losses from derecognition of financial assets measured at amortised cost'.

Financial assets at amortised cost constitute the largest measurement category within the Group, which includes the loan business to customers, interbank lending business, deposits with central bank, trade and other receivables, investment in debt securities.

For a description of financial liabilities measured at amortised cost refer to Note 16.

13. Cash and cash balances

Cash balances include only claims (deposits) against central banks and credit institutions that are repayable on demand. Repayable on demand means that they may be withdrawn at any time or with a term of notice of only one business day or 24 hours.

	GROUP		BANK	
in EUR million	**2023**	**2024**	**2023**	**2024**
Cash on hand	410	383	356	341
Cash balances at central banks	1,899	2,902	1,818	2,860
Other demand deposits	46	95	12	10
Cash and cash balances	**2,355**	**3,380**	**2,186**	**3,211**

For the Statement of Cash flows for the year ended 31 December 2024, cash and cash equivalents at the end of the periods 2024 and 2023 for the Group and the Bank are equal to cash and cash balance.

14. Financial assets at amortised cost

The line item ‘Financial assets at amortised cost’ is further broken down into ‘Debt securities’, ‘Loans and advances to banks’ and ‘Loans and advances to customers’. For details regarding the development of credit loss allowances please refer to Note 31.

Debt securities

Investments in debt securities measured at amortised cost may be acquired with different business objectives (such as fulfilling internal/external liquidity risk requirements and efficient placement of the structural liquidity surplus, strategic positions decided by the board of directors, initiating and fostering of client relationships, substitution of loan business or other yield generating activities). Their common attribute is that significant and frequent sales of such securities are not expected. For a description of what sales are considered as compliant with the hold to collect contractual cash flows business model, see the paragraph ‘Initial recognition and measurement’ in chapter ‘Financial instruments – Material accounting policy information’.

The analysis of the gross carrying amount (GCA) and of related credit loss allowances (CLA) of the Group’s and the Bank’s debt securities per impairment buckets as of 31 December 2024 and 31 December 2023 is provided in the table below.

GROUP

	GCA				CLA				
in EUR million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Carrying amount
2024									
General governments	2,049	53	-	2,102	-	-	-	-	2,102
Credit institutions	-			-	-	-	-	-	-
Total	**2,049**	**53**	**-**	**2,102**	**-**	**-**	**-**	**-**	**2,102**

GROUP

	GCA				CLA				
in EUR million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Carrying amount
2023									
General governments	1,707	65	-	1,772	-	-	-	-	1,772
Credit institutions	32			32	(1)	-	-	(1)	31
Total	**1,739**	**65**	**-**	**1,804**	**(1)**	**-**	**-**	**(1)**	**1,803**

BANK

	GCA				CLA				
in EUR million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Carrying amount
2024									
General governments	2,002	53	-	2,055	-	-	-	-	2,055
Credit institutions	-			-	-	-	-	-	-
Total	**2,002**	**53**	**-**	**2,055**	**-**	**-**	**-**	**-**	**2,055**

BANK

	GCA				CLA				
in EUR million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Carrying amount
2023									
General governments	1,661	65	-	1,726	-	-	-	-	1,726
Credit institutions	32			32	(1)	-	-	(1)	31
Total	**1,693**	**65**	**-**	**1,758**	**(1)**	**-**	**-**	**(1)**	**1,757**

For information about development of credit loss allowances refer to Note 31 Development of credit loss allowances, part ‘Financial instruments held at amortised cost’: table ‘Movement in credit loss allowances – debt securities’.

14. Financial assets at amortised cost (continued)

Debt securities (continued)

Listed bonds issued by the Republic of Croatia, the Republic of Slovenia, the Republic of Slovakia, the Republic of Poland, the Republic of France, the Republic of Switzerland and the United States of America are fixed-income debt securities denominated in EUR, USD and CHF. These bonds have maturities from 2025 to 2035 and bear coupon interest from 0.000% to 5.750% p.a. The fair value of financial assets at amortized cost for the Group and the Bank is approximately EUR 18,9 million lower than their value as at 31 December 2024 (2023: EUR 421.6 million lower).

Loans and advances to banks

The analysis of the gross carrying amount (GCA) and related credit loss allowance (CLA) for the Group's and the Bank's loans and advances to banks by impairment buckets as of 31 December 2024 and 31 December 2023 is provided in the table below:

GROUP									
	GCA				CLA				
in EUR million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Carrying amount
2024									
Central banks	17	-	-	17	-	-	-	-	17
Credit institutions	62	-	-	62	-	-	-	-	62
Total	**79**	**-**	**-**	**79**	**-**	**-**	**-**	**-**	**79**

GROUP									
	GCA				CLA				
in EUR million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Carrying amount
2023									
Central banks	14	-	-	14	-	-	-	-	14
Credit institutions	54	-	-	54	-	-	-	-	54
Total	**68**	**-**	**-**	**68**	**-**	**-**	**-**	**-**	**68**

BANK									
	GCA				CLA				
in EUR million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Carrying amount
2024									
Credit institutions	52	-	-	52	-	-	-	-	52
Total	**52**	**-**	**-**	**52**	**-**	**-**	**-**	**-**	**52**

BANK									
	GCA				CLA				
in EUR million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Carrying amount
2023									
Credit institutions	31	-	-	31	-	-	-	-	31
Total	**31**	**-**	**-**	**31**	**-**	**-**	**-**	**-**	**31**

For information on the development of credit loss allowances refer to Note 31 Development of credit loss allowances, part 'Financial instruments held at amortised cost': table 'Movement in credit loss allowances – loans and advances to banks'.

14. Financial assets at amortised cost (continued)

Loans and advances to customers

The analysis of the gross carrying amount (GCA) and of related credit loss allowances (CLA) of loans and advances to customers per impairment buckets as of 31 December 2024 and 31 December 2023 is provided in the table below:

	GROUP										
	GCA					CLA					
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount
2024											
General governments	1,098	11	-	-	1,109	(1)	-	-	-	(1)	1,108
Other financial corporations	20	3	-	-	23	-	-	-	-	-	23
Non-financial corporations	3,201	437	105	15	3,758	(15)	(25)	(66)	(11)	(117)	3,641
Households	3,288	826	167	1	4,282	(11)	(40)	(99)	-	(150)	4,132
Total	**7,607**	**1,277**	**272**	**16**	**9,172**	**(27)**	**(65)**	**(165)**	**(11)**	**(268)**	**8,904**

	GROUP										
	GCA					CLA					
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount
2023											
General governments	1,297	25	-	-	1,322	(1)	(1)	-	-	(2)	1,320
Other financial corporations	12	1	-	-	13	-	-	-	-	-	13
Non-financial corporations	2,568	952	98	22	3,640	(11)	(50)	(64)	(12)	(137)	3,503
Households	2,908	739	146	1	3,794	(11)	(32)	(101)	-	(144)	3,650
Total	**6,785**	**1,717**	**244**	**23**	**8,769**	**(23)**	**(83)**	**(165)**	**(12)**	**(283)**	**8,486**

	BANK										
	GCA					CLA					
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount
2024											
General governments	1,060	11	-	-	1,071	(1)	-	-	-	(1)	1,070
Other financial corporations	56	2	-	-	58	-	-	-	-	-	58
Non-financial corporations	3,039	381	91	15	3,526	(14)	(23)	(55)	(11)	(103)	3,423
Households	3,035	778	158	1	3,972	(10)	(38)	(92)	-	(140)	3,832
Total	**7,190**	**1,172**	**249**	**16**	**8,627**	**(25)**	**(61)**	**(147)**	**(11)**	**(244)**	**8,383**

	BANK										
	GCA					CLA					
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount
2023											
General governments	1,247	25	-	-	1,272	(1)	(1)	-	-	(2)	1,270
Other financial corporations	18	1	-	-	19	-	-	-	-	-	19
Non-financial corporations	2,462	888	80	22	3,452	(10)	(48)	(52)	(12)	(122)	3,330
Households	2,543	662	130	1	3,336	(6)	(29)	(88)	-	(123)	3,213
Total	**6,270**	**1,576**	**210**	**23**	**8,079**	**(17)**	**(78)**	**(140)**	**(12)**	**(247)**	**7,832**

For information about development of credit loss allowances refer to Note 31 Development of credit loss allowances, part ‘Financial instruments held at amortised cost’: table ‘Movement in credit loss allowances – loans and advances to customers’.

15. Trade and other receivables

GROUP

in EUR million	GCA Stage 1	GCA Stage 2	GCA Stage 3	GCA Total	CLA Stage 1	CLA Stage 2	CLA Stage 3	CLA Total	Carrying amount
2024									
General governments	14	-	-	14	-	-	-	-	14
Credit institutions	3	1	-	4	-	-	-	-	4
Other financial corporations	6	-	-	6	-	-	-	-	6
Non-financial corporations	94	8	4	106	(1)	-	(4)	(5)	101
Households	29	24	10	63	-	(1)	(8)	(9)	54
Total	**146**	**33**	**14**	**193**	**(1)**	**(1)**	**(12)**	**(14)**	**179**

GROUP

in EUR million	GCA Stage 1	GCA Stage 2	GCA Stage 3	GCA Total	CLA Stage 1	CLA Stage 2	CLA Stage 3	CLA Total	Carrying amount
2023									
General governments	9	-	-	9	-	-	-	-	9
Credit institutions	6	2	-	8	-	-	-	-	8
Other financial corporations	4	3	-	7	-	-	-	-	7
Non-financial corporations	91	4	4	99	(1)	-	(4)	(5)	94
Households	48	5	9	62	(2)	-	(8)	(10)	52
Total	**158**	**14**	**13**	**185**	**(3)**	**-**	**(12)**	**(15)**	**170**

BANK

in EUR million	GCA Stage 1	GCA Stage 2	GCA Stage 3	GCA Total	CLA Stage 1	CLA Stage 2	CLA Stage 3	CLA Total	Carrying amount
2024									
General governments	14	-	-	14	-	-	-	-	14
Credit institutions	3	1	-	4	-	-	-	-	4
Other financial corporations	8	-	-	8	-	-	-	-	8
Non-financial corporations	92	8	4	104	(1)	-	(3)	(4)	100
Households	29	24	9	62	-	(1)	(8)	(9)	53
Total	**146**	**33**	**13**	**192**	**(1)**	**(1)**	**(11)**	**(13)**	**179**

BANK

in EUR million	GCA Stage 1	GCA Stage 2	GCA Stage 3	GCA Total	CLA Stage 1	CLA Stage 2	CLA Stage 3	CLA Total	Carrying amount
2023									
General governments	9	-	-	9	-	-	-	-	9
Credit institutions	5	2	-	7	-	-	-	-	7
Other financial corporations	5	1	-	6	-	-	-	-	6
Non-financial corporations	82	4	2	88	(1)	-	(2)	(3)	85
Households	-	2	3	5	-	-	(3)	(3)	2
Total	**101**	**9**	**5**	**115**	**(1)**	**-**	**(5)**	**(6)**	**109**

Trade and other receivables consist of factoring receivables, card business receivables and other receivables.

For information about development of credit loss allowances refer to Note 31 Development of credit loss allowances, part ‘Financial instruments held at amortised cost’: table ‘Movement in credit loss allowances – trade and other receivables’.

16. Financial liabilities measured at amortised costs

For presentation in the statement of financial position, the line item ‘Financial liabilities measured at amortised cost’ is used. This line item is further broken down into ‘Deposits from banks’, ‘Deposits from customers’, ‘Debt securities issued’ and ‘Other financial liabilities’.

Interest expense is calculated by using effective interest rate method and presented in the line item ‘Interest expenses’ under ‘Net interest income’ in the statement of profit or loss.

Gains and losses from derecognition of financial liabilities are recognised in profit or loss for the period and presented in the line item ‘Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss’.

Deposits from banks

	GROUP		BANK	
in EUR million	**2023**	**2024**	**2023**	**2024**
Overnight deposits	67	33	68	43
Term deposits	709	595	232	59
Subordinated loan	-	150	-	150
Repurchase agreements	8	18	8	19
Deposits from banks	**784**	**796**	**308**	**271**

As at 31 December 2024, term deposits from banks include funding from related parties in the amount of EUR 469 million for the Group (2023: EUR 587 million for the Group and EUR 141 million for the Bank). Term deposits of the Bank received from related parties in the amount of EUR 141 million were prematurely repaid on 19 December 2024.

As at 31 December 2024, the average maturity of the Group's term deposits from related parties is 2.5 years and the interest rate range is 0.86%-4.73% (2023: average maturity is 2.5 years and the interest rate range is 0.74% -5.36%).

Funding from supranational banks amount to EUR 96 million for the Group and EUR 48 million for the Bank (2023: EUR 122 million for the Group and EUR 66 million for the Bank).

As at 31 December 2024, the Bank's Repurchase agreements from related parties amount to EUR 8 million, which mature on 8 January 2025, and whose interest rate range is 2.77%-2.78% (2023: EUR 8 million for the Bank with maturity on 31 January 2024 and interest rate range 3.12%-3.30%).

On 21 October 2024, the Bank took a subordinated loan from Erste Group Bank AG in the amount of EUR 150 million with a maturity in 2034 at an interest rate of 4.74%, for which regulatory approval was obtained for recognition in Tier 2 capital as of 31 December 2024. The subordinated loan includes an early repayment option after 5 years, which is possible with prior regulatory approval.

16. Financial liabilities measured at amortised costs (continued)

Deposits from customers

As at 31 December 2024, Deposits from customers include funding from HBOR in the amount of EUR 302 million for the Group and EUR 259 million for the Bank (2023: EUR 239 million for the Group and EUR 215 million for the Bank).

	GROUP		BANK	
in EUR million	2023	2024	2023	2024
Overnight deposits	**8,523**	**8,904**	**8,101**	**8,472**
Savings deposits	1,048	908	1,048	908
Other financial corporations	3	24	3	24
Non-financial corporations	309	255	309	255
Households	736	629	736	629
Non-savings deposits	7,475	7,996	7,053	7,564
General governments	712	952	676	925
Other financial corporations	53	303	54	383
Non-financial corporations	2,622	2,533	2,444	2,295
Households	4,088	4,208	3,879	3,961
Term deposits	**2,786**	**3,591**	**2,607**	**3,413**
Deposits with agreed maturity	2,786	3,591	2,607	3,413
Savings deposits	2,406	3,097	2,357	3,097
Other financial corporations	368	541	366	541
Non-financial corporations	709	923	710	923
Households	1,329	1,633	1,281	1,633
Non-savings deposits	380	494	250	316
General governments	296	390	250	316
Other financial corporations	26	19	-	-
Non-financial corporations	58	36	-	-
Households	-	49	-	-
Repurchase agreements	**73**	**58**	**73**	**58**
General governments	73	58	73	58
Deposits from customers	**11,382**	**12,553**	**10,781**	**11,943**
General governments	1,081	1,400	999	1,299
Other financial corporations	450	887	423	948
Non-financial corporations	3,698	3,747	3,463	3,473
Households	6,153	6,519	5,896	6,223
Other financial liabilities	**138**	**27**	**52**	**32**

16. Financial liabilities measured at amortised costs (continued)

Other financial libilities

Other financial liabilities consist of card transactions liabilities, accounts payables (foreign and domestic suppliers) and other financial liabilities.

Debt securities issued

The Bank issues bonds on the domestic and international capital markets in order to meet the Minimum Requirement for own funds and Eligible Liabilities (MREL) set for the Bank by the Single Resolution Board.

	GROUP		BANK	
in EUR million	2023	2024	2023	2024
Debt securities issued	537	954	537	954
Bonds	537	954	537	954
Debt securities issued	**537**	**954**	**537**	**954**

In January 2024, the Bank issued a green senior preferred bond on the international market in the amount of EUR 400 million with an annual interest rate of 4.90%, with maturity in 2029 and with a call option after 4 years.

The analysis of the Debt securities issued as of 31 December 2024 and 31 December 2023 is provided in the table below:

2024	Currency	Nominal value EUR million	Interest	Issuance date	Maturity
Senior Preferred	EUR	45	0.85%	5.2.2021	5.2.2026
Senior Preferred	EUR	400	0.84%	6.7.2021	6.7.2028
Senior Preferred	EUR	90	4.50%	26.6.2023	26.6.2026
Senior Preferred	EUR	400	4.90%	31.1.2024	31.1.2029
Total		**935**			

2023	Currency	Nominal value EUR million	Interest	Issuance date	Maturity
Senior Preferred	EUR	45	0.85%	5.2.2021	5.2.2026
Senior Preferred	EUR	400	0.84%	6.7.2021	6.7.2028
Senior Preferred	EUR	90	4.50%	26.6.2023	26.6.2026
Total		**535**			

Financial instruments at fair value

FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The fair value through profit or loss measurement category to financial assets is a residual measurement category. This measurement category relates to financial assets that are part of residual business models, i.e. they are neither held in 'hold to collect' business model nor held in 'hold to collect and sell' business model. These financial assets are generally expected to be sold before their maturity or they are managed, and their performance is evaluated on a fair value basis. Such business models are typical of assets that are held for trading, assets whose value is expected to be primarily realised through sales.
Additionally, financial assets whose contractual cash flows are not considered as SPPI compliant are automatically measured at fair value through profit or loss.

In the statement of financial position, debt instruments measured at fair value through profit or loss are presented as 'Financial assets held for trading', sub-items 'Other financial assets held for trading' and 'Non-trading financial assets at fair value through profit or loss' (sub-items 'Debt securities', 'Loans and advances to banks' and 'Loans and advances to customers').
Non-trading financial assets measured at fair value through profit or loss consists of financial assets mandatorily measured at fair value presented as 'Financial assets mandatorily at fair value through profit or loss', sub-item 'Debt securities', disclosed in Note 19. Financial assets are mandatorily measured at fair value through profit or loss either because their contractual cash flows are not SPPI compliant, or they are held as part of residual business models that are other than held for trading.
Investments in equity instruments that are held for trading (i.e. financial assets held by the trading function of the Bank) are measured at fair value through profit or loss. They are included in the balance sheet under the line item 'Financial assets held for trading', sub-item 'Other financial assets held for trading'. Investments in equity instruments that are not held for trading are also measured at fair value through profit or loss (unless they are designated at FVOCI). They are presented in the balance sheet under the line item 'Non-trading financial assets at fair value through profit or loss', sub-item 'Equity instruments', sub-category 'mandatorily at fair value through profit or loss' in Note 18.

For recognition of gains and losses resulting from subsequent measurement of financial assets measured at fair value through profit or loss, the following applies:
- Changes in fair value (gains and losses) are recognised in profit or loss, and presented in the line item 'Net trading and fair value result' for financial assets held for trading and in the line item 'Gains/losses from financial instruments measured at fair value through profit or loss' in case of non-trading financial assets at fair value through profit or loss
- Interest income is recognised in profit or loss, by using effective interest rate method, without taking into account any up-front fees or costs directly attributed to the financial assets, and reported in the line item 'Other similar income' under 'Net interest income' in the statement of profit or loss
- Dividend income is recognised in profit or loss, and reported in the line item 'Dividend income' in the statement of profit or loss
- Gains and losses resulting from foreign currency exchange differences are recognised in profit or loss and presented in the line item 'Net trading and fair value result'.

Upon derecognition, gains and losses are recognised in profit or loss, and presented in the line item 'Net trading result' for financial assets held for trading and in the line item 'Gains/losses from financial instruments measured at fair value through profit or loss' in case of non-trading financial assets at fair value through profit or loss.

Financial liabilities measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss consist of financial liabilities held for trading. On the balance sheet, financial liabilities held for trading are reported under the line 'Financial liabilities held for trading', sub items 'Derivatives' and 'Other financial liabilities held for trading'.
For recognition of gains and losses resulting from subsequent measurement of financial liabilities measured at fair value through profit or loss, the following applies:
- Interest expense is reported in the line item 'Other similar expenses' under 'Net interest income' in the statement of profit or loss
- Changes in fair value (gains and losses) are recognised in profit or loss, and are reported, for financial liabilities held for trading in the line item 'Net trading result' in the statement of profit or loss
- Gains or losses resulting from derecognition are recognised in profit or loss, and reported, for financial liabilities held for trading in the line item 'Net trading result' in the statement of profit or loss.

17. Derivatives – held for trading

Derivative financial instruments are used by the Group to manage exposures to interest rates, foreign currencies and other market price risks. Derivatives used by the Group include mainly interest rate swaps, futures, options, forward rate agreements, and cross currency swaps.

Derivative financial instruments are carried at fair value (dirty price) on the balance sheet, classified as financial instruments held for trading. They are reported in the line 'Derivatives' under the heading 'Financial assets/Financial liabilities held for trading'.
Derivatives are carried as assets if their fair value is positive and as liabilities if their fair value is negative. Changes in the fair value (clean price) of derivatives held for trading are reported in the statement of profit or loss under the line 'Net trading and fair value result'. Interest income/expense recognition is based on EIR-like accruals in respect of the derivative notional amount and includes amortisation of the inception value of the derivative (e.g. upfront fees, if any). Interest income/expense related to derivatives is reported in the statement of profit or loss in the line item 'Other similar income' or 'Other similar expenses' under 'Net interest income'.

						GROUP
	2023			2024		
in EUR million	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Derivatives held in the trading book	**1,039**	**22**	**21**	**1,181**	**19**	**18**
Interest rate	568	18	17	796	15	14
Foreign exchange	471	4	4	385	4	4
Derivatives held in the banking book	**94**	**1**	**-**	**127**	**-**	**-**
Interest rate	-	-	-	20	-	-
Foreign exchange	94	1	-	107	-	-
Total	**1,133**	**23**	**21**	**1,308**	**19**	**18**

						BANK
	2023			2024		
in EUR million	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Derivatives held in the trading book	**1,039**	**22**	**21**	**1,181**	**19**	**18**
Interest rate	568	18	17	796	15	14
Foreign exchange	471	4	4	385	4	4
Derivatives held in the banking book	**94**	**1**	**-**	**127**	**-**	**-**
Interest rate	-	-	-	20	-	-
Foreign exchange	94	1	-	107	-	-
Total	**1,133**	**23**	**21**	**1,308**	**19**	**18**

18. Non-trading financial assets at fair value through profit or loss

Financial assets mandatorily at FVPL

	GROUP		BANK	
in EUR million	2023	2024	2023	2024
Equity instruments	1	4	1	4
Debt securities	6	5	6	5
Other financial corporations	5	5	5	5
Non-financial corporations	1	-	1	-
Non-trading financial assets at fair value through profit or loss	**7**	**9**	**7**	**9**

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Non derivative financial assets are measured at fair value through other comprehensive income if both of the following conditions are met:
_ The financial asset is held within a business model whose objective is achieved by both, collecting contractual cash flows and selling financial assets; and
_ The contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through other comprehensive income include debt instruments and equity instruments for which the Group has elected, at initial recognition, the fair value through other comprehensive income measurement.

The common attribute for investments in debt instruments at fair value through other comprehensive income is that an active yield optimisation via sales is integral to achieving the objectives. The sales are carried out in order to optimise the liquidity position or to realise the fair value gains or losses. As a result, the business objectives are achieved through both collecting contractual cash flows and sales of the securities. On the balance sheet, they are included as 'Debt securities' under the line 'Financial asset at fair value through other comprehensive income'.

For certain investments in equity instruments that are not held for trading, the Group makes use of the option to measure them at fair value through other comprehensive income. This election is applied to strategic, significant banking business relationship investments. On the balance sheet, they are included as 'Equity instruments' under the line 'Financial asset at fair value through other comprehensive income'.
For recognition of gains and losses, resulting from subsequent measurement of financial assets measured at fair value through other comprehensive income, different rules apply depending on whether the financial instrument is debt or equity instrument:

Equity instruments
_ Changes in fair value (gains and losses) are recognised in other comprehensive income, and reported under the line 'Fair value reserve of equity instruments' of the statement of other comprehensive income
_ Dividend income is recognised in profit or loss (unless the dividend clearly represents a recovery of part of the cost of investment), and reported under the line 'Dividend income' of the statement of profit or loss
_ Gains and losses resulting from foreign currency exchange differences are recognised in other comprehensive income and reported under the line 'Fair value reserve of equity instruments'.

The accumulated fair value change recognised in other comprehensive income is never reclassified to profit or loss. However, upon derecognition of the investments in equity instruments, the amount accumulated in other comprehensive income is transferred to retained earnings.

Debt instruments
_ Changes in fair value (gains and losses) are recognised in other comprehensive income, and reported under the line 'Fair value reserve of debt instruments' in the statement of other comprehensive income
_ Interest income is recognised in profit or loss, by using effective interest rate method, and reported in the line item 'Interest income' under 'Net interest income' in the statement of profit or loss
_ Allowances for expected credit loss (gains and losses) are recognised in profit or loss against the accumulated impairment amount in other comprehensive income, and reported under the line 'Impairment result from financial instruments' in the statement of profit or loss
_ Gains and losses resulting from foreign currency exchange differences are recognised, in accordance with the requirements of IAS 21, in profit or loss if they relate to the amortised cost part of the asset, reported under the line 'Net trading result and fair value result' and in other comprehensive income if they relate to other foreign currency exchange differences (fair value related), reported under the line 'Fair value reserve of debt instruments'

Upon derecognition, gains and losses previously recognised in other comprehensive income are reclassified to profit or loss and reported under the line 'Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss'.

19. Financial assets at fair value through other comprehensive income- equity instruments

The usage of the FVOCI option for equity instruments is subject to a separate approval process at Group level. Fair Value through Other Comprehensive Income (FVTOCI) is applied for investments which are not held for trading and in which the Group has a strategic interest. Strategic interest is evidenced by significant business and distribution ties between the Group investor entity and the investee entity and those other non-trading equity investments in non-consolidated entities that are acquired on a non-voluntary basis for example as a result of a regulatory debt-to-equity swap or as a result of an equity conversion of defaulted debt.

The carrying amount of equity instruments at FVOCI (fair value through other comprehensive income) as at 31 December 2024 amounts to EUR 0.5 million for the Group and for the Bank (2023: EUR 0.5 million for the Group and for the Bank).

20. Financial assets at fair value through other comprehensive income- debt instruments

The analysis of gross carrying amounts (GCA) and of related credit loss allowances (CLA) of the Group's and the Bank's debt securities at FVOCI per impairment buckets as of 31 December 2024 is provided below:

											GROUP
	GCA				CLA						
in EUR million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Amortised cost	Accumulated OCI changes	Fair value
2024											
General governments	925	-	-	925	-	-	-	-	925	(23)	902
Credit institutions	29	-	-	29	-	-	-	-	29	-	29
Non-financial corporations	53	21	-	74	-	(1)	-	(1)	73	-	73
Total	**1,007**	**21**	**-**	**1,028**	**-**	**(1)**	**-**	**(1)**	**1,027**	**(23)**	**1,004**

											GROUP
	GCA				CLA						
in EUR million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Amortised cost	Accumulated OCI changes	Fair value
2023											
General governments	1,016	-	-	1,016	-	-	-	-	1,016	(51)	965
Credit institutions	64	-	-	64	(1)	-	-	(1)	63	(1)	62
Non-financial corporations	46	22	-	68	-	(2)	-	(2)	66	-	66
Total	**1,126**	**22**	**-**	**1,148**	**(1)**	**(2)**	**-**	**(3)**	**1,145**	**(52)**	**1,093**

											BANK
	GCA				CLA						
in EUR million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Amortised cost	Accumulated OCI changes	Fair value
2024											
General governments	849	-	-	849	-	-	-	-	849	(23)	826
Credit institutions	29	-	-	29	-	-	-	-	29	-	29
Non-financial corporations	53	21	-	74	-	(1)	-	(1)	73	-	73
Total	**931**	**21**	**-**	**952**	**-**	**(1)**	**-**	**(1)**	**951**	**(23)**	**928**

20. Financial assets at fair value through other comprehensive income- debt instruments (continued)

											BANK
	GCA				CLA						
in EUR million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Amortised cost	Accumulated OCI changes	Fair value
2023											
General governments	959	-	-	959	-	-	-	-	959	(48)	911
Credit institutions	64	-	-	64	(1)	-	-	(1)	63	(1)	62
Non-financial corporations	46	22	-	68	-	(2)	-	(2)	66	-	66
Total	**1,069**	**22**	**-**	**1,091**	**(1)**	**(2)**	**-**	**(3)**	**1,088**	**(49)**	**1,039**

The gross carrying amount of debt instruments at FVOCI equals the amortised cost before deducting any credit loss allowances. In accordance with IFRS9, for debt instruments classified into this category, other comprehensive income combines the effects of credit loss allowances booked in other comprehensive income and fair value accounting through other comprehensive income.

For information about development of credit loss allowances refer to Note 31 Development of credit loss allowances, part 'Financial assets at fair value through other comprehensive income – debt instruments': table 'Movement in credit loss allowances – debt instrument financial assets'

Debt securities include bonds issued by the Republic of Croatia and other government and corporate bonds.

Bonds of the Republic of Croatia are EUR denominated fixed income debt securities listed at stock exchanges. These bonds have maturities from 2025 to 2034 and bear coupon interest from 0.250% to 4.250% p.a.

Bonds of Republic of Poland are fixed income debt securities denominated in USD and EUR and listed on stock exchanges. These bonds have maturity from 2025 to 2033 and bear coupon interest from 3.125% to 5.250% p.a. Bonds of Montenegro are fixed income debt securities denominated in EUR and listed on stock exchanges. These bonds have maturity from 2025 to 2029 and bear coupon interest from 2.550% to 3.375% p.a. Bonds of Republic of Slovakia are fixed income debt securities denominated in EUR and listed on stock exchanges. These bonds have maturities from 2026 to 2031 and bear coupon interest from 0.625% to 3.000% p.a. Bonds of United States of America are fixed income debt securities denominated in USD and listed on stock exchanges. These bonds have maturities from 2025 to 2031 and bear coupon interest from 0.750% to 4.250% p.a.

Also, in financial assets at fair value through other comprehensive income are bonds issued by European investment Bank denominated in USD with maturity in 2025 and with coupon interest of 0.625 p.a. and bonds issued by KfW Bank denominated in USD with maturity in 2025 and with coupon interest of 2.000% p.a.

Financial assets at fair value through other comprehensive income are measured at fair value based on quoted prices. In circumstances where quoted market prices are not readily available, the fair value of these securities is estimated using the present value of future cash flows.

Financial instruments – other disclosure matters

21. Fair value of assets and liabilities

Fair value of financial instruments

The measurement of fair value at the Group is based primarily on external sources of data (stock market prices or broker quotes in highly liquid market segments). Financial instruments for which fair value is determined on the basis of quoted market prices are mainly listed securities and derivatives as well as liquid Over-The-Counter (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. Disclosures on valuation models, the fair value hierarchy and fair values of financial instruments can be found subsequently.

All financial instruments are measured at fair value on recurring basis.

Financial instruments measured at fair value in the statement of financial position

Description of the valuation models and inputs
The Group uses valuation models which have been tested internally and for which the valuation parameters (such as interest rates, exchange rates, volatilities and credit spreads) have been determined independently. In case of the negative interest environment the Group uses models which are able to deal sufficiently with the presented market conditions. Consequently, such negative interest rates do not restrict the valuation models.

Debt securities
For plain vanilla (fixed and floating) 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 modelling 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 ap-proach, 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.

21. Fair value of assets and liabilities (continued)

In some 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.

OTC-derivative financial instruments

Derivative instruments traded in liquid markets are valued by standard valuation models.

The 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 and notional size. Parameters are reviewed on a regular basis or in case of significant market moves. Netting is not applied when determining the bid-ask-spread adjustments.

Credit value adjustments (CVA) for counterparty risk and debt value adjustments (DVA) for the own default credit risk are applied to OTC derivatives.

According to the described methodology the amount of cumulative CVA-adjustment was EUR 309 thousand as at 31 December 2024 (2023: EUR 674 thousand) and the total amount of DVA-adjustment amount was EUR 552 thousand as at 31 December 2024 (2023: EUR 857 thousand).

Validation and control

The responsibility for valuation of a position measured at fair value is independent from trading units. Additionally, the Group has implemented an independent validation function in order to ensure separation between units responsible for model development, fair value determination and validation. The target 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 measurement includes shares, government bonds as well as other bonds and funds, which are traded in highly liquid and active markets.

21. Fair value of assets and liabilities (continued)

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 measurement includes OTC derivatives, theoretically priced exchange traded derivatives less liquid shares, bonds, funds and own issues.

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. For Level 3 valuations , typically credit spreads 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.

Level 3 measurement includes shares, participations and funds not quoted in an active market, illiquid bonds.

The allocation of positions to levels and any changes between the levels are reflected at the end of the reporting period.

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

The table below shows the classification of financial instruments carried at fair value with respect to levels of fair value hierarchy.

								GROUP
	2023				2024			
in EUR million	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Financial assets HFT	-	21	2	23	-	18	1	19
Derivatives	-	21	2	23	-	18	1	19
Non-trading financial assets – FVPL	2	-	5	7	5	-	4	9
Equity instruments	-	-	1	1	2	-	2	4
Debt securities	2	-	4	6	3	-	2	5
Financial assets – FVOCI	902	178	13	1,093	639	335	31	1,005
Equity instruments	-	-	-	-	-	-	1	1
Debt securities	902	178	13	1,093	639	335	30	1,004
Total assets	**904**	**199**	**20**	**1,123**	**644**	**353**	**36**	**1,033**
Liabilities								
Financial liabilities HFT	-	21	-	21	-	18	-	18
Derivatives	-	21	-	21	-	18	-	18
Total liabilities	**-**	**21**	**-**	**21**	**-**	**18**	**-**	**18**

21. Fair value of assets and liabilities (continued)

								BANK
	2023				2024			
in EUR million	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Financial assets HFT	-	21	2	23	-	18	1	19
Derivatives	-	21	2	23	-	18	1	19
Non-trading financial assets – FVPL	2	-	5	7	5	-	4	9
Equity instruments	-	-	1	1	2	-	2	4
Debt securities	2	-	4	6	3	-	2	5
Financial assets – FVOCI	858	178	3	1,039	571	335	23	929
Equity instruments	-	-	-	-	-	-	1	1
Debt securities	858	178	3	1,039	571	335	22	928
Total assets	**860**	**199**	**10**	**1,069**	**576**	**353**	**28**	**957**
Liabilities								
Financial liabilities HFT	-	21	-	21	-	18	-	18
Derivatives	-	21	-	21	-	18	-	18
Total liabilities	**-**	**21**	**-**	**21**	**-**	**18**	**-**	**18**

Valuation process for financial instruments categorised as Level 3

The valuation of financial instruments categorised 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 to 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.

Transfer of Level 1 and Level 2

In 2024, government bonds measured at FVOCI were transferred from Level 1 to Level 2 in the amount of EUR 146 million for the Bank and for the Group, caused by changes in market activities and consequently due to the quality and observability of valuation parameters. In 2023, there were no transfers between Levels 1 and 2 for recurring fair value measurements during the year for the Bank and for the Group.
There have been no transfers of financial assets measured at fair value from Level 2 to Level 1 in 2024 and in 2023.

21. Fair value of assets and liabilities (continued)

Movements in Level 3 of financial instruments carried at fair value

The following tables show the development of fair value of financial instruments for which valuation models are based on non-observable inputs:

											GROUP
in EUR million	As of	Gain/(loss) in P&L	Gain/(loss) in OCI	Purchases	Sales	Transfer in the group	Transfers into Level 3	Transfers out of Level 3	Settlements	Currency translation	As of
	Jan 2024										Dec 2024
Assets											
Financial assets held for trading	2	-	-	-	-	-	-	(1)	-	-	1
Derivatives	2	-	-	-	-	-	-	(1)	-	-	1
Non-trading financial assets – FVPL	5	1	-	-	-	-	-	(2)	-	-	4
Equity instruments	1	-	-	-	-	1	-	-	-	-	2
Debt securities	4	1	-	-	-	(1)	-	(2)	-	-	2
Financial assets – FVOCI	13	-	(1)	-	-	-	25	(5)	(1)	-	31
Equity instruments	-	-	-	-	-	-	1	-	-	-	1
Debt securities	13	-	(1)	-	-	-	24	(5)	(1)	-	30
Total assets	**20**	**1**	**(1)**	**-**	**-**	**-**	**25**	**(8)**	**(1)**	**-**	**36**

										GROUP
in EUR million	As of	Gain/(loss) in P&L	Gain/(loss) in OCI	Purchases	Sales	Transfers into Level 3	Transfers out of Level 3	Settlements	Currency translation	As of
	Jan 2023									Dec 2023
Assets										
Financial assets held for trading	-	-	-	-	-	2	-	-	-	2
Derivatives	-	-	-	-	-	2	-	-	-	2
Non-trading financial assets – FVPL	4	1	-	-	-	-	-	-	-	5
Equity instruments	1	-	-	-	-	-	-	-	-	1
Debt securities	3	1	-	-	-	-	-	-	-	4
Financial assets – FVOCI	12	-	1	-	-	3	-	(3)	-	13
Equity instruments	1	-	-	-	-	-	-	(1)	-	-
Debt securities	11	-	1	-	-	3	-	(2)	-	13
Total assets	**16**	**1**	**1**	**-**	**-**	**5**	**-**	**(3)**	**-**	**20**

21. Fair value of assets and liabilities (continued)

BANK											
in EUR million	As of	Gain/(loss) in P&L	Gain/(loss) in OCI	Purchases	Sales	Transfer in the group	Transfers into Level 3	Transfers out of Level 3	Settlements	Currency translation	As of
	Jan 2024										Dec 2024
Assets											
Financial assets held for trading	2	-	-	-	-	-	-	(1)	-	-	1
Derivatives	2	-	-	-	-	-	-	(1)	-	-	1
Non-trading financial assets – FVPL	5	1	-	-	-	-	-	(2)	-	-	4
Equity instruments	1	-	-	-	-	1	-	-	-	-	2
Debt securities	4	1	-	-	-	(1)	-	(2)	-	-	2
Financial assets – FVOCI	3	-	(2)	-	-	-	25	(2)	(1)	-	23
Equity instruments	-	-	-	-	-	-	1	-	-	-	1
Debt securities	3	-	(2)	-	-	-	24	(2)	(1)	-	22
Total assets	**10**	**1**	**(2)**	**-**	**-**	**-**	**25**	**(5)**	**(1)**	**-**	**28**

BANK										
in EUR million	As of	Gain/(loss) in P&L	Gain/(loss) in OCI	Purchases	Sales	Transfers into Level 3	Transfers out of Level 3	Settlements	Merger	As of
	Jan 2023									Dec 2023
Assets										
Financial assets held for trading	-	-	-	-	-	2	-	-	-	2
Derivatives	-	-	-	-	-	2	-	-	-	2
Non-trading financial assets – FVPL	4	1	-	-	-	-	-	-	-	5
Equity instruments	1	-	-	-	-	-	-	-	-	1
Debt securities	3	1	-	-	-	-	-	-	-	4
Financial assets – FVOCI	3	-	-	-	-	3	-	(3)	-	3
Equity instruments	1	-	-	-	-	-	-	(1)	-	-
Debt securities	2	-	-	-	-	3	-	(2)	-	3
Total assets	**7**	**1**	**-**	**-**	**-**	**5**	**-**	**(3)**	**-**	**10**

Unobservable inputs and sensitivity analysis for level 3 measurements

In case where the fair value 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 Statement of Financial Position the parameters were chosen to reflect the market conditions at the reporting date.

21. Fair value of assets and liabilities (continued)

The range of unobservable valuation parameters used in level 3 measurements is shown in the following table:

Financial assets	Type of instrument	Fair value	Valuation technique	Significant unobservable inputs	Range of unobservable inputs (weighted average)
31 December 2024					**GROUP**
Financial assets at fair value through other comprehensive income	Bonds and commercial papers	29	Discounted cash flow	Credit spread	1.13% - 3.56% (1.76)
Financial assets at FVPL	Non-trading equity instruments (participations)	1	Dividend Discount Model	Beta relevered	Industry: Insurance (General) 0.95
Financial assets at FVPL	Non-trading equity instruments (participations)	2	Valution mix: DCF model, market comparable companies	Beta relevered, Country risk premium	Beta relevered: 1.4, Country risk premium: Croatia 1.5 Serbia 2.3 Slovenia 0.8 BiH 3.9 Other 4.3
31 December 2023					**GROUP**
Financial assets at fair value through other comprehensive income	Bonds and commercial papers	13	Discounted cash flow	Credit spread	1.76% - 5.24% (3.40)
Financial assets at FVPL	Bonds and commercial papers	1	Discounted cash flow	Credit spread	1.76% - 5.24% (3.40)

Financial assets	Type of instrument	Fair value	Valuation technique	Significant unobservable inputs	Range of unobservable inputs (weighted average)
31 December 2024					**BANK**
Financial assets at fair value through other comprehensive income	Bonds and commercial papers	22	Discounted cash flow	Credit spread	1.13% - 2.06% (1.16%)
Financial assets at FVPL	Non-trading equity instruments (participations)	1	Dividend Discount Model	Beta relevered	Industry: Insurance (General) 0.95
Financial assets at FVPL	Non-trading equity instruments (participations)	2	Valution mix: DCF model, market comparable companies	Beta relevered, Country risk premium	Beta relevered: 1.4, Country risk premium Croatia 1.5 Serbia 2.3 Slovenia 0.8 BiH 3.9 Other 4.3
31 December 2023					**BANK**
Financial assets at fair value through other comprehensive income	Bonds and commercial papers	3	Discounted cash flow	Credit spread	2.01% - 5.24% (4.55%)
Financial assets at FVPL	Bonds and commercial papers	1	Discounted cash flow	Credit spread	2.01% - 5.24% (4.55%)
Financial assets at FVPL	Non-trading equity instruments (participations)	1	Valution mix: DCF model, market comparable companies	Beta relevered, Country risk premium	Beta relevered: 1.3, Country risk premium Croatia 1.8 Serbia 2.7 Slovenia 0.8 BiH 3.9 Other 4.3

For the remaining financial instruments in the amount of EUR 3 million for the Group and for the Bank (2023: EUR 3 million for the Group and for the Bank) measured at fair value in Level 3, fair value is retrieved from observable input.

In estimating sensitivity impacts, mainly changes in credit spreads for bonds were considered. The ranges of reasonably possible alternatives of the unobservable inputs were considered in the sensitivity analysis for debt securities range of credit spreads between +100 basis points and - 75 basis points. Effect in other comprehensive income for positive fair value change is EUR 0.58 million and for negative EUR 0.77 million.

21. Fair value of assets and liabilities (continued)

Financial instruments not measured at fair value

The following table shows fair values and fair value hierarchy of financial instruments not measured at fair value for the year end 2024 and 2023.

					GROUP
2024	Carrying amount	Fair value	Quoted market prices in active markets Level 1	Marked to model based on observable market data Level 2	Marked to model based on non-observable inputs Level 3
in EUR million					
ASSETS					
Financial assets at AC	11,085	10,858	1,380	709	8,769
Loans and advances to banks	79	78	-	-	78
Loans and advances to customers	8,904	8,691	-	-	8,691
Debt securities	2,102	2,089	1,380	709	-
Finance lease receivables	568	554	-	-	554
Trade and other receivables	179	180	-	-	180
LIABILITIES					
Financial liabilities measured at amortised costs	14,330	14,303	829	140	13,334
Deposits from banks	796	760	-	-	760
Deposits from customers	12,553	12,547	-	-	12,547
Debt securities issued	954	969	829	140	-
Other financial liabilities	27	27	-	-	27
FINANCIAL GUARANTEES AND COMMITMENTS					
Financial guarantees	-	2	-	-	2
Irrevocable commitments	-	58	-	-	58

					GROUP
2023	Carrying amount	Fair value	Quoted market prices in active markets Level 1	Marked to model based on observable market data Level 2	Marked to model based on non-observable inputs Level 3
in EUR million					
ASSETS					
Financial assets at AC	10,357	10,173	1,462	283	8,428
Loans and advances to banks	68	65	-	-	65
Loans and advances to customers	8,486	8,363	-	-	8,363
Debt securities	1,803	1,745	1,462	283	-
Finance lease receivables	483	476	-	-	476
Trade and other receivables	170	239	-	-	239
LIABILITIES					
Financial liabilities measured at amortised costs	12,841	12,798	401	137	12,260
Deposits from banks	784	766	-	-	766
Deposits from customers	11,382	11,356	-	-	11,356
Debt securities issued	537	538	401	137	-
Other financial liabilities	138	138	-	-	138
FINANCIAL GUARANTEES AND COMMITMENTS					
Financial guarantees	-	8	-	-	8
Irrevocable commitments	-	29	-	-	29

21. Fair value of assets and liabilities (continued)

Financial instruments not measured at fair value (continued)

					BANK
2024	**Carrying amount**	**Fair value**	**Quoted market prices in active markets Level 1**	**Marked to model based on observable market data Level 2**	**Marked to model based on non-observable inputs Level 3**
in EUR million					
ASSETS					
Financial assets at AC	10,490	10,277	1,333	709	8,235
Loans and advances to banks	52	52	-	-	52
Loans and advances to customers	8,383	8,183	-	-	8,183
Debt securities	2,055	2,042	1,333	709	-
Trade and other receivables	179	179	-	-	179
LIABILITIES					
Financial liabilities measured at amortised costs	13,200	13,196	829	140	12,227
Deposits from banks	271	258	-	-	258
Deposits from customers	11,943	11,936	-	-	11,936
Debt securities issued	954	969	829	140	-
Other financial liabilities	32	33	-	-	33
FINANCIAL GUARANTEES AND COMMITMENTS					
Financial guarantees	-	2	-	-	2
Irrevocable commitments	-	56	-	-	56

					BANK
2023	**Carrying amount**	**Fair value**	**Quoted market prices in active markets Level 1**	**Marked to model based on observable market data Level 2**	**Marked to model based on non-observable inputs Level 3**
in EUR million					
ASSETS					
Financial assets at AC	9,620	9,451	1,420	283	7,748
Loans and advances to banks	31	30	-	-	30
Loans and advances to customers	7,832	7,718	-	-	7,718
Debt securities	1,757	1,703	1,420	283	-
Trade and other receivables	109	160	-	-	160
LIABILITIES					
Financial liabilities measured at amortised costs	11,678	11,648	401	137	11,110
Deposits from banks	308	301	-	-	301
Deposits from customers	10,781	10,757	-	-	10,757
Debt securities issued	537	538	401	137	-
Other financial liabilities	52	52	-	-	52
FINANCIAL GUARANTEES AND COMMITMENTS					
Financial guarantees	-	7	-	-	7
Irrevocable commitments	-	26	-	-	26

Carrying amount for Financial guarantees and Irrevocable commitments represents amount of fee recognized in Statement of financial position which is represented under Trade and other receivables.

The carrying amount of financial guarantees and irrevocable commitments approximates their fair value.

21. Fair value of assets and liabilities (continued)

The fair value of loans to and receivables from 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. For the calculation of fair value loans and receivables 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 spread. 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 amortised cost is based on market prices or on observable market parameters, if these are available. For issued securities where fair value cannot be retrieved from quoted market prices, fair value is calculated by discounting the future cash flows. The applied discount rate is based on the interest rates at which instruments with comparable characteristics could have been issued at the balance sheet date. Moreover, optionality is taken into account when calculating the fair value.

The fair value of off-balance sheet liabilities (i.e. financial guarantees and unused loan commitments) is estimated using the regulatory credit conversion factors. The resulting loan equivalents are treated like other on-balance sheet assets.

22. Offsetting of financial instruments

The following table shows netting effects on the balance sheet of Erste Group as well as the impacts of offsetting financial instruments which are subject to offsetting agreements.

Financial assets and liabilities subject to offsetting and potential offsetting agreements in 2024

GROUP

in EUR million	Gross amounts in statement of financial position	Amounts set off against financial liabilities	Net amounts in statement of financial position	Potential effects of netting agreements not qualifying for statement of financial position offsetting			Net amount after potential offsetting
				Financial instruments	Cash collateral received	Non-cash financial collateral received	
Assets							
Derivatives	19	-	19	(5)	(12)	-	2
Reverse repurchase agreements	40	-	40	-	-	(40)	-
Total	**59**	**-**	**59**	**(5)**	**(12)**	**(40)**	**2**
Liabilities							
Derivatives	18	-	18	(5)	(2)	-	11
Repurchase agreements	77	-	77	-	-	(77)	-
Total	**95**	**-**	**95**	**(5)**	**(2)**	**(77)**	**11**

BANK

in EUR million	Gross amounts in statement of financial position	Amounts set off against financial liabilities	Net amounts in statement of financial position	Potential effects of netting agreements not qualifying for statement of financial position offsetting			Net amount after potential offsetting
				Financial instruments	Cash collateral received	Non-cash financial collateral received	
Assets							
Derivatives	19	-	19	(5)	(12)	-	2
Reverse repurchase agreements	40	-	40	-	-	(40)	-
Total	**59**	**-**	**59**	**(5)**	**(12)**	**(40)**	**2**
Liabilities							
Derivatives	18	-	18	(5)	(2)	-	11
Repurchase agreements	77	-	77	-	-	(77)	-
Total	**95**	**-**	**95**	**(5)**	**(2)**	**(77)**	**11**

22. Offsetting of financial instruments (continued)

Financial assets and liabilities subject to offsetting and potential offsetting agreements in 2023

GROUP

in EUR million	Gross amounts in statement of financial position	Amounts set off against financial liabilities	Net amounts in statement of financial position	Potential effects of netting agreements not qualifying for statement of financial position offsetting			Net amount after potential offsetting
				Financial instruments	Cash collateral received	Non-cash financial collateral received	
Assets							
Derivatives	23	-	23	(2)	(18)	-	3
Reverse repurchase agreements	10	-	10	-	-	(10)	-
Total	**33**	**-**	**33**	**(2)**	**(18)**	**(10)**	**3**
Liabilities							
Derivatives	21	-	21	(2)	(3)	-	16
Repurchase agreements	81	-	81	-	-	(81)	-
Total	**102**	**-**	**102**	**(2)**	**(3)**	**(81)**	**16**

BANK

in EUR million	Gross amounts in statement of financial position	Amounts set off against financial liabilities	Net amounts in statement of financial position	Potential effects of netting agreements not qualifying for statement of financial position offsetting			Net amount after potential offsetting
				Financial instruments	Cash collateral received	Non-cash financial collateral received	
Assets							
Derivatives	23	-	23	(2)	(18)	-	3
Reverse repurchase agreements	10	-	10	-	-	(10)	-
Total	**33**	**-**	**33**	**(2)**	**(18)**	**(10)**	**3**
Liabilities							
Derivatives	21	-	21	(2)	(3)	-	16
Repurchase agreements	81	-	81	-	-	(81)	-
Total	**102**	**-**	**102**	**(2)**	**(3)**	**(81)**	**16**

22. Offsetting of financial instruments (continued)

The Bank uses repurchase agreements and master netting agreements as a means of reducing credit risk of derivative and financing transactions. They qualify as potential offsetting agreements. Master netting agreements are relevant for counterparties with multiple derivative contracts. They provide for the net settlement of all the contracts in the event of default of any counterparty. For derivatives transactions the values of assets and liabilities which would be set off as a result of master netting agreements are presented in the column ‘Financial instruments’.
Repurchase agreements are primarily financing transactions. They are structured as a sale and subsequent repurchase of securities at a preagreed price and time. This ensures that the securities remain in hands of lender as collateral in case the borrower defaults on fulfilling any of its obligations. Offsetting effects resulting from repurchase agreements are presented in the column ‘Non-cash financial collateral received/pledged’ respectively. Collateral is presented at fair value of the transferred securities. However, if fair value of collateral exceeds the carrying amount of the receivable/liability from the repo transaction the value is capped at the level of the carrying amount. Remaining position may be secured by cash collateral. Cash and non-cash financial collateral involved in these transactions is restricted from using it by the transferor during the time of the pledge. For further details regarding repurchase and reverse repurchase transactions refer to Note 23 Transfers of financial assets – repurchase transactions and securities lending.

23. Transfers of financial assets – repurchase transactions and securities lending

Repurchase and reverse repurchase agreements

A repurchase agreement is characterized by a sale and an obligation or right to repurchase the asset whereas the repurchase price has already been agreed at the time of contract conclusion.

The corresponding cash received is recognised on the balance sheet with a corresponding obligation to return it, under the line item 'Financial liabilities measured at amortised cost', sub-items 'Deposits from banks' or 'Deposits from customers' reflecting the transaction's economic substance as a loan to the Group.
Financial assets that are subject of a repurchase transaction shall not cease to be recognised as the Group retains all rights and benefits of ownership of those assets and are reported in accordance with the accounting policy, depending on the category of measurement into which it was initially classified.The difference between the sale and repurchase prices is accrued over the life of the agreement and recognised as interest expense in profit or loss, reported in the line item 'Interest expenses' under 'Net interest income' in the statement of profit or loss.
Any income (coupon or dividend payment) on the underlying security received by the buyer during the period of the repo transaction is passed on to the Group.

A reverse repurchase agreement covers transactions in which the Group places its funds to a counterparty and accepts financial assets as collateral. The consideration paid is recognised on the balance sheet under the line item 'Financial assets at amortised cost', sub-items 'Loans and advances to banks' and 'Loans and advances to customers' reflecting the transaction's economic substance as a loan by the Group. The difference between the purchase and resale price is accrued over the life of the agreement and recognised as interest income, reported in the statement of profit or loss in the line item 'Interest income' under 'Net interest income'.

	GROUP			
in EUR million	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
	2023		2024	
Repurchase agreements				
Financial assets at AC	4	4	39	36
Financial assets at FVOCI	82	77	42	41
Total – repurchase agreements	**86**	**81**	**81**	**77**

	BANK			
in EUR million	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
	2023		2024	
Repurchase agreements				
Financial assets at AC	4	4	39	36
Financial assets at FVOCI	82	77	42	41
Total – repurchase agreements	**86**	**81**	**81**	**77**

The transferred financial instruments consist of bonds.

The total amount of EUR 82 million (2023: EUR 86 million) for the Group and for the Bank represent the carrying amount of financial assets in the respective statement of financial position items for which the transferee has a right to sell or repledge.

Liabilities from repo transactions, which are measured at amortised cost, in the amount of EUR 77 million in 2024 (2023: EUR 81 million) for the Group and for the Bank represent an obligation to repay the borrowed funds.

23. Transfers of financial assets – repurchase transactions and securities lending (continued)

The following table shows the fair values of the transferred assets and associated liabilities that have recourse only on the transferred assets. In the Group and the Bank, these assets and liabilities relate to repo transactions.

						GROUP
in EUR million	Fair value of transferred assets	Fair value of associated liabilities	Net position	Fair value of transferred assets	Fair value of associated liabilities	Net position
		2023			2024	
Financial assets at AC	4	4	-	37	35	2
Financial assets at FVOCI	82	77	5	42	40	2
Total	**86**	**81**	**5**	**79**	**75**	**4**

						BANK
in EUR million	Fair value of transferred assets	Fair value of associated liabilities	Net position	Fair value of transferred assets	Fair value of associated liabilities	Net position
		2023			2024	
Financial assets at AC	4	4	-	37	35	2
Financial assets at FVOCI	82	77	5	42	40	2
Total	**86**	**81**	**5**	**79**	**75**	**4**

24. Financial assets pledged as collateral

The following financial assets were pledged as collaterals:

	GROUP		BANK	
in EUR million	2023	2024	2023	2024
Financial assets at amortised cost	106	131	106	131
of which debt securities	11	48	11	48
Financial assets at FVOCI	82	42	82	42
Total	**188**	**173**	**188**	**173**

The financial assets pledged as collateral consist of bonds and loans.
Collaterals were pledged as a result of repo transactions and collateralised deposits.

The fair value of collateral received which may be repledged or resold even without the collateral provider's default was EUR 44 million for the Group and for the Bank (2023: EUR 12 million for the Group and for the Bank).

25. Securities

GROUP

in EUR million	Financial assets At AC	Trading assets	Mandatorily at FVPL	At FVOCI	Total 2023	Financial assets At AC	Trading assets	Mandatorily at FVPL	At FVOCI	Total 2024
Bonds and other interest-bearing securities	**1,803**	**-**	**6**	**1,093**	**2,902**	**2,102**	**-**	**5**	**1,004**	**3,111**
Listed	1,803	-	1	1,092	2,896	2,102	-	-	1,004	3,106
Unlisted	-	-	5	1	6	-	-	5	-	5
Equity-related securities	**-**	**-**	**1**	**-**	**1**	**-**	**-**	**4**	**1**	**5**
Listed	-	-	-	-	-	-	-	-	1	1
Unlisted	-	-	1	-	1	-	-	4	-	4
Total	**1,803**	**-**	**7**	**1,093**	**2,903**	**2,102**	**-**	**9**	**1,005**	**3,116**

BANK

in EUR million	Financial assets At AC	Trading assets	Mandatorily at FVPL	At FVOCI	Total 2023	Financial assets At AC	Trading assets	Mandatorily at FVPL	At FVOCI	Total 2024
Bonds and other interest-bearing securities	**1,757**	**-**	**6**	**1,039**	**2,802**	**2,055**	**-**	**5**	**928**	**2,988**
Listed	1,757	-	1	1,038	2,796	2,055	-	-	928	2,983
Unlisted	-	-	5	1	6	-	-	5	-	5
Equity-related securities	**-**	**-**	**1**	**-**	**1**	**-**	**-**	**4**	**1**	**5**
Unlisted	-	-	1	-	1	-	-	4	1	5
Total	**1,757**	**-**	**7**	**1,039**	**2,803**	**2,055**	**-**	**9**	**929**	**2,993**

Investment funds units are reported within bonds and other interest-bearing securities.

Securities lending and repurchase transactions are disclosed in Note 23. Transfers of financial assets-repurchase transactions and securities lending.

Risk management

26. Risk management

Risk policy and strategy

It is a core function of every bank to take risks in a conscious and selective manner and to manage such risks professionally. The Group's proactive risk policy and strategy aims at achieving balanced risk and return in order to generate a sustainable and adequate return on equity.

The Group uses a risk management and control system that is proactive and tailored to its business and risk profile. It is based on a clear risk strategy that is consistent with the Group's business strategy and focused on early identification and management of risks and trends. In addition to meeting the internal goal of effective and efficient risk management, the Bank's risk management and control systems have been developed to fulfil external and, in particular, regulatory requirements.

Given the Bank's business strategy, the key risks for the Bank are credit risk, market risk, liquidity risk, and operational risk. The Bank also focuses on managing macroeconomic risks as well as concentrations within and across risk types. In addition, the Bank's control and risk management framework considers a range of other significant risks faced by the banking Group. The Bank always seeks to enhance and complement existing methods and processes, in all areas of risk management.

Risk management organisation

Risk monitoring and control is achieved through a clear organisational structure with defined roles and responsibilities, delegated authorities, and risk limits.

Overview of risk management structure

The Management Board, and in particular the Bank's Chief Risk Officer (CRO), must perform its oversight function within the Bank's risk management structure. Risk control and management functions within the Bank are performed based on the business and risk appetite approved by the Management Board. The CRO is responsible for the implementation of and adherence to the risk control and risk management strategies across all risk types and business lines.

The Management Board and the CRO ensure the availability of appropriate infrastructure and staff as well as methods, standards and processes to that effect. The actual identification, measurement, assessment, approval, monitoring, steering and limit setting for the relevant risks are performed at the operating entity level within the Bank.

The Management Board is supported by several divisions established to perform risk management function and exercise strategic risk management responsibilities.

The following risk management functions report directly to the CRO:
- Credit Risk Management Division
- Risk Management Division
- Non-Financial Risk Division.

26. Risk management (continued)

Risk management organization (continued)

Corporate Credit Risk Management Department

The Corporate Risk Management Department within the Credit Risk Management Division implements credit risk management and monitors the balance of credit portfolios of clients that are categorized as belonging to the SME Division, Large Corporate Division, and according to the responsibilities set out in the relevant acts.

The Department analyses credit applications and based on them, issues opinion on the credit risk from the risk perspective. It analyses the projects and evaluates its eligibility for financing from the risk perspective. It also performs an analysis of the Bank's/Group's overall exposure to the client/group of connected customers, monitors early warning signals and controls early collection. According to financial statements the Department prepares financial rating of a client as one of the components of final rating grade of a client.

Retail Credit Risk Management Department

Retail Risk Management Department within the Credit Risk Management Division manages credit risk and monitors the credit portfolio balance of clients from the Retail Sector. The Department analyses requests for credits and issues an opinion on them from the risk perspective. It performs an analysis of the projects and evaluates its eligibility for financing from the risk perspective. It also performs an analysis of the Bank's overall exposure to the client.

The Department follows Group standards within its scope, coordinates and creates local policies and procedures and monitors their fulfilment. The Department is responsible for organization of early collection process for retail clients as well as review of portfolio quality, in accordance with relevant acts.

Credit Risk Monitoring Department

Credit risk monitoring Department within the Credit Risk Management Division maintains and improves the credit process and its tools and applications for approving and monitoring of credit applications and as well as monitoring of overall exposure on product, client or portfolio level. The Department is responsible for defining rules for approval of credit exposure, approval and deviation analysis, approval competences, covenant monitoring, also maintenance and improvement of early warning signals system, set up and monitoring of limit utilization, system and rules for onboarding procedure of group of connected clients, early and late collection system.

The Department follows Group and regulatory standards within its scope of credit risk in corporate, retail and workout processes, initiates, coordinates and creates local policies and procedures and monitors their fulfilment in Bank and its subsidiaries. Also, the Department analyses portfolio and creates reports primarily for internal purposes.

Corporate Workout Department and Retail Workout Department

Corporate Workout Department and Retail Work-out Department within the Credit Risk Management Division, which follow the business lines in the sales sectors, are in charge of managing and collection of non-performing exposure by means of a continuous and systematic development of solutions to eliminate and reduce risks in dealing with work-out clients. They define appropriate collection strategies toward cliens or selected portfolios through distress restructurings or late collection process including enforcement, pre-bancruptcy and bankruptcy proceedings, debt sale, debt settlements, write-offs or collection through repossessed asset. In line with expected collection and given methodology are responsible for Stage 3 provision calculation.

26. Risk management (continued)

Risk management organization (continued)

Risk Strategy and Reporting Department

The Risk Strategy and Reporting Department within the Risk Management Division takes part in the process of planning the activities of the Group and the Bank from the risk management point of view. It monitors the execution of risk management-related planned and strategically determined goals and plans, both of the Group and the Bank. The Department monitors risk-related regulatory changes and group standards, initiates, coordinates and creates policies and other procedure, and monitors their fulfilment, all within its scope of activities prescribed by other acts. The Department adopts policies and procedures that define collateral acceptability and valuation standards and evaluates their implementation. Also performs the analysis of the structure and quality of portfolios and prepares reports on the structure and quality of portfolios.

It proposes guidelines for the optimization of accepted risks, in order to improve certain exposure classes, ratings and collaterals. The Department also executes and creates reports related to credit risk with the prescribed dynamics, in compliance with legal regulations and standards of the Group and the Bank. The Risk Strategy and Reporting Department, together with other departments and Bank organisational units, actively participates in the process of managing data quality and evaluating the adequacy of internal control systems.

Quantitative Research Department

Quantitative Research Department (QRD) within the Risk Management Division is responsible for implementation of Basel standards, regulatory requirements and guidelines, as well as Erste Group standards with respect to internal rating-based approach for calculation of capital requirements for credit risk and enterprise-wide risk management.

QRD introduces, coordinates the development and participates in development, implementation and monitoring of different types of quantitative models as well as calculation of credit risk parameters which are used for measurement, segmentation and management of credit risks in line with best practice and group standards as well as implementation in the Bank’s processes (including constant enhancement of business processes connected with above mentioned calculations). This includes IRB models and IFRS 9 methodology. QRD is responsible for efficiency of implemented models and performs calibration and participates in calibration of models in line with Erste Group principles and participates in validation of the same in collaboration with Erste Group. QRD also reports about the parameters and models and performs modelling of macroeconomic impact on risk models and Bank business as a whole.

QRD strives to achieve holistic approach in managing risks through enterprise-wide risk management. By defining risk strategy and Risk Appetite Statement which includes all risk departments, a framework for responsible and prudent risk taking is ensured. Enterprise-wide risk management encompasses Internal Capital Adequacy Assessment Process (ICAAP) which includes the identification of risks to which the Bank/EBC Group is exposed or might be exposed in the future and the assessment of economic capital adequacy. Identification of risks is performed through risk materiality assessment, concentration risk analysis and stress testing. Material risks are managed through calculation of regulatory and internal capital requirements and through the limit and control systems. QRD calculates the economic capital adequacy on a quarterly basis, i.e. coverage of internal capital requirements, for relevant risks, with internal capital. In addition, through enterprise-wide risk management QRD plans and manages the risk weighted assets and participates in determination of price for different products using Expected Risk Margin (ERM) and cost of capital, participates in the process of profitability modelling, business model development and risk cost planning.

QRD is also responsible for the creation of the Recovery and Resolution Plan of EBC Group and participates in capital management within its field of responsibility.

26. Risk management (continued)

Risk management organization (continued)

Market and Liquidity Risk Management Department

Market and Liquidity Risk Management Department within the Risk Management Division, within the scope of its authority, performs all tasks necessary for market and liquidity risk management in compliance with the rulebooks and procedures related to its scope of authority.

It performs the analysis of the complex market situation, identifies and measures both market and liquidity risks and their parameters. Apart from the above-mentioned activities, the Department is also in charge of the implementation of the Basel II guidelines; it establishes measures for the reduction of risks within the scope of its authority and participates in the process of approving new products of the Financial Markets and Investment Banking Division. It also collaborates with other organizational units with the purpose of improving the quality of market and liquidity risk management.

Non-financial Risk Management Division

The Non-financial Risk Management Division is responsible for compliance monitoring, financial crime management, which includes anti-fraud, anti-money laundering and countering international financial terrorism, as well as operational and ICT risk management. The Division consists of Compliance Group, Financial Crime Group and Operational and ICT Risk Management Group. The aim of Operational and ICT Risk Management Group is to control all organizational units and business processes within the Bank, having in mind that operational risk is characteristic to all activities, processes, products and Bank's systems based on defined Bank's risk profile, particularities of business environment and regulatory requests. It collaborates with other organizational units with the purpose of improvement the quality of managing operational risk. In adition, Group acts as an independent risk governance and control function for ICT risk.

Group-wide risk management

Overview

Enterprise wide Risk Management (ERM) includes as its fundamental component the Internal Capital Adequacy Assessment Process (ICAAP) as required under Pillar 2 of the Basel framework and regulatory guides (e.g. ECB Guide to ICAAP).

The ERM framework is designed to support the bank's management in managing the risk portfolios as well as coverage potential and to ensure that the bank holds adequate capital for the nature and magnitude of its risk profile at all times. The framework is tailored to the business and risk profile of the Bank, and reflects the strategic goal of protecting shareholders and senior debt holders while ensuring sustainability of the Bank/EBC Group.

ERM framework is a modular and comprehensive management and steering system as well as an essential part of the overall steering and management instruments. The ERM components necessary to ensure all aspects, in particular to fulfill regulatory requirements and to provide an effective internal steering tool, can be clustered as follows:

- Risk appetite statement (RAS), limits and risk strategy;
- Portfolio and risk analysis through Risk materiality assessment (RMA), Concentration risk management and Stress testing;
- Risk-bearing capacity calculation (RCC);
- Capital allocation and performance management;
- Planning of key risk indicators;
- Recovery and resolution planning.

In addition, ERM department participates in the Capital Management Team with a purpose to maintain the appropriate quantity and quality of capital to support planned operations, while at the same time ensuring that regulatory requirements as well as investors' and stakeholders expectations are fully met. Capital is managed to maintain financial strength, absorb losses so as to withstand adverse economic conditions, allow for growth opportunities and meet risk management and business objectives.

In addition to the ICAAP's ultimate goal of assuring capital adequacy and sustainability at all times, the ERM components serve to support the Bank's/EBC Group's management in pursuing its strategy.

26. Risk management (continued)

Group-wide risk management (continued)

Risk Appetite Statement (RAS)

Risk appetite defines the maximum level of risk EBC Group is willing to accept in pursuing its business goals. The overall approach includes a risk appetite statement, risk limits, and the roles and responsibilities of those overseeing the implementation and monitoring of the risk appetite framework. Limit framework (i.e. risk appetite framework) of EBC Group includes risk limits set in Risk Appetite Statement and Risk Strategy, industry limits and maximum lending limits. Moreover, risk appetite plays one of the key roles within the Group risk-taking capacity methodology, for example it is a cornerstone for defining the level of confidence in the risk quantifications.

The EBC Group Risk Appetite Statement (RAS) represents a strategic statement that expresses the maximum level of risk that the EBC Group is willing to accept in order to deliver its business objectives. The Group RAS acts as a binding constraint to EBC Group's business activities within its overall risk appetite via triggers and limits approved by the Management Board, the Risk Committee of Supervisory Board and the Supervisory Board. It is integrated and embedded into EBC Group's structural processes; including business and risk strategy, budgeting process, capital and liquidity planning, recovery plan, stress testing and remuneration framework.

The EBC Group RAS consists of a set of core risk metrics (capital, liquidity, risk/earnings) providing quantitative direction for overall risk-return steering and qualitative statements in the form of key risk principles that are part of the guidelines for managing risks.

The core risk metrics are set as ultimate boundaries for the risk-return target setting. They are also a key part of the annual strategic planning / budgeting process and give an overall picture of capital, liquidity and risk-return trade-offs. The key objective of the EBC Group RAS is to:

- ensure that EBC Group has sufficient resources to support its business at any given point in time and absorb stress events;
- sets the boundary for the EBC Group' risk target setting;
- support the group's financial strength and the robustness of its systems and controls.

To foster risk-return steering and ensure proactive management of the risk profile, EBC Group creates its RAS on a forward-looking basis. External constraints such as regulatory requirements create the floor and ceiling for the RAS and therefore the amount of risk EBC Group is willing to accept.

In order to ensure that the EBC Group and / or its subsidiary remain within the targeted risk profile (green in RAS), the Red-Amber-Green (RAG) guidance has been established and assigned to each core metric. This allows for an appropriate lead time to decide on further actions and, if necessary, implement effective remediation measures and includes designated governance that oversees the development and drives embedding into decision-making within the organization. A target represents the planned operating level for a specific metric (i.e. Plan or Budget), which is generally set as part of the strategic planning and budgeting process. The target setting must ensure that it remains within the green zone of the RAS. In the event that the actual developments are below/above targets and/or indicate that the RAS triggers are approached but still not breached, depending on the potential severity of the situation, additional measures should be considered to be undertaken by designated governance. A trigger (Amber in RAS) describes a level or event that if breached, requires an escalation to designated governance and discussion on potential remediation actions. A limit (Red in RAS; Amber in Recovery Plan) defines a level or event that if breached, requires an immediate escalation to designated governance and immediate remediation action. Moreover, stress indicators are defined for selected core metrics and integrated into the assessment of the stress test results. They are reported as early warning signals to the management board to support proactive management of the risk and capital profile.

In addition, supporting metrics and principles are defined by material risk type in the EBC Group Risk Strategy based on EBC Group RAS. These support implementation of the mid to long-term strategy. Risk management governance ensures full oversight of risk decisions and sound execution of the EBC Group risk strategy. Mitigating actions are undertaken as part of the regular risk management process to ensure that the EBC Group remains within its RAS.

26. Risk management (continued)

Group-wide risk management (continued)

EBC Group RAS is also cascaded to local entities. Local RAS is approved by the management board to ensure compliance with the EBC Group RAS and also approved by the local management board to ensure alignment with local regulatory requirements. The EBC Group may also decide to include further compulsory constraints and limits in local RAS to ensure alignment with EBC Group RAS and EBC Group Risk Strategy.

EBC Group RAS 2024 was approved by the Management Board, Risk Committee of the Supervisory Board and the Supervisory Board in the first quarter of 2024.

ESG risks are embedded in the risk strategy and are also part of EBC Group's Risk Materiality Assessments. They are integrated into EBC Group's risk taxonomy as transversal risks (risk types that have impact and are reflected through more than one key risk category) and are included in the relevant risk categories credit, market, liquidity and operational risk. EBC Group's definition of ESG risk is part of the Group ICAAP guideline and covers a wide range of risks arising from environmental, social and governance factors.

Portfolio and risk analytics

EBC Group uses dedicated infrastructure, systems and processes to actively identify, measure, control, report and manage risks within its portfolio. Portfolio and risk analytics processes are designed to quantify, qualify and discuss risks in order to raise awareness to management in a timely manner.

Risk Materiality Assessment

The **risk materiality assessment** (RMA) determines the materiality of risk types and consequently the risk profile across the Bank and its entities. RMA is an annual process with the purpose of systematically identifying new and assessing all existing risks for EBC Group. Senior management may require to perform RMA on ad hoc basis in addition, in order to address changing operating environment or emerging risks. As such, the RMA is an integral part of the ICAAP and serves as a steering tool for senior management.

Insights generated by the assessment are used to improve risk management practices and further mitigate risks within the EBC Group. The assessment also serves as input for the design and definition of the EBC Group's risk strategy and Risk Appetite Statement. Key outputs and recommendations of the RMA are considered in the scenario design and selection of the comprehensive and reverse stress tests.

Risk concentration analysis

EBC Group has implemented a process to identify measure, control and manage risk concentrations. This process is important to ensure the long-term viability of EBC Group, especially in times of an adverse business environment and stressed economic conditions.

The risk concentration analysis at EBC Group is performed on an annual basis covering credit risk, market risk, operational risk, liquidity risk and inter-risk concentrations. Identified risk concentrations are considered in the scenario design of the comprehensive stress test and measured under stressed conditions. The output of the risk concentration analysis additionally contributes to the identification of material risks within the RMA and to the setting/calibration of EBC Group's limit system.

Insights generated by the assessment are used to improve risk management practices and further mitigate risks within the Group. The assessment also serves as input for the design and definition of the Group's risk strategy and Risk Appetite Statement. Key outputs and recommendations of the RMA are considered in the scenario design and selection of the comprehensive and reverse stress tests.

Stress testing

Modelling sensitivities of the ECB group's assets, liabilities and profit or loss provide management steering information and help to optimise EBC Group's risk-return profile. Stress tests help to factor in severe but plausible scenarios providing further robustness to measurement, steering and management. Risk modelling and stress testing are vital forward-looking elements of the ICAAP. Finally, sensitivities and stress scenarios are considered within the group's planning process.

26. Risk management (continued)

Group-wide risk management (continued)

EBC Group's most complex stress testing activities are scenario stress tests that take a comprehensive account of the impact of various economic scenarios, including second-round effects on all risk types (credit, market, liquidity and operational) and effects on the associated volumes of assets and liabilities as well as on profit and loss sensitivities. In addition to the standard scenario-driven stress testing exercises, reverse stress tests are performed to identify a scenario or a combination of scenarios in which viability of the current business model can be questioned.

EBC Group has developed specific tools to translate macroeconomic variables (e.g. GDP or unemployment rate) into risk parameters in order to support the stress testing process.

Risk-bearing Capacity Calculation

The Risk-bearing Capacity Calculation (RCC) describes the methodology of Pillar 2 capital adequacy calculation. In contrast to the normative (regulatory) view of Pillar 1, referring to the Group's ability to fulfil all of its capital-related regulatory and supervisory requirements and demands, the Risk-bearing Capacity Calculation (RCC) is based on an economic view of Pillar 1+ approach, assuming continuation of Erste Group as expected by the ECB Guide to ICAAP and determines whether the bank has sufficient capital for covering all (regulatory and economic) risks it is exposed to. Economic and normative perspectives at Erste Group are set in a way to mutually inform each other and are integrated into all material business steering activities and decisions. In addition, with applied Pillar 1+ approach the Group increases efficiency and ensures comparability with the Pillar 1 calculation. Based on the results of the RMA, the economic capital is considered for relevant risk types as approved by the management board. The economic capital requirement is then compared to internally available capital (coverage potential) to cover the Group's risks in Pillar 2. Both economic capital and coverage potential are computed on the CRR scope of consolidation of Erste Group as ultimate parent entity based on IFRS accounting standards.

Besides the Pillar 1 risk types (credit, market in trading book and operational risks), concentration risk, interest rate risk in the banking book, credit spread risk in the banking book as well as business risk are explicitly considered within the economic capital calculated over a horizon of one year and at a confidence level of 99.9%. For the calculation of the economic capital, EBC Group uses, where possible, more risk sensitive/advanced methodologies tailored to its individual risk profile and specificities of the individual risk exposures. Diversification effects between risks (inter-risk diversification) are not considered, reflecting the Group's prudent approach to maintain sufficient internal capital in times when correlations between risks may change dramatically (like in times of stress). The largest portion of economic capital requirements is coming from credit risk, which accounts for 70.21% of total economic capital requirements at the end of Q4 2024.

The calculation of internal capital or coverage potential required to cover Pillar 2 risks/unexpected losses is based on Pillar 1+ ap-proach. Namely, CRR and CRR II (Regulation (EU) No. 575/2013 and Regulation (EU) No. 876/2019 amending Regulation (EU) No. 575/2013) regulatory own funds are adjusted by internal capital components, i.e. Pillar 2 adjustments, necessary to come to the internally available capital deemed as risk-bearing and loss absorbing from the economic view (e.g. exclusion of Additional Tier 1 and Tier 2 capital instruments, Pillar 2 IRB expected loss excess/shortfall add-on, year-to-date profit, if it is not already considered in Pillar 1 capital, etc.).

The coverage potential must be sufficient to absorb Pillar 2 risks/unexpected losses resulting from the Group's operations at any point in time (normal and stressed), as reflected in the Group's Risk Appetite through the limits set for Group economic capital adequacy and stressed capital adequacy utilisation. At the end of Q4 2024, the economic capital adequacy was at 52.19%, fully in line with group RAS.

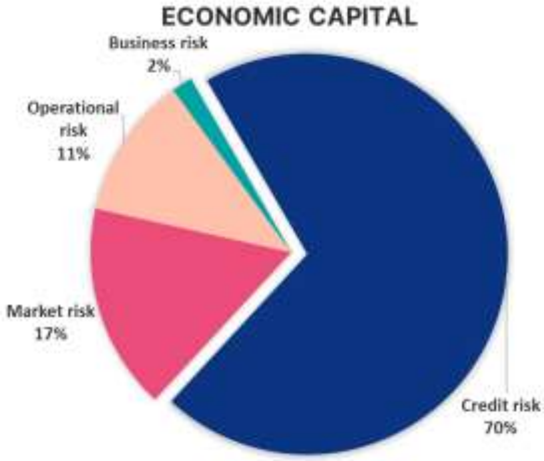
The management board and supervisory board (including risk committee of supervisory board) are briefed quarterly on the results of the ICAAP capital adequacy. The former includes risk profile developments, available capital (coverage potential), consideration of potential losses in stress situations, the degree of the risk limit utilisation and the overall status of capital adequacy. The latter outlines risk profile development in relation to risk appetite.

26. Risk management (continued)

Group-wide risk management (continued)

Risk planning and forecasting

EBC Group Risk Planning framework is essential for the capital allocation and overall financial planning processes and supports the adequate reflection of risks within the strategy, steering and management processes of the group.
Key risk indicators covered by the Risk Planning framework include indicators that provide an overview of incurred or potential risks, with respect to both portfolio and economic environment developments. These indicators include RWA (and related indicators), port-folio quality indicators (impairments, NPL/NPE and relevant performance indicators etc.), as well as indicators required by the regulatory authorities under the responsibility of the Risk division.
Planning activities are carried out in close collaboration with all stakeholders in the group´s overall process and follow a clear governance structure to ensure sound risk planning process.



Capital allocation

An important task integral to the risk planning process is the allocation of capital to entities, business lines and segments. This is done with close cooperation between Risk Management and Controlling. The allocation methodology aligns with risk and controlling processes in order to allocate capital with risk-return considerations.

Erste Group's aggregate capital requirements by risk type

The following diagrams present the composition of the economic capital requirements according to type of risk:

Risk parameters and rating models

Internal specialist teams develop and continuously improve internal rating models and risk parameters in cooperation with risk managers. All Pillar 1 and Pillar 2, as well as IFRS 9 models are subject of an annual review of their estimates, considering the inclusion of most recent data in the estimation of risk parameters, as well as a regular cycle of full model review. Model development follows an internal group-wide methodological standard and utilises relevant data covering the respective market. In this way, Erste Group ensures the availability of rating models with the best possible prediction and discriminatory ability across its core regions.
Several changes to rating models were implemented in 2024, including the introduction of a new Specialized Lending model with additional regulatory multipliers, as well as updates to the CORPGLC, CORPGC, and local CORPALL model. These changes impacted various business lines, including Specialized Lending, SME, LC, and Retail. The updates also involved the re-rating of portfolios according to the new models, adjustments to regulatory add-ons, and the removal of certain regulatory multipliers. Additionally, new models for Sovereign and Micros ratings were introduced, alongside the implementation of a new PD 2.0 methodology for the Retail portfolio, as well as new CCF methodology. There were also adjustments related to regulatory multipliers for CARLA. In November, regularly re-estimated models for PRK, BIL, EAR, and CORPALL were implemented.

26. Risk management (continued)

Group-wide risk management (continued)

Risk-weighted asset management

As risk weighted assets determine the actual regulatory capital requirement of the Bank/EBC Group and influence the capital ratio as a key performance indicator, particular emphasis is devoted to meeting targeted levels of RWA. Insights from monthly RWA analyses are used to improve the calculation infrastructure, the quality of input parameters and data, as well as the most efficient application of the Basel framework. The Bank has established a process of tracking, planning and defining target levels of RWA. The Bank's Management Board is regularly informed on the levels of RWA and adherence to the limits set within the Risk Appetite Statement (RAS).

Leverage ratio

The leverage ratio represents the relationship between core capital (Tier 1) and leverage exposure according to Article 429 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. Management Board is informed on the level of leverage ratio for the Bank and EBC Group and on the adherence to defined limits and targets within the Risk Appetite Statement on a quarterly basis.

Recovery plan

In compliance with Act on the Resolution of Credit Institutions and Investment Firms, EBC Group Recovery Plan is submitted to Joint Supervisory Team (JST) as an annex to Erste Group Recovery Plan. The EBC Group Recovery Plan is regularly assessed by ECB and CNB. The EBC Group Recovery Plan identifies potential options for the replenishment of capital and liquidity resources of the bank in order to cope with a range of severe scenarios including both idiosyncratic and market-wide stress. The Recovery Framework is mainly reconciled with the Risk Appetite Framework across indicators and indicator thresholds, ensuring comprehensive enterprise-wide risk management. It is relevant to demonstrate that in a severe stress, which is close to a failing or likely to fail situation, there is sufficient recovery capacity available in order to be able to recover back into the recovery green zone. The recovery governance described in the plan ensures timely identification and proper management of a recovery situation of EBC Group. Furthermore, the assessment of the EBC Group Recovery Plan and the assessment of the overall recovery capacity are part of the Supervisory Review and Evaluation Process (SREP) assessment.

Resolution plan and MREL

The Bank collaborates with the resolution authorities in the drawing up of resolution plans based on Act on the Resolution of Credit Institutions and Investment Firms and EU Regulation No 806/2014 as amended establishing the Single Resolution Mechanism (SRM Regulation).

The legislative framework allows for a multiple-point-of-entry (MPE) or a single-point-of-entry (SPE) resolution strategy. The Resolution Authorities formed a joint decision in the resolution college for Erste Group which defines the MPE approach forming seven separate resolution groups with Erste Group's core CEE subsidiaries and Austria, but with SPE approaches within a country. This results in having resolution groups in AT, CZ, HR, HU, RO, SK and SI. Under the MPE strategy, Erste Group has more than one Resolution Entity Level which is the entry point for resolution. The resolution plans (including resolution strategy and MREL decisions) are regularly updated by the Resolution Authorities and subject to Joint Decision formed in a resolution college by Resolution College Members.

The Directive (EU) 2014/59 as amended (Bank Recovery and Resolution Directive – BRRD) introduced the Minimum Requirement for own funds and Eligible Liabilities (MREL). MREL notifications are provided by the national resolution authorities on the level of resolution groups and relevant individual subsidiaries of resolution entities, reflecting the resolution strategy, based on the MREL joint decision taken by the resolution college. MREL requirements are expressed as a percentage of the total risk exposure amount (TREA) as well as leverage ratio exposure (LRE).

In May 2024, Erste Group received the Joint Decision determining the minimum requirement for own funds and eligible liabilities for the resolution group in Croatia. Information on MREL targets have been published on the Banks' website based on the legal notification released by the Croatian National Bank. MREL metric is integrated into the RAS and Recovery Framework of EBC Group.

27. Credit risk review and monitoring

ESG Risk Management

The Bank integrates ESG factors in its risk management and industry strategy framework. In the first place, the Erste Group ESG Factor Heatmap is used as a screening instrument to identify certain industry segments (out of the existing subindustries) that may be exposed to ESG risk factors and determine those industries which are more vulnerable to ESG risks. The Bank establishes industry strategies and lending standards to support the steering of the portfolio under considerations of ESG risks; both are the basis for decisions, which determine which clients and transactions fit into the Bank's portfolio.

Secondly, the Bank has established an ESG risk framework for the assessment of material ESG factors, related risks and appropriateness of the mitigating strategies in the credit and rating processes. In this manner, the Bank takes ESG risk criteria into account, when making credit decisions.

For large corporate, commercial real estate and commercial residential real estate transactions, the Bank conducts a systemic ESG analysis via an internal digital ESG Assessment questionnaire. The questionnaire is a mandatory prerequisite in the loan origination and monitoring process. By providing a comprehensive ESG risk assessment, the Bank is able to determine how certain ESG factors may have a positive or negative impact on the financial performance of clients. The questionnaire enables the Bank to identify clients' ESG risks or opportunities. Particular questions in the questionnaire may also require an in-depth assessment in order to understand the nature and severity of the ESG risks to which the client is exposed. The questionnaire forms an integral part of the credit application and is updated at least annually, allowing the Bank to understand the client's business model in the context of carbon transition. In order to support achieving the Erste Group's decarbonization targets, additional lending guidance has been introduced for large corporate, depending on their communicated strategy to align with climate science recommendations.

Furthermore, ESG relevant data is collected for certain types of collateral, as defined in the Collateral Management Policy for real estate collateral valuations, documentation and reporting purposes.

With regards to credit risk measurement and internal models a respective project to define and collect relevant climate risk drivers for all rating systems has started in 2022 in Erste Group to ensure the explicit consideration of climate risks in future model development initiatives. Since 2023, the ESG factors are considered in the soft facts assessment in the corporate rating models; an ESG override has been introduced in 2024. Additionally, the Bank is in the process of analyses how the ESG risk can be incorporated into ECL measurement. As of 31 December 2024, no overlays are deemed necessary.

For the assessment and management of physical risks, Erste Group uses Munich Re's Location Risk Intelligence. Over the last year, Erste Group has conducted a physical risks materiality assessment together with the University of Graz in order to identify key hazards and climate change scenarios relevant for Erste Group collateral portfolio. The results of the assessment highlighted the importance of river flood, fire weather stress, drought stress, sea level rise and heat stress.

To assess the potential impact of physical risk, Erste Group internal stress test incorporated an internally developed physical risk model. The risk 'river flood' was determined to be the most relevant risk for Erste Group applying the climate hazard scores provided by Munich Re on Erste Group collaterals.

Among the industries presented in the table 'Credit risk exposure by industry and IFRS 9 treatment , Erste Group identified, as part of the strategic climate initiative for the Net Zero Banking Alliance, certain carbon-intensive sectors as important levers for setting interim emission targets for 2030, thereby supporting the migration of 'Transition risk' in Erste Group financed portfolio. EBC targets are set for the following sectors: housing mortgages, commercial real estate, electricity production and cement production.

27. Credit risk review and monitoring (continued)

Methods of credit risk management

Credit risk arises in the Bank's traditional lending and investment businesses. It involves both credit losses incurred as a result of borrowers' default (stage 3) and expected credit losses (ECL) of non-defaulted borrowers calculated as 12-months ECL (stage 1) or calculated as lifetime expected credit losses (stage 2).

Operative credit decisions are made by the responsible credit risk management units.

With the goal of good risk management, all data relevant to credit risk management, performance management and determination of risk-weighted assets and the regulatory capital requirement are regularly input into central database used for credit risk management, while quality of data is regularly monitored. Therefore, departments within Risk Management regularly use this database for credit risk reporting thereby providing centralised analysis and application of ratios according to unified methods and segmentation across the Bank and the Group as a whole. The credit risk reporting comprises regular reports on credit portfolio for external and internal recipients and permits continuous monitoring of credit risk developments, thus enabling management to take control measures. In-house recipients of these reports include, above all, the Supervisory and Management Board as well as risk managers, Heads of business units and internal audit staff.

Internal rating system

The Bank has in place business and risk strategies, as well as policies for lending and credit approval processes that are reviewed and adjusted regularly, at minimum once per year. They cover the entire lending business, taking into account the nature, scope and risk level of the transactions and the counterparties involved. Credit approval is also based on the creditworthiness of the customer, the type of credit, collateral, covenant package and other risk mitigation factors involved.

The assessment of counterparty default risk within the Bank is based on the customer's probability of default (PD). For each credit exposure and lending decision, the Bank assigns an internal rating, which is a unique measure of the counterparty default risk. The internal rating of each customer is updated at least on an annual basis (annual rating review). Ratings of customers in weaker rating classes are reviewed with higher frequency.

Besides setting of the capital requirements, the main purpose of the internal ratings is to support the decision-making for lending and for the terms of credit facilities. Internal ratings also determine the level of decision-making authority within the Bank and the monitoring procedures for existing exposures. At a quantitative level, internal ratings drive the level of required risk pricing and risk allowances.

As mentioned before, internal ratings are the key element of the RWA calculation which is also used in the assessment of economic capital requirement according to Pillar 2 (ICAAP). PD values reflect the 12-month probability of default based on long-term average default rates. The Bank assigns margins of conservatism to the calculated PD depending on the granularity of portfolios and relevant data history. Calibration of PD values is validated annually in line with all the rating methods validations.

Internal ratings take into account all available essential information for the assessment of counterparty default risk. For non-retail borrowers, internal ratings take into account the financial strength of the counterparty, the possibility of external support and other company information. For retail clients, internal ratings are based mainly on behavioural and application scoring, but they also utilise demographic and financial information. Rating ceiling rules on credit quality are applied based on membership in a group of economically related entities and country of main economic activity.

All scorecards, both retail and non-retail, are regularly validated by the central validation unit based on Group-wide standard methodology. Validations are conducted using statistical techniques and the results of this validation process are reported to the management and regulatory bodies. The Bank complies with all Erste Group standards with respect to model development and maintenance process. All new models and modifications of existing models in the Group (rating models and risk parameters), as well as methodology standards, are reviewed by the respective organizational unit of Erste Holding which ensures Group-wide integrity and consistency of models and methodologies. Models are approved by Local Model Committee.

27. Credit risk review and monitoring (continued)

Credit risk classification

The classification of credit assets into risk grades is based on the Bank's internal ratings. The Bank uses two internal risk scales for risk classification: for customers that have not defaulted, a risk scale of 8 risk grades (for private individuals) and 13 risk grades (for all other segments) is used. Defaulted customers are classified into a separate risk grade.

For the purpose of external reporting, internal rating grades of the Bank are grouped into the following four risk categories:

Low risk: customers with well-established and rather long-standing relationships with the Bank and the Group or large internationally recognised customers. Clients with strong and good financial position and no foreseeable financial difficulties. Retail clients having long relationships with the Bank, or clients with a wide product pool use. No late payments currently or in the most recent 12 months. New business is generally done with clients in this risk category.

Management attention: customers that may have overdue payments or defaults in their credit history or may encounter debt repayment difficulties in the medium-term. Retail clients with limited savings or probable payment problems in the past triggering early collection reminders.

Substandard: customers which are vulnerable to negative financial and economic developments and show elevated probability of default.

Non-performing: customers who meet one or more of the default criteria according to Article 178 of Regulation (EU) No 575/2013 and Croatian National Bank bylaws, which are precisely defined by the Bank's internal documentation: full repayment unlikely, more than 90 days past due on a material exposure, restructuring resulting in a loss to the lender, realisation of a loan loss or initiation of bankruptcy proceedings. For purposes of analysing non-performing positions, the Bank applies the customer view for all customer segments, including Retail clients, if a customer defaults on one deal then the entire customer's performing transactions are classified as non-performing.

In the Bank, default status triggers the credit-impairment and the stage 3 classification under IFRS 9 (with more details in subsection Impairment of financial instruments under IFRS 9). Default is recognized when:

- the obligor is past due 90 consecutive days with any material credit obligation to the institution, the parent undertaking or any of its subsidiaries in full; and/or
- the obligor is considered unlikely to pay its credit obligation to the institution, the parent undertaking or any of its subsidiaries, in full without realisation of the collateral.

Credit monitoring

In order to manage credit risk timely, regular analysis of client's risks which includes current rating status, repayment ability, revision of collaterals and compliance with the contracted terms, repayment and other clauses through re-approvals is performed.

The Bank's goal is to timely recognize any decrease in the quality of credit portfolio which may have material losses for the Bank. The Bank through a re-approval process analyses a complete status of the debtor. The meaning of regular re-approval of credit exposures is an active follow-up on client and portfolio quality and it represents an additional measure of optimisation of credit risk exposure of the Bank. The Bank performs evaluation of creditworthiness based on all information on client, also taking into consideration prior credit relationships between the Bank and the client.

27. Credit risk review and monitoring (continued)

A group-wide standardized early warning monitoring process is implemented in the Bank to proactively identify negative developments. The early warning monitoring process is managed in the Credit Risk Management Division. When early warning signals are identified and validated, the overall client exposure and creditworthiness is reviewed, and adequate risk mitigating actions are taken if deemed necessary. Watch list review meetings for Corporate clients are held on a regular basis to monitor customers with a poor credit standing and to discuss pre-emptive measures. For smaller enterprises (micro) and retail customers, the monitoring is based on an automated early warning system. In retail risk management, the early warning signals for adverse portfolio developments include, for instance, quality deterioration in new business or a decreasing collections effectiveness and require appropriate countermeasures. Additionally, the monitoring is performed for clients where early warning signals have been identified, even if they are still fulfilling their contractual repayment obligations.

Early detection of increased risk level

The Bank applies methods of early detection of increased credit risk level in order to make collection more successful even in the case of decrease in credit worthiness and decrease in the quality of credit portfolio. An increased level of credit risk on the level of respective client and portfolio is detected by following all relevant information and foreseen change of variables in the future period which primarily includes client’s prior behaviour in obligations repayment and following market information.

Therefore, increased level of credit risk is on the level of the Bank timely detected by following:
- Market conditions,
- Rating changes,
- Delays,
- Monitoring of market conditions also involves monitoring of all macroeconomic variables as well as their evaluation in upcoming period.

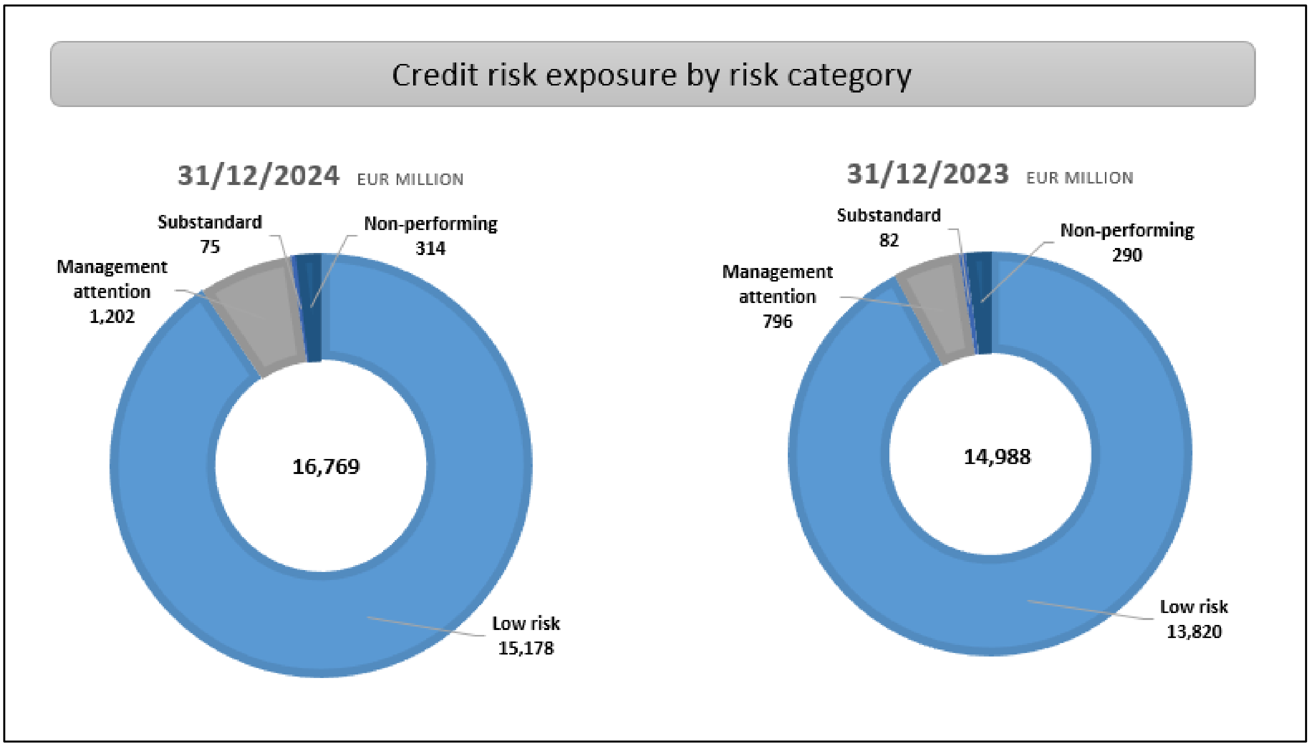
28. Credit risk exposure

Credit risk exposure relates to the sum of the following balance sheet items:
_ Cash and cash balances - demand deposits to credit institutions;
_ Debt instruments held for trading;
_ 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);
_ Debt instruments held for sale in disposal groups;
_ Finance lease receivables;
_ Positive fair value of derivatives;
_ Off-balance sheet credit risks (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.

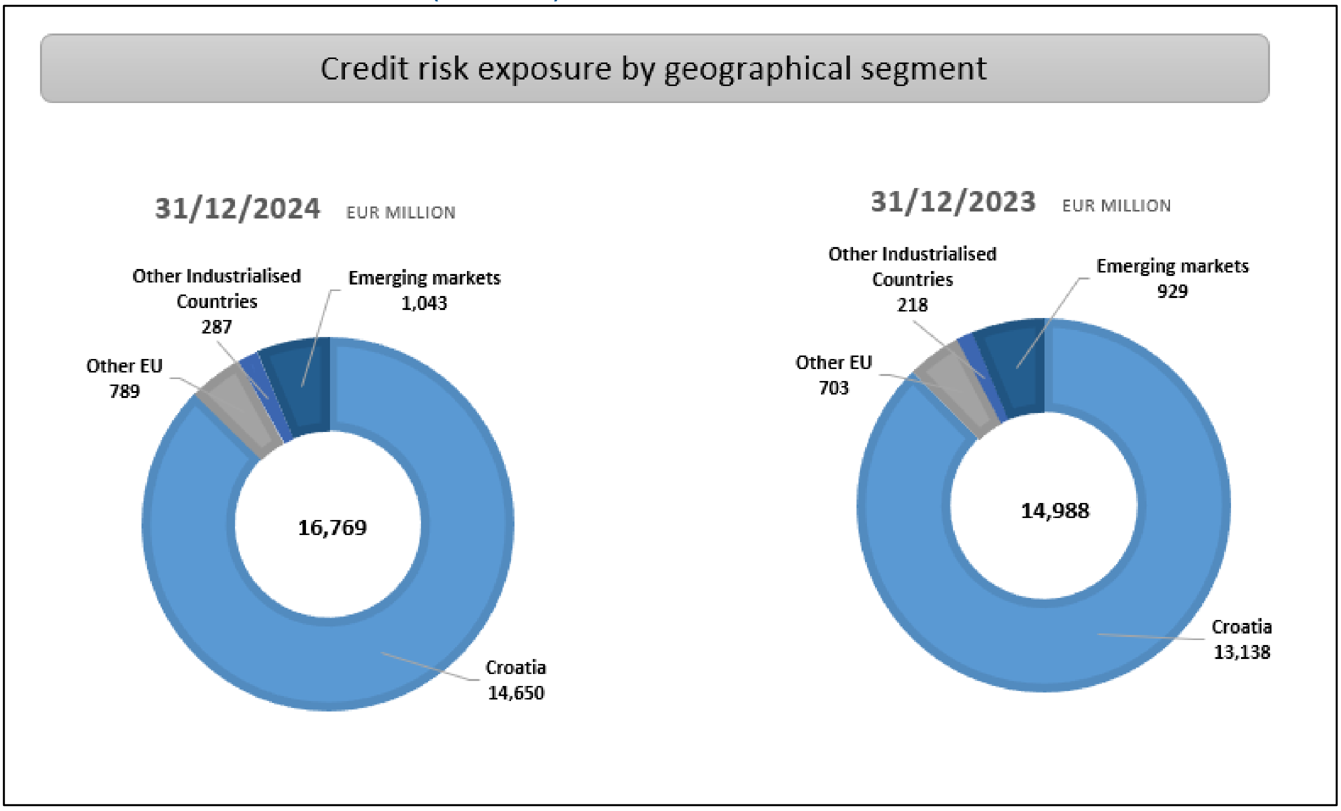
The following tables show the reconciliation between the gross carrying amount and the net carrying amount of the separate components of the Group's and the Bank's credit risk exposure on 31 December 2024 and 31 December 2023.

Portfolio overview on total credit risk



28. Credit risk exposure (continued)

Portfolio overview on total credit risk (continued)



Between the 31 December 2023 and 31 December 2024, the credit risk exposure increased from EUR 14,988 million to EUR 16,769 million. This is an increase of 12% or EUR 1,781 million.

28. Credit risk exposure (continued)

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

	GROUP				BANK			
in EUR million	Credit risk exposure	Credit loss allowances	FV adjustments	Net carrying amount	Credit risk exposure	Credit loss allowances	FV adjustments	Net carrying amount
2024								
Other demand deposits to credit institutions	96	-	-	96	11	-	-	11
Instruments HfT	19	-	-	19	19	-	-	19
Non-trading debt instruments at FVPL	5	-	-	5	5	-	-	5
Debt securities	5	-	-	5	5	-	-	5
Debt instruments at FVOCI	1,028	(1)	(23)	1,004	952	(1)	(23)	928
Debt securities	1,028	(1)	(23)	1,004	952	(1)	(23)	928
Debt instruments at AC	11,353	(268)	-	11,085	10,734	(244)	-	10,490
Debt securities	2,102	-	-	2,102	2,055	-	-	2,055
Loans and advances to banks	79	-	-	79	52	-	-	52
Loans and advances to customers	9,172	(268)	-	8,904	8,627	(244)	-	8,383
Trade and other receivables	193	(14)	-	179	192	(13)	-	179
Finance lease receivables	571	(3)	-	568	-	-	-	-
Off balance-sheet exposures	3,504	(24)	-	-	3,392	(23)	-	-
Financial guarantees	270	(3)	-	-	292	(3)	-	-
Loan commitments	2,656	(21)	-	-	2,555	(20)	-	-
Other commitments	578	-	-	-	545	-	-	-
Total	**16,769**	**(310)**	**(23)**	**12,956**	**15,305**	**(281)**	**(23)**	**11,632**

	GROUP				BANK			
in EUR million	Credit risk exposure	Credit loss allowances	FV adjustments	Net carrying amount	Credit risk exposure	Credit loss allowances	FV adjustments	Net carrying amount
2023								
Other demand deposits to credit institutions	46	-	-	46	12	-	-	12
Instruments HfT	23	-	-	23	23	-	-	23
Non-trading debt instruments at FVPL	6	-	-	6	6	-	-	6
Debt securities	6	-	-	6	6	-	-	6
Debt instruments at FVOCI	1,148	(3)	(52)	1,093	1,091	(3)	(49)	1,039
Debt securities	1,148	(3)	(52)	1,093	1,091	(3)	(49)	1,039
Debt instruments at AC	10,641	(284)	-	10,357	9,868	(248)	-	9,620
Debt securities	1,804	(1)	-	1,803	1,758	(1)	-	1,757
Loans and advances to banks	68	-	-	68	31	-	-	31
Loans and advances to customers	8,769	(283)	-	8,486	8,079	(247)	-	7,832
Trade and other receivables	185	(15)	-	170	115	(6)	-	109
Finance lease receivables	487	(4)	-	483	-	-	-	-
Off balance-sheet exposures	2,452	(17)	-	-	2,205	(15)	-	-
Financial guarantees	323	(9)	-	-	257	(9)	-	-
Loan commitments	1,636	(8)	-	-	1,481	(6)	-	-
Other commitments	493	-	-	-	467	-	-	-
Total	**14,988**	**(323)**	**(52)**	**12,178**	**13,320**	**(272)**	**(49)**	**10,809**

Credit loss allowances comprise impairments for financial assets measured at amotised 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.

28. Credit risk exposure (continued)

Breakdown of credit risk exposure

On the next pages the credit risk exposure is categorized in the following way:
_ industry and IFRS 9 treatment;
_ region and risk category;
_ business segment and risk category.

Subsequently, credit risk exposure is reported in the following way:
_ credit risk exposure, forbearance exposure, and credit loss allowances;
_ financial instrument and collateral.

Credit risk exposure by industry and IFRS 9 treatment

							GROUP
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Credit risk exposure (AC and FVOCI)	Not subject to IFRS 9 impairment	Total
2024							
Natural Resources & Commodities	350	23	12	-	385	40	425
Energy	724	14	-	-	738	57	795
Construction and building materials	862	127	21	3	1,013	198	1,211
Automotive	160	37	2	-	199	19	218
Cyclical Consumer Products	324	50	17	-	391	52	443
Non-Cyclical Consumer Products	497	12	12	1	522	52	574
Machinery	162	5	1	-	168	64	232
Transportation	1,147	23	7	1	1,178	28	1,206
TMT; Telecommunications, Media, Technology and Paper & Packaging	200	6	-	-	206	34	240
Healthcare & Services	406	31	4	-	441	26	467
Hotels, Gaming & Leisure Industry	822	127	38	3	990	7	997
Real Estate	804	124	16	7	951	3	954
Public Sector	3,687	125	-	-	3,812	-	3,812
Financial Institutions	313	7	-	-	320	21	341
Private Households	3,685	997	171	1	4,854	-	4,854
Total	**14,143**	**1,708**	**301**	**16**	**16,168**	**601**	**16,769**

							GROUP
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Credit risk exposure (AC and FVOCI)	Not subject to IFRS 9 impairment	Total
2023							
Natural Resources & Commodities	286	122	11	-	419	22	441
Energy	251	453	1	-	705	33	738
Construction and building materials	690	106	21	4	821	136	957
Automotive	144	13	2	-	159	19	178
Cyclical Consumer Products	374	48	15	-	437	52	489
Non-Cyclical Consumer Products	340	23	14	1	378	51	429
Machinery	149	16	1	-	166	44	210
Transportation	831	54	4	1	890	14	904
TMT; Telecommunications, Media, Technology and Paper & Packaging	164	19	1	-	184	20	204
Healthcare & Services	293	55	5	1	354	43	397
Hotels, Gaming & Leisure Industry	617	225	31	8	881	9	890
Real Estate	821	62	18	7	908	3	911
Public Sector	3,647	164	-	-	3,811	-	3,811
Financial Institutions	343	4	-	-	347	31	378
Private Households	3,141	762	147	1	4,051	-	4,051
Total	**12,091**	**2,126**	**271**	**23**	**14,511**	**477**	**14,988**

28. Credit risk exposure (continued)

Credit risk exposure by industry and IFRS 9 treatment (continued)

							BANK
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Credit risk exposure (AC and FVOCI)	Not subject to IFRS 9 impairment	Total
2024							
Natural Resources & Commodities	328	22	11	-	361	40	401
Energy	678	14	-	-	692	56	748
Construction and building materials	743	100	20	3	866	179	1,045
Automotive	108	15	2	-	125	16	141
Cyclical Consumer Products	269	33	16	1	319	44	363
Non-Cyclical Consumer Products	429	6	11	1	447	48	495
Machinery	152	5	1	-	158	63	221
Transportation	1,039	8	5	1	1,053	25	1,078
TMT; Telecommunications, Media, Technology and Paper & Packaging	152	4	-	-	156	26	182
Healthcare & Services	342	20	2	-	364	23	387
Hotels, Gaming & Leisure Industry	784	98	26	3	911	6	917
Real Estate	780	103	16	7	906	2	908
Public Sector	3,505	125	-	-	3,630	-	3,630
Financial Institutions	303	7	-	-	310	41	351
Private Households	3,336	941	161	-	4,438	-	4,438
Total	**12,948**	**1,501**	**271**	**16**	**14,736**	**569**	**15,305**

							BANK
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Credit risk exposure (AC and FVOCI)	Not subject to IFRS 9 impairment	Total
2023							
Natural Resources & Commodities	263	116	10	-	389	23	412
Energy	228	451	1	-	680	33	713
Construction and building materials	608	61	18	4	691	127	818
Automotive	111	6	1	-	118	19	137
Cyclical Consumer Products	266	30	12	-	308	46	354
Non-Cyclical Consumer Products	268	16	15	1	300	47	347
Machinery	141	14	-	-	155	44	199
Transportation	736	35	4	1	776	13	789
TMT; Telecommunications, Media, Technology and Paper & Packaging	126	16	1	-	143	17	160
Healthcare & Services	239	41	3	-	283	41	324
Hotels, Gaming & Leisure Industry	588	202	15	8	813	7	820
Real Estate	791	51	19	7	868	2	870
Public Sector	3,477	162	-	-	3,639	-	3,639
Financial Institutions	310	4	-	-	314	34	348
Private Households	2,587	677	125	1	3,390	-	3,390
Total	**10,739**	**1,882**	**224**	**22**	**12,867**	**453**	**13,320**

28. Credit risk exposure (continued)

Credit risk exposure by region and risk category
The following tables present the credit risk exposure of the Group and the Bank divided by region and risk category on 31 December 2024 and 31 December 2023.

Credit risk exposure by region and risk category

					GROUP
in EUR million	Low risk	Management attention	Substandard	Non-performing	Credit risk exposure
2024					
Erste Group markets	**13,643**	**1,068**	**67**	**288**	**15,066**
Austria	130	1	-	-	131
Croatia	13,228	1,067	67	288	14,650
Serbia	2	-	-	-	2
Slovakia	280	-	-	-	280
Hungary	3	-	-	-	3
Other EU	**372**	**3**	**-**	**-**	**375**
Other industrialised countries	**284**	**3**	**-**	**-**	**287**
Emerging markets	**879**	**128**	**8**	**26**	**1,041**
South Eastern Europe/CIS	852	128	8	26	1,014
Asia	21	-	-	-	21
Middle East/Africa	6	-	-	-	6
Total	**15,178**	**1,202**	**75**	**314**	**16,769**
2023					
Erste Group markets	**12,400**	**665**	**73**	**259**	**13,397**
Austria	71	-	-	-	71
Croatia	12,142	664	73	259	13,138
Serbia	1	1	-	-	2
Slovakia	183	-	-	-	183
Hungary	3	-	-	-	3
Other EU	**443**	**3**	**-**	**-**	**446**
Other industrialised countries	**217**	**1**	**-**	**-**	**218**
Emerging markets	**760**	**127**	**9**	**31**	**927**
Southeastern Europe/CIS	737	126	9	31	903
Asia	23	-	-	-	23
Middle East/Africa	-	1	-	-	1
Total	**13,820**	**796**	**82**	**290**	**14,988**

28. Credit risk exposure (continued)

Credit risk exposure by region and risk category (continued)

					BANK
in EUR million	Low risk	Management attention	Substandard	Non-performing	Credit risk exposure
2024					
Erste Group markets	**13,183**	**994**	**59**	**282**	**14,518**
Austria	47	1	-	-	48
Croatia	12,851	993	59	282	14,185
Serbia	2	-	-	-	2
Slovakia	280	-	-	-	280
Hungary	3	-	-	-	3
Other EU	**359**	**2**	**-**	**-**	**361**
Other industrialised countries	**283**	**3**	**-**	**-**	**286**
Emerging markets	**138**	**-**	**-**	**2**	**140**
South Eastern Europe/CIS	118	-	-	2	120
Asia	14	-	-	-	14
Middle East/Africa	6	-	-	-	6
Total	**13,963**	**999**	**59**	**284**	**15,305**
2023					
Erste Group markets	**11,773**	**499**	**38**	**238**	**12,548**
Austria	55	-	-	-	55
Croatia	11,531	499	38	238	12,306
Serbia	1	-	-	-	1
Slovakia	183	-	-	-	183
Hungary	3	-	-	-	3
Other EU	**417**	**5**	**-**	**-**	**422**
Other industrialised countries	**213**	**-**	**-**	**-**	**213**
Emerging markets	**133**	**1**	**-**	**3**	**137**
Southeastern Europe/CIS	119	1	-	3	123
Asia	14	-	-	-	14
Total	**12,536**	**505**	**38**	**241**	**13,320**

28. Credit risk exposure (continued)

Credit risk exposure by business segment and risk category
The reporting segment of the Group and the Bank is based on the matrix organization by business segment and risk category. The following tables show the credit risk exposure of the Group and the Bank broken down by reporting segments and risk category on 31 December 2024 and 31 December 2023.

Credit risk exposure by business segment and risk category

					GROUP
in EUR million	Low risk	Management attention	Substandard	Non-performing	Credit risk exposure
2024					
Retail	4,117	941	68	185	5,311
Small and Medium Enterprises	3,206	157	5	90	3,458
Large Corporates	2,644	82	-	19	2,745
Public sector	1,145	12	-	-	1,157
Commercial Real Estate	687	-	2	19	708
Group Market Trading	52	6	-	-	58
Group Market Financial Institutions	123	2	-	-	125
Asset/Liability Management	3,186	-	-	-	3,186
Other	18	2	-	1	21
Total	**15,178**	**1,202**	**75**	**314**	**16,769**
2023					
Retail	3,629	602	68	159	4,458
Small and Medium Enterprises	3,072	118	11	79	3,280
Large Corporates	2,069	59	1	24	2,153
Public sector	1,295	14	-	-	1,309
Commercial Real Estate	583	-	2	27	612
Group Market Trading	11	-	-	-	11
Group Market Financial Institutions	155	1	-	-	156
Asset/Liability Management	2,976	1	-	-	2,977
Other	30	1	-	1	32
Total	**13,820**	**796**	**82**	**290**	**14,988**

28 Credit risk exposure (continued)

Credit risk exposure by business segment and risk category (continued)

					BANK
in EUR million	Low risk	Management attention	Substandard	Non-performing	Credit risk exposure
2024					
Retail	3,671	814	55	172	4,712
Small and Medium Enterprises	2,911	109	2	85	3,107
Large Corporates	2,382	63	-	7	2,452
Public sector	1,107	2	-	-	1,109
Commercial Real Estate	685	-	2	19	706
Group Market Trading	52	6	-	-	58
Group Market Financial Institutions	153	3	-	-	156
Asset/Liability Management	2,982	-	-	-	2,982
Other	20	2	-	1	23
Total	**13,963**	**999**	**59**	**284**	**15,305**
2023					
Retail	3,080	382	29	133	3,624
Small and Medium Enterprises	2,739	85	7	72	2,903
Large Corporates	1,894	34	-	9	1,937
Public sector	1,247	3	-	-	1,250
Commercial Real Estate	581	-	2	26	609
Group Market Trading	11	-	-	-	11
Group Market Financial Institutions	154	-	-	-	154
Asset/Liability Management	2,799	-	-	-	2,799
Other	31	1	-	1	33
Total	**12,536**	**505**	**38**	**241**	**13,320**

The amount written off during 2024, which is still subject to enforcement activity, totals EUR 11 million for the Group and EUR 11 million for the Bank (2023: EUR 10 million for the Group and EUR 9 million for the Bank). Cumulative amount written off, which is still subject to enforcement activity, totals EUR 165 million for the Group and EUR 154 million for the Bank.

29. Non-performing credit risk exposure and allowances for credit risks

Non-performing credit risk exposure increased by EUR 24 million, from EUR 290 million on 31 December 2023 to EUR 314 million on 31 December 2024 in the Group and increased by EUR 43 million in the Bank, from EUR 241 million on 31 December 2023 to EUR 284 million on 31 December 2024.

Credit risk allowances decreased by EUR 13 million in the Group, from EUR 323 million on 31 December 2023 to EUR 310 million on 31 December 2024, whereas credit risk allowances in the Bank increased by EUR 9 million, from EUR 272 million on 31 December 2023 to EUR 281 million on 31 December 2024.

Coverage of the non-performing credit risk exposure by credit risk allowances decreased, from 111.4% to 98.7% in the Group and from 112.9% to 98.9% in the Bank. Share of non-performing credit risk exposure in total credit risk exposure in the Group amounted to 1.9% on 31 December 2024 (2023: 1.9%) and 1.9% in the Bank on 31 December 2024 (2023: 1.8%).

30. Measurement of expected credit loss

The general principles and standards for credit risk allowances within the Bank follow the Erste Group's procedures, international standards and are described in internal policies.

The calculation of credit loss allowances is done on a monthly basis, on exposure/asset level, in the currency of the exposure. To calculate the loss allowance, the Bank applies an expected credit loss (ECL) model based on a three stages approach that either leads to a 12-months ECL or to a Lifetime ECL.
The stage approach means that if the financial asset is not recognised as purchased or originated credit-impaired financial asset (POCI), i.e. financial asset which is credit-impaired at initial recognition, then depending on the impairment status and the assessment of the increase of credit risk, the financial asset is assigned into one of the following stages:

Classification into stages and definition of credit-impared financial instruments

Stage 1

It includes:

- a) Financial assets at initial recognition, except:
  - i) POCI assets
  - ii) Assets the initial (on-balance) recognition of which is triggered by first usage of a binding loan commitment given to a counterparty for which a significant credit deterioration occurred since sign-up (initial recognition) of that loan commitment, but which is not in default at the time of such first usage
- b) Financial assets which fulfil the low credit risk conditions;
- c) Financial assets without significant increase in credit risk since initial recognition irrespective of their credit quality.

In stage 1 the credit risk loss allowances are calculated as 12-months ECL.

Stage 2

It includes financial assets with a significant increase in credit risk, but not credit-impaired at the reporting date, including initially recognized assets described under 1) a) ii) above.
In stage 2 the credit risk loss allowances are calculated as lifetime ECL.

Stage 3

It includes financial assets which are credit-impaired at the reporting date. In principle, financial instrument becomes credit-impaired when customer meets one or more of the default criteria according to Article 178 of Regulation (EU) No 575/2013 and Croatian National Bank bylaws, more precisely defined in Internal rating system part.
In stage 3 the credit loss allowances are calculated as lifetime ECL.

POCI

POCI includes financial instruments that were credit-impaired at initial recognition, irrespective of whether they are still credit-impaired at the reporting date. Expected credit losses against POCI exposures are always calculated on a lifetime basis and are reflected in the credit-adjusted effective interest rate at initial recognition.

30. Measurement of expected credit loss (continued)

Quantitative criteria

Quantitative criteria for significant increase in credit risk (SICR) indicators include adverse changes in annualized lifetime probability of default and in lifetime probability of default with significance being assessed by reference to a mix of relative and absolute change thresholds. The bank has established thresholds for significant increases in credit risk based on both a percentage (relative) and absolute change in PD compared to initial recognition. SICR occurs for a particular financial instrument, when both the relative and the absolute thresholds are breached.

The relative measure is calculated as a ratio between current annualised LT PD and annualised LT PD value on initial recognition, considering remaining maturity of the instrument. The breach means that such ratio has reached or is higher than the established threshold. These relative thresholds for SICR assessment are established at PD segment level or client rating level for rating method, as necessary, and are subject to initial and on-going validation.

Relative thresholds for SICR assessment

	Threshold interval (x times)	
in EUR million	Min	Max
2024		
Erste&Steiermärkische Bank d.d.	1.13	3.13
Total	**1.13**	**3.13**
2023		
Erste&Steiermärkische Bank d.d.	1.13	3.13
Total	**1.13**	**3.13**

Thresholds might seem to show high dispersion, but they are driven mainly rating diversity. Segments, ie. rating methods with higher credit quality portfolios have lower thresholds than those with lower credit quality portfolios. The minimal threshold of 1.13 refers to sovereign rating classes that are centrally established (from Erste Group).

The absolute threshold refers to difference of LT PD on initial recognition and current LT PD. In the Bank it is set to a maximum of 50 bps and serves as a backstop for migrations between the best ratings (LT PDs considered for remaining maturity). In such cases, relative thresholds may be breached, however overall LT PD is very low, and therefore SICR is not triggered.

For migration back to Stage 1 there are no additional cure periods established for quantitative criteria other than those already established in general credit risk practice (e.g. for rating improvement).

Qualitative criteria

Qualitative SICR indicators include forbearance-type flags (identification of regulatory forbearance), work-out transfer flags (when the account starts being monitored by the work-out department), information from the early-warning system (if it is not sufficiently considered in the rating) and fraud indicators. The assignment of some of the qualitative indicators inherently relies on experienced credit risk judgment being exercised adequately and in a timely manner. The related group-wide and entity-level credit risk controlling policies and procedures (adapted as necessary in the light of transition to IFRS 9) ensure the necessary governance framework. These indicators are used internally for identification of insolvency or increased probability that a borrower will enter bankruptcy and there is increased risk of default in the foreseeable future. For migration back to Stage 1 there is an additional cure period for the portfolio which is being classified as Stage 2 due to the early-warning signal and it lasts 210 days.

30. Measurement of expected credit loss (continued)

Besides the qualitative indicators defined on a client level, the assessment of a significant increase in credit risk is performed on a portfolio level if the increase in credit risk on individual instruments or at a client level is available only with a certain time lag or is observable exclusively on a portfolio level.

Erste Bank Croatia Group has introduced some additional portfolio level SICR assessment criteria (overlays). More specific details about them can be found in Chapter 32.

Backstop

A backstop is applied, and the financial instruments are considered to have experienced a SICR if the borrower is more than 30 days past due on contractual payments.

Measuring ECL – explanation of inputs and measurement

Credit loss allowances are calculated individually or collectively.

The individual calculation approach is applied in case of exposures to significant defaulted customers in Stage 3 or POCI. It consists in the individual assessment of the difference between the gross carrying amount and the present value of the expected cash flows, which are estimated by workout or risk managers. The discounting of the cash flows is based on the effective interest rate (POCI: credit-adjusted effective interest rate).

A defaulted customer is classified as individually significant if the total on- and off-balance exposure exceeds a predefined materiality limit (400 ths EUR). Otherwise, the customer is considered insignificant, and a rule-based (collective) approach is used for the calculation of the related credit loss allowance as the product of gross carrying amount and LGD, where the LGD depends on characteristics such as time in default.

For exposures to non-defaulted customers (i.e. in Stage 1 and Stage 2), collective allowances are calculated according to a rule-based approach irrespective of the significance of the customer. The calculation of collective allowances requires grouping the related exposures into homogenous clusters based on shared risk characteristics. The grouping criteria may differ based on the customer segment (retail, corporate) and include product type, collateral type, repayment type, loan to value band and credit rating band.

The calculation of credit loss allowances is done monthly on a single-exposure level and in the domestic currency. To compute the collective credit loss allowance, the Bank applies an expected credit loss (ECL) model based on a three-stage approach that leads to either a 12-month ECL or to a lifetime ECL. ECL is the discounted product of exposure at default (EAD) that also includes a credit conversion factor in the case of off-balance sheet exposures, probability of default (PD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of a borrower defaulting on its financial obligation (per definition of default below), either over next 12 months (1Y PD) for Stage 1 exposures or over the remaining lifetime (LT PD) for Stage 2 and 3 and POCI exposures.
- EAD is based on the amounts the Bank expects to be owed at the time of default, over next 12 months (1Y EAD) for Stage 1 exposures, or over the remaining lifetime (LT EAD) for Stage 2 and 3 and POCI exposures. The estimation includes current balance, expected repayments, and expected drawings up to the current contractual limit by the time of default.
- LGD represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit exposure at the time of default (EAD).

30. Measurement of expected credit loss (continued)

Lifetime parameters

The LT PD is developed through observation of historical defaults from initial recognition through the lifetime of the loans. It is assumed to be same across all assets in the same portfolio and rating band.

The 1Y and LT EADs are determined based on the expected payment profiles, which vary by product type. The LT EAD calculation utilizes repayment schedule or repayment type (annuity, linear, bullet). In case of undrawn commitments, credit conversion factor is estimated for reflecting the expected credit exposure in the EAD.

LGD is estimated as a life-time curve for any point in time, based on the historical loss observations.

The risk parameters used in the ECL calculation take into account available information at the reporting date about past events, current conditions and forecasts on future economic trends. Generally, the risk parameters applied in the calculation of collective allowances differ from the risk parameters compliant to capital requirement regulations, calculated on a through-the-cycle basis if the characteristics of the respective portfolio in combination with IFRS standards necessitate this.

31. Development of credit loss allowances

The following tables give an overview over the development of credit loss allowances per balance sheet line item.
In column 'Additions' increases of CLA due to the initial recognition of financial instruments during the current reporting period are disclosed. Releases of CLA following the derecognition of the related financial instruments are reported in column 'Derecognitions'.
Besides the regular annual re-estimation of the IFRS 9 risk parameters performed in the third quarter which resulted in the release of credit loss allowances in the amount of EUR 9.7 million, two reviews of rules for collective SICR assessment were conducted during the year: the decommission of the Energy overlay in June (release of provisions in the amount of EUR 5.6 million), and the decommission of the Cyclical industries overlay/introduction of the overlay based on industry strategy (release of provisions in the amount of EUR 2.6 million).
In addition to the mentioned changes, regular portfolio movements (rating change, recoveries, and overall decrease of NPL stock) contributed to overall effect.
In column 'Transfers between stages' CLA net changes due to changes in credit risk that triggered re-assignments of the related financial instruments from Stage 1 (on 1 January 2024 or initial recognition date) to Stages 2 or 3 on 31 December 2024 or vice-versa are reported. The effects of transfers from Stage 1 to Stages 2 or 3 on the related CLAs are adverse and presented in lines attributable to Stages 2 or 3. The effects of transfers from Stages 2 or 3 to Stage 1 on the related CLAs are favourable and presented in line 'Stage 1'.

The P&L-neutral effect from cross-stage transferring of the related CLA amounts recognised prior to stage re-assignments are presented above in column 'Changes in credit risk'.

Any other changes in credit risk which do not trigger a transfer between Stage 1 and Stage 2 or 3 or vice-versa are disclosed in column 'Changes in credit risk'.

Financial instruments held at amortised cost:

Movement in credit loss allowances – debt securities

							GROUP
in EUR million	As of	Additions	Derecognitions	Transfers between stages	Changes in credit risk	Other	As of
	Jan 2024						Dec 2024
Stage 1	(1)	-	1	-	-	-	-
Total	**(1)**	**-**	**1**	**-**	**-**	**-**	**-**
	Jan 2023						Dec 2023
Stage 1	(1)	(1)	-	-	1	-	(1)
Total	**(1)**	**(1)**	**-**	**-**	**1**	**-**	**(1)**

							BANK
in EUR million	As of	Additions	Derecognitions	Transfers between stages	Changes in credit risk	Other	As of
	Jan 2024						Dec 2024
Stage 1	(1)	-	1	-	-	-	-
Total	**(1)**	**-**	**1**	**-**	**-**	**-**	**-**
	Jan 2023						Dec 2023
Stage 1	-	(1)	-	-	-	-	(1)
Total	**-**	**(1)**	**-**	**-**	**-**	**-**	**(1)**

31. Development of credit loss allowances (continued)

Movement in credit loss allowances – debt securities (continued)

The year-end total GCAs of AC debt securities that were initially recognized (purchased) during the year 2024 and not sold by 31 December 2024 amounts to EUR 326 million for the Group and for the Bank (2023: EUR 364 million for the Group and EUR 359 million for the Bank).
The GCA of AC debt securities that were held on 1 January 2024 and derecognized (matured) during the year 2024 amounts to EUR 147 million for the Group and for the Bank (2023: EUR 97 million for the Group and for the Bank).

Movement in credit loss allowances – loans and advances to banks

							GROUP
in EUR million	As of	Additions	Derecognitions	Transfers between stages	Changes in credit risk	Other	As of
	Jan 2024						Dec 2024
Stage 1	-	(1)	1	-	-	-	-
Total	**-**	**(1)**	**1**	**-**	**-**	**-**	**-**
	Jan 2023						Dec 2023
Stage 1	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

							BANK
in EUR million	As of	Additions	Derecognitions	Transfers between stages	Changes in credit risk	Other	As of
	Jan 2024						Dec 2024
Stage 1	-	(1)	1	-	-	-	-
Total	**-**	**(1)**	**1**	**-**	**-**	**-**	**-**
	Jan 2023						Dec 2023
Stage 1	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

The year-end total GCA of AC loans and advances to banks that were initially recognized during the year 2024 and not fully de-recognized by 31 December 2024 amounts to EUR 244 million for the Group and EUR 27 million for the Bank (2023: EUR 48 million for the Group and EUR 16 million for the Bank).
The GCA of AC loans and advances to banks that were held on 1 January 2024 and fully derecognized (matured) during the year 2024 amounts to EUR 179 million for the Group and EUR 6 million for the Bank (2023: EUR 213 million for the Group and EUR 17 million for the Bank).

31. Development of credit loss allowances (continued)

Movement in credit loss allowances – loans and advances to customers

									GROUP
in EUR million	As of	Additions	Derecogni-tions	Transfers between stages	Changes in credit risk	Insignificant modifications	Write-offs	Other	As of
	Jan 2024								Dec 2024
Stage 1	**(23)**	**(14)**	**6**	**17**	**(13)**	**-**	**-**	**-**	**(27)**
General governments	(1)	-	-	-	-	-	-	-	(1)
Other financial corporations	-	(3)	3	-	-	-	-	-	-
Non-financial corporations	(11)	(6)	2	12	(12)	-	-	-	(15)
Households	(11)	(5)	1	5	(1)	-	-	-	(11)
Stage 2	**(83)**	**(9)**	**8**	**(27)**	**46**	**-**	**-**	**-**	**(65)**
General governments	(1)	-	-	-	1	-	-	-	-
Non-financial corporations	(50)	(6)	5	(11)	37	-	-	-	(25)
Households	(32)	(3)	3	(16)	8	-	-	-	(40)
Stage 3	**(165)**	**(3)**	**13**	**(1)**	**(25)**	**-**	**16**	**-**	**(165)**
Non-financial corporations	(64)	(1)	3	-	(7)	-	3	-	(66)
Households	(101)	(2)	10	(1)	(18)	-	13	-	(99)
POCI	**(12)**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**(11)**
Non-financial corporations	(12)	-	1	-	-	-	-	-	(11)
Total	**(283)**	**(26)**	**28**	**(11)**	**8**	**-**	**16**	**-**	**(268)**

									GROUP
in EUR million	As of	Additions	Derecogni-tions	Transfers between stages	Changes in credit risk	Insignificant modifications	Write-offs	Other	As of
	Jan 2023								Dec 2023
Stage 1	**(24)**	**(11)**	**4**	**19**	**(11)**	**-**	**-**	**-**	**(23)**
General governments	(1)	(1)	-	-	1	-	-	-	(1)
Other financial corporations	-	(1)	1	-	-	-	-	-	-
Non-financial corporations	(13)	(5)	2	13	(8)	-	-	-	(11)
Households	(10)	(4)	1	6	(4)	-	-	-	(11)
Stage 2	**(93)**	**(16)**	**6**	**(21)**	**41**	**-**	**-**	**-**	**(83)**
General governments	(2)	-	-	-	1	-	-	-	(1)
Non-financial corporations	(61)	(9)	4	(12)	28	-	-	-	(50)
Households	(30)	(7)	2	(9)	12	-	-	-	(32)
Stage 3	**(172)**	**(1)**	**15**	**(1)**	**(19)**	**-**	**13**	**-**	**(165)**
Non-financial corporations	(68)	(1)	7	-	(9)	-	7	-	(64)
Households	(104)	-	8	(1)	(10)	-	6	-	(101)
POCI	**(13)**	**-**	**1**	**-**	**(1)**	**-**	**1**	**-**	**(12)**
Non-financial corporations	(13)	-	1	-	(1)	-	1	-	(12)
Total	**(302)**	**(28)**	**26**	**(3)**	**10**	**-**	**14**	**-**	**(283)**

31. Development of credit loss allowances (continued)

Movement in credit loss allowances – loans and advances to customers (continued)

									BANK
in EUR million	As of	Additions	Derecogni-tions	Transfers between stages	Changes in credit risk	Insignificant modifications	Write-offs	Other	As of
	Jan 2024								Dec 2024
Stage 1	**(17)**	**(12)**	**6**	**16**	**(15)**	**-**	**-**	**(3)**	**(25)**
General governments	(1)	-	-	-	-	-	-	-	(1)
Other financial corporations	-	(3)	3	-	-	-	-	-	-
Non-financial corporations	(10)	(5)	2	12	(13)	-	-	-	(14)
Households	(6)	(4)	1	4	(2)	-	-	(3)	(10)
Stage 2	**(78)**	**(9)**	**7**	**(25)**	**45**	**-**	**-**	**(1)**	**(61)**
General governments	(1)	-	-	-	1	-	-	-	-
Non-financial corporations	(48)	(6)	4	(10)	37	-	-	-	(23)
Households	(29)	(3)	3	(15)	7	-	-	(1)	(38)
Stage 3	**(140)**	**(3)**	**12**	**(1)**	**(25)**	**-**	**15**	**(5)**	**(147)**
Non-financial corporations	(52)	(1)	3	-	(7)	-	3	(1)	(55)
Households	(88)	(2)	9	(1)	(18)	-	12	(4)	(92)
POCI	**(12)**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**(11)**
Non-financial corporations	(12)	-	1	-	-	-	-	-	(11)
Total	**(247)**	**(24)**	**26**	**(10)**	**5**	**-**	**15**	**(9)**	**(244)**

									BANK
in EUR million	As of	Additions	Derecogni-tions	Transfers between stages	Changes in credit risk	Insignificant modifications	Write-offs	Other	As of
	Jan 2023								Dec 2023
Stage 1	**(18)**	**(9)**	**2**	**19**	**(11)**	**-**	**-**	**-**	**(17)**
General governments	(1)	(1)	-	-	1	-	-	-	(1)
Other financial corporations	-	(1)	1	-	-	-	-	-	-
Non-financial corporations	(12)	(4)	1	13	(8)	-	-	-	(10)
Households	(5)	(3)	-	6	(4)	-	-	-	(6)
Stage 2	**(84)**	**(16)**	**5**	**(19)**	**36**	**-**	**-**	**-**	**(78)**
General governments	(2)	-	-	-	1	-	-	-	(1)
Non-financial corporations	(56)	(9)	3	(11)	25	-	-	-	(48)
Households	(26)	(7)	2	(8)	10	-	-	-	(29)
Stage 3	**(150)**	**(1)**	**13**	**(1)**	**(10)**	**-**	**9**	**-**	**(140)**
Non-financial corporations	(61)	(1)	7	-	(3)	-	6	-	(52)
Households	(89)	-	6	(1)	(7)	-	3	-	(88)
POCI	**(13)**	**-**	**1**	**-**	**(1)**	**-**	**1**	**-**	**(12)**
Non-financial corporations	(13)	-	1	-	(1)	-	1	-	(12)
Total	**(265)**	**(26)**	**21**	**(1)**	**14**	**-**	**10**	**-**	**(247)**

31. Development of credit loss allowances (continued)

Movement in credit loss allowances – loans and advances to customers (continued)

The column 'Changes in credit risk' also captures the passage-of-time adverse effect ('unwinding correction') over the lifetime expected cash shortfalls of AC loans and advances to customers that were assigned to Stage 3 for any period throughout the year, as well as of any POCI loans and advances to customers. This adverse effect amounted to EUR 3 million for the Group and EUR 2 million for the Bank (2023: EUR 3 million for the Group and EUR 2 million for the Bank) cumulatively for the year 2024, which also reflects the unrecognised interest income out of the related AC loans and advances to customers throughout the year.
The column 'Insignificant modifications (net)' reflects the effect on CLA arising from contractual modifications of loans and advances to customers at AC which do not trigger their full derecognition. The use of CLA triggered by full or partial write-offs of AC loans and advances to customers is reported in column 'Write-offs'.

One significant driver of the CLA movements for the year has been the transfer of the related instruments across different impairment stages. The year-end GCA of AC loans and advances to customers that were assigned on 31 December 2024 to a different stage compared to 1 January 2024 (or to the initial recognition date, if originated during the year) are summarized below:

GCA transfers between impairment stages for loans and advances at amortised cost to customers

								GROUP
	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3		POCI	
in EUR million	To Stage 2 from Stage 1	To Stage 1 from Stage 2	To Stage 3 from Stage 2	To Stage 2 from Stage 3	To Stage 3 from Stage 1	To Stage 1 from Stage 3	To Defaulted from Non-Defaulted	To Non-Defaulted from Defaulted
2024								
General governments	4	14	-	-	-	-	-	-
Other financial corporations	2	-	-	-	-	-	-	-
Non-financial corporations	198	517	13	-	13	-	-	-
Households	330	95	27	6	29	1	-	-
Total	**534**	**626**	**40**	**6**	**42**	**1**	**-**	**-**

								GROUP
	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3		POCI	
in EUR million	To Stage 2 from Stage 1	To Stage 1 from Stage 2	To Stage 3 from Stage 2	To Stage 2 from Stage 3	To Stage 3 from Stage 1	To Stage 1 from Stage 3	To Defaulted from Non-Defaulted	To Non-Defaulted from Defaulted
2023								
General governments	1	8	-	-	-	-	-	-
Non-financial corporations	171	260	11	1	14	-	-	-
Households	192	148	17	7	9	2	-	-
Total	**364**	**416**	**28**	**8**	**23**	**2**	**-**	**-**

31. Development of credit loss allowances (continued)

Movement in credit loss allowances – loans and advances to customers (continued)

								BANK
	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3		POCI	
in EUR million	To Stage 2 from Stage 1	To Stage 1 from Stage 2	To Stage 3 from Stage 2	To Stage 2 from Stage 3	To Stage 3 from Stage 1	To Stage 1 from Stage 3	To Defaulted from Non-Defaulted	To Non-Defaulted from Defaulted
2024								
General governments	4	14	-	-	-	-	-	-
Other financial corporations	2	-	-	-	-	-	-	-
Non-financial corporations	174	505	13	-	13	-	-	-
Households	320	87	26	6	28	1	-	-
Total	**500**	**606**	**39**	**6**	**41**	**1**	**-**	**-**

								BANK
	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3		POCI	
in EUR million	To Stage 2 from Stage 1	To Stage 1 from Stage 2	To Stage 3 from Stage 2	To Stage 2 from Stage 3	To Stage 3 from Stage 1	To Stage 1 from Stage 3	To Defaulted from Non-Defaulted	To Non-Defaulted from Defaulted
2023								
General governments	1	8	-	-	-	-	-	-
Non-financial corporations	142	257	3	1	13	-	-	-
Households	161	132	16	6	7	2	-	-
Total	**304**	**397**	**19**	**7**	**20**	**2**	**-**	**-**

The year-end total GCA of the AC loans and advances to customers that were initially recognized during the year 2024 and not fully de-recognized by 31 December 2024 amounts to EUR 2,632 million for the Group and EUR 2,459 million for the Bank (2023: to EUR 2,550 million for the Group and EUR 2,416 million for the Bank), of which changes in GCA that contributed to changes in credit loss allowances are result of significant contractual modification in the amount of EUR 316 million for the Group and for the Bank (2023: EUR 369 million for the Group and for the Bank) and purchases made during the reporting period in the amount of EUR 1 million for the Group and for the Bank (2023: EUR 17 million for the Group and for the Bank).

The GCA of the AC loans and advances to customers that were held on 1 January 2024 and fully derecognized (mainly due to matured) during the year 2024 amounts to EUR 999 million for the Group and EUR 935 million for the Bank (2023: EUR 864 million for the Group and EUR 820 million for the Bank), of which changes in GCA that contributed to changes in credit loss allowances are result of significant contractual modification in the amount of EUR 268 million for the Group and for the Bank (2023: EUR 313 million for the Group and for the Bank) and sales made during the reporting period is nil for the Group and for the Bank (2023: EUR 1 million for the Group and for the Bank).

The undiscounted amount of the lifetime expected credit losses considered in the initial measurement of the AC loans and advances to customers initially recognized and identified as POCI during the year 2024 amounted to EUR 1 million for the Group and for the Bank (2023: EUR 1 million for the Group and for the Bank).

31. Development of credit loss allowances (continued)

Movement in credit loss allowances – trade and other receivables

									GROUP
in EUR million	As of	Additions	Derecogni-tions	Transfers between stages	Changes in credit risk	Insignificant modifications	Write-offs	Other	As of
	Jan 2024								Dec 2024
Stage 1	(3)	(1)	1	-	2	-	-	-	(1)
Stage 2	-	-	-	-	(1)	-	-	-	(1)
Stage 3	(12)	-	2	-	(4)	-	2	-	(12)
Total	**(15)**	**(1)**	**3**	**-**	**(3)**	**-**	**2**	**-**	**(14)**

									GROUP
in EUR million	As of	Additions	Derecogni-tions	Transfers between stages	Changes in credit risk	Insignificant modifications	Write-offs	Other	As of
	Jan 2023								Dec 2023
Stage 1	(3)	(1)	1	-	-	-	-	-	(3)
Stage 2	(1)	-	1	-	-	-	-	-	-
Stage 3	(13)	-	3	-	(3)	-	1	-	(12)
Total	**(17)**	**(1)**	**5**	**-**	**(3)**	**-**	**1**	**-**	**(15)**

									BANK
in EUR million	As of	Additions	Derecogni-tions	Transfers between stages	Changes in credit risk	Insignificant modifications	Write-offs	Other	As of
	Jan 2024								Dec 2024
Stage 1	(1)	(1)	-	-	2	-	-	(1)	(1)
Stage 2	-	-	-	-	(1)	-	-	-	(1)
Stage 3	(5)	-	-	-	(2)	-	2	(6)	(11)
Total	**(6)**	**(1)**	**-**	**-**	**(1)**	**-**	**2**	**(7)**	**(13)**

									BANK
in EUR million	As of	Additions	Derecogni-tions	Transfers between stages	Changes in credit risk	Insignificant modifications	Write-offs	Other	As of
	Jan 2023								Dec 2023
Stage 1	(1)	(1)	1	-	-	-	-	-	(1)
Stage 2	-	-	-	-	-	-	-	-	-
Stage 3	(5)	-	-	-	(1)	-	1	-	(5)
Total	**(6)**	**(1)**	**1**	**-**	**(1)**	**-**	**1**	**-**	**(6)**

The year-end total GCA of the trade and other receivables that were initially recognized during the year 2024 and not fully de-recognized by 31 December 2024 amounts to EUR 169 million for the Group and EUR 167 million for the Bank (2023: EUR 81 million for the Group and EUR 80 million for the Bank), of which changes in GCA that contributed to changes in credit loss allowances are result of purchases made during the reporting period in the amount of EUR 97 million for the Group and for the Bank (2023: EUR 78 million for the Group and for the Bank).
The GCA of the trade and other receivables that were held on 1 January 2024 and fully de-recognized (matured) during the year 2024 amounts to EUR 62 million for the Group and EUR 57 million for the Bank (2023: EUR 79 million for the Group and EUR 72 million for the Bank), of which changes in GCA that contributed to changes in credit loss allowances are result of write-offs made during the reporting period in the amount of EUR 1 million for the Group and EUR 1 million for the Bank (2023: EUR 1 million for the Group and for the Bank).

31. Development of credit loss allowances (continued)

Financial assets at fair value through other comprehensive income – debt instruments:

Movement in credit loss allowances – debt instrument financial assets

							GROUP
in EUR million	As of	Additions	Derecognitions	Transfers between stages	Changes in credit risk	Other	As of
	Jan 2024						Dec 2024
Stage 1	(1)	-	1	-	-	-	-
Stage 2	(2)	-	-	-	1	-	(1)
Total	**(3)**	**-**	**1**	**-**	**1**	**-**	**(1)**

							GROUP
in EUR million	As of	Additions	Derecognitions	Transfers between stages	Changes in credit risk	Other	As of
	Jan 2023						Dec 2023
Stage 1	(3)	-	-	3	(1)	-	(1)
Stage 2	(6)	(3)	1	-	6	-	(2)
Total	**(9)**	**(3)**	**1**	**3**	**5**	**-**	**(3)**

							BANK
in EUR million	As of	Additions	Derecognitions	Transfers between stages	Changes in credit risk	Other	As of
	Jan 2024						Dec 2024
Stage 1	(1)	-	1	-	-	-	-
Stage 2	(2)	-	-	-	1	-	(1)
Total	**(3)**	**-**	**1**	**-**	**1**	**-**	**(1)**

							BANK
in EUR million	As of	Additions	Derecognitions	Transfers between stages	Changes in credit risk	Other	As of
	Jan 2023						Dec 2023
Stage 1	(2)	-	-	3	(2)	-	(1)
Stage 2	(7)	(3)	2	-	6	-	(2)
Total	**(9)**	**(3)**	**2**	**3**	**4**	**-**	**(3)**

One significant driver of the above presented CLA movements for the year has been the transfer of the related instruments across different stages. The year-end GCAs of FVOCI debt securities that were assigned on 31 December 2024 to a different stage compared to 1 January 2024 (or to the initial recognition date, if purchased during the year) are summarized in the table below:

Transfers between Stage 1 and Stage 2 – debt instrument financial assets

	GROUP		BANK	
in EUR million	2023	2024	2023	2024
To Stage 1 from Stage 2	96	-	96	-

31. Development of credit loss allowances (continued)

Movement in credit loss allowances – debt instrument financial assets (continued)

The year-end GCA of the debt securities at FVOCI that were initialy recognized during year 2024 and not fully derecognized by 31 December 2024 amounts to EUR 330 million for the Group and 304 million for the Bank (2023: EUR 227 million for the Group and for the Bank).
The GCA of the debt securities at FVOCI that were held on 1 January 2024 and fully derecognized during the year 2024 amounts to EUR 472 million for the Group and 466 million for the Bank (2023: EUR 353 million for the Group and for the Bank), of which changes in GCA that contributed to changes in credit loss allowances are result of sales made during the reporting period in the amount of EUR 34 million for the Group and 31 million for the Bank (2023: EUR 256 million for the Group and for the Bank).

Finance lease receivables:

Movement in credit loss allowances – finance lease receivables

									GROUP
in EUR million	As of	Additions	Charge-offs	Transfers between stages	Changes in credit risk	Insignificant modifications	Write-offs	Other	As of
	Jan 2024								Dec 2024
Stage 1	(1)	-	-	-	-	-	-	-	(1)
Stage 2	(1)	-	-	-	-	-	-	-	(1)
Stage 3	(2)	-	1	-	-	-	-	-	(1)
Total	**(4)**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**(3)**

									GROUP
in EUR million	As of	Additions	Charge-offs	Transfers between stages	Changes in credit risk	Insignificant modifications	Write-offs	Other	As of
	Jan 2023								Dec 2023
Stage 1	(1)	(1)	-	1	-	-	-	-	(1)
Stage 2	(3)	-	1	-	1	-	-	-	(1)
Stage 3	(2)	-	-	-	-	-	-	-	(2)
Total	**(6)**	**(1)**	**1**	**1**	**1**	**-**	**-**	**-**	**(4)**

The use of CLA triggered by full or partial write-offs of finance lease receivables is reported in column ‘Write-offs’.

One significant driver of the CLA movements for the year has been the transfer of the related instruments across impairment stages. The year-end GCA of finance lease receivables that were assigned on 31 December 2024 to a different stage compared to 1 January 2024 (or to the initial recognition date, if originated during the year) are summarized below:

Transfers between stages – finance lease receivables

		GROUP
in EUR million	2023	2024
Transfers between Stage 1 and Stage 2	**54**	**81**
To Stage 2 from Stage 1	22	59
To Stage 1 from Stage 2	32	22
Transfers between Stage 2 and Stage 3	**2**	**2**
To Stage 3 from Stage 2	1	1
To Stage 2 from Stage 3	1	1
Transfers between Stage 1 and Stage 3	**1**	**2**
To Stage 3 from Stage 1	1	2

31. Development of credit loss allowances (continued)

Movement in credit loss allowances – finance lease receivables (continued)

The year-end total GCA of the finance lease receivables that were initially recognised during the reporting period and not fully de-recognised by 31 December 2024 amounts to EUR 221 million for the Group and nil for the Bank (2023: EUR 197 million for the Group and nil for the Bank).
The GCA of the finance lease receivables that were held on 1 January 2024 and fully derecognised during the year 2024 amounts to EUR 313 million for the Group and nil for the Bank (2023: EUR 172 million for the Group and nil for the Bank).

Loan commitments and financial guarantees:

Movement in credit loss allowances – loan commitments and financial guarantees

							GROUP
in EUR million	As of	Additions	Derecognitions	Transfers between stages	Changes in credit risk	Other	As of
	Jan 2024						Dec 2024
Stage 1	7	12	(6)	(2)	(1)	-	10
Stage 2	6	-	(4)	8	(1)	-	9
Defaulted	4	-	(4)	-	4	-	4
Total	**17**	**12**	**(14)**	**6**	**2**	**-**	**23**

							GROUP
in EUR million	As of	Additions	Derecognitions	Transfers between stages	Changes in credit risk	Other	As of
	Jan 2023						Dec 2023
Stage 1	6	9	(2)	(7)	1	-	7
Stage 2	25	-	(3)	3	(19)	-	6
Defaulted	4	-	(1)	-	1	-	4
Total	**35**	**9**	**(6)**	**(4)**	**(17)**	**-**	**17**

							BANK
in EUR million	As of	Additions	Derecognitions	Transfers between stages	Changes in credit risk	Other	As of
	Jan 2024						Dec 2024
Stage 1	5	10	(6)	(1)	(2)	3	9
Stage 2	6	-	(4)	8	(1)	-	9
Defaulted	4	-	(4)	-	4	-	4
Total	**15**	**10**	**(14)**	**7**	**1**	**3**	**22**

							BANK
in EUR million	As of	Additions	Derecognitions	Transfers between stages	Changes in credit risk	Other	As of
	Jan 2023						Dec 2023
Stage 1	5	8	(2)	(7)	1	-	5
Stage 2	25	-	(3)	3	(19)	-	6
Defaulted	3	-	(1)	-	1	1	4
Total	**33**	**8**	**(6)**	**(4)**	**(17)**	**1**	**15**

One significant driver of the CLA movements for the year has been the transfer of the related instruments across different stages. The year-end notional amounts of loan commitments and financial guarantees that were assigned on 31 December 2024 to a different stage compared to 1 January 2024 (or to the initial recognition date, if originated during the year) are summarized below:

31. Development of credit loss allowances (continued)

Movement in credit loss allowances – loan commitments and financial guarantees (continued)

Transfers between stages – loan commitments and financial guarantees

	GROUP		BANK	
in EUR million	2023	2024	2023	2024
Transfers between Stage 1 and Stage 2	**200**	**285**	**184**	**271**
To Stage 2 from Stage 1	92	184	81	176
To Stage 1 from Stage 2	108	101	103	95
Transfers between Stage 2 and Stage 3	**2**	**2**	**2**	**2**
To Stage 3 from Stage 2	2	2	2	2
Transfers between Stage 1 and Stage 3	**-**	**3**	**-**	**3**
To Stage 3 from Stage 1	-	3	-	3

The year-end nominal amounts of unused off-balance commitments and financial guarantees that were initially recognised during the year 2024 and not fully derecognised by 31 December 2024 amounts to EUR 2,001 million for the Group and EUR 1,851 million for the Bank (2023: EUR 1,105 million for the Group and EUR 988 million for the Bank), of which changes in GCA that contributed to changes in credit loss allowances are result of significant contractual modification in the amount of EUR 42 million for the Group and for the Bank (2023: EUR 33 million for the Group and for the Bank) and purchases made during the reporting period in the amount of EUR 2 million for the Group and for the Bank (2023: EUR 1 million for the Group and for the Bank).

The nominal amounts of unused off-balance commitments or financial guarantees that were held on 1 January 2024 and fully de-recognised during the year 2024 amounts to EUR 903 million for the Group and EUR 843 million for the Bank (2023: EUR 408 million for the Group and EUR 371 million for the Bank), of which changes in GCA that contributed to changes in credit loss allowances are result of significant contractual modification in the amount of EUR 24 million for the Group and for the Bank (2023: EUR 18 million for the Group and for the Bank).

32. Scenarios used in forward looking information and Crises Effect

Overview on scenarios used in forward-looking information

Incorporation of 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 a several alternative scenarios for selected macroeconomic variables. The alternative scenarios are derived, together with their probabilities of occurrence, as deviations from baseline forecasts. The baseline forecasts are, with a few exceptions, internally determined by Erste Group's research department. Given multiple scenarios, the 'neutral' PDs (and LGDs, with a few exceptions) are adjusted through macro models which link relevant macroeconomic variables with risk drivers. The same macro-shift models as for external and internal stress test are employed. Forward-looking information is incorporated for first three years of ECL measurement. Measurement of the remaining lifetime risk returns to through-the-cycle (TTC) observations immediately in year four.

Thus, the unbiased, probability-weighted ECL considering FLI is derived with the weights representing the occurrence probabilities of each macroeconomic scenario. Typical macroeconomic variables may include real gross domestic product, unemployment rate, inflation rate, production index, as well as market interest rates. The selection of variables also depends on the availability of reliable forecasts for the given local market. Nevertheless, the main indication of the estimated economic development can be predicted through GDP development. In addition, economic effects of the war in Ukraine led to increases in inflation and/or interest rates. Macro-shift models were adjusted to reflect expected effects of these into credit risk parameters.

EBC group (except Erste Bank Podgorica) reviewed the FLI in the fourth quarter of 2024 according to the disclosed forecasts for baseline, downside, and upside scenarios. Considering more stable macroeconomic forecasts than during the previous year, EBC group (except Erste Bank Podgorica) decided to keep the 50% scenario weight for the baseline. Following the optimistic macroeconomic outlook for Croatia, the scenario weight for the Downside scenario was reduced to 22% (49% in 2023), while the weight for the Upside scenario was increased to 28% (1% in 2023). The approach of including the comprehensive stress test (CST) scenario into the downside scenario design is kept unchanged. However, the CST scenario was updated according to assumptions considered in the comprehensive stress test 2024.These model adjustments took place to address the persisting uncertainty of the macroeconomic forecasts, higher downside risks and effects of these on ECL resulting from the unstable geopolitical situation.

The bank is disclosing sensitivity of staging and ECL on macro scenarios in the "Collective assessment" section below.

Baseline scenario

EBC expects the Eurozone economy to maintain relatively modest GDP growth momentum also in 2025 amid significant geopolitical and policy uncertainty. Croatia maintained a solid aboveEU-average growth momentum also in 2024 and that is the trend expected to prevail also in 2025. Domestic demand, supported by solid investment momentum and labor-market-supported private consumption growth, should remain the growth backbone, while more supportive external demand remains at risk owing to EU growth-related uncertainties.

Risk to the baseline scenario and Comprehensive stress test scenario as considerations added to downside scenario

Global factors such as geopolitical tensions, increasing obstacles to free trade activity, and prolonged EU growth weakness remain the downside risks to the baseline scenario. Persistent inflation pressures, triggering a more hawkish monetary policy stance, could keep interest rates at more restrictive levels, acting as a headwind to domestic demand.

32. Scenarios used in forward looking information and Crises Effect (continued)

Macro-shift FLI models are recalibrated regularly to reflect the most relevant macro-variables. Except for central models for Group (Large) Corporate, the recalibration is performed by the EBC, and variables with the highest statistical relevance are included.

In the table below, the expected development of GDP, as a main indicator of the macroeconomic situation, and inflation for all scenarios in Croatia are disclosed. Disclosures are based on the relevancy in the macro-shift model. Macro-shift models are calibrated for the three main sub-portfolios: private individuals, micro enterprises, and other corporate business. The calibration of the model and the variables disclosed below are incorporated into expected credit loss measurement as of 31 December 2024. The baseline and weighted scenario outcomes for the major variables are disclosed in tabular format for the years 2025-2027.

Baseline, upside, and downside scenarios of GDP development

GDP growth in %	Scenario	Probability weight	2024	2025	2026	2027
2024						
Erste&Steiermärkische Bank d.d.	Upside	28%	3.5	4.8	5.5	4.5
	Baseline	50%	3.5	2.9	2.8	2.5
	Downside	22%	3.5	(3.0)	(1.2)	0.2
			2023	**2024**	**2025**	**2026**
2023						
Erste&Steiermärkische Bank d.d.	Upside	1%	2.6	4.3	5.2	4.9
	Baseline	50%	2.6	2.4	2.6	2.5
	Downside	49%	2.6	(2.0)	(1.2)	0.1

Baseline, upside, and downside scenarios of the inflation development

Inflation in %	Scenario	Probability weight	2024	2025	2026	2027
2024						
Erste&Steiermärkische Bank d.d.	Upside	28%	2.9	0.7	(1.2)	(1.4)
	Baseline	50%	2.9	2.5	2.5	2.5
	Downside	22%	2.9	7.1	4.4	4.0
			2023	**2024**	**2025**	**2026**
2023						
Erste&Steiermärkische Bank d.d.	Upside	1%	8.1	2.1	(1.2)	0.4
	Baseline	50%	8.1	3.5	2.7	2.5
	Downside	49%	8.1	6.7	6.0	4.1

32. Scenarios used in forward looking information and Crises Effect (continued)

Collective assessment

In 2022, in addition to the standard SICR assessment, EBC group began to apply stage overlays rules, i.e., transfer into Stage 2 based on pre-defined portfolio characteristics, due to the uncertainty caused by macroeconomic developments and geopolitical tensions affecting the economic environment. This approach was 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, exemptions from the collective SICR assessment, if properly documented why they would behave differently than the rest of the portfolio.

In June 2022, EBC implemented rules for collective staging assessment due to the war in Ukraine (UA war overlays) as a combination of industries with correlation to economic downturn (cyclical industries) and one-year IFRS PD. EBC has identified the portfolio of industry sectors susceptible to being hit by the macroeconomic environment based on cost inflation and interest rate increases leading to decreasing confidence levels on the consumer as well as the production side, and consequently a decrease in consumption and investments. In addition to cyclical industries, from September 2022, EBC has introduced an additional Energy stage overlay due to the current distortions in the energy market with implications on gas/energy availability and price.

In 2024, the Erste Group decommissioned the Energy overlay (triggering a release of CLA in the amount of EUR 5.6 million). Furthermore, the Cyclical industries overlay was decommissioned, and a new Industry overlay was introduced, which was deemed to be more connected with internal risk management processes. The aim was to connect collective SICR assessment with industry strategy review - which reflects risks to which the portfolio is exposed to - instead of generally defined cyclicals. As of December 2024, out of the overall Bank’s credit risk exposure, the share of collective staging due to the Industry overlay amounts to EUR 247 million. In the following chapters, values and impacts in the tables are provided only for the Bank due to the materiality reasons.

32. Scenarios used in forward looking information and Crises Effect (continued)

Credit risk exposure and credit loss allowances by industry and IFRS 9 treatment – cyclical industries

								BANK
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Credit risk exposure (AC and FVOCI)	Not subject to IFRS 9 impairment	Total	Credit loss allowances
2024								
Natural Resources & Commodities	328	22	11	-	361	40	401	(8)
Energy	678	14	-	-	692	56	748	(3)
of which industry overlay	-	1	-	-	1	-	1	-
Construction and building materials	743	100	20	3	866	179	1,045	(23)
of which industry overlay	-	21	-	-	21	-	21	(1)
Automotive	108	15	2	-	124	16	140	(2)
of which industry overlay	-	15	-	-	15	-	15	-
Cyclical Consumer Products	269	33	16	1	318	44	362	(12)
of which industry overlay	-	31	-	-	31	-	31	(1)
Non-Cyclical Consumer Products	429	6	11	1	447	48	495	(10)
Machinery	152	5	1	-	158	63	221	(1)
Transportation	1,039	8	5	1	1,053	25	1,078	(5)
of which industry overlay	-	1	-	-	1	-	1	-
TMT and paper & packaging	152	4	-	-	156	26	182	(1)
of which industry overlay	-	1	-	-	1	-	1	-
Healthcare & Services	342	20	2	-	364	23	387	(4)
of which industry overlay	-	12	-	-	12	-	12	(1)
Hotels, Gaming & Leisure Industry	784	98	26	3	911	6	917	(22)
of which industry overlay	-	64	-	-	64	-	64	(5)
Real Estate	780	103	16	7	906	2	908	(22)
of which industry overlay	-	101	-	-	101	-	101	(7)
Public Sector	3,505	125	-	-	3,630	-	3,630	(4)
Financial Institutions	303	7	-	-	309	41	350	(1)
Private Households	3,336	941	161	-	4,438	-	4,438	(150)
Other	-	-	-	-	-	-	-	-
Total	**12,948**	**1,501**	**271**	**16**	**14,736**	**569**	**15,305**	**(269)**
of which industry overlay	**-**	**247**	**-**	**-**	**247**	**-**	**247**	**(15)**
2023								
Natural Resources & Commodities	272	109	10	-	391	23	414	(11)
Energy	228	450	1	-	679	33	712	(15)
Construction and building materials	607	61	19	4	691	127	818	(22)
Automotive	111	6	1	-	118	19	137	(1)
Cyclical Consumer Products	266	30	12	-	308	46	354	(12)
Non-Cyclical Consumer Products	268	16	15	-	299	47	346	(1)
Machinery	141	14	-	-	155	44	199	(3)
Transportation	736	35	4	1	776	13	789	(7)
TMT and paper & packaging	126	16	1	-	143	17	160	(1)
Healthcare & Services	240	41	2	-	283	41	324	(5)
Hotels, Gaming & Leisure Industry	588	202	15	8	813	7	820	(31)
Real Estate	791	51	18	7	867	2	869	(22)
Public Sector	3,477	162	-	-	3,639	-	3,639	(10)
Financial Institutions	309	4	-	-	313	34	347	(2)
Private Households	2,587	677	125	1	3,390	-	3,390	(118)
Other	-	-	-	-	-	-	-	-
Total	**10,747**	**1,874**	**223**	**21**	**12,865**	**453**	**13,318**	**(261)**

32. Scenarios used in forward looking information and Crises Effect (continued)

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 per industries category are disclosed.

In December 2024, the exposure in Stage 2 due to the application of the Industry overlay rule stood at EUR 200 million, with additional ECL allocated in the amount of EUR 9 million. As described above, FLI shifts were reassessed based on the latest macro-scenarios in the fourth quarter of 2024. Considering the review of in-model adjustments (changing the weight assigned to downside and upside scenarios), the Stage 2 exposure triggered by FLI decreased to EUR 91 million as of December 2024 (2023: EUR 95 million). The change of the Stage 2 exposure and PD levels affected the level of ECL allocated in Stage 2 due to FLI: EUR 25 million as of December 2024 versus EUR 13 million as of December 2023. Scenario simulation presents sensitivity analyses taking into consideration only changes due to the different values of PDs, if baseline, upside, or downside FLI scenarios was assigned a weight of 100%. 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 the 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 million, resulting in ECL change of EUR 1 million. The downside scenario would lead to additional EUR 17 million of exposure migration to Stage 2 in comparison with scenario weighted FLI, resulting in ECL increase of EUR 4 million.

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

Forward looking information (FLI) and stage overlays due to the Energy crisis

Impact on credit risk exposure

									BANK
	Current status - parameters (FLI shifted)						Simulations - difference to FLI shifts effect		
	Stage 1	Stage 2	Total	Stage 2 affected by			Upside scenario	Baseline scenario	Downside scenario
in EUR million				Industry overlays	Energy overlays	FLI shifts			
2024									
Erste&Steiermärkische Bank d.d.	12,948	1,501	14,449	200	-	91	4	1	(17)
2023									
Erste&Steiermärkische Bank d.d.	10,747	1,874	12,621	-	521	95	4	1	(5)

Impact on credit loss allowances

									BANK
	Current status - parameters (FLI shifted)						Simulations - difference to FLI shifts effect		
	Stage 1	Stage 2	Total	out of which:			Upside scenario	Baseline scenario	Downside scenario
in EUR million				Effect of Industry overlays	Effect of Energy overlays	Effect of FLI shifts			
2024									
Erste&Steiermärkische Bank d.d.	(35)	(73)	(108)	9	-	25	2	1	(4)
2023									
Erste&Steiermärkische Bank d.d.	(25)	(83)	(108)	13	9	13	1	-	-

32. Scenarios used in forward looking information and Crises Effect (continued)

Impact on credit risk exposure by industry

						BANK
	Current status - parameters (FLI shifted)		Effect of Industry overlays		Point in time parameters (before FLI shift)	
in EUR million	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2
2024						
Natural Resources & Commodities	328	22	328	21	333	17
Energy	678	14	679	13	679	13
of which industry overlay	-	1	-	1	-	-
Construction and building materials	743	100	762	82	748	96
of which industry overlay	-	19	-	19	-	-
Automotive	108	15	115	8	111	12
of which industry overlay	-	8	-	8	-	-
Cyclical Consumer Products	269	33	293	10	277	25
of which industry overlay	-	25	-	25	-	-
Non-Cyclical Consumer Products	429	6	429	6	429	6
Machinery	152	5	152	4	152	4
Transportation	1,039	8	1,040	7	1,039	8
of which industry overlay	-	1	-	1	-	-
TMT and paper & packaging	152	4	152	4	152	4
of which industry overlay	-	1	-	1	-	-
Healthcare & Services	342	20	355	8	351	12
of which industry overlay	-	12	-	12	-	-
Hotels, Gaming & Leisure Industry	784	98	828	54	799	83
of which industry overlay	-	51	-	51	-	-
Real Estate	780	103	872	11	812	71
of which industry overlay	-	92	-	92	-	-
Public Sector	3,505	125	3,505	125	3,505	125
Financial Institutions	303	7	303	7	303	7
Private Households	3,336	941	3,335	941	3,350	926
Other	-	-	-	-	-	-
Total	**12,948**	**1,501**	**13,148**	**1,301**	**13,040**	**1,409**
2023						
Natural Resources & Commodities	272	109	355	26	273	108
Energy	228	450	666	12	229	450
Construction and building materials	607	61	607	61	626	42
Automotive	111	6	111	6	112	5
Cyclical Consumer Products	266	30	266	30	269	27
Non-Cyclical Consumer Products	268	16	268	16	268	16
Machinery	141	14	141	14	142	12
Transportation	736	35	736	35	742	29
TMT and paper & packaging	126	16	126	16	127	15
Healthcare & Services	240	41	240	41	270	11
Hotels, Gaming & Leisure Industry	588	202	588	202	606	184
Real Estate	791	51	791	51	796	46
Public Sector	3,477	162	3,477	162	3,477	162
Financial Institutions	309	4	309	4	310	3
Private Households	2,587	677	2,587	677	2,595	669
Other	-	-	-	-	-	-
Total	**10,747**	**1,874**	**11,268**	**1,353**	**10,842**	**1,779**

32. Scenarios used in forward looking information and Crises Effect (continued)

Impact on credit loss allowances by industry (continued)

						BANK
	Current status - parameters (FLI shifted)		Effect of Industry overlays		Point in time parameters (before FLI shift)	
in EUR million	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2
2024						
Natural Resources & Commodities	(2)	(1)	(2)	(1)	(1)	(1)
Energy	(2)	-	(2)	(1)	(2)	-
of which industry overlay	-	-	-	-	-	-
Construction and building materials	(3)	(5)	(3)	(4)	(2)	(4)
of which industry overlay	-	(1)	(1)	-	-	(1)
Automotive	-	(1)	(1)	(1)	-	(1)
of which industry overlay	-	-	-	-	-	-
Cyclical Consumer Products	(1)	(1)	(1)	(1)	(1)	(1)
of which industry overlay	-	(1)	(1)	-	-	-
Non-Cyclical Consumer Products	(2)	(1)	(2)	-	(2)	-
Machinery	-	-	(1)	-	-	-
Transportation	(2)	(1)	(2)	(1)	(1)	-
of which industry overlay	-	-	-	-	-	-
TMT and paper & packaging	(1)	-	(1)	-	(1)	-
of which industry overlay	-	-	-	-	-	-
Healthcare & Services	(2)	(1)	(2)	(1)	(1)	(1)
of which industry overlay	-	(1)	(1)	-	-	-
Hotels, Gaming & Leisure Industry	(3)	(7)	(4)	(5)	(3)	(7)
of which industry overlay	-	(5)	(5)	-	-	(4)
Real Estate	(4)	(8)	(6)	(1)	(4)	(5)
of which industry overlay	-	(7)	(7)	-	-	(4)
Public Sector	(1)	(3)	(1)	(3)	(1)	(2)
Financial Institutions	(1)	-	(1)	-	(1)	-
Private Households	(11)	(44)	(12)	(43)	(8)	(32)
Other	-	-	-	-	-	-
Total	**(35)**	**(73)**	**(41)**	**(62)**	**(28)**	**(54)**
2023						
Natural Resources & Commodities	(1)	(2)	(2)	(1)	(1)	(2)
Energy	(2)	(12)	(4)	(1)	(2)	(12)
Construction and building materials	(2)	(3)	(2)	(3)	(2)	(2)
Automotive	-	-	-	-	-	-
Cyclical Consumer Products	(1)	(3)	(1)	(3)	(1)	(2)
Non-Cyclical Consumer Products	(1)	-	(1)	-	(1)	-
Machinery	-	(3)	-	(3)	-	(3)
Transportation	(2)	(2)	(2)	(2)	(1)	(1)
TMT and paper & packaging	(1)	-	(1)	-	(1)	-
Healthcare & Services	(1)	(2)	(1)	(2)	(1)	(1)
Hotels, Gaming & Leisure Industry	(2)	(16)	(2)	(16)	(2)	(13)
Real Estate	(3)	(4)	(3)	(4)	(3)	(4)
Public Sector	(1)	(9)	(1)	(9)	(1)	(7)
Financial Institutions	(2)	-	(2)	-	(2)	-
Private Households	(6)	(27)	(6)	(27)	(5)	(25)
Other	-	-	-	-	-	-
Total	**(25)**	**(83)**	**(28)**	**(71)**	**(23)**	**(72)**

33. Restructuring, renegotiation and forbearance

Restructuring means contractual modification of any of the customer's loan repayment conditions including tenor, interest rate, fees, principle amount due or a combination thereof. Restructuring can be business restructuring (in retail) and commercial renegotiation (in corporate) or forbearance in line with EBA requirements in both segments.

Business restructuring and renegotiation

Restructuring as business restructuring in the retail segment or as commercial renegotiation in the corporate segment is a potential and effective customer retention tool involving repricing or the offering of an additional loan or both in order to maintain the Bank's valuable, good clientele.

Forbearance

In case the restructuring entails a concession towards a customer facing or about to face financial difficulties in meeting their contractual financial commitments, the restructuring is considered forbearance.
Forborne exposure is assessed at loan contract level and means only the exposure to which forbearance measures have been extended and excludes any other exposure the customer may have, as long as no forbearance was extended to these.

Concession means that any of the following conditions are met:
- Modification/refinancing of the contract would not have been granted, had the customer not been in financial difficulty,
- There is a difference in favour of the customer between the modified/refinanced and the previous terms of the contract,
- The modified/refinanced contract includes more favourable terms than other customers with similar risk profile could have obtained from the Bank.

Forbearance can be initiated by the Bank or by the customer (on account of loss of employment, illness etc.).

Forbearance measures are divided and reported as:
- Performing forbearance (incl. performing forbearance under probation that was upgraded from non-performing forbearance)
- Non-performing forbearance.

In the table below, comparison of forbearance and credit risk exposure and allowances is given for the Bank and the Group for 31 December 2024 and 31 December 2023.

Credit risk exposure, forbearance exposure and credit loss allowances

					GROUP
in EUR million	Loans and receivables	Debt securities	Loan commitments	Other positions	Total
2024					
Gross exposure	**10,015**	**3,135**	**2,656**	**963**	**16,769**
thereof gross forborne exposure	162	-	-	-	162
Performing exposure	9,711	3,135	2,650	959	16,455
thereof performing forborne exposure	74	-	-	-	74
Credit loss allowances for performing exposure	(97)	(1)	(18)	(2)	(118)
thereof credit loss allowances for performing forborne exposure	(4)	-	-	-	(4)
Non-performing exposure	304	-	6	4	314
thereof non-performing forborne exposure	88	-	-	-	88
Credit loss allowances for non-performing exposure	(188)	-	(2)	(2)	(192)
thereof credit loss allowances for non-performing forborne exposure	(51)	-	-	-	(51)

33. Restructuring, renegotiation and forbearance (continued)

Credit risk exposure, forbearance exposure and credit loss allowances (continued)

					GROUP
in EUR million	Loans and receivables	Debt securities	Loan commitments	Other positions	Total
2023					
Gross exposure	**9,509**	**2,958**	**1,099**	**1,422**	**14,988**
thereof gross forborne exposure	179	-	-	-	179
Performing exposure	9,226	2,958	1,097	1,417	14,698
thereof performing forborne exposure	99	-	-	-	99
Credit loss allowances for performing exposure	(111)	(4)	(7)	(7)	(129)
thereof credit loss allowances for performing forborne exposure	(11)	-	-	-	(11)
Non-performing exposure	283	-	2	5	290
thereof non-performing forborne exposure	80	-	-	-	80
Credit loss allowances for non-performing exposure	(191)	-	-	(3)	(194)
thereof credit loss allowances for non-performing forborne exposure	(45)	-	-	-	(45)

					BANK
in EUR million	Loans and receivables	Debt securities	Loan commitments	Other positions	Total
2024					
Gross exposure	**8,871**	**3,012**	**2,555**	**867**	**15,305**
thereof gross forborne exposure	141	-	-	-	141
Performing exposure	8,597	3,012	2,548	864	15,021
thereof performing forborne exposure	69	-	-	-	69
Credit loss allowances for performing exposure	(88)	(1)	(17)	(2)	(108)
thereof credit loss allowances for performing forborne exposure	(4)	-	-	-	(4)
Non-performing exposure	274	-	7	3	284
thereof non-performing forborne exposure	72	-	-	-	72
Credit loss allowances for non-performing exposure	(169)	-	(2)	(2)	(173)
thereof credit loss allowances for non-performing forborne exposure	(40)	-	-	-	(40)

					BANK
in EUR million	Loans and receivables	Debt securities	Loan commitments	Other positions	Total
2023					
Gross exposure	**8,225**	**2,855**	**942**	**1,298**	**13,320**
thereof gross forborne exposure	163	-	-	-	163
Performing exposure	7,991	2,855	940	1,292	13,078
thereof performing forborne exposure	97	-	-	-	97
Credit loss allowances for performing exposure	(95)	(4)	(6)	(8)	(113)
thereof credit loss allowances for performing forborne exposure	(11)	-	-	-	(11)
Non-performing exposure	234	-	2	6	242
thereof non-performing forborne exposure	66	-	-	-	66
Credit loss allowances for non-performing exposure	(158)	-	-	(1)	(159)
thereof credit loss allowances for non-performing forborne exposure	(37)	-	-	-	(37)

33. Restructuring, renegotiation and forbearance (continued)

Impact of non-significant contractual modifications of debt instruments AC assigned to Stage 2 and 3

				GROUP
		2023		2024
in EUR million	Amortised cost before the modification	Net Modification gains/ losses	Amortised cost before the modification	Net Modification gains/ losses
Loans and advances				
Non-financial corporations	5	-	12	-
Households	6	-	6	-
Total	**11**	**-**	**18**	**-**

				BANK
		2023		2024
in EUR million	Amortised cost before the modification	Net Modification gains/ losses	Amortised cost before the modification	Net Modification gains/ losses
Loans and advances				
Non-financial corporations	4	-	10	-
Households	6	-	6	-
Total	**10**	**-**	**16**	**-**

On 31 December 2024, the total GCA of debt instruments measured at AC, which were impacted by non-significant contractual modifications during the year 2024 amounted to EUR 18 million for the Group and EUR 16 million for the Bank (2023: EUR 11 million for the Group and EUR 10 million the Bank).

The impact of contractual modifications (net modification losses) in the profit or loss of the year 2024 amounted profit in the amount of EUR 2 thousand for the Group and loss in the amount of EUR 31 thousand for the Bank (2023: loss in the amount of EUR 88 thousand for the Group and profit in the amount of EUR 21 thousand for the Bank).

34. Collaterals

Recognition of collateral

The Collateral Management unit is integrated in the Risk Management Division. The Collateral Management Policy defines, among other topics, uniform valuation standards for credit collateral across the entire Bank. It ensures that the credit risk decision processes are standardised with respect to accepted collateral values.

All collateral types acceptable within the Bank are defined by internal acts. The valuation and revaluation of collateral is done according to the principles defined in the Collateral Management Policy broken down by collateral type in accordance with the individual supervisory requirements.

Main types of credit collateral

Mostly, the following types of credit collateral are accepted:

_Real estate: residential and commercial real estate
_Financial collateral: securities portfolios, cash deposits and life insurance policies
_Guarantees: given by sovereigns, public sector entities and financial institutes. All guarantors must have a minimum credit quality, in accordance with regulatory requirements.

34. Collaterals (continued)

The Bank also accepts other collaterals such as movables, investment fund shares in accordance with European (EU) and local regulations.

Collateral valuation and management

Collateral valuation is based on current market prices while taking into account an amount that can be recovered within a reasonable period.
When calculating collateral coverage, the amount of coverage is adjusted through corrective factors, depending on the collateral type. Coverage by collateral disclosed in the financial statements is capped to the amount of relevant exposure.

Real estate valuation may only be performed by qualified valuators who are independent of the credit decision process. The valuation is to be made according to international, European or national standards. Internal guidelines define criteria of qualification and requirements of independence for the selection of valuators. A valuator may only perform two sequential valuations of the same asset, any further valuation has to result in the rotation of the valuator.

Impact of the energy efficiency, ESG data, i.e. information on energy efficiency of the collateral assets is systematically collected and stored in the relevant systems for documentation and reporting purposes.

The methods and discounts used for valuations are based on empirical data representing past experience of the Collection and Workout department and on the collected data on loss recovery from realising collateral. The valuation methods are adjusted regularly – at least once a year.

The revaluation of collateral is done periodically and is automated as far as possible. In the case of external data sources, the appropriate interfaces are used. The maximum periods for the revaluation of individual collateral assets are predefined. Apart from periodic revaluations, collateral is assessed when information becomes available that indicates a decrease in the value of the collateral for exceptional reasons.

The Bank performs regular annual concentration risk assessment which comprises an overview of credit risk mitigation techniques, but also a market risk overview from a perspective of received collaterals.

Repossession of Collaterals is highly selective and restrictive, while the assets repossessed made available for sale right away. In general, the Bank does not occupy repossessed properties for its own business use. Commercial assets slightly prevail over the Residential assets within the repossessed assets portfolio. The portfolio has been strongly reduced within the last years, as of 31 December 2024, the carrying value of the repossessed assets portfolio amounted to EUR 8,3 million.

Treasury collateral

The department Market and Liquidity Risk Management is responsible for treasury collateral framework. The Treasury Collateral Management Policy defines, among other things, uniform valuation standards for treasury collateral in the Bank. Under the framework of treasury collateral, netting agreements (international framework agreements for derivatives of the International Swap and Derivatives Association (ISDA), local framework agreements, framework agreements for securities lending and repurchase deals) as well as collateral agreements (e.g. ISDA Credit Support Annex) are used for reducing the credit risk from derivatives.

Netting agreements make it possible to net all amounts due or payable for each individual transaction under a framework agreement in the case of a credit default, with the result that only the net receivables vis-à-vis the business partner are of relevance for credit risk. Within the scope of these collateral agreements, the portfolio with the respective counterparty is revalued periodically, usually daily, and in case of insufficient coverage additional collateral is requested. The policy restrictions on collateral types ensure that collateral received predominantly consists of cash or securities of investment grade quality. In the case of securities used as collateral, an additional valuation discount (haircut) depending on credit quality and residual maturity is applied.

34. Collaterals (continued)

Credit risk exposure by financial instrument and collateral

in EUR million	Total credit risk exposure	Collateral total	Collateralised by: Guarantees	Collateralised by: Real estate	Collateralised by: Other	Credit risk exposure net of collateral	Neither past due nor credit impaired	Past due but not credit impaired	Credit impaired
									GROUP
2024									
Other demand deposits to credit institutions	96	-	-	-	-	96	14	82	-
Instruments HfT	19	-	-	-	-	19	-	-	-
Non-trading debt instruments at FVPL	5	-	-	-	-	5	-	-	-
Debt instruments at FVOCI	1,028	-	-	-	-	1,028	1,028	-	-
Debt instruments at AC	11,353	4,369	836	3,131	402	6,984	10,875	194	284
Debt securities	2,102	-	-	-	-	2,102	2,102	-	-
Loans and advances to banks	79	39	-	-	39	40	79	-	-
Loans and advances to customers	9,172	4,330	836	3,131	363	4,842	8,694	194	284
Trade and other receivables	193	10	9	1	-	183	162	17	14
Finance lease receivables	571	493	3	-	490	78	415	150	6
Off balance-sheet exposures	3,504	446	1	197	248	3,058	2,916	-	10
Total	**16,769**	**5,318**	**849**	**3,329**	**1,140**	**11,451**	**15,410**	**443**	**314**

in EUR million	Total credit risk exposure	Collateral total	Collateralised by: Guarantees	Collateralised by: Real estate	Collateralised by: Other	Credit risk exposure net of collateral	Neither past due nor credit impaired	Past due but not credit impaired	Credit impaired
									GROUP
2023									
Other demand deposits to credit institutions	46	-	-	-	-	46	4	42	-
Instruments HfT	23	-	-	-	-	23	-	-	-
Non-trading debt instruments at FVPL	6	-	-	-	-	6	-	-	-
Debt instruments at FVOCI	1,148	-	-	-	-	1,148	1,148	-	-
Debt instruments at AC	10,641	4,022	895	2,767	360	6,619	10,200	179	262
Debt securities	1,804	-	-	-	-	1,804	1,804	-	-
Loans and advances to banks	68	13	-	-	13	55	68	-	-
Loans and advances to customers	8,769	4,009	895	2,767	347	4,760	8,328	179	262
Trade and other receivables	185	12	-	1	11	173	157	15	13
Finance lease receivables	487	419	4	-	415	68	391	90	6
Off balance-sheet exposures	2,452	288	1	169	118	2,164	1,952	43	8
Total	**14,988**	**4,741**	**900**	**2,937**	**904**	**10,247**	**13,852**	**369**	**289**

34. Collaterals (continued)

Credit risk exposure by financial instrument and collateral (continued)

BANK

in EUR million	Total credit risk exposure	Collateral total	Collateralised by Guarantees	Collateralised by Real estate	Collateralised by Other	Credit risk exposure net of collateral	Neither past due nor credit impaired	Past due but not credit impaired	Credit impaired
2024									
Other demand deposits to credit institutions	11	-	-	-	-	11	11	-	-
Instruments HfT	19	-	-	-	-	19	-	-	-
Non-trading debt instruments at FVPL	5	-	-	-	-	5	-	-	-
Debt instruments at FVOCI	952	-	-	-	-	952	952	-	-
Debt instruments at AC	10,734	4,106	827	2,890	389	6,628	10,298	175	261
Debt securities	2,055	-	-	-	-	2,055	2,055	-	-
Loans and advances to banks	52	39	-	-	39	13	52	-	-
Loans and advances to customers	8,627	4,067	827	2,890	350	4,560	8,191	175	261
Trade and other receivables	192	10	9	1	-	182	162	17	13
Off balance-sheet exposures	3,392	418	1	172	245	2,974	2,837	-	10
Total	**15,305**	**4,534**	**837**	**3,063**	**634**	**10,771**	**14,260**	**192**	**284**

BANK

in EUR million	Total credit risk exposure	Collateral total	Collateralised by Guarantees	Collateralised by Real estate	Collateralised by Other	Credit risk exposure net of collateral	Neither past due nor credit impaired	Past due but not credit impaired	Credit impaired
2023									
Other demand deposits to credit institutions	12	-	-	-	-	12	1	11	-
Instruments HfT	23	-	-	-	-	23	-	-	-
Non-trading debt instruments at FVPL	6	-	-	-	-	6	-	-	-
Debt instruments at FVOCI	1,091	-	-	-	-	1,091	1,091	-	-
Debt instruments at AC	9,868	3,751	885	2,522	344	6,117	9,495	145	228
Debt securities	1,758	-	-	-	-	1,758	1,758	-	-
Loans and advances to banks	31	12	-	-	12	19	31	-	-
Loans and advances to customers	8,079	3,739	885	2,522	332	4,340	7,706	145	228
Trade and other receivables	115	12	-	1	11	103	106	3	6
Off balance-sheet exposures	2,205	262	1	151	110	1,943	1,732	43	7
Total	**13,320**	**4,025**	**886**	**2,674**	**465**	**9,295**	**12,425**	**202**	**241**

The collateral attributable to exposures that are credit-impaired as of 31 December 2024 amounts to EUR 120 million (2023: EUR 113 million) in the Group and EUR 100 million as of 31 December 2024 (2023: EUR 90 million) in the Bank.

35. Market risk

Definition and overview

Market risk is the risk of loss that may arise due to adverse changes in market prices and to the parameters derived therefrom. These market value changes might appear in the profit and loss account, in the statement of comprehensive income or in hidden reserves. Market risk is divided into interest rate risk, credit spread risk, currency risk, equity risk and volatility risk. This concerns both trading and banking book positions.

Methods and instruments employed

Potential losses that may arise from market movements are assessed using the Value at Risk (VaR) methodology. The VaR describes what level of losses may be expected as a maximum at a defined probability – the confidence level – within a certain holding period of the positions under normal market conditions.
The calculation for the trading book is done according to the method of historic simulation with a one-sided confidence level of 99%, a holding period of one day and a simulation period of two years.

Back-testing for trading book is used to constantly monitor the validity of the statistical methods. This process is conducted with a one-day delay to monitor if the model projections regarding losses have actually materialised. At a confidence level of 99%, the actual loss on a single day should exceed the VaR statistically only two to three times a year (1% of around 250 workdays).

The VaR calculation for banking book positions (BB-VaR) is based on the methodology used for ICAAP calculation of Erste Group where 250.000 historical scenarios (starting with 2010) are calculated with a theoretical holding period of 1 year and a confidence level of 99.90%. The same calculation is used for the BB-VaR with a 1 day holding period and a 99% confidence level, consistent with the trading book methodology. The results of both calculations, ICAAP and BB-VaR are presented in the Group ALCO to the Management Board.

A known limitation of the VaR approach is that on the one hand, it estimates losses only up to the confidence level, and on the other hand, the model considers only those market scenarios observed within the look-back period to calculate the VaR for the current position of the bank. To address this limitation and to investigate any extreme market situations not reflected in the VaR approach, stress tests are conducted. These stress tests are designed to cover market movements of low probability and high impact.

The stress tests are carried out according to several methods: stressed VaR (SVaR) is derived from the normal VaR calculation. But instead of simulating only over the two most recent years, an analysis of a much longer period is carried out in order to identify a one-year period that constitutes a relevant period of stress for the current portfolio mix. According to the legal framework, that one-year period is used to calculate a VaR with a 99% confidence level. This enables the Bank on the one hand to hold sufficient own funds available for the trading book also in periods of elevated market volatility, while on the other hand also enabling it to incorporate these resulting effects in the management of trading positions.

Standard scenarios are defined in which selected market factors are exposed to extreme movements. Such scenarios are calculated at the Bank for interest rates, stock prices, exchange rates and volatilities. Historic scenarios are a modification of the concept of standard scenarios. In this case, risk factor movements after certain events such as “Covid-19 crisis” or “Lehman bankruptcy” form the basis of the stress calculation.
In addition, hypothetical stress test scenarios are defined based on analysis of the current economic environment and projections of adverse developments of key market risk drivers. These analyses are made available to the Management Board and the Supervisory Board within the scope of the monthly market risk reports.
Banking book positions are considered in the comprehensive stress test.

For the local capital requirements, the Bank and the Group are using the standardized model.

Methods and instruments of risk mitigation

The Bank manages market risks in the trading book by setting several layers of limits. The overall limit based on VaR for the trading book is decided by the Management Board while taking into account the risk-bearing capacity and projected earnings. A further breakdown is done by the Management Board and Market Risk Committee based on a proposal from the Market Risk Management unit.

35. Market risk (continued)

All market risk activities of the trading book are assigned risk limits that are entirely consistent with the overall RWA limit.
The RWA limit is broken down into dedicated VaR and SVaR limits and assigned in a top-down procedure to the individual trading units. Additionally, in a bottom-up procedure, sensitivity limits are assigned on trading desk level in order to control exposures to individual risk drivers and ensure sufficient diversification. These are then aggregated and applied as a second-limit layer to the VaR and SVaR limits.
The consistency between the two limit approaches is verified regularly.
Limit compliance is verified at two levels: by the Market and Liquidity Risk Management Department in the Bank and by the Trading Book Risk Group. The monitoring of the limits is done within the course of the trading day based on sensitivities.
The VaR is calculated daily and is available and reported to the individual trading units as well as to the superior management levels all the way up to the Management Board.

Certain banking book positions are subjected to a daily VaR analysis. The total VaR is determined in the same manner as the VaR for the trading book.

Analysis of market risk

Value at Risk of banking book and trading book
The following tables show the Bank's VaR amounts as of 31 December 2024 and 31 December 2023 respectively at the 99% confidence level using equally weighted market data and with a holding period of one day. Bank is the only entity in EBC Group that has trading book and, also, single entity which uses Kondor+ as data source for VaR calculation.

Value at Risk of banking book and trading book 2024

in EUR thousand	Total	Interest	Currency	Shares	Volatility
Position held in non-Trading Book	2,271	2,270	3	-	7
Fair Value Through Other Comprehensive Income	3,287	3,290	4	-	2
Held for Trading	8	7	0	-	-

Value at Risk of banking book and trading book 2023

in EUR thousand	Total	Interest	Currency	Shares	Volatility
Position held in non-Trading Book	2,227	2,221	25	-	37
Fair Value Through Other Comprehensive Income	3,215	3,215	8	-	2
Held for Trading	12	13	1	-	-

Interest rate risk of banking book

Interest rate risk is the risk of an adverse change in both the earnings and economic value of financial instruments caused by a movement in market interest rates. This type of risk arises when mismatches exist between assets and liabilities, including derivatives, in respect of their maturities or of the timing of interest rate adjustments. In order to identify interest rate risk, all interest-bearing financial instruments, including off-balance are used to calculate the impact of certain interest rate scenarios on their economic value and their earnings. Limits and thresholds are implemented for both aspects of the IRRBB, the change in economic value as well as the change in earnings. Positions without contractually defined maturity or repricing structures, such as demand deposits or overdrafts are modelled accordingly, for positions where the customer has the right to prepay his debt prepayment models are applied.
Interest rate risk calculations are done in accordance with EBA (EBA/RTS/2022/14) guidelines and EBA Regulatory Technical Standard on the supervisory outlier tests (EBA/RTS/2022/10). During 2024 for internal and regulatory risk measures, in accordance with regulatory expectations, behavioral models were updated. For the purpose of calculating IRRBB measures Bank uses new Brita data infrastructure. As a result, improvement in data quality and calculations has been achieved.

Exchange rate risk

The Bank is exposed to several types of risks related to exchange rates. These concern risks from open foreign exchange positions and others

35. Market risk (continued)

Risk from open currency positions is the risk related to exchange rates that derives from the mismatch between assets and liabilities, or from currency-related financial derivatives. These risks might originate from customer-related operations or proprietary trading and are monitored and managed on a daily basis. Foreign currency exposure is subject to regulatory and internal limits. The internal limits are approved by the Management Board and the Market Risk Committee.

The following table shows the largest open exchange rate positions of the Bank as of 31 December 2024 and the corresponding open positions of these currencies as of 31 December 2023.

Open exchange rate positions

in EUR thousand	2023.	2024.
Swiss Franc (CHF)	14	(869)
US Dollar (USD)	(1,245)	(856)
Convertible Mark (BAM)	(1)	53
Bulgarian Lev (BGN)	(17)	(17)
Forint (HUF)	(57)	15
Australian Dollar (AUD)	25	12
Canadian Dollar (CAD)	22	9
Romanian Leu (RON)	24	(9)
Pound Sterling (GBP)	39	9

Bank manages open FX risk positions according to its strategy and the aim is not to have significant exposures to FX risk. In cases of open FX position, above 2% of regulatory capital, Bank calculates capital charge for FX risk.

Credit spread risk

Credit spread risk is the risk of an adverse movement in the fair value of financial instruments caused by a change in the creditworthiness of an issuer perceived by the market. EBC Group is exposed to credit spread risk with respect to its securities portfolio in the banking book.

Quantifying the credit spread risk of the securities in the banking book is based on a historical simulation. The maximum (hypothetical) drawdown that can be attributed to credit related risk factors over one-year horizon is calculated. It is based on credit spread sensitivities (CR01) and the risk factors used are mainly asset swap spreads for sovereigns and iTRAXX CDS indices for financials and corporates. The resulting amount is used as part of the ICAAP calculations to determine the capital consumption of the banking book portfolio.

36. Liquidity risk

Definition and overview

The liquidity risk in the Bank is defined in line with the principles set out by the Basel Committee on Banking Supervision as well as the Regulation (EU) No 575/2013 (CRR) amended by the Regulation (EU) No 2019/876 (CRR 2), Commission Delegated Regulation (EU) 2022/786 amending Commission Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council and the Decision on governance arrangements by Croatian National Bank. Accordingly, a distinction is made between market liquidity risk, which is the risk that the Bank cannot easily offset or close a position at the market price because of inadequate market depth or market disruption, and funding liquidity risk, which is the risk that the Bank will not be able to meet efficiently both expected and unexpected current and future cash flow and collateral needs without affecting either daily operations or the financial condition.
Funding liquidity risk is further divided into insolvency risk and structural liquidity risk. The former is the short-term risk that current or future payment obligations cannot be met in full and on time in an economically justified manner, while structural liquidity risk is the long-term risk of losses due to a change in the Bank’s own refinancing cost or spread.
The Bank continues its ongoing project activities to improve the framework for liquidity risk reporting. Current projects are aimed at continuously improving the internal stress testing methodology and the data quality used in the risk measurement.

Liquidity strategy

After a slight increase of deposits in 2023, in 2024 the Bank has recorded significant deposits growth in all business segments – Retail, Corporate and Financial institutions. Client deposits remain the Bank's primary source of financing, which is in the line with the Bank's strategy. On the asset side, the volume of loans also recorded significant growth, albeit at a slower pace compared to deposits growth. These developments have resulted in an increase in liquidity excess, which is significantly above the regulatory and internal limits. Most of the liquidity excess growth was directed to deposits with the central bank, while a smaller part is directed to the portfolio of highly liquid government bonds.

In January 2024, the Bank issued a five-year MREL eligible green senior preferred bond (with an early redemption option after 4 years) intended for instututional investors on the international market in the amount of EUR 400 million. In October 2024 the Bank received an intra-group Tier 2 loan of EUR 150 million, while in December 2024 it prematurely repaid two long-term intra-group deposits totalling EUR 140.9 million, which were no longer MREL eligible. During 2024, the Bank did not have regular maturities of bonds issued. The Bank's liquidity excess in 2024 was also used for regular repayment of EUR 18.2 million of long-term financing from supranational institutions, while HBOR funding increased by EUR 43.7 million as the result of supporting clients in accessing HBOR's diverse programs.

Liquidity ratios

The Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) have been implemented as ratios relevant for regulatory purposes, in the line with the Commission Delegated Regulation (EU) 2022/786 amending Commission Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council (LCR DA) and Regulation (EU) No 575/2013 (CRR) amended by the Regulation (EU) No 2019/876 (CRR 2). The LCR represents a ratio of highly liquid assets on the one hand and net cash outflows over a 30 day time horizon on the other. The minimum ratio has been set at 100%. NSFR, binding minimum requirement according to the CRR II, represents a ratio of available stable funding on the one hand and required stable funding on the other, within a 12 month time horizon.

Methods and instruments used for measurement of liquidity risk

The short-term insolvency risk is monitored by calculating the survival period in total and for major currencies. This analysis determines the maximum period during which the entity can survive a set of defined scenarios, including a severe combined market and idiosyncratic crisis while relying on its pool of liquid assets. The monitored worst-case scenario simulates very limited money market and capital market access and at the same time significant client deposit outflow. Furthermore, the simulation assumes increased drawdown on guarantees and loan commitments dependent on the type of the customer, as well as the potential outflows from collateralised derivative transactions by estimating the effect from collateral outflow in the case of adverse market movements. The SPA is covering a stress horizon of up to 12 months and is calculated on a monthly basis.

36. Liquidity risk (continued)

Regulatory liquidity risk reporting is done on solo Bank level. Liquidity risk reporting requirements don't apply to Erste Leasing and Erste Card Club. EU reporting requirement don‘t apply to Erste Bank Podgorica as well. However, Erste Bank Podgorica is consolidated on overall Erste Group level.

The Bank's liquidity risk control has been based on the new Basel III liquidity risk measures, especially Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). Internally, the ratios are monitored on the Bank and Group of credit institutions level and are part of the Risk Appetite Statement (RAS) targeting to be well above the regulatory requirements and are reported to the Operational Liquidity Committee (OLC) as well as to the management board during the Asset and Liability Committee (ALCO). Liquidity Coverage Ratio (LCR) is monitored daily. At the end of 2024, both LCR and NSFR for the Bank were above 100%.
Additionally, the traditional liquidity gaps (depicting the going concern maturity mismatches) of the Bank are reported and monitored regularly, as part of the Structural liquidity ratio (STRL). Funding concentration risk is continuously analysed in respect to counterparties. The Bank's fund transfer pricing (FTP) system has also proven to be an efficient tool for structural liquidity risk management.

Methods and instruments of liquidity risk mitigation

General standards of liquidity risk controlling and management (standards, limits and analysis) have been defined and are continuously reviewed and improved by the Bank.
The short-term liquidity risk is managed by limits resulting from the survival period model and by internal LCR targets. Limit breaches are reported to the Asset Liability Committee (ALCO). Another important instrument for managing the liquidity risk within the Bank is the FTP system. As the process of planning funding needs provides important data for liquidity management, a detailed overview of funding needs is prepared for the planning horizon.
The Comprehensive Contingency Plan ensures the necessary coordination of all parties involved in the liquidity management process in case of crisis and is reviewed on a regular basis.

Analysis of liquidity risk

Liquidity coverage ratio
The Bank uses the regulatory liquidity coverage ratio according to the LCR DA for internal monitoring and steering of the liquidity position as well. To keep the LCR DA above both limits, the regulatory limit and the internal limit, the Bank monitors daily its short-term liquidity inflows and outflows as well as its available counterbalancing capacity.

The following table shows the LCR DA as of 31 December 2024 and 31 December 2023:

		BANK
	2023	2024
Liquidity Coverage Ratio (LCR)	194%	191%

Structural liquidity

The long-term liquidity position is managed using structural liquidity gaps on the basis of contractual and partially behavioural cash flows of all liquidity relevant components of the balance sheet (on-balance and off-balance).

Cash flows are broken down by contractual maturities in accordance with the amortisation schedule and arranged in maturity ranges. All customer products without contractual maturities (such as demand deposits and overdrafts) are included according to a model based on statistically observed client behaviour.

36. Liquidity risk (continued)

The following table shows the ratio between all long-term maturing liabilities and all long-term maturing assets as of 31 December 2024 and 31 December 2023 which is calculated reverse cumulatively per time bucket. Ratio is based on contractual or modelled run-off cash flows and has a comprehensive coverage of on- and off- balance sheet components.

			BANK
2024	**> 1 year**	**> 2 years**	**> 3 years**
Structural liquidity ratio	1.21	1.29	1.45

			BANK
2023	**> 1 year**	**> 2 years**	**> 3 years**
Structural liquidity ratio	1.09	1.19	1.27

Counterbalancing capacity

The Bank regularly monitors its counterbalancing capacity, which consists of cash, excess minimum reserve at the Central Banks as well as unencumbered Central Bank eligible assets and other liquid securities, including changes from repos and reverse repos. These assets can be mobilised in the short term to offset potential cash outflows in a crisis situation. The term structure of the Bank's counterbalancing capacity as of 2024 year end and 2023 year end are shown in the tables below:

Term structure of counterbalancing capacity 2024

in EUR million	< 1 week	1 week(1) month	1(3) months	3(6) months	6(12) months
Cash, excess reserve	3,091	-	-	-	-
Liquid assets	2,439	24	(226)	(50)	(133)
of which bonds	2,439	24	(226)	(50)	(133)
Counterbalancing capacity	**5,530**	**24**	**(226)**	**(50)**	**(133)**

Term structure of counterbalancing capacity 2023

in EUR million	< 1 week	1 week(1) month	1(3) months	3(6) months	6(12) months
Cash, excess reserve	2,021	-	-	-	-
Liquid assets	2,229	10	(155)	(69)	(297)
of which bonds	2,229	10	(155)	(69)	(297)
Counterbalancing capacity	**4,250**	**10**	**(155)**	**(69)**	**(297)**

The figures above show the total amount of potential liquidity available for the Bank in a going concern situation considering the applicable central bank haircuts and additional stressed haircuts. Negative figures are maturing positions of the counterbalancing capacity. Positive figures after one week are positions not immediately available as counterbalancing capacity. From Q3 2023 the Bank introduced Intraday Liquidity Buffer, which additionally reduces the counterbalancing capacity.

36. Liquidity risk (continued)

Contractual Undiscounted Cash Flows from Financial liabilities

Maturities of contractual undiscounted principal and interest cash flows from financial liabilities as of 31 December 2024 and 31 December 2023 respectively, were as follows:

2024.						BANK
in EUR million	Carrying amounts	Contractual cash flows	< 1 month	1-12 months	1-5 years	> 5 years
Non-derivative liabilities	**13,215**	**13,369**	**11,497**	**327**	**1,401**	**144**
Deposits by banks	271	273	71	17	173	12
Customer deposits	11,943	11,995	11,378	283	202	132
Debt securities in issue	954	1,053	-	27	1,026	-
Subordinated liabilities	-	-	-	-	-	-
Lease liabilities	15	15	15	-	-	-
Other financial liabilities	32	33	33	-	-	-
Derivative liabilities	**18**	**11**	**-**	**(3)**	**3**	**11**
Derivatives liabilities with netted Cash Flows	-	14	-	-	3	11
Derivatives liabilities with gross Cash Flow (net)	-	(3)	-	(3)	-	-
Outflows	-	276	130	145	1	-
Inflows	-	(279)	(130)	(148)	(1)	-
Contingent liabilities	**-**	**2,846**	**2,846**	**-**	**-**	**-**
Financial guarantees	-	291	291	-	-	-
Loan commitments	-	2,555	2,555	-	-	-
Total	**13,233**	**16,226**	**14,343**	**324**	**1,404**	**155**

2023.						BANK
in EUR million	Carrying amounts	Contractual cash flows	< 1 month	1-12 months	1-5 years	> 5 years
Non-derivative liabilities	**11,693**	**11,780**	**10,615**	**103**	**929**	**133**
Deposits by banks	308	328	98	20	193	17
Customer deposits	10,781	10,821	10,449	76	180	116
Debt securities in issue	537	563	-	7	556	-
Subordinated liabilities	-	-	-	-	-	-
Lease liabilities	15	15	15	-	-	-
Other financial liabilities	52	53	53	-	-	-
Derivative liabilities	**21**	**15**	**(1)**	**(1)**	**2**	**15**
Derivatives liabilities with netted Cash Flows	-	17	-	-	2	15
Derivatives liabilities with gross Cash Flow (net)	-	(2)	(1)	(1)	-	-
Outflows	-	307	157	146	4	-
Inflows	-	(309)	(158)	(147)	(4)	-
Contingent liabilities	**-**	**1,782**	**1,782**	**-**	**-**	**-**
Financial guarantees	-	257	257	-	-	-
Loan commitments	-	1,525	1,525	-	-	-
Total	**11,714**	**13,577**	**12,396**	**102**	**931**	**148**

As of year-end 2024, the currency composition of the EBC balance sheet liabilities consisted of approximately: 96.4% EUR, 2.4% USD and 1.2% in other currencies (2023: 96.0% EUR, 2.6% USD and 1.4% in other currencies).
As of 31 December 2024, the volume of customer deposits amounted to EUR 11.9 billion of which due on demand amounted to EUR 8.3 billion (2023: EUR 7.9 billion). According to customer segments, the customer demand deposits are composed as follows: 57.89% private individuals, 16.27% small and medium-sized enterprises, 7.81% large corporates, 8.05% public sector and 9.98% non-banking financial institutions (2023: 66.34% private individuals, 17.44% small and medium-sized enterprises, 7.88% large corporates, 7.93% public sector and 0.40% non-banking financial institutions).
Deposits by banks decreased by EUR 36.9 million in 2024. Debt securities in issue increased by EUR 417.2 million in 2024, due to issued EUR 400 million 5NC4 Green Senior Preferred bond in January 2024.

37. Operational risk

Definition and overview

Pursuant to Article 4 (52) of CRR, the Bank defines operational risk (OpRisk) as risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including, but not limited to, legal risk, model risk or information and communication technology (ICT) risk, but excluding strategic and reputational risk.
Non-Financial Risks (NFR) comprise both operational and reputational risk. Bank’s operational risk appetite sets the limits and escalation levels in line with the Bank’s risk strategy for risk-taking as a consequence of doing business. The operatonal risk framework is a modular, interrelated and comprehensive approach integrated into the Bank’s steering and risk management system. It is designed to fulfil internal risk management and external regulatory requirements.

The roles and responsibilities for operational risk management is defined by the "Three Lines of Defence" model. The day-to-day management of operational risk is the primary responsibility of Business Line Management (BLM). BLM is responsible for identifying, assessing and managing the risks residual in the products, activities, processes and systems on an ongoing basis by using operational risk management instruments.

Operational Risk Framework and Standards

For managing operational risk the Bank applies various elements: identification of operational risk, assessment, mitigation and acceptance of operational risk, monitoring and regular reporting.

Risk identification of operational risk includes collection of internal loss data, where particular emphasis is put on the data classification and quality necessary for quantifying operational risk, and key risk indicators to measure the risk level changes. Risk indicators are reviewed regularly to ensure early detection of risk potentials to cause losses. The risk identification process includes an ongoing mechanism to identify new risks, risk drivers and emerging risks. Risk evaluation is an ongoing process in which the Business Line Management (BLM) proactively identifies and analyses relevant non-financial risks and assesses the effectiveness of the controls to mitigate those risks, both for the run and change the bank processes (e.g. new product approval, outsourcings). BLM evaluates the risks in line with the risk appetite and reports the residual risks to senior management or risk committees for risk response. The acceptance level of NFR is managed by using the Operational Risk Scaling Matrix which is setting the limits of the residual operational risk tolerated by the Bank. Risk monitoring via corrective measures is performed on a regular basis. Regular risk reporting provides detailed information to business and risk management units, senior management and the management board of the Bank which is informed on operational risk through quarterly Operational Risk Report. The report includes operational risk exposure and losses, risk assessments results including risk and control self-assessments (RCSA), key risk indicators, NFR decisions and corrective measures. Non-Financial Risk management committee is held at minimum on a quarterly basis and decides also on operational risk management related topics.

The Bank locally applies The Standardised Approach – TSA for operational risk capital requirements calculation.

The Bank is included in the Insurance program for operational risk on the Erste Group level (Captive Insurance) for risk transfer and recognition as a mitigant in capital requirement calculation using Advanced Measurement Approach on Erste Group’s consolidated level.

Non-current assets and other investments

Property and equipment

Property and equipment are measured at cost less accumulated depreciation and any accumulated impairment. Depreciation of property and equipment is calculated using the straight-line method to write down the cost of such assets to their residual values over their estimated useful lives. Depreciation is reported in the statement of profit or loss in the line item 'Depreciation and amortisation' and impairment in the line item 'Other operating result'.

The estimated economic useful lives are set out below:

	Useful life in years	
	2023	2024
Buildings	40	40
Office furniture and equipment	2-10	2-10
Motor vehicles	4-6	4-6
Computer hardware	4	4

Land is not depreciated.

Any impairment losses including their reversals and gain or loss arising on disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are recognised in the statement of profit or loss in the line item 'Other operating result'.

Investment properties

Investment property is a property (land and buildings or part of a building or both) held for the purpose of earning rentals and/or for capital appreciation.

Investment property is measured at cost less accumulated depreciation and any accumulated impairment.

Rental income is recognised and presented in the statement of profit or loss in the line item 'Rental income from investment properties and other operating leases'. Depreciation is recognised and presented in the statement of profit or loss in the line 'Depreciation and amortisation' using the straight-line method over an estimated useful life. The useful lives of investment properties are identical to those of buildings presented under 'Property and equipment'. Any impairment losses, as well as their reversals, are recognised in the statement of profit or loss and presented in the line item 'Other operating result'.

Assets under operating leases

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. The leased asset is presented by the lessor in the statement of financial position under the line item 'Property and equipment'.
Initial direct costs of obtaining the lease are added to the underlying asset and recognised as an expense over the lease term on the same basis as the lease income.
For assets held under operating lease the Group uses a depreciation policy which is consistent with the normal depreciation policy for similar assets. Depreciation is recognised and presented in the statement of profit or loss in the line item 'Depreciation and amortisation'.
Lease income arising is accounted for on a straight-line basis over the lease terms and presented in the statement of profit or loss in the line item 'Rental income from investment properties and other operating leases'.
The Group's policy is the sale of assets under the operating lease after the termination of the lease.

Right of use assets

Under IFRS 16, the Group as a lessee recognises a right-of-use asset representing its right to use the underlying asset.
The right-of-use asset is initially measured at cost. The cost comprises the amount of the initial measurement of the lease liability and includes other elements such as initial direct costs incurred by the lessee. The right-of-use assets is presented in the statement of financial position under the line item ‘Property and equipment’. Subsequently, the right-of-use asset is depreciated to the earlier of the end of its useful life or the end of the lease term. The Group uses the straight-line method of depreciation. The useful lives for property are between 2 and 15 years while the motor vehicles are depreciated based on useful lives between 2 and 6 years. Depreciation is reported in the statement of profit or loss in the line item ‘Depreciation and amortisation’ and impairment in the line item ‘Other operating result’.

Material accounting judgements, assumptions and estimates

Impairment of non-financial assets (property and equipment, investment properties, right of use assets)

The Group assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. Testing for impairment is done at individual asset level if the asset generates cash inflows that are largely independent of those from other assets. The typical case is investment property. Otherwise, the impairment test is carried out at the level of the cash-generating unit (CGU) to which the asset belongs.

If any indication of impairment exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of the assets or CGU's fair value less costs of disposal and its value in use. If the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In measuring value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

At each reporting date an assessment is made as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset’s or CGU’s recoverable amount. The previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount or does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Impairment losses and their reversals are recognised in profit or loss and presented in the statement of profit or loss under the line item ‘Other operating result’.

38. Property, equipment and Investment properties

Acquisition costs

Own property, equipment and investment properties

						GROUP
	Property and equipment – Acquisition costs					
in EUR million	Land and buildings	Office and plant equipment / other fixed assets	IT assets (hardware)	Movable other property	Property and equipment	Investment properties
Balance as at 1 January 2023	**128**	**49**	**60**	**43**	**280**	**1**
Additions (+)	5	5	6	11	27	-
Disposals (-)	-	(2)	(5)	(11)	(18)	-
Disposal of group	-	(1)	-	-	(1)	-
Reclassification	10	1	-	-	11	1
Balance as at 31 December 2023	**143**	**52**	**61**	**43**	**299**	**2**
Additions (+)	6	7	12	9	34	-
Disposals (-)	(1)	(3)	(3)	(10)	(17)	-
Assets held for sale	-	-	(10)	-	(10)	-
Balance as at 31 December 2024	**148**	**56**	**60**	**42**	**306**	**2**

Accumulated depreciation

Own property, equipment and investment properties

						GROUP
	Property and equipment – Accumulated depreciation and impairment					
in EUR million	Land and buildings	Office and plant equipment / other fixed assets	IT assets (hardware)	Movable other property	Property and equipment	Investment properties
Balance as at 1 January 2023	**(44)**	**(36)**	**(42)**	**(15)**	**(137)**	**-**
Depreciation (-)	(3)	(4)	(7)	(6)	(20)	-
Disposals (+)	-	2	4	7	13	-
Disposal of group	-	1	-	-	1	-
Reclassification	(8)	(1)	-	-	(9)	-
Balance as at 31 December 2023	**(55)**	**(38)**	**(45)**	**(14)**	**(152)**	**-**
Depreciation (-)	(4)	(4)	(6)	(6)	(20)	-
Disposals (+)	1	3	3	6	13	-
Assets held for sale	-	-	9	-	9	-
Balance as at 31 December 2024	**(58)**	**(39)**	**(39)**	**(14)**	**(150)**	**-**

38. Property, equipment and Investment properties (continued)

Carrying amounts

Own property, equipment and investment properties

GROUP

in EUR million	Property and equipment					
	Land and buildings	Office and plant equipment / other fixed assets	IT assets (hardware)	Movable other property	Property and equipment	Investment properties
Balance as at 31 December 2023	**88**	**14**	**16**	**29**	**147**	**2**
Balance as at 31 December 2024	**90**	**17**	**21**	**28**	**156**	**2**

Rights of use: property, equipment and investment properties

GROUP

in EUR million	Property and equipment					
	Land and buildings	Office and plant equipment / other fixed assets	IT assets (hardware)	Movable other property	Property and equipment	Investment properties
Balance as at 31 December 2023	**13**	**1**	**-**	**-**	**14**	**-**
Balance as at 31 December 2024	**13**	**1**	**-**	**-**	**14**	**-**

Acquisition costs

Own property, equipment and investment properties

BANK

in EUR million	Property and equipment – Acquisition costs					
	Land and buildings	Office and plant equipment / other fixed assets	IT assets (hardware)	Movable other property	Property and equipment	Investment properties
Balance as at 1 January 2023	**106**	**42**	**40**	**-**	**188**	**-**
Additions (+)	4	4	5	-	13	-
Disposals (-)	-	(2)	(1)	-	(3)	-
Reclassification	11	-	-	-	11	-
Balance as at 31 December 2023	**121**	**44**	**44**	**-**	**209**	**-**
Additions (+)	7	6	11	-	24	-
Disposals (-)	(1)	(3)	(2)	-	(6)	-
Effect of business combinations	6	1	4		11	
Reclassification	(2)	(1)	-	-	(3)	1
Balance as at 31 December 2024	**131**	**47**	**57**	**-**	**235**	**1**

38. Property, equipment and Investment properties (continued)

Accumulated depreciation

Own property, equipment and investment properties

BANK

in EUR million	Property and equipment – Accumulated depreciation and impairment					
	Land and buildings	Office and plant equipment / other fixed assets	IT assets (hardware)	Movable other property	Property and equipment	Investment properties
Balance as at 1 January 2023	**(39)**	**(30)**	**(25)**	**-**	**(94)**	**-**
Depreciation (-)	(2)	(3)	(6)	-	(11)	-
Disposals (+)	-	2	1	-	3	-
Reclassification	(9)	-	-	-	(9)	-
Balance as at 31 December 2023	**(50)**	**(31)**	**(30)**	**-**	**(111)**	**-**
Depreciation (-)	(3)	(3)	(6)	-	(12)	-
Disposals (+)	1	3	2	-	6	-
Effect of business combinations	(1)	(1)	(4)	-	(6)	
Balance as at 31 December 2024	**(53)**	**(32)**	**(38)**	**-**	**(123)**	**-**

Own property, equipment and investment properties

BANK

in EUR million	Property and equipment					
	Land and buildings	Office and plant equipment / other fixed assets	IT assets (hardware)	Movable other property	Property and equipment	Investment properties
Balance as at 31 December 2023	**71**	**13**	**14**	**-**	**98**	**-**
Balance as at 31 December 2024	**78**	**15**	**19**	**-**	**112**	**1**

Rights of use: property, equipment and investment properties

BANK

in EUR million	Property and equipment					
	Land and buildings	Office and plant equipment / other fixed assets	IT assets (hardware)	Movable other property	Property and equipment	Investment properties
Balance as at 31 December 2023	**12**	**3**	**-**	**-**	**15**	**-**
Balance as at 31 December 2024	**14**	**3**	**-**	**-**	**17**	**-**

In the reporting period, expenditures in the amount of EUR 28 million for the Group and the Bank respectively (2023: EUR 18 million for the Group and and EUR 17 million for the Bank) are capitalised in the carrying amount of fixed assets during their construction. The contractual commitments for purchase of fixed assets amounted to EUR 1 million for the Group and the Bank as of 31 December 2024 (2023: EUR 4 million for the Group and the Bank).

As of 31 December 2024, the Group's property and equipment amounted to EUR 170 million (2023: EUR 161 million). The carrying amount of property and equipment of EUR 26 million (2023: EUR 26 million) was leased under operating lease of which the amount of EUR 26 million (2023: EUR 25 million) relates to movable property.

As of 31 December 2024, the Bank's property and equipment amounted to EUR 129 million (2023: EUR 113 million). The carrying amount of property and equipment of EUR 1 million (2023: EUR 2 million) relates to land and buildings leased under operating lease.

For details related to right of use assets capitalized in balance sheet arising from leases where Group is lessee, please see Note 42 Group as a lessee.

38. Property, equipment and Investment properties (continued)

Fair values of non-financial assets

As of 31 December 2024, the fair value of investment properties with a carrying amount of EUR 2 million for the Group and 1 for the Bank (2023: EUR 2 million for the Group and nil for the Bank) amounts to EUR 2 million for the Group and for the Bank (2023: EUR 2 million for the Group and nil for the Bank) and is classified as level 3 of the fair value hierarchy.

For non-financial assets owned by the Group the valuations are carried out using the comparative and investment methods. Assessment is made on basis of a comparison and analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the relevant property. The characteristics of such similar transactions are then applied to the asset, taking into account size, location, terms, covenant and other material factors. Such measurements are presented in Level 3 of the fair value hierarchy.

39. Intangible assets

Goodwill arises from business combinations whereby a subsidiary is acquired. Subsequently, goodwill is carried at cost as established on the acquisition date, less accumulated subsequent impairment losses, if any. For more details on measurement of goodwill at the acquisition date refer to Note 47 Investment in subsidiaries.

In addition to goodwill, the Group's intangible assets include computer software, customer relationships and other intangible assets. An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. Costs of internally generated software are capitalised if the Group can demonstrate the technical feasibility and intention of completing the software, the ability to use it, how it will generate probable economic benefits, the availability of resources and the ability to measure the expenditures reliably. Following inital recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The cost of intangible assets acquired in a business combination is their fair value as of the date of acquisition. In the Group, these are customer relationships, and they are capitalised on acquisition if they can be measured with sufficient reliability.

Intangible assets with finite lives are amortised over their useful economic lives using the straight-line method. The amortisation period and method are reviewed at least at each financial year-end and adjusted if necessary. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss under the line item 'Depreciation and amortisation'.

The estimated useful lives are as follows:

	Useful life in years	
	2023	2024
Software	4	4
Core banking software	6	6
Other intangible assets	10-15	10-15

Impairment of intangible assets including goodwill

Goodwill arising on acquisition of a business is carried at cost as established, as the date of acquisition of the business less accumulated subsequent impairment losses, if any.
For CGUs to which goodwill has been allocated the impairment test is carried out annually in November, or whenever there is an indication of possible impairment during the year.

39. Intangible assets (continued)

For CGUs at Group the recoverable amount for determining the potential impairment loss is typically based on value in use which is the present value of the future cash flows expected to be derived from the CGU. The calculation starts with estimation of future earnings distributable to shareholders. In this respect financial plans for CGUs as agreed by the management taking into account the fulfilment of the respective regulatory capital requirements are used. The planning period range is five years. Any forecasted earnings beyond the planning period are derived on the basis of the last year of the planning period and a long-term growth rate, which is based on macroeconomic parameters for each CGU. The estimated future earnings beyond the initial planning period are captured in the terminal value (TV).

The discount rates reflect risks specific to the CGU and have been determined based on the capital asset pricing model (CAPM). According to CAPM, the discount rate comprises a risk-free interest rate together with a market risk premium that itself is multiplied by a factor that represents the systematic market risk (beta factor). Furthermore, a country-risk premium is considered in calculation of the discount rate. The values used to establish the discount rates are determined using external sources of information.
When the recoverable amount of CGU is less than its carrying amount, the difference is recognized as an impairment loss in the statement of profit or loss and reported under the line item 'Other operating result'.

Acquisition costs

					GROUP
	Acquisition costs				
in EUR million	Goodwill	Customer relationships	Software acquired	Others (licenses, patents, etc.)	Total
Balance as at 1 January 2023	**81**	**24**	**51**	**41**	**197**
Additions (+)	-	-	5	2	7
Disposals (-)	-	-	(2)	(2)	(4)
Disposal of group	-	-	-	1	1
Reclassification	-	-	-	(13)	(13)
Balance as at 31 December 2023	**81**	**24**	**54**	**29**	**188**
Additions (+)	-	-	5	1	6
Disposals (-)	(41)	(24)	(2)	(3)	(70)
Reclassification	-	-	1	(1)	-
Assets held for sale	-	-	(1)	(11)	(12)
Balance as at 31 December 2024	**40**	**-**	**57**	**15**	**112**

Accumulated amortization and impairment

					GROUP
	Accumulated amortization and impairment				
in EUR million	Goodwill	Customer relationships	Software acquired	Others (licenses, patents, etc.)	Total
Balance as at 1 January 2023	**(81)**	**(24)**	**(35)**	**(34)**	**(174)**
Amortisation (-)	-	-	(6)	(2)	(8)
Disposals (+)	-	-	2	1	3
Reclassification	-	-	-	11	11
Balance as at 31 December 2023	**(81)**	**(24)**	**(39)**	**(24)**	**(168)**
Amortisation (-)	-	-	(5)	(3)	(8)
Disposals (+)	41	24	1	2	68
Reclassification	-	-	(1)	1	-
Assets held for sale	-	-	1	12	13
Balance as at 31 December 2024	**(40)**	**-**	**(43)**	**(12)**	**(95)**

39. Intangible assets (continued)

Carrying amounts

					GROUP
in EUR million	Goodwill	Customer relationships	Software acquired	Others (licenses, patents, etc.)	Total
Balance as at 31 December 2023	**-**	**-**	**15**	**5**	**20**
Balance as at 31 December 2024	**-**	**-**	**14**	**3**	**17**

Goodwill and customer relationship carrying amount in whole relates to Erste Card Club d.o.o.

Acquisition costs

					BANK
	Acquisition costs				
in EUR million	Goodwill	Customer relationships	Software acquired	Others (licenses, patents, etc.)	Total
Balance as at 1 January 2023	**-**	**-**	**40**	**16**	**56**
Additions (+)	-	-	4	1	5
Disposals (-)	-	-	(2)	(1)	(3)
Reclassification	-	-	-	(11)	(11)
Balance as at 31 December 2023	**-**	**-**	**42**	**5**	**47**
Additions (+)	-	-	5	-	5
Effect of business combinations	-	-	-	10	10
Reclassification	-	-	1	(1)	-
Balance as at 31 December 2024	**-**	**-**	**48**	**14**	**62**

Accumulated amortization and impairment

					BANK
	Accumulated amortization and impairment				
in EUR million	Goodwill	Customer relationships	Software acquired	Others (licenses, patents, etc.)	Total
Balance as at 1 January 2023	**-**	**-**	**(29)**	**(12)**	**(41)**
Amortisation (-)	-	-	(4)	(1)	(5)
Disposals (+)	-	-	2	1	3
Reclassification	-	-	-	8	8
Balance as at 31 December 2023	**-**	**-**	**(31)**	**(4)**	**(35)**
Amortisation (-)	-	-	(5)	(1)	(6)
Effect of business combinations				(8)	(8)
Reclassification	-	-	(1)	1	-
Balance as at 31 December 2024	**-**	**-**	**(37)**	**(12)**	**(49)**

Carrying amounts

					BANK
in EUR million	Goodwill	Customer relationships	Software acquired	Others (licenses, patents, etc.)	Total
Balance as at 31 December 2023	**-**	**-**	**11**	**1**	**12**
Balance as at 31 December 2024	**-**	**-**	**11**	**2**	**13**

Software acquired column relates to core banking system.

40. Other assets

Inventory

The repossessed asset is classified as 'other assets' and measured in accordance with the requirements of IAS 2 'Inventories' if the asset is intended for sale in the ordinary course of business. Namely, it is recognized at an acquisition cost equal to its fair value as estimated and documented upon repossession. Upon each subsequent reporting date, it is measured at lower of cost and net realizable value (expected selling price less costs to sell).

Gains or losses resulting from sale are recognised in the statement of profit or loss and presented under the line item 'Other operating result' in the statement of profit or loss, together with costs of sales and other costs incurred in selling the assets.

	GROUP		BANK	
in EUR million	**2023**	**2024**	**2023**	**2024**
Prepayments and accrued income	5	5	2	5
Inventories	23	18	19	15
Value adjustments of inventories	(11)	(10)	(7)	(7)
Sundry assets	13	16	4	7
Other assets	**30**	**29**	**18**	**20**

In the line 'Inventories' the Group holds repossessed assets (collaterals obtained in foreclosure procedures) which the Group has the intention to sell.

Fiduciary assets

The Group provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients. Assets held in a fiduciary capacity are not reported in the financial statements, as they are not the assets of the Group.

Leases

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

41. Group as a lessor

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. In the case of a finance lease, the lessor reports a receivable from the lessee under the line item 'Finance lease receivables'. The receivable is equal to the present value of the contractually agreed payments taking into account any residual value. Interest income on the receivable is reported in the statement of profit or loss in the line item 'Other similar income' under 'Net interest income'.

In the case of operating leases, which are leases other than finance leases, the leased asset is reported by the lessor in 'Property and equipment' or in 'Investment properties' and is depreciated in accordance with the principles applicable to the assets involved. Lease income is recognised on a straight-line basis over the lease term in the statement of profit or loss under the line item 'Rental income from investment properties and other operating leases'.

Finance leases

The Group leases movable property to other parties under finance lease arrangements. For the finance lease receivables included in this item, the reconciliation of the gross investment in leases to the present value of the minimum lease payments are as follows:

		GROUP
in EUR million	**2023**	**2024**
Outstanding lease payments	545	642
Gross investment	**545**	**642**
Unrealised financial income	(58)	(70)
Net investment	**487**	**572**
Present value of outstanding lease payments	**487**	**572**

The maturity analysis of lease by residual maturities under IFRS 16:

				GROUP
		2023		2024
in EUR million	**Gross investment**	**Present value of outstanding lease payments**	**Gross investment**	**Present value of outstanding lease payments**
< 1 year	168	147	199	173
1 – 2 years	125	115	145	134
2 – 3 years	99	90	113	101
3 – 4 years	72	63	88	77
4 – 5 years	49	42	57	48
> 5 years	32	30	40	39
Total	**545**	**487**	**642**	**572**

During 2024, Group recognised interest income on finance lease receivables in the amount of EUR 32 million (2023: EUR 23 million).

41. Group as a lessor (continued)

Finance lease receivables

The analysis of the gross carrying amount (GCA) and of related credit loss allowances (CLA) of finance lease receivables per impairment buckets as of 31 December 2024 and 31 December 2023 is provided in the table below:

											GROUP
	GCA					CLA					
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount
2024											
General governments	5	-	-	-	5	-	-	-	-	-	5
Other financial corporations	2	-	-	-	2	-	-	-	-	-	2
Non-financial corporations	348	68	4	-	420	(1)	(1)	(1)	-	(3)	417
Households	127	15	2	-	144	-	-	-	-	-	144
Total	**482**	**83**	**6**	**-**	**571**	**(1)**	**(1)**	**(1)**	**-**	**(3)**	**568**

											GROUP
	GCA					CLA					
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount
2023											
General governments	6	-	-	-	6	-	-	-	-	-	6
Other financial corporations	1	-	-	-	1	-	-	-	-	-	1
Non-financial corporations	302	59	5	-	366	(1)	(1)	(2)	-	(4)	362
Households	100	12	2	-	114	-	-	-	-	-	114
Total	**409**	**71**	**7**	**-**	**487**	**(1)**	**(1)**	**(2)**	**-**	**(4)**	**483**

For information about development of credit loss allowances refer to Note 31 Development of credit loss allowances, part ‘Finance lease receivables’: Table ‘Movement in credit loss allowances – finance lease receivables’.

During the process of credit risk assessment, the Company applies prudent methods and assessment models in the risk assessment process. To evaluate a portion of the lessees, the Company uses an internally developed system in the form of score cards as well as the Group’s internal system. The internal evaluation system for natural persons and sole traders with single-entry bookkeeping consists of four grades for non-default clients and one grade for default clients. For other clients, the Group’s evaluation system is used that has thirteen grades for non-default clients and one grade for default clients.

For the purpose of simplified presentation of the credit risk exposure, the grades obtained in this way are internally divided into four risk levels: low risk indicates a high probability of collection; moderate risk is when the debtor’s financial situation is stable but there may be a limited negative impact resulting from an undesired economic situation; moderately high risk is when the debtor is vulnerable to negative financial and economic impacts and therefore needs to be monitored and sufficient collateralisation needs to be ensured. High risk relates to the occurrence of a default event.

41. Group as a lessor (continued)

Operating leases

Under operating leases, the Group and the Bank has entered into commercial leases on premises, vehicles and equipment.

Maturity analysis of lease payments from operating leases under IFRS 16

	GROUP		BANK	
in EUR million	2023	2024	2023	2024
< 1 year	7	5	1	1
1 – 2 years	5	4	-	1
2 – 3 years	3	2	-	-
3 – 4 years	2	2	-	-
4 – 5 years	1	1	-	-
> 5 years	1	-	-	-
Total	**19**	**14**	**1**	**2**

For information about rental income please refer to Note 7 Rental income from investment properties and other operating leases.

42. Group as a lessee

Under IFRS 16, Group as a lessee recognises a right of use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases (less than 12 months) and leases of low-value items.

The right-of-use asset is depreciated to the earlier of the end of its useful life or the end of the lease term. The Group uses the straight-line method of depreciation. The right of use assets are presented as part of ‘Property and equipment’ in the statement of financial position and depreciation cost as part of the line item ‘Depreciation and amortisation’ in the statement of profit or loss. The right of use asset is in scope of impairment requirements in IAS 36.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments also include the exercise price under a purchase option and lease payments in an optional renewal period are considered if the lessee is reasonably certain to exercise the option. Variable lease payments not included in the measurement of the lease liability are recognised as an expense in profit or loss, in the period in which the event or condition that triggers those payments occur. The incremental borrowing rate for movables consists of Euribor as a base rate, adjusted by a surcharge based on the entity’s rating, the amount of funds borrowed, the term of the lease and the collateral provided. The determination of the incremental borrowing rate for property leases is based on two components, the market rate and the single property rate. The market rate considers the lease term, creditworthiness and is derived from existing bank data from the lending business. The single property rate represents a surcharge to the market rate based on the quality of the single property.
In the statement of financial position, the lease liabilities are presented in the line item ‘liabilities’. Interest expense decreases over the lease term and it is presented as part of ‘Other similar expenses’ under the line ‘Net interest income’ in the statement of profit or loss.

The Group primarily rents real estate’s such as buildings and land for branches and parking lots. In addition, movables such as IT equipment are rented for business operations.

42. Group as a lessee (continued)

Rights of Use Assets

Right Of Use Assets	GROUP			BANK		
in EUR million	Land and buildings	Office and plant equipment / other fixed assets	Property and equipment	Land and buildings	Office and plant equipment / other fixed assets	Property and equipment
2023						
Carrying amounts	13	1	**14**	12	3	**15**
Additions (+)	5	-	**5**	4	2	**6**
Depreciation (-)	(3)	-	**(3)**	(3)	-	**(3)**
2024						
Carrying amounts	13	1	**14**	12	3	**15**
Additions (+)	4	-	**4**	3	1	**4**
Depreciation (-)	(2)	-	**(2)**	(2)	-	**(2)**

Maturity analysis of lease liabilities based on undiscounted cash flows

	GROUP		BANK	
in EUR million	2023	2024	2023	2024
< 1 year	3	3	3	3
1 – 5 years	7	7	8	8
> 5 years	6	7	7	7
Total	**16**	**17**	**18**	**18**

During 2024, interest expenses on lease liabilities were recognised in the amount of EUR 1 million for the Bank.

In 2024, expenses in the amount of EUR 56 thousand for the Group and EUR 60 thousand for the Bank relating to short term leases, (2023: EUR 88 thousand for the Group and for the Bank) for which the recognition exemption of IFSR 16 applies, were recognised. In addition, expenses in the amount of EUR 2 million for the Group and EUR 1 million for the Bank relating to leases of low value items, for which the recognition exemption of IFSR 16 applies, were recognized (2023: EUR 2 million for the Group and EUR 1 million for the Bank).

Total cash outflow for leases in 2024 were EUR 3 million for the Group and EUR 5 million for the Bank (2023: EUR 3 million for the Group and EUR 5 million for the Bank).

There are no commitments for future cash outflows which are not reflected in the measurement of lease liabilities for the Group and for the Bank (2023: nil for the Group and nil for the Bank). The Group had no restrictions or covenants imposed by leases or sales and lease back transactions as of 31 December 2024 and 31 December 2023.

Accruals, provisions, contingent liabilities and legal proceedings

43. Other liabilities

	GROUP		BANK	
in EUR million	2023	2024	2023	2024
Prepayments received from debtors	9	39	3	28
Salaries and bonuses payable	34	37	28	33
Deferred income and accrued fee expenses	14	11	3	8
Payables to State Agency for deposit	4	4	4	4
Sundry liabilities	47	50	39	42
Other liabilities	**108**	**141**	**77**	**115**

Deferred income outstanding at 31 December 2024 includes 'contract liabilities' in accordance with IFRS 15 in amount of EUR 6 million for the Group and for the Bank (2023: EUR 6 million for the Group and EUR 1 million for the Bank). Revenue recognised in the reporting year 2024 that was included in the contract liability balance at the beginning of the period amounts to nil for the Group and for the Bank. (2023: EUR 3 million for the Group and nil for the Bank).

The item 'Sundry liabilities' mainly contains outstanding settlement liabilities as well as other liabilities from employee benefits.

44. Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation and the amount of the obligation can be estimated reliably.
Provisions for liabilities and charges are maintained at the level that the Group's management considers sufficient for absorption of losses. The management determines the sufficiency of provisions on the basis of insight into specific items, current economic circumstances, risk characteristics of certain transaction categories, as well as other relevant factors.
In the statement of financial position, provisions are presented under the line 'Provisions'. They include credit risk loss provisions for financial guarantees and loan commitments given as well as provisions for litigation and restructuring. Expenses or income related to provisions for loan commitments and financial guarantees under IFRS 9 requirements are presented in the statement of profit or loss under the line item 'Impairment result from financial instruments'. Expenses or income related to other provisions are presented in the statement of profit or loss under the line item 'Other operating result'.

Material accounting judgements, assumptions and estimates

Recognition of provisions requires judgement with respect to whether Group has a present obligation as a result of a past event and whether it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Furthermore, estimates are necessary with respect to the amount and timing of future cash flows when determining the amount of provisions and, in accordance with the above, estimates are made on an individual or collective basis.
In case of material effect of time value of money, provision is determined based on discounting to the present value. Further details on provisions for off-balance credit risk exposures are explained in Note 28 Credit risk exposure and Note 31 Development of credit loss allowances.

Following classes of provision can be distinguished:

	GROUP		BANK	
in EUR million	2023	2024	2023	2024
Long-term employee provisions	2	2	1	2
Pending legal issues	56	62	55	61
Provision for commitments and guarantees given	17	23	15	22
CLA for loan commitments and financial guarantees in Stage 1	7	10	5	9
CLA for loan commitments and financial guarantees in Stage 2	6	9	6	9
CLA for loan commitments and financial guarantees – Defaulted	4	4	4	4
Provisions	**75**	**87**	**71**	**85**

44. Provisions (continued)

Long-term employee benefits

Long-term employee benefits are all benefits given by the Group in exchange for services rendered by employees which become due in more than 12 months from the period of services rendered to which they relate.

Obligations for defined retirement benefit and jubilees are recognised in the amount of net present value determined by using the Projected Unit Credit Method, with actuarial valuations being carried out at each statement of financial position date. Actuarial gains or losses in respect of pension benefit provisions are recognized in full in the period in which they occur. Remeasurement of actuarial gains or losses related to pension benefits are recognised in the statement of other comprehensive income and the amounts of remeasurements accumulated in other comprehensive income are not reclassified to profit or loss. Actuarial gains or losses in provisions for jubilee benefits are recognised in the statement of profit or loss in the period in which they occur. Remeasurement of jubilee defined-benefit plans are recognised in the statement of profit or loss and presented under the line item ‘Personnel expenses’.

			GROUP
in EUR million	Defined retirement benefit obligations	Jubilee payments	Total
Present value of long-term employee benefit obligations, 31 December 2022	**1**	**1**	**2**
Present value of long-term employee benefit obligations, 31 December 2023	**1**	**1**	**2**
Present value of long-term employee benefit obligations, 31 December 2024	**1**	**1**	**2**

			BANK
in EUR million	Defined retirement benefit obligations	Jubilee payments	Total
Present value of long-term employee benefit obligations, 31 December 2022	**-**	**1**	**1**
Present value of long-term employee benefit obligations, 31 December 2023	**-**	**1**	**1**
Service cost	1	-	1
Present value of long-term employee benefit obligations, 31 December 2024	**1**	**1**	**2**

44. Provisions (continued)

Actuarial assumptions

The cost of the defined benefit pension plan is determined using an actuarial valuation. The actuarial valuation involves making assumptions about interest rates, future pension increases, future salary increases and mortality rates.

The actuarial calculation of pension obligations and jubilee provisions is based on the following assumptions:

in %	2023	2024
Interest rate	3.69	3.25
Expected increase in retirement benefits	7.55	7.66

The expected retirement age for each employee was individually calculated on the basis of their current age and average of retirement age, which is for men 61 and for women 60.
Obligations were calculated in accordance with the mortality tables entitled Life tables for the Republic of Croatia 2010-2012 issued by Croatian Bureau of Statistics.

Sensitivity to Key Assumption

The following table presents how the reasonably possible changes of individual parameters effect post-employment benefit obligations as of year-end 2024.

in EUR million	Defined retirement benefit obligations	Jubilee payments	Total
Change in discount rate + 1.0%	1	1	2
Change in discount rate - 1.0%	1	1	2

Duration

The following table presents the weighted average duration of the defined-benefit obligations as of year-end 2024:

in years	Defined retirement benefit obligations	Jubilee payments	Total
Duration	14.88	10.12	12.50

Loan commitments and financial guarantees given in scope of IFRS 9

In the ordinary course of business, the Group provides guarantees consisting of various types of letters of credit and guarantees. A financial guarantee is a contract that requires the guarantor to make specified payments to reimburse the holder for a loss it incurs in case a specified debtor fails to make a payment when due in accordance with the original or modified terms of a debt instrument. Performance guarantees are contracts that provide compensation if another party fails to perform a contractual obligation. Performance guarantees contracts issued transfer primarily credit risk.

The Group as a guarantor recognises financial guarantees as soon as it becomes a contracting party. Guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. The fee is received over the life of the guarantee given, in arrears, on a quarterly basis and recognised in the statement of profit or loss, in the line item ‘Fee and commission income’ under ‘Net fee and commission income’.

44. Provisions (continued)

The Group has the contractual right to revert to its customer for recovering amounts paid to settle the guarantee. Such amounts will be recognised as a financial asset upon transfer of the loss compensation to the guarantee's beneficiary.
Subsequent to initial recognition, provisions are recognised based on the expected credit loss impairment model and reported in the statement of financial position under the line item 'Provisions'.

Loan commitments are firm commitments to provide credit under prespecified terms and conditions. Loan commitments are generally not recognised in the balance sheet before they are drawn. If it is probable that the bank will enter into the loan agreement loan commitment fees received are deferred and adjust the effective interest rate of the loan when the commitment is drawn. Loan commitments result in recognition of provisions based on the expected credit loss impairment model.

For information about development of credit loss allowances for provision for financial guarantees and loan commitments refer to Note 31 Development of credit loss allowances, part 'Loan commitments and financial guarantees': table 'Movement in credit loss allowances – loan commitments and financial guarantees.

Remaining classes of provisions in scope of IAS 37

Following table provides the information about the development of the IAS 37 provisions:

						GROUP
in EUR million	**2023**	**Allocations**	**Use**	**Releases**	**Exchange rate**	**2024**
Pending legal issues	56	14	(6)	(2)	-	62
Total	**56**	**14**	**(6)**	**(2)**	**-**	**62**

						BANK
in EUR million	**2023**	**Allocations**	**Use**	**Releases**	**Exchange rate**	**2024**
Pending legal issues	55	14	(6)	(2)	-	61
Total	**55**	**14**	**(6)**	**(2)**	**-**	**61**

						GROUP
in EUR million	**2022**	**Allocations**	**Use**	**Releases**	**Exchange rate**	**2023**
Pending legal issues	53	17	(12)	(2)	-	56
Total	**53**	**17**	**(12)**	**(2)**	**-**	**56**

						BANK
in EUR million	**2022**	**Allocations**	**Use**	**Releases**	**Exchange rate**	**2023**
Pending legal issues	43	16	(3)	(1)	-	55
Total	**43**	**16**	**(3)**	**(1)**	**-**	**55**

44. Provisions (continued)

In Croatia, the Supreme Court, in a proceeding initiated by a local consumer protection association against several Croatian credit institutions ("Collective Case"), among them Erste Bank Croatia ("EBC"), declared in 2015 that Swiss Franc (CHF) clauses in loan agreements with consumers are valid, but contractual provisions permitting unilateral change of the variable interest in CHF denominated consumer loans, used by the majority of credit institutions from 2004 till. 2008, are unfair and null and void. In 2016, the Croatian Constitutional Court rescinded part of the Supreme Court's decision relating to the validity of CHF clauses. By the end of 2017 the Croatian Supreme Court rescinded second instance verdict and returned for a retrial with respect to the CHF clause to the court of second instance. That court delivered its decision in July 2018, confirming the first instance decision. The court decided that collective interest of consumers have been breached by the defendant banks that contracted unfair provision in their loan agreements by linking the currency of the obligation to the exchange rate of the CHF.

In the course of the aforementioned pending Collective Case, EBC was forced to offer a statutory conversion in 2015, allowing clients to convert their CHF denominated loans to EUR denominated loans based on respective conversion agreements. A certain number of CHF denominated loans concluded between 2004 and 2008 are subject of individual court proceedings initiated by clients arguing to be entitled to restitution on the account of partial nullity of their initial loan agreement although the conversion was conducted. A final legal standing on the issue of restitution claims for converted loans is currently under consideration on the level of the Supreme Court. Due to the uncertainty on the final legal standing and the continuous non-uniform judicial practice of courts in Croatia in regard to converted loans, respective provisions for individual cases were adjusted accordingly.

Further information on disclosed disputes are not being provided following IAS 37.92, in order to protect the position of the Group in pending court cases.

The Group has followed the guidance of IAS 37: Provisions, Contingent Liabilities and Contingent Assets and recognized the provision for expected expense.

45. Contingent liabilities

To meet the financial needs of customers, the Bank enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognized in the Statement of Financial Position, they do involve credit risk and are therefore part of the overall risk of the Group and the Bank (see Note 27 Credit risk review and monitoring and Note 31 Development of Credit loss allowances).

The Group is involved in legal disputes, most of which have arisen in the course of ordinary banking business. These proceedings are not expected to have a significant negative impact on the financial position or profitability of the Group.
Any possible financial impacts of these proceedings are not disclosed, as neither the duration nor the outcome can be reliably estimated and to avoid influencing the outcome of the various proceedings.

Capital instruments, equity and reserves

46. Total equity

Share capital

On 1 January 2023, the euro became the official currency of the Republic of Croatia. The amendments to the Croatian Companies Act ("Act"), which came into force on 1 January 2023, prescribe the conversion of share capital from kuna to euros as a main obligation of companies. Amounts from kuna are converted in accordance with the rules of the Law on the introduction of the euro as official currency (Official Gazette 57/22, 88/22) and are rounded to the nearest cent.
Listed companies are obligated to convert into euros the current amount of their share capital, the nominal amount of shares and all amounts expressed in their Articles of Association (Statute) in kuna in such a way that they are expressed as a whole number. Therefore, the Bank's adjustment of share capital is carried out through capital reserves in amount of EUR 12 million.

As at 31 December 2024 and 2023 the share capital of the Bank comprises of 16,984,175 ordinary shares. Nominal value of shares as at 31 December 2024 and 2023 amounted EUR 14. All the ordinary shares are ranked equally and bear one vote.

Capital reserves and share premium

The Bank's distributable and non-distributable reserves are determined by regulations of the CNB. As at 31 December 2024 and 2023 the legal reserves of the Bank disclose non-distributable reserves of EUR 11 million.
Share premium as at 31 December 2024 and 2023 amounted to EUR 227 million.

Dividends

The dividends for 2024 are subject to approval by shareholders at Annual General Assembly which has not been held as of the date when these consolidated financial statements were authorized for issue.

The dividend for the year 2023 in the amount of EUR 120,587,642.50 was distributed to the shareholders, in the amount of EUR 7.10 per share.

The Management board of Erste Bank will propose a 2024 dividend of EUR 7.10 per share to the 2025 Annual General Meeting (2023: EUR 7.10 per share).

Scope of consolidation

The consolidated financial statements incorporate the financial statements of the Bank and entities controlled by the Bank (subsidiaries) together with the Group's share in associates.

Mergers in 2024

In 2024, Erste Bank has merged subsidiary Erste Group IT HR d.o.o. and the Issuing business which was carved out from Erste Card Club d.o.o.

The mentioned transactions are business combinations under common control. A business combination involving entities or businesses under common control is a business combination in which the entities are under the common control of the same entity or entities, before and after the business combination, and this control is not transferable. Since IFRS 3 does not apply to business combinations of entities under common control, the Bank's accounting policy is to calculate such transactions using the predecessor method. There is no transfer of consideration for these mergers as Erste Bank holds 100% of the shares in the subsidiaries.
Under the predecessor method, the assets and liabilities of the acquired entity are recognized at their book value. The difference between the book value of the investment in the subsidiary (recognized at cost before the merger in the separate financial statements of the acquiring entity) and the book value of the net assets of the acquired entity is presented in equity (retained earnings).

Merger of Erste Group IT HR d.o.o.

In July 2023, Bank paid, for additional 20% shares to Erste Bank Internationale Beteiligungen GmbH in intragroup transaction. With this transaction, Bank became 100% shareholder of the company and started with merging activites.
Merger of Erste Group IT HR d.o.o. with total asset of EUR 4.3 million was realized on 2nd January 2024, in accordance with a Decision of Commercial Court in Rijeka as of January 2, 2024. The Bank is a legal successor of the company.

in EUR million	2 January 2024
Cash and cash balances	1
Property and equipment	1
Intangible assets	1
Other assets	1
Deposits	(1)
Other liabilities	(1)
Elimination of carrying amount of the investments in subsidiary	(1)
Difference recognised in Equity, incl.:	1

Merger of Erste Card Club d.o.o.

Erste Card Club d.o.o. (“ECC”) operates through two main business streams:

i. merchant acquiring business - is the business of establishing and maintaining relations and arrangements with merchants to permit the use of cards for purchasing goods and services at merchant’s and bank’s point of sale or ATM, respectively. Merchant acquiring business includes providing payment service of acceptance of payment transactions and cash withdrawal transactions at the ATMs („Acquiring business”) and

ii. card issuing and other business is the business of issuing cards to cardmembers and servicing the use of such cards, and the provision of other related services to cardmembers. Card issuing and other business includes providing following payment services:
_execution of payment transactions where the funds are covered by a credit line for a payment service user:
_execution of payment transactions through a payment card or a similar device and issuing of payment instruments („Issuing business”).

Scope of consolidation (continued)

Merger of Erste Card Club d.o.o. (continued)

On October 1, 2024 the Issuing business was carved out from ECC and transferred to Bank (the transaction referred as "demerger"). In accordance with the Bank's Accounting policy, this transaction was accounted for by applying book value accounting as by its nature it belongs to business combinations under common control not covered by IFRS 3. Statement of financial position of demerger was prepared based on principles confirmed by the external auditor.
Upon registration of the demerger with the Commercial Court Register, the assets, obligations and legal relations of the demerged business are transferred into Bank.
The transaction had an impact on the book value of the Bank's investment in Erste Card Club d.o.o. As a result of distinguishment of those main business streams, the book value of investment in subsidiary (as of December 31, 2023 EUR 65 million) was allocated as follows: Card issuing and other business EUR 4.4 million and Merchant acquiring business EUR 60.1 million. On December 31, 2024 the book value of the investment represents Merchant acquiring business only.

As a result of the business combination and new business stream merged, the Bank expanded the variety of products which it offers to private and corporate clients on wide selection of Diners, Visa and MasterCard charge and credit cards. Issuing business ensured an increase in the number of clients and enabled existing ones more. The Bank became the only bank in Croatia with Diners Club International issuing franchise. With Diners credit card, the Bank's offer is enriched with the possibility of instalment payments with the largest number of terms - up to 36 instalments without interest and fees on credit card side as well (along with the already existing "Erste rate" product on debit card side).

Effects of merger recognized at the merger date:

in EUR million	1 October 2024
Cash balances at central banks	34
Loans and advances to customers	166
Property and equipment	4
Investment property	1
Tax assets	5
Trade and other receivables	65
Other financial liabilities	(86)
Provisions	(3)
Other liabilities	(8)
Elimination of carrying amount of the investments in subsidiary	(4)
Difference recognised in Equity, incl.: Retained earnings	174

47. Investment in subsidiaries

Subsidiaries are entities over which the Group has control.
All entities directly or indirectly controlled by the Group are consolidated in the Group financial statements on the basis of their annual accounts as of 31 December 2024, and for the year then ended.
The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and the consolidated statement of other comprehensive income from the date of acquisition or up to the date of disposal.

In the Bank's separate financial statements, investments in subsidiaries are accounted at cost less impairment, if any.
The financial statements of the Bank's subsidiaries are prepared for the same reporting year as that of the Group and using consistent accounting policies.
Non-controlling interests represent the portion of total comprehensive income and net assets of subsidiaries that is not attributable, directly or indirectly, to the owners of the Bank. Non-controlling interest is presented separately in the consolidated statement of profit or loss and within equity in the consolidated statement of financial position.

47. Investment in subsidiaries (continued)

Material accounting judgements, assumptions and estimates

Control

Assessing the existence of control may require considerable accounting judgements, assumptions and estimates, notably in non-standard situations such as:

- power stemming both from voting rights and from contractual arrangements (or mostly from the latter);
- exposure to variable returns from the involvement with the investee stemming from on-balance investments and from off-balance commitments or guarantees (or mostly from the latter); or from readily identifiable income streams (e.g. dividends, interest, fees) and from cost savings, economies of scale and/or operational synergies (or mostly from the latter).

The Group has considered the local legislation and the Incorporation Act of the Company and concluded that in accordance with the Incorporation Act the Bank controls the Company. According to the Incorporation Act of the Company the decisions at the shareholders level, requiring unanimous decision-making, are of a protective nature. The decisions over relevant activities are taken by the simple majority of the Supervisory Board members of the Company, where the Bank has the right to appoint the majority of the members, and therefore controls the Company.
Furthermore, the Bank has the ability to use its power over the Company to affect the amount of the investor's returns. The Bank has established frame within which can keep track of The Company's portfolio movement as well as their entire business operations. Close collaboration has been established between sales business lines as well as constant coordination of risk management organisational parts, respectively strategic risk management of the Company has been implemented and strategic management of the entire Company's relevant business aspects.

Following the acquisition of the additional stake in Erste Leasing d.o.o. (the Company) in 2014, the Bank has ownership interest of 50% in the Company. The other 50% interest is held by Steiermarkische Bank und Sparkassen AG, Austria. The Group consolidates the Company based on the assessment of control over its relevant activities as defined by IFRS 10 Consolidated Financial Statements.

Investment in subsidiaries

Subsidiaries	Main business activity	Ownership % held		Group's share of net assets		Investment at cost less impairment	
in EUR million		2023	2024	2023	2024	2023	2024
Erste Nekretnine d.o.o.	Real estate business	100%	100%	1	1	-	-
Erste Card Club d.o.o.	Financial intermediation and services	100%	100%	189	10	65	60
Izbor Nekretnina d.o.o.	Real estate management and lease	100%	100%	1	1	-	-
Erste Bank AD, Podgorica	Credit institution	100%	100%	126	145	13	13
Erste&Steiermarkische S-leasing d.o.o.	Leasing company	50%	50%	31	34	12	12
Erste Group IT HR d.o.o.	IT engineering	100%		2	-	1	-
Direct control				**350**	**191**	**91**	**85**
Total subsidiaries:				**350**	**191**	**91**	**85**

The following subsidiary has non material Non-Controlling Interest (NCI):

- Erste & Steiermarkische S-leasing d.o.o. (50%)

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within which the banking subsidiaries operate. The supervisory frameworks require banking subsidiaries to keep certain levels of regulatory capital and liquid assets, limit their exposure to other parts of the Group and comply with other ratios.

48. Investments in associates

The Group's share of the associate's result is recognised in the consolidated statement of profit or loss in line item 'Net result from equity method investments'. The line item contains result from associates recorded by applying the equity method (measured as investor's share of profit or loss in the associates).
However, impairment losses, reversal of impairment losses and realised gains and losses on investments in associates accounted for using the equity method are reported under the line item 'Other operating result'.

Investment in associates

Associates	Erste d.o.o.	
Country of Incorporation	Croatia	
Place of business	Croatia	
Main business activity	Management company for obligatory and voluntary pension fund	
in EUR million	2023	2024
Ownership % held	45.86%	45.86%
IFRS Classification	Associate	Associate
Reporting currency	EUR	EUR
Dividend income received	1	1
Investee's key financial information for the reporting year (as at reporting-year-end)		
Financial assets	17	18
Other assets	3	3
Other liabilities	3	3
Revenue	11	12
Expenses	(8)	(9)
Investment at cost	5	5
Reconciliation of investee's net assets against equity investment's carrying amount	4	5
Net assets attributable to the Group	9	10

Other disclosure matters

49. Related-party transactions

When considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. Transactions with related parties are done at arm's length. Therefore, the applicable interest rates and other terms (maturity dates and collateral) represent market conditions.

The parent company (which is also the ultimate controlling parent entity of the entire group) is Erste Group Bank AG, Vienna (EGB). Entity with significant influence on the Group is Steiermärkische Bank und Sparkassen AG.
The 'Key management personnel' includes Management Board and Supervisory Board while 'Other' includes close family members of key management personnel.

As at 31 December 2024 and 31 December 2023, balances outstanding with related parties comprised:

ASSET						GROUP
	Loans, receivables and other demand deposits	Derivatives	Other	Loans, receivables and other demand deposits	Derivatives	Other
in EUR million		2023			2024	
Key management personnel	6	-	-	6	-	-
Parent company	27	20	-	92	15	-
Other EGB companies	1	-	-	1	-	-
Total assets	**34**	**20**	**-**	**99**	**15**	**-**

LIABILITIES						GROUP
	Deposits	Derivatives	Other	Deposits	Derivatives	Other
in EUR million		2023			2024	
Entity with significant influence on the Group	488	-	-	435	-	-
Key management personnel	6	-	-	5	-	-
Parent company	126	2	-	234	4	-
Other EGB companies	21	-	-	26	-	-
Other	1	-	-	-	-	-
Associates	-	-	-	2	-	-
Total liabilities	**642**	**2**	**-**	**702**	**4**	**-**

ASSET						BANK
	Loans, receivables and other demand deposits	Derivatives	Other	Loans, receivables and other demand deposits	Derivatives	Other
in EUR million		2023			2024	
Key management personnel	6	-	-	6	-	-
Parent company	12	20	-	10	15	-
Other EGB companies	1	-	-	1	-	-
Subsidiaries	10	-	-	43	-	1
Total assets	**29**	**20**	**-**	**60**	**15**	**1**

49. Related-party transactions (continued)

LIABILITIES						BANK
in EUR million	Deposits	Derivatives 2023	Other	Deposits	Derivatives 2024	Other
Entity with significant influence on the Group	76	-	-	-	-	-
Key management personnel	6	-	-	5	-	-
Parent company	92	2	-	170	4	-
Other EGB companies	21	-	-	26	-	-
Other	1	-	-	-	-	-
Subsidiaries	42	-	-	107	-	-
Associates	-	-	-	2	-	-
Total liabilities	**238**	**2**	**-**	**310**	**4**	**-**

STATEMENT OF PROFIT OR LOSS	GROUP		BANK	
in EUR million	2023	2024	2023	2024
Interest income	**18**	**26**	**16**	**26**
Parent company	18	26	16	25
Subsidiaries	-	-	-	1
Fee income	**2**	**3**	**20**	**23**
Parent company	-	1	-	-
Other EGB companies	2	2	2	2
Subsidiaries	-	-	18	21
Gains and losses from net trading result	**2**	**1**	**2**	**1**
Parent company	2	1	2	1
Other operating income	**1**	**2**	**3**	**6**
Parent company	1	1	1	1
Subsidiaries	-	-	2	4
Other EGB companies	-	1	-	1
Total income	**23**	**32**	**41**	**56**

STATEMENT OF PROFIT OR LOSS	GROUP		BANK	
in EUR million	2023	2024	2023	2024
Interest expense	**39**	**45**	**27**	**29**
Entity with significant influence on the Group	15	21	3	4
Parent company	24	24	23	24
Subsidiaries	-	-	1	1
Fee expense	**5**	**6**	**6**	**7**
Parent company	1	1	1	1
Other EGB companies	4	5	3	4
Subsidiaries	-	-	2	2
Other administrative expenses	**16**	**18**	**26**	**16**
Parent company	2	2	2	2
Other EGB companies	14	16	13	14
Subsidiaries	-	-	11	-
Other operating expenses	**-**	**-**	**-**	**-**
Total expenses	**60**	**69**	**59**	**52**

Significant related party transactions are related to financial services and IT activities.

49. Related-party transactions (continued)

OFF BALANCE ITEMS in EUR million	GROUP 2023	2024	BANK 2023	2024
Guarantees issued	**4**	**26**	**4**	**61**
Parent company	2	11	2	11
Other EGB companies	2	15	2	15
Subsidiaries	-	-	-	35
Undrawn credit and loan commitments	**1**	**1**	**38**	**43**
Key management personnel	1	1	-	1
Subsidiaries	-	-	38	42
Total commitments and contingent liabilities	**5**	**27**	**42**	**104**

The Bank and the Group perform transactions related to short-term and long-term financing. Short-term financing means short-term loans, short-term and demand deposits, repurchase agreements, derivatives. The main feature of these deals is that they are contracted on regulated markets. The deals concluded through such platforms are contracted according to the conditions quoted there at the time of contracting the deals. This means that interests are determined according to current market conditions, regardless of whether the transaction is closed with a related or unrelated company.

As of 31 December 2024, the Group and the Bank had cash deposit in the amount of EUR 12 million as collateral within Amounts due to banks from the parent company (2023: EUR 18 million) using ESTER interest rate (Euro short-term rate).

The amounts reported on position Other EGB companies are related to Other demand deposits.

Terms and conditions related to the long-term financing are disclosed in the Note 16.

Borrowings from parent company as of 31 December 2024, were EUR 222 million for the Group (2023: EUR 42 million) and EUR 158 million for the Bank (2023: EUR 8 million) which is included in column ‘Deposits’.

The remuneration of key management personnel was as follows:

in EUR million	GROUP 2023	2024	BANK 2023	2024
Management Board				
Wages and salaries	4	4	2	2
Bonuses	2	3	1	2
Total remuneration	**6**	**7**	**3**	**4**

50. Share-based payments

Phantom Share Program

On a yearly basis, however subject to a separate annual approval process each year, the Group grants a bonus to selected employees (variable remuneration component) for services rendered during the year (performance year). The payment is only made if the regulatory requirements in respect of financial result and capital requirements (RAS indicators) are met, both for Erste Group Bank AG and the Group. If the individual bonus exceeds a certain limit, the final payment amount of at least 50% of the individual bonus determined at the end of the performance year depends on the development of the average, volume-weighted daily price of Erste Group Bank AG shares in subsequent years ("Phantom Share Program").

The corresponding portion of the individual bonus is converted into share equivalents (phantom shares) using the average, volume-weighted, daily share price of Erste Group Bank AG during the performance year. The share equivalents are divided into several tranches, which differ based on the development of the Erste Group Bank AG share price during the vesting period. At the end of the respective vesting period, the amount that will be paid out in the following year is determined from the corresponding number of share equivalents and the average price. The vesting period corresponds to the performance year. Part of the bonus converted into share equivalents (phantom shares) is paid out in a year following the vesting period, while the remaining part is paid out in equal tranches over the next five years (retention period).

The Phantom Share Program meets the criteria for share-based payment with cash settlement in accordance with IFRS 2.

50. Share-based payments (continued)

Since the Group receives the entire work service in the respective performance year, the estimated amount of the variable remuneration for stock equivalents is recognized as a liability at fair value. The final determination of the calculated and allocated share equivalents takes place in the following year. The liability for share equivalents, that have not yet been paid out, is continuously measured at fair value, up to the cap limit, until it is paid out. Changes in fair value up to the final allocation in subsequent years are recognized in profit or loss. To determine the fair value, the number of share equivalents not yet paid out on the balance sheet date, is multiplied by the estimated average price of Erste Group Bank AG share for the respective year of payment. The estimated average share prices for the respective payment year are determined using an Option pricing model (Black-Scholes model). The main parameters are the share price of the Erste Group Bank AG share on the balance sheet date and the expected dividend payments up to the date of payment. As of 31 December 2024, the valuation of the liability is based on the average weighted daily share price of Erste Group Bank AG of the year 2024 in the amount of EUR 45.75 (2023: EUR 33.02) per share.
It is expected that 47,752 share equivalents with a fair value of EUR 3 million will be granted to eligible employees for the Group and 38,974 share equivalents with a fair value of EUR 2 million will be granted to eligible employees for the Bank (2023: 48,617 share equivalents with a fair value of EUR 2 million for the Group and 37,509 share share equivalents with a fair value of EUR 1 million for the Bank).
The total expense recorded for the Phantom Share Program in the reporting period amounts to EUR 3 million for the Group and for the Bank (2023: EUR 2 million for the Group and EUR 1 million for the Bank), the book value of the liability as of the balance sheet date is EUR 8 million for the Group and EUR 7 million for the Bank (2023: EUR 5 million for the Group and EUR 4 million for the Bank).

We Share Program

The WeShareParticipation program and WeShare-Investment Plus program are cash-settled share-based payment transactions based on the fact that that the payment is settled by the Group using Erste Group Bank AG equity instruments, not own shares. Both programs are offered to employees of the Group provided that the specific requirements are met.
Under the WeShare-Investment Plus part program all employees, who had been employed by an entity of the Group, from May until June 2024 could voluntarily invest in Erste Group shares and receive free shares depending on the amount of their personal investment. The WeShare-Investment Plus program was settled in June 2024. The number of free shares, which were granted under this program for the period, is 18,219 for the Group and 15,363 for the Bank (2023: 23,728 for the Group and 19,543 for the Bank). Personnel expenses in the amount of EUR 814 thousand for the Group and EUR 687 thousand for the Bank were recorded (2023: EUR 742 thousand for the Group and EUR 611 thousand for the Bank).

Under the WeShare-Participation program all employees, who have been employed by an entity of the Group for at least six months in year 2023 and are still employed until the transfer of the shares to the employees in 2024 are entitled to receive shares in an equivalent amount of EUR 350. The expected number of free shares granted under this program for the period, is 26,212 for the Group and for 20,618 for the Bank (2023: 32,462 for the Group and 24,795 for the Bank). Based on the number of entitled employees, personnel expenses in the amount of EUR 1 million for the Group and for the Bank (2023: EUR 1 million for the Group and for the Bank) were recorded. In the statement of financial position, liability is presented in the line item ‚Other liabilities'.

51. Audit fees and tax consultancy fees

The following table contains fundamental audit fees by the auditors in the financial years 2024 and 2023:

	GROUP		BANK	
in EUR million	**2023**	**2024**	**2023**	**2024**
Audit fees	1	1	1	1
Total	**1**	**1**	**1**	**1**

There were no non-audit services in the period from January 1, 2024 to December 31, 2024.
In the period from January 1, 2023 to December 31, 2023 the auditors provided two permissible non-audit services to the Bank. They are consultat services for annual update of the documentation related to Multi Issuer Program and Retail program and assurance for contribution to SRB. Total fee for provided non-audit services is not material.

52. Assets held for sale and liabilities associated with assets held for sale

Non-current assets are classified as held for sale if they can be sold in their present condition and the sale is highly probable within 12 months from the date of classification as held for sale. If assets are to be sold as part of a group that may also contain liabilities (e.g. a subsidiary), they are referred to as a disposal group held for sale.

Assets classified as held for sale and assets belonging to the disposal group held for sale are reported under the balance sheet line item ‘Assets held for sale’. Liabilities belonging to the disposal group held for sale are presented on the balance sheet under the line item ‘Liabilities associated with assets held for sale’.

Non-current assets and disposal groups that are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. The carrying amount of assets and liabilities that are not within the scope of the measurement requirements of IFRS 5 are measured in accordance with the applicable IFRSs before the fair value of less costs to sell of the disposal group is measured. Accordingly, financial assets and financial liabilities included in the disposal group are measured at amortised cost in accordance with IFRS 9.

Property, plant and intangible assets are not depreciated or amortised once classified as held for sale. Assets held for sale related to property are measured at fair value on non-recurring basis when their carrying amount is impaired down to fair value less costs to sell. The fair values are determined by experts with recognised and relevant professional qualification.

in EUR million	GROUP 2023	GROUP 2024	BANK 2023	BANK 2024
Assets held for sale	4	10	-	60
Liabilities associated with assets held for sale	-	86	-	-

As of the end of 2024, line item ‘Assets held for sale’ includes mainly disposal group (Erste Card Club d.o.o.) in the amount of EUR 10 million.

Disposal group held for sale (Erste Card Club d.o.o.)

Due to strategic guidelines of Erste Bank the activities regarding the sale of its fully owned subsidiary – Erste Card Club d.o.o. were initiated.

Having met the qualifying criteria of IFRS 5, Erste Card Club d.o.o. is presented in Group consolidated financial statements for the financial year ending 31 December 2024 as a disposal group held for sale and reported under the balance sheet line items ‘Assets held for sale’ and ‘Liabilities associated with assets held for sale’. In accordance with the presentation requirements of IFRS 5, the assets and liabilities of Erste Card Club d.o.o. are neither reclassified nor represented in the statements of financial position of prior years.
As Erste Card Club d.o.o. does not fulfil any of the criteria stipulated in IFRS 5.32, it is not classified as ‘discontinued operation’.

The disposal group is disclosed in segment reporting as ALM&LLC.

The carrying amounts of major classes of assets and liabilities of Erste Card Club d.o.o. as of 31 December 2024 are as follows:

in EUR million	2024
Assets	
Cash and cash balances	84
Property and equipment	3
Intangible assets	1
Tax assets	1
Trade and other receivables	12
Total assets	**101**
Liabilities	
Financial liabilities measured at amortised cost	89
Finance lease liabilities	1
Other liabilities	1
Total liabilities	**91**

53. Analysis of remaining maturities

Expected cash flows are broken down by contractual maturities in accordance with the amortization schedule and arranged in maturity ranges less than 1 year and more than 1 year. The following table shows the contractual maturities as of 31 December 2024 and 31 December 2023.

				GROUP
in EUR million	2023		2024	
	< 1 year	> 1 year	< 1 year	> 1 year
Cash and cash balances	2,355	-	3,380	-
Financial assets HfT	5	18	4	15
Derivatives	5	18	4	15
Non-trading financial assets at FVPL	4	3	-	9
Equity instruments	1	-	-	4
Debt securities	3	3	-	5
Financial assets at FVOCI	460	633	237	768
Equity instruments	-	-	-	1
Debt securities	460	633	237	767
Financial assets at AC	2,168	8,189	2,563	8,522
Debt securities	145	1,658	290	1,812
Loans and advances to banks	46	22	56	23
Loans and advances to customers	1,977	6,509	2,217	6,687
Finance lease receivables	144	339	171	397
Trade and other receivables	170	-	179	-
Property, plant and equipment	-	161	-	170
Investment properties	-	2	-	2
Intangible assets	-	19	-	17
Investments in associates	-	9	-	10
Current tax assets	2	-	7	-
Deferred tax assets	-	41	-	17
Assets held for sale	-	-	10	-
Other assets	16	14	17	12
TOTAL ASSETS	**5,324**	**9,428**	**6,568**	**9,939**
Financial liabilities HfT	4	17	4	14
Derivatives	4	17	4	14
Financial liabilities measured at amortised cost	11,145	1,696	12,149	2,181
Deposits from banks	274	510	285	511
Deposits from customers	10,733	649	11,837	716
Debt securities issued	-	537	-	954
Other financial liabilities	138	-	27	-
Lease liabilities	2	12	1	13
Provisions	65	10	77	10
Tax liabilities	18	-	4	-
Liabilities associated with assets held for sale	-	-	86	-
Other liabilities	102	6	110	31
TOTAL LIABILITIES	**11,336**	**1,741**	**12,431**	**2,249**

53. Analysis of remaining maturities (continued)

				BANK
in EUR million	2023		2024	
	< 1 year	> 1 year	< 1 year	> 1 year
Cash and cash balances	2,186	-	3,211	-
Financial assets HfT	4	19	4	15
Derivatives	4	19	4	15
Non-trading financial assets at FVPL	4	3	-	9
Equity instruments	1	-	-	4
Debt securities	3	3	-	5
Financial assets at FVOCI	456	583	208	721
Equity instruments	-	-	-	1
Debt securities	456	583	208	720
Financial assets at AC	1,840	7,780	2,376	8,114
Debt securities	145	1,612	290	1,765
Loans and advances to banks	9	22	30	22
Loans and advances to customers	1,686	6,146	2,056	6,327
Trade and other receivables	109	-	179	-
Property, plant and equipment	-	113	-	129
Investment properties	-	-	-	1
Intangible assets	-	13	-	13
Investments in subsidiaries	-	91	-	25
Investments in associates	-	5	-	5
Current tax assets	-	-	7	-
Deferred tax assets	-	33	-	16
Assets held for sale	-	-	60	-
Other assets	5	13	8	12
TOTAL ASSETS	**4,604**	**8,653**	**6,053**	**9,060**
Financial liabilities HfT	4	17	4	14
Derivatives	4	17	4	14
Financial liabilities measured at amortised cost	10,370	1,308	11,426	1,774
Deposits from banks	117	191	88	183
Deposits from customers	10,201	580	11,306	637
Debt securities issued	-	537	-	954
Other financial liabilities	52	-	32	-
Lease liabilities	3	12	3	12
Provisions	63	8	76	9
Tax liabilities	16	-	-	-
Other liabilities	71	6	84	31
TOTAL LIABILITIES	**10,527**	**1,351**	**11,593**	**1,840**

54. Events after balance sheet date

On February 7, 2025, the Bank issued a bond in the total amount of EUR 150 million. The bond was issued with no maturity date. The Bank has requested approval from the regulator to classify the issued bond as an Additional Tier 1 instrument.
On March 4, 2025, the Statement of Establishment of the new company Keks Pay d.o.o. was signed, with Erste&Steiermärkische Bank d.d. as the sole founder.

55. Country-by-country reporting

Country	Operating income	Pre-tax result from continuing operations	Income tax	Employees
2024				GROUP
Croatia	549	288	(58)	2,875
Montenegro	44	23	(3)	373
Total	**593**	**311**	**(61)**	**3,248**

Country	Operating income	Pre-tax result from continuing operations	Income tax	Employees
2023				GROUP
Croatia	520	278	(50)	2,955
Montenegro	39	20	(3)	336
Total	**559**	**298**	**(53)**	**3,291**

Own funds and capital requirements

56. Own funds and capital requirements

Regulatory Requirements

Since 1 January 2014, the 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) and the Capital Requirement Directive (CRD IV, Directive (EU) 2013/36/EU)[3]. Both the CRD IV and CRD V were enacted in national law in Croatian Credit Institutions Act (ZOKI), as well as within various technical standards issued by the European Banking Authority (EBA).

All requirements as defined in the CRR, ZOKI and the aforementioned technical standards are fully applied by the Group for regulatory purposes and for the disclosure of regulatory information.

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

Accounting Principles

The financial and regulatory figures published by the Group are based on International Financial Reporting Standards as adopted by the European Union („IFRS"). Eligible capital components derived from the Statement of financial position and Statement of profit or loss which were prepared in accordance with IFRS. Adjustments to the accounting figures are considered due to the different definitions in the scope of consolidation and for items where the regulatory treatment is not equal to the accounting requirements.
The uniform closing date of the consolidated financial statements and consolidated regulatory figures of the Group is the 31 December of each respective year.

Regulatory scope of consolidation

The regulatory scope of consolidation is used as a synonym for the scope of consolidation that follows the regulatory requirements for consolidation as defined by the CRR and Croatian Credit Institutions Act (ZOKI) which introduces the requirements of the CRD IV into national law.
The definition of entities to be consolidated for regulatory purposes are mainly defined in Articles 4 (1) (3) and (16) to (27) CRR in line with the Articles 18 and 19 CRR. Based on the relevant sections in Article 4 CRR, entities to be consolidated are determined based on the business activity of the relevant entities.
Moreover, Art. 18 (7) CRR applies: Where an institution has a subsidiary which is an undertaking other than an institution, a financial institution or an ancillary service undertaking or holds a participation in such an undertaking, it shall apply to that subsidiary or participation the equity method. That method shall not, however, constitute inclusion of the undertakings concerned in supervision on a consolidated basis.
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.

[3] 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 regu-lations (EU) 2019/876 (CRR 2) and (EU) 2020/873 (CRR Quick Fix).

56. Own funds and capital requirements (continued)

Own funds

The Bank and Group maintain an actively managed capital base to cover risks in the business. The total capital adequacy ratio for the Bank is 24.5% and the Group is 22.6%, which is an increase of 3.2 percentage points on an individual basis and 1.3 percentage points on a consolidated basis compared to 2023.

Own funds according to CRR consists of Common equity Tier 1 (CET 1), Additional Tier 1 capital (AT 1) and Tier 2 capital (T2). According to article 92 CRR credit institutions are required to fulfil following requirements; CET 1 capital ratio in amount of 4.5%, Tier 1 capital ratio in amount of 6% and total capital ratio in amount of 8%.

Capital buffer requirements are set out in section VII of the Credit institutions Act (ZOKI). Capital conservation buffer, countercyclical buffer, Globally Systemic Important Institutions buffer, Other Systemic Important Institutions and Systemic risk buffer are further specified in Credit Institutions Act section VII. All capital buffers have to be met entirely with CET1 capital. The sum of all CRD buffers applicable to a Bank is defined as the ‘Combined Buffer Requirement’ (CBR).

Article 117 of ZOKI requires that the Group and the Bank cover capital conservation buffer in amount of 2.5%. Besides capital conservation buffer the Group and the Bank have to establish systemic risk buffer in amount 1.5% in accordance with articles 129, 130, 131 and Other Systemic Important Institution (O-SII) buffer in the amount of 2% in accordance with articles 137, 138 and 139 of ZOKI.
According to Article 119 of ZOKI, the Croatian National Bank has determined the level of the countercyclical capital buffer rate to preserve the resilience of the banking system against potential systemic risks or sudden shocks. On December 31, 2023, the rate was set at 1%, while on Jun 30, 2024, it was set at 1.5%.

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). The Bank applies a Pillar 2 requirement (P2R) of 1.75% as of January 1, 2023. Capital quantitative requirement has to be held in the minimum form of 56.25% of Common Equity Tier 1 capital and 75% of Tier 1 capital. The Pillar 2 Guidance (P2G) for the Bank is determined on a sub-consolidated and on an individual level as 1% of total risk exposure amount as of January 1, 2023.

Overview of capital requirements and capital buffers

	Dec 23	Dec 24
Pillar 1		
Minimum CET 1 requirement	4.50%	4.50%
Minimum Tier 1 requirement	6.00%	6.00%
Minimum Own Funds requirement	8.00%	8.00%
Combined buffer requirement (CBR)	**6.93%**	**7.40%**
Capital conservation buffer	2.50%	2.50%
Countercyclical capital buffer	0.93%	1.40%
Systemic risk buffer	1.50%	1.50%
O-SII capital buffer	2.00%	2.00%
Minimum CET 1 requirement (incl.CBR)	11.43%	11.90%
Minimum Tier 1 requirement (incl.CBR)	12.93%	13.40%
Minimum Own Funds requirement (incl.CBR)	14.93%	15.40%
Pillar 2	**1.75%**	**1.75%**
Minimum CET1 requirement	0.98%	0.98%
Minimum T1 requirement	1.31%	1.31%
Minimum Own Funds requirement	1.75%	1.75%
Total CET 1 requirement for Pillar 1 and Pillar 2	**12.41%**	**12.88%**
Total Tier 1 requirement for Pillar 1 and Pillar 2	**14.24%**	**14.71%**
Total Capital requirement for Pillar 1 and Pillar 2	**16.68%**	**17.15%**

56. Own funds and capital requirements (continued)

Capital structure according to the EU regulation 575/2013 (CRR)

		GROUP		BANK	
in EUR million	**Article pursuant to CRR**	**2023**	**2024**	**2023**	**2024**
Common equity tier 1 capital (CET1)					
Capital instruments eligible as CET1	26(1)(a)(b), 27-30, 36(1)(f), 42	464	464	464	464
Retained earnings	26(1)(c), 26(2)	1,087	1,211	823	1,100
Accumulated other comprehensive income	4(1)(100), 26(1)(d)	(43)	(19)	(40)	(19)
Other reserves		11	12	11	12
Common equity tier 1 capital (CET1) before regulatory adjustments		**1,519**	**1,668**	**1,258**	**1,557**
Own CET1 instruments	36(1)(f), 42	-	-	-	-
Prudential filter: fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	33(1)(c), 33(2)	(1)	(1)	(1)	(1)
Value adjustments due to the requirements for prudent valuation	34, 105	(2)	(3)	(2)	(3)
Goodwill	4(1)(113), 36(1)(b), 37	-	-	-	-
Other intangible assets	4(1)(115), 36(1)(b), 37(a)	(10)	(10)	(6)	(7)
DTA that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	36(1)(c), 38	-	-	-	-
IRB shortfall of credit risk adjustments to expected losses	36(1)(d), 40, 158, 159	-	-	-	-
Insufficient coverage for non-performing exposures		(4)	(6)	(3)	(5)
CET1 capital elements or deductions – other		-	-	-	-
Additional deductions of CET1 Capital due to Article 3 CRR		(9)	(9)	(9)	(9)
Common equity tier 1 capital (CET1)	**50**	**1,493**	**1,639**	**1,237**	**1,532**
Additional tier 1 capital (AT1)	**61**	**-**	**-**	**-**	**-**
Tier 1 capital = CET1 + AT1	**25**	**1,493**	**1,639**	**1,237**	**1,532**
Tier 2 capital (T2)					
Capital instruments and subordinated loans eligible as T2	62(a), 63-65, 66(a), 67	-	150	-	150
IRB excess of provisions over expected losses eligible	62(d)	29	33	30	34
Tier 2 capital (T2)	**71**	**29**	**183**	**30**	**184**
Total own funds	**4(1)(118) and 72**	**1,522**	**1,822**	**1,267**	**1,716**
Capital requirement	**92(3), 95, 96, 98**	**571**	**644**	**476**	**561**
CET1 capital ratio	**92(2)(a)**	**20.9%**	**20.4%**	**20.8%**	**21.8%**
Tier 1 capital ratio	**92(2)(b)**	**20.9%**	**20.4%**	**20.8%**	**21.8%**
Total capital ratio	**92(2)(c)**	**21.3%**	**22.6%**	**21.3%**	**24.5%**

The Bank and the Group fulfilled all of the capital requirements in the year 2023 and in 2024. In accordance with Art. 26 (2) CRR the item retained earnings includes the eligible profits of EUR 123.3 million (the Bank EUR 102.1 million) approved by the European Central Bank by decision of 6 February 2025.

The position CET1 elements or deduction – Others include 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.

The Bank's Tier 2 Capital increased by EUR 154 million in 2024 compared to 2023, mainly due to the recognition of a subordinated loan received from Erste Group Bank AG into Tier 2 Capital in the amount of EUR 150 million. The main features of the subordinated loan are described in note 16. Financial liabilities measured at amortised costs, in the section Deposits from banks.

The capital structure table above is based on the Commission Implementing Regulation (EU) No 2021/637 laying down implementing technical standards regarding to disclosure of own funds requirements. Positions, which are not relevant for Group are not disclosed. Figures shown under full implementation of Basel 3 considered the current CRR.

56. Own funds and capital requirements (continued)

Risk structure according to EU regulation 575/2013 (CRR)

GROUP	2023		2024	
in EUR million	Total risk (final)	Capital requirement (final)	Total risk (final)	Capital requirement (final)
Total risk exposure amount	7,142	571	8,048	644
Risk-weighted assets (credit risk)	6,315	505	7,105	568
Standardised approach	1,526	122	1,657	133
IRB approach	4,789	383	5,448	436
Trading book, foreign FX risk and commodity risk	4	-	4	-
Operational risk	819	66	936	75
Exposure for CVA	4	-	3	-

BANK	2023		2024	
in EUR million	Total risk (final)	Capital requirement (final)	Total risk (final)	Capital requirement (final)
Total risk exposure amount	5,950	476	7,017	561
Risk-weighted assets (credit risk)	5,297	424	6,224	498
Standardised approach	297	24	599	48
IRB approach	5,000	400	5,625	450
Trading book, foreign FX risk and commodity risk	4	-	4	-
Operational risk	645	52	786	63
Exposure for CVA	4	-	3	-

At the end of 2024 total risk-weighted assets for credit risk at Bank level amounted EUR 6.2 billion, which is an increase by EUR 926.4 million compared to the previous year. The growth in RWA was mainly driven by merge of Erste card Club's issuing portfolio, implementation of the new Corporate rating model and SL model together with the regular growth of the asset size. On the other hand, increase was partially offset with the introduction of the new CCF methodology and new model for Sovereign portfolio.
At the local Group level, credit RWA recorded increase of EUR 789.7 million mainly driven by already mentioned RWA movements at the Bank level, as well as increase in asset size of subsidiaries Erste&Steiermärkische S-Leasing and Erste Bank AD Podgorica.

The Group uses the standardised approach for the purposes of the calculating the capital requirements for market risk. The risk primarily arises from derivative transactions (FX Swap, FX Forward and Interest Rate Swap) with clients and capital requirements for currency risk based on the calculation of the total net foreign exchange position. Standardised approach for counterparty credit risk (SA-CCR) according to CRR II Art. 274 -280 is used to manage credit risk from derivatives.

The Bank is using the standardized approach (”TSA”) for the capital requirement calculation, according to CRR, as well as the Group Members Erste Card Club d.o.o. and Erste&Steiermärkische S-Leasing d.o.o., while Erste Bank AD Podgorica applies Basic indicator approach (“BIA“). The Bank provides the operational risk capital requirement in such a way that it is constantly adequate to the type, range and complexity of its services as well as to its operational risk exposure or possible exposure within its scope of services.

Forms according to local requirements

Pursuant to the Decision of the CNB on structure and content of Bank's annual financial statements (Official Gazette 42/2018, 122/2020, 119/2021 and 108/2022) below we present the required forms for the Group and the Bank for the year ended 31 December 2024 in the form required by the decision. Information about the basis of presentation as well as a summary of accounting policies are given in the notes to the financial statements. Information important for better understanding of certain positions of the statement of financial position, statement of profit or loss, changes in equity as well as cash flow statement are also included in the notes.
Differences between forms (appendix 1) presented below on pages 414 to 423 and primary financial statements are presented in appendix 2 titled Differences between financial statements according to IFRS and local requirements.

Income statement			**GROUP**
In EUR million		**2023**	**2024**
1.	Interest income	513	619
2.	(Interest expenses)	103	185
3.	(Expenses on share capital repayable on demand)	-	-
4.	Dividend income	-	-
5.	Fees and commissions income	171	187
6.	(Fees and commissions expenses)	46	53
7.	Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	(21)	(5)
8.	Gains or (-) losses on financial assets and liabilities held for trading, net	15	17
9.	Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net	1	1
10.	Gains or (-) losses on derecognition of financial assets and liabilities at fair value through profit or loss, net	-	-
11.	Gains or (-) losses from hedge accounting, net	-	-
12.	Exchange rate differences [gain or (-) loss], net	-	(1)
13.	Gains or (-) losses on derecognition of investments in subsidiaries, joint ventures and associates, net	-	-
14.	Gains or (-) losses on derecognition of non-financial assets, net	2	2
15.	Other operating income	9	14
16.	(Other operating expenses)	11	12
17.	**Total operating income, net (1 – 2 – 3 + 4 + 5 – 6 + from 7 to 15 – 16)**	**530**	**584**
18.	(Administrative expenses)	224	247
19.	(Cash contributions to resolution boards and deposit guarantee schemes)	9	3
20.	(Depreciation)	31	30
21.	Modification gains or (-) losses, net	(1)	(1)
22.	(Provisions or (-) reversal of provisions)	29	26
23.	(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	(60)	(33)
24.	(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	-	-
25.	(Impairment or (-) reversal of impairment on non-financial assets)	-	-
26.	Negative goodwill recognised in profit or loss	-	-
27.	Share of the profit or (-) losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	1	1
28.	Profit or (-) loss from fixed assets and disposal groups classified as held for sale not qualifying as discontinued operations	1	-
29.	**Profit or (-) loss before tax from continuing operations (17 – 18 to 20 + 21 - from 22 to 25 + from 26 to 28)**	**298**	**311**
30.	(Tax expense or (-) income related to profit or loss from continuing operations)	53	61
31.	**Profit or (-) loss after tax from continuing operations (29 – 30)**	**245**	**250**
32.	**Profit or (-) loss after tax from discontinued operations (33 – 34)**	**-**	**-**
33.	Profit or (-) loss before tax from discontinued operations	-	-
34.	(Tax expense or (-) income related to discontinued operations)	-	-

Income statement			GROUP
In EUR million		2023	2024
35.	**Profit or (–) loss for the year (31 + 32; 36 + 37)**	**245**	**250**
36.	Attributable to minority interest [non-controlling interests]	4	3
37.	Attributable to owners of the parent	241	247
STATEMENT OF OTHER COMPREHENSIVE INCOME			
38.	Income or (-) loss for the current year	245	250
39.	**Other comprehensive income (40+ 52)**	**47**	**23**
40.	**Items that will not be reclassified to profit or loss (from 41 to 47) + 50 + 51)**	**-**	**-**
41.	Tangible assets	-	-
42.	Intangible assets	-	-
43.	Actuarial gains or (-) losses on defined benefit pension plans	-	-
44.	Fixed assets and disposal groups classified as held for sale	-	-
45.	Share of other recognised income and expense of entities accounted for using the equity method	-	-
46.	Fair value changes of equity instruments measured at fair value through other comprehensive income	-	-
47.	Gains or (-) losses from hedge accounting of equity instruments at fair value through other comprehensive income, net	-	-
48.	Fair value changes of equity instruments measured at fair value through other comprehensive income [hedged item]	-	-
49.	Fair value changes of equity instruments measured at fair value through other comprehensive income [hedging instrument]	-	-
50.	Fair value changes of financial liabilities measured at fair value through profit or loss attributable to changes in their credit risk	-	-
51.	Income tax relating to items that will not be reclassified	-	-
52.	**Items that may be reclassified to profit or loss (from 53 to 60)**	**47**	**23**
53.	Hedge of net investments in foreign operations [effective portion]	-	-
54.	Foreign currency translation	-	-
55.	Cash flow hedges [effective portion]	-	-
56.	Hedging instruments [not designated elements]	-	-
57.	Debt instruments at fair value through other comprehensive income	57	28
58.	Fixed assets and disposal groups classified as held for sale	-	-
59.	Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates	-	-
60.	Income tax relating to items that may be reclassified to profit or (-) loss	(10)	(5)
61.	**Total comprehensive income for the current year (38 + 39; 62 + 63)**	**292**	**273**
62.	Attributable to minority interest [non-controlling interest]	4	3
63.	Attributable to owners of the parent	288	270

Income statement			BANK
In EUR million		2023	2024
1.	Interest income	441	539
2.	(Interest expenses)	88	164
3.	(Expenses on share capital repayable on demand)	-	-
4.	Dividend income	8	4
5.	Fees and commissions income	125	141
6.	(Fees and commissions expenses)	38	43
7.	Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	(21)	(5)
8.	Gains or (-) losses on financial assets and liabilities held for trading, net	14	16
9.	Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net	1	2
10.	Gains or (-) losses on derecognition of financial assets and liabilities at fair value through profit or loss, net	-	-
11.	Gains or (-) losses from hedge accounting, net	-	-
12.	Exchange rate differences [gain or (-) loss], net	-	(1)
13.	Gains or (-) losses on derecognition of investments in subsidiaries, joint ventures and associates, net	-	-
14.	Gains or (-) losses on derecognition of non-financial assets, net	1	1
15.	Other operating income	4	8
16.	(Other operating expenses)	4	4
17.	**Total operating income, net (1 – 2 – 3 + 4 + 5 – 6 + from 7 to 15 – 16)**	**443**	**494**
18.	(Administrative expenses)	179	198
19.	(Cash contributions to resolution boards and deposit guarantee schemes)	7	-
20.	(Depreciation)	19	20
21.	Modification gains or (-) losses, net	-	-
22.	(Provisions or (-) reversal of provisions)	28	24
23.	(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	(56)	(30)
24.	(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	-	-
25.	(Impairment or (-) reversal of impairment on non-financial assets)	-	1
26.	Negative goodwill recognised in profit or loss	-	-
27.	Share of the profit or (-) losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	-	-
28.	Profit or (-) loss from fixed assets and disposal groups classified as held for sale not qualifying as discontinued operations	-	-
29.	**Profit or (-) loss before tax from continuing operations (17 – 18 to 20 + 21 - from 22 to 25 + from 26 to 28)**	**266**	**281**
30.	(Tax expense or (-) income related to profit or loss from continuing operations)	47	55
31.	**Profit or (-) loss after tax from continuing operations (29 – 30)**	**219**	**226**
32.	**Profit or (-) loss after tax from discontinued operations (33 – 34)**	**-**	**-**
33.	Profit or (-) loss before tax from discontinued operations	-	-
34.	(Tax expense or (-) income related to discontinued operations)	-	-
35.	**Profit or (–) loss for the year (31 + 32; 36 + 37)**	**219**	**226**
36.	Attributable to minority interest [non-controlling interests]	-	-
37.	Attributable to owners of the parent	219	225
STATEMENT OF OTHER COMPREHENSIVE INCOME			
38.	Income or (-) loss for the current year	219	226
39.	**Other comprehensive income (40+ 52)**	**44**	**21**
40.	**Items that will not be reclassified to profit or loss (from 41 to 47) + 50 + 51)**	**-**	**-**
41.	Tangible assets	-	-
42.	Intangible assets	-	-
43.	Actuarial gains or (-) losses on defined benefit pension plans	-	-
44.	Fixed assets and disposal groups classified as held for sale	-	-
45.	Share of other recognised income and expense of entities accounted for using the equity method	-	-
46.	Fair value changes of equity instruments measured at fair value through other comprehensive income	-	-
47.	Gains or (-) losses from hedge accounting of equity instruments at fair value through other comprehensive income, net	-	-
48.	Fair value changes of equity instruments measured at fair value through other comprehensive income [hedged item]	-	-
49.	Fair value changes of equity instruments measured at fair value through other comprehensive income [hedging instrument]	-	-
50.	Fair value changes of financial liabilities measured at fair value through profit or loss attributable to changes in their credit risk	-	-
51.	Income tax relating to items that will not be reclassified	-	-
52.	**Items that may be reclassified to profit or loss (from 53 to 60)**	**44**	**21**
53.	Hedge of net investments in foreign operations [effective portion]	-	-
54.	Foreign currency translation	-	-
55.	Cash flow hedges [effective portion]	-	-
56.	Hedging instruments [not designated elements]	-	-
57.	Debt instruments at fair value through other comprehensive income	54	26
58.	Fixed assets and disposal groups classified as held for sale	-	-
59.	Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates	-	-
60.	Income tax relating to items that may be reclassified to profit or (-) loss	(10)	(5)
61.	**Total comprehensive income for the current year (38 + 39; 62 + 63)**	**263**	**247**
62.	Attributable to minority interest [non-controlling interest]	-	-
63.	Attributable to owners of the parent	263	247

Statement of financial position

	In EUR million		GROUP
		2023	2024
	ASSETS		
1.	**Cash, cash balances at central banks and other demand deposits (from 2 to 4)**	**2,355**	**3,380**
2.	Cash in hand	410	383
3.	Cash balances at central banks	1,899	2,902
4.	Other demand deposits	46	95
5.	**Financial assets held for trading (from 6 to 9)**	**23**	**19**
6.	Derivatives	23	19
7.	Equity instruments	-	-
8.	Debt securities	-	-
9.	Loans and advances	-	-
10.	**Non-trading financial assets mandatorily at fair value through profit or loss (from 11 to 13)**	**7**	**9**
11.	Equity instruments	4	8
12.	Debt securities	3	1
13.	Loans and advances	-	-
14.	**Financial assets at fair value through profit or loss (15 + 16)**	**-**	**-**
15.	Debt securities	-	-
16.	Loans and advances	-	-
17.	**Financial assets at fair value through other comprehensive income (from 18 to 20)**	**1,093**	**1,005**
18.	Equity instruments	-	1
19.	Debt securities	1,093	1,004
20.	Loans and advances	-	-
21.	**Financial assets at amortised cost (22 + 23)**	**11,010**	**11,832**
22.	Debt securities	1,803	2,102
23.	Loans and advances	9,207	9,730
24.	Derivatives – hedge accounting	-	-
25.	Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-
26.	Investments in subsidiaries, joint ventures and associates	9	10
27.	Tangible assets	163	172
28.	Intangible assets	19	17
29.	Tax assets	43	24
30.	Other assets	30	29
31.	Fixed assets and disposal groups classified as held for sale	-	10
32.	**TOTAL ASSETS (1+5+10+14+17+21+ from 24 to 31)**	**14,752**	**16,507**
	LIABILITIES		
33.	**Financial liabilities held for trading (from 34 to 38)**	**21**	**18**
34.	Derivatives	21	18
35.	Short positions	-	-
36.	Deposits	-	-
37.	Debt securities issued	-	-
38.	Other financial liabilities	-	-
39.	**Financial liabilities at fair value through profit or loss (from 40 to 42)**	**-**	**-**
40.	Deposits	-	-
41.	Debt securities issued	-	-
42.	Other financial liabilities	-	-
43.	**Financial liabilities measured at amortised cost (from 44 to 46)**	**12,855**	**14,344**
44.	Deposits	12,166	13,349
45.	Debt securities issued	537	954
46.	Other financial liabilities	152	41
47.	Derivatives – hedge accounting	-	-
48.	Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-
49.	Provisions	75	87
50.	Tax liabilities	18	4
51.	Share capital repayable on demand	-	-
52.	Other liabilities	108	141
53.	Liabilities included in disposal groups classified as held for sale	-	86
54.	**TOTAL LIABILITIES (33+39+43+ from 47 to 53)**	**13,077**	**14,680**
	EQUITY		
55.	Capital	238	238
56.	Share premium	227	227
57.	Equity instruments issued other than capital	-	-
58.	Other equity	-	-
59.	Accumulated other comprehensive income	(42)	(19)
60.	Retained profit	969	1,089
61.	Revaluation reserves	-	-
62.	Other reserves	11	11
63.	(–) Treasury shares	-	-
64.	Profit or loss attributable to owners of the parent	241	247
65.	(–) Interim dividends	-	-
66.	Minority interests [Non-controlling interests]	31	34
67.	**TOTAL EQUITY (from 55 to 66)**	**1,675**	**1,827**
68.	**TOTAL EQUITY AND LIABILITIES (54 + 67)**	**14,752**	**16,507**

Statement of financial position			BANK
In EUR million		2023	2024
	ASSETS		
1.	**Cash, cash balances at central banks and other demand deposits (from 2 to 4)**	**2,186**	**3,211**
2.	Cash in hand	356	341
3.	Cash balances at central banks	1,818	2,860
4.	Other demand deposits	12	10
5.	**Financial assets held for trading (from 6 to 9)**	**23**	**19**
6.	Derivatives	23	19
7.	Equity instruments	-	-
8.	Debt securities	-	-
9.	Loans and advances	-	-
10.	**Non-trading financial assets mandatorily at fair value through profit or loss (from 11 to 13)**	**7**	**9**
11.	Equity instruments	4	8
12.	Debt securities	3	1
13.	Loans and advances	-	-
14.	**Financial assets at fair value through profit or loss (15 + 16)**	**-**	**-**
15.	Debt securities	-	-
16.	Loans and advances	-	-
17.	**Financial assets at fair value through other comprehensive income (from 18 to 20)**	**1,039**	**929**
18.	Equity instruments	-	1
19.	Debt securities	1,039	928
20.	Loans and advances	-	-
21.	**Financial assets at amortised cost (22 + 23)**	**9,729**	**10,669**
22.	Debt securities	1,757	2,055
23.	Loans and advances	7,972	8,614
24.	Derivatives – hedge accounting	-	-
25.	Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-
26.	Investments in subsidiaries, joint ventures and associates	96	30
27.	Tangible assets	113	130
28.	Intangible assets	13	13
29.	Tax assets	33	23
30.	Other assets	18	20
31.	Fixed assets and disposal groups classified as held for sale	-	60
32.	**TOTAL ASSETS (1+5+10+14+17+21+ from 24 to 31)**	**13,257**	**15,113**
	LIABILITIES		
33.	**Financial liabilities held for trading (from 34 to 38)**	**21**	**18**
34.	Derivatives	21	18
35.	Short positions	-	-
36.	Deposits	-	-
37.	Debt securities issued	-	-
38.	Other financial liabilities	-	-
39.	**Financial liabilities at fair value through profit or loss (from 40 to 42)**	**-**	**-**
40.	Deposits	-	-
41.	Debt securities issued	-	-
42.	Other financial liabilities	-	-
43.	**Financial liabilities measured at amortised cost (from 44 to 46)**	**11,693**	**13,215**
44.	Deposits	11,089	12,214
45.	Debt securities issued	537	954
46.	Other financial liabilities	67	47
47.	Derivatives – hedge accounting	-	-
48.	Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-
49.	Provisions	71	85
50.	Tax liabilities	16	-
51.	Share capital repayable on demand	-	-
52.	Other liabilities	77	115
53.	Liabilities included in disposal groups classified as held for sale	-	-
54.	**TOTAL LIABILITIES (33+39+43+ from 47 to 53)**	**11,878**	**13,433**
	EQUITY		
55.	Capital	238	238
56.	Share premium	227	227
57.	Equity instruments issued other than capital	-	-
58.	Other equity	-	-
59.	Accumulated other comprehensive income	(40)	(19)
60.	Retained profit	724	998
61.	Revaluation reserves	-	-
62.	Other reserves	11	11
63.	(–) Treasury shares	-	-
64.	Profit or loss attributable to owners of the parent	219	225
65.	(-–) Interim dividends	-	-
66.	Minority interests [Non-controlling interests]	-	-
67.	**TOTAL EQUITY (from 55 to 66)**	**1,379**	**1,680**
68.	**TOTAL EQUITY AND LIABILITIES (54 + 67)**	**13,257**	**15,113**

Statement of changes in equity

In EUR million — **GROUP**

	Attributable to owners of the parent											Non-controlling interests		
	Equity	Share premium	Equity instruments issued other than capital	Other equity instru-ments	Accumulated other comprehensive income	Retained profit	Revaluation reserves	Other reserves	Treasury shares	Profit or loss attributable to owners of the parent	Interim dividends	Accumulated other comprehensive income	Other items	Total
Opening balance [before restatement]	238	227	-	-	(43)	969	-	11	-	241	-	-	31	1,674
Effects of error corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance (current period) (1 + 2 + 3)	238	227	-	-	(42)	969	-	11	-	241	-	-	31	1,675
Ordinary shares issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Preference shares issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise or expiration of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of receviables to equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(121)	-	-	-	-	-	-	-	(121)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale or cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from equity to liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liability to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers among components of equity	-	-	-	-	-	241	-	-	-	(241)	-	-	-	-
Equity increase or (-) decrease resulting from business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increase or (-) decrease in equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the current year	-	-	-	-	23	-	-	-	-	247	-	-	3	273
Closing balance [current period] (from 4 to 20)	238	227	-	-	(19)	1,089	-	11	-	247	-	-	34	1,827

Statement of changes in equity

In EUR million														BANK
	Attributable to owners of the parent											Non-controlling interests		
	Equity	Share premium	Equity instruments issued other than capital	Other equity instru-ments	Accumulated other comprehensive income	Retained profit	Revaluation reserves	Other reserves	Treasury shares	Profit or loss attributable to owners of the parent	Interim dividends	Accumulated other comprehensive income	Other items	Total
Opening balance [before restatement]	**238**	**227**	**-**	**-**	**(40)**	**724**	**-**	**11**	**-**	**219**	**-**	**-**	**-**	**1,379**
Effects of error corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Opening balance (current period) (1 + 2 + 3)	**238**	**227**	**-**	**-**	**(40)**	**724**	**-**	**11**	**-**	**219**	**-**	**-**	**-**	**1,379**
Ordinary shares issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Preference shares issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise or expiration of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of receviables to equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Dividends	-	-	-	-	-	(121)	-	-	-	-	-	-	-	(121)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale or cancellation of treasury share	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from equity to liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liability to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers among components of equity	**-**	**-**	**-**	**-**	**-**	**219**	**-**	**-**	**-**	**(219)**	**-**	**-**	**-**	**-**
Equity increase or (-) decrease resulting from business combinations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Share-based Payments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other increase or (-) decrease in equity	**-**	**-**	**-**	**-**	**-**	**175**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**175**
Total comprehensive income for the current year	**-**	**-**	**-**	**-**	**21**	**1**	**-**	**-**	**-**	**225**	**-**	**-**	**-**	**247**
Closing balance [current period] (from 4 to 20)	**238**	**227**	**-**	**-**	**(19)**	**998**	**-**	**11**	**-**	**225**	**-**	**-**	**-**	**1,680**

Cash flow statements			GROUP
	In EUR million	**2023**	**2024**
	Operating activities – direct method		
1.	Interest received and similar receipts	-	-
2.	Fees and commissions received	-	-
3.	(Interest paid and similar expenditures)	-	-
4.	(Fees and commissions paid)	-	-
5.	(Operating expenses paid)	-	-
6.	Net gains/losses from financial instruments at fair value through statement of profit or loss	-	-
7.	Other receipts	-	-
8.	(Other expenditures)	-	-
	Operating activities – indirect method		
9.	Profit/(loss) before tax	298	311
	Adjustments:	-	-
10.	Impairment and provisions	(31)	(6)
11.	Depreciation	30	29
12.	Net unrealised (gains)/losses on financial assets and liabilities at fair value through statement of profit or loss	-	-
13.	(Profit)/loss from the sale of tangible assets	-	(1)
14.	Other non-cash items	1	(1)
	Changes in assets and liabilities from operating activities		
15.	Deposits with the Croatian National Bank	-	-
16.	Deposits with financial institutions and loans to financial institutions	247	(57)
17.	Loans and advances to other clients	(1,161)	(878)
18.	Securities and other financial instruments at fair value through other comprehensive income	168	107
19.	Securities and other financial instruments held for trading	1	1
20.	Securities and other financial instruments at fair value through statement of profit or loss, not traded	1	(1)
21.	Securities and other financial instruments mandatorily at fair value through statement of profit or loss	-	-
22.	Securities and other financial instruments at amortised cost	(505)	(331)
23.	Other assets from operating activities	7	4
24.	Deposits from financial institutions	(233)	159
25.	Transaction accounts of other clients	(513)	747
26.	Savings deposits of other clients	39	(142)
27.	Time deposits of other clients	748	761
28.	Derivative financial liabilities and other liabilities held for trading	(3)	(33)
29.	Other liabilities from operating activities	(399)	175
30.	Interest received from operating activities [indirect method]	481	537
31.	Dividends received from operating activities [indirect method]	-	-
32.	Interest paid from operating activities [indirect method]	(96)	(134)
33.	(Income tax paid)	(66)	(64)
34.	**Net cash flow from operating activities (from 1 to 33)**	**(986)**	**1,183**
	Investing activities		
35.	Cash receipts from the sale / payments for the purchase of tangible and intangible assets	(28)	(35)
36.	Cash receipts from the sale / payments for the purchase of investments in branches, associates and joint ventures	-	-
37.	Cash receipts from the sale / payments for the purchase of securities and other financial instruments held to maturity	-	-
38.	Dividends received from investing activities	-	-
39.	Other receipts/payments from investing activities	-	-
40.	**Net cash flow from investing activities (from 35 to 39)**	**(28)**	**(35)**
	Financing activities		
41.	Net increase/(decrease) in loans received from financing activities	-	-
42.	Net increase/(decrease) in debt securities issued	-	-
43.	Net increase/(decrease) in Tier 2 capital instruments	-	-
44.	Increase in share capital	-	-
45.	(Dividends paid)	(78)	(121)
46.	Other receipts/(payments) from financing activities	(1)	(1)
47.	**Net cash flow from financing activities (from 41 to 46)**	**(79)**	**(122)**
48.	**Net increase/(decrease) of cash and cash equivalents (34 + 40 + 47)**	**(1,093)**	**1,026**
49.	**Cash and cash equivalents at the beginning of period**	**3,448**	**2,354**
50.	Effect of exchange rate fluctuations on cash and cash equivalents	-	-
51.	**Cash and cash equivalents at the end of period (48 + 49 + 50)**	**2,355**	**3,380**

Cash flow statements			BANK
	In EUR million	**2023**	**2024**
	Operating activities – direct method		
1.	Interest received and similar receipts	-	-
2.	Fees and commissions received	-	-
3.	(Interest paid and similar expenditures)	-	-
4.	(Fees and commissions paid)	-	-
5.	(Operating expenses paid)	-	-
6.	Net gains/losses from financial instruments at fair value through statement of profit or loss	-	-
7.	Other receipts	-	-
8.	(Other expenditures)	-	-
	Operating activities – indirect method		
9.	Profit/(loss) before tax	266	281
	Adjustments:	-	-
10.	Impairment and provisions	(28)	(5)
11.	Depreciation	19	20
12.	Net unrealised (gains)/losses on financial assets and liabilities at fair value through statement of profit or loss	-	-
13.	(Profit)/loss from the sale of tangible assets	-	-
14.	Other non-cash items	1	1
	Changes in assets and liabilities from operating activities		
15.	Deposits with the Croatian National Bank	-	-
16.	Deposits with financial institutions and loans to financial institutions	269	(64)
17.	Loans and advances to other clients	(995)	(718)
18.	Securities and other financial instruments at fair value through other comprehensive income	170	129
19.	Securities and other financial instruments held for trading	1	1
20.	Securities and other financial instruments at fair value through statement of profit or loss, not traded	1	(2)
21.	Securities and other financial instruments mandatorily at fair value through statement of profit or loss	-	-
22.	Securities and other financial instruments at amortised cost	(497)	(328)
23.	Other assets from operating activities	1	1
24.	Deposits from financial institutions	(14)	(180)
25.	Transaction accounts of other clients	(571)	737
26.	Savings deposits of other clients	39	(142)
27.	Time deposits of other clients	548	598
28.	Derivative financial liabilities and other liabilities held for trading	(3)	(3)
29.	Other liabilities from operating activities	(476)	522
30.	Interest received from operating activities [indirect method]	418	463
31.	Dividends received from operating activities [indirect method]	-	-
32.	Interest paid from operating activities [indirect method]	(81)	(113)
33.	(Income tax paid)	(60)	(61)
34.	**Net cash flow from operating activities (from 1 to 33)**	**(992)**	**1,137**
	Investing activities		
35.	Cash receipts from the sale / payments for the purchase of tangible and intangible assets	(16)	(25)
36.	Cash receipts from the sale / payments for the purchase of investments in branches, associates and joint ventures	-	35
37.	Cash receipts from the sale / payments for the purchase of securities and other financial instruments held to maturity	-	-
38.	Dividends received from investing activities	7	3
39.	Other receipts/payments from investing activities	-	-
40.	**Net cash flow from investing activities (from 35 to 39)**	**(9)**	**13**
	Financing activities	**-**	**-**
41.	Net increase/(decrease) in loans received from financing activities	-	-
42.	Net increase/(decrease) in debt securities issued	-	-
43.	Net increase/(decrease) in Tier 2 capital instruments	-	-
44.	Increase in share capital	-	-
45.	(Dividends paid)	(78)	(121)
46.	Other receipts/(payments) from financing activities	(4)	(4)
47.	**Net cash flow from financing activities (from 41 to 46)**	**(82)**	**(125)**
48.	**Net increase/(decrease) of cash and cash equivalents (34 + 40 + 47)**	**(1,083)**	**1,025**
49.	**Cash and cash equivalents at the beginning of period**	**3,269**	**2,186**
50.	Effect of exchange rate fluctuations on cash and cash equivalents	-	-
51.	**Cash and cash equivalents at the end of period (48 + 49 + 50)**	**2,186**	**3,211**

	Off balance sheet items		
			GROUP
		2023	2024
1.	Guarantees	846	293
2.	Letters of credit	22	22
3.	Bills of exchange	-	-
4.	Undrawn loans and loan commitments	1,099	2,605
5.	Other risk off balance items	36	6
6.	Futures	-	-
7.	Options	-	-
8.	Swaps	1,073	1,289
9.	Forwards	60	19
10.	Other derivatives	-	-

	Off balance sheet items		
			BANK
		2023	2024
1.	Guarantees	780	264
2.	Letters of credit	22	22
3.	Bills of exchange	-	-
4.	Undrawn loans and loan commitments	943	2,555
5.	Other risk off balance items	36	6
6.	Futures	-	-
7.	Options	-	-
8.	Swaps	1,073	1,289
9.	Forwards	60	19
10.	Other derivatives	-	-

					GROUP
Annual report (AR)	in EUR million	Statement of financial position (CNB)	in EUR million	Diff.	Explanation
Cash and cash balances	3,380	Cash, cash balances at central banks and other demand deposits	3,380	-	-
Financial assets held for trading	19	Financial assets held for trading	19	-	-
Non-trading financial assets at fair value through profit or loss – Equity instruments	4	Non-trading financial assets at fair value through profit or loss- Equity instruments	8	(4)	AR – Non-trading financial assets at fair value through profit or loss- Debt securities
Non-trading financial assets at fair value through profit or loss – Debt securities	5	Non-trading financial assets at fair value through profit or loss- Debt securities	1	4	CNB- Equity instruments
Financial assets at fair value through other comprehensive income	1,005	Financial assets at fair value through other comprehensive income	1,005	-	-
Financial assets at amortised cost – Loans and advances	8,983	Financial assets at amortised cost- Loans and advances	9,730	-	-
Trade and other receivables	179				
Finance lease receivables	568				
Financial assets at amortised cost – Debt securities	2,102	Financial assets at amortised cost- Debt securities	2,102	-	-
Investments in subsidiaries	-	Investments in associates, subsidiaries and joint ventures	10	-	-
Investments in associates	10				
Property and equipment	170	Tangible assets	172	-	-
Investment property	2				
Intangible assets	17	Intangible assets	17	-	-
Deferred tax assets	24	Tax assets	24	-	-
Other assets	29	Other assets	29	-	-
Assets held for sale	10	Non-current assets and disposal groups classified as held for sale	10	-	-
TOTAL ASSETS	**16,507**	**TOTAL ASSETS**	**16,507**	-	-

					GROUP
Annual report (AR)	in EUR million	Statement of financial position (CNB)	in EUR million	Diff.	Explanation
Financial liabilities held for trading- Derivatives	18	Financial liabilities held for trading- Derivatives	18	-	-
Financial liabilities measured at amortised cost- Deposits	13,349	Financial liabilities measured at amortised cost- Deposits	13,349	-	-
Debt securities in issue	954	Debt securities in issue	954	-	-
Other financial liabilities	27	Other financial liabilities	41	-	-
Lease liabilities	14				
Provisions	87	Provisions	87	-	-
Tax liabilities	4	Tax liabilities	4	-	-
Other liabilities	141	Other liabilities	141	-	-
Liabilities associated with assets held for sale	86	Liabilities included in disposal groups classified as held for sale	86	-	-
Total equity	1,827	Total equity	1,827	-	-
TOTAL LIABILITIES AND EQUITY	**16,507**	**TOTAL LIABILITIES AND EQUITY**	**16,507**	**-**	**-**

					GROUP
Annual report (AR)	in EUR million	Income statement (CNB)	in EUR million	Diff.	Explanation
Interest income	549				
Other similar income	70	Interest income	619	- -	
Interest expense	(146)				
Other similar expense	(39)	Interest expense	(185)	- -	
Fee and commission income	187	Fees and commissions income	187	- -	
Fee and commission expense	(53)	Fees and commissions expenses	(53)	- -	
Net trading result	16	Gains or losses on financial assets and financial liabilities held for trading, net	17	- -	
		Exchange differences [gain or loss], net	(1)		
Personnel expenses	(136)	Administrative expenses	(247)		
Other administrative expenses	(114)	Depreciation	(30)		
Depreciation and amortisation	(30)	Cash contributions to resolution boards and deposit guarantee schemes	(3)	-	
Other operating result	(15)	Gains or losses from derecognition of non-financial assets, net	2		
Rental income from investment properties & other operating leases	7	Other operating income	14		
Net impairment loss on financial instruments	18	Other operating expense	(12)		
Gains/losses from derecognition of financial assets measured at amortised cost	-	Provisions or cancellation of provisions	(26)	-	
		Impairment or reversal of impairment on financial assets not measured at FVPL	33		
		Profit or (-) loss from fixed assets and disposal groups classified as held for sale not qualifying as discontinued operations	-		
		Modification gains or (-) losses, net	(1)		
		Impairment of non-financial assets	-		
Net result from equity method investments	1	Share of the profit or (-) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	1	- -	
Dividend income	-	Dividend income	-	- -	
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	(5)	Gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	(5)	- -	
Gains/losses from financial instruments measured at fair value through profit or loss	1	Gains/losses from financial instruments measured at fair value through profit or loss	1	- -	
Pre-tax profit from continuing operations	**311**	**PRE-TAX PROFIT**	**311**	**- -**	
Income tax	(61)	Taxes on income	(61)	- -	
NET PROFIT OF THE YEAR	**250**	**NET PROFIT FOR THE PERIOD**	**250**	**- -**	

Appendix 2 – Differences between financial statements according to IFRS and local requirements
Year ended 31 December 2024

BANK

Annual report (AR)	in EUR million	Statement of financial position (CNB)	in EUR million	Diff.	Explanation
Cash and cash balances	3,211	Cash, cash balances at central banks and other demand deposits	3,211	-	-
Financial assets held for trading	19	Financial assets held for trading	19	-	-
Non-trading financial assets at fair value through profit or loss – Equity instruments	4	Non-trading financial assets at fair value through profit or loss- Equity instruments	8	(4)	AR – Non-trading financial assets at fair value through profit or loss- Debt securities
Non-trading financial assets at fair value through profit or loss – Debt securities	5	Non-trading financial assets at fair value through profit or loss- Debt securities	1	4	CNB – Equity instruments
Financial assets at fair value through other comprehensive income	929	Financial assets at fair value through other comprehensive income	929	-	-
Financial assets at amortised cost – Loans and advances	8,435	Financial assets at amortised cost- Loans and advances	8,614	-	-
Trade and other receivables	179				
Financial assets at amortised cost – Debt securities	2,055	Financial assets at amortised cost- Debt securities	2,055	-	-
Investments in subsidiaries	25	Investments in associates, subsidiaries and joint ventures	30	-	-
Investments in associates	5				
Property and equipment	129	Tangible assets	130	-	-
Investment property	1				
Intangible assets	13	Intangible assets	13	-	-
Deferred tax assets	23	Tax assets	23	-	-
Other assets	20	Other assets	20	-	-
Assets held for sale	60	Non-current assets and disposal groups classified as held for sale	60	-	-
TOTAL ASSETS	**15,113**	**TOTAL ASSETS**	**15,113**	-	-

BANK

Annual report (AR)	in EUR million	Statement of financial position (CNB)	in EUR million	Diff.	Explanation
Financial liabilities held for trading- Derivatives	18	Financial liabilities held for trading- Derivatives	18	-	-
Financial liabilities measured at amortised cost- Deposits	12,214	Financial liabilities measured at amortised cost- Deposits	12,214	-	-
Debt securities in issue	954	Debt securities in issue	954	-	-
Other financial liabilities	32				
Lease liabilities	15	Other financial liabilities	47	-	-
Provisions	85	Provisions	85	-	-
Tax liabilities	-	Tax liabilities	-	-	-
Other liabilities	115	Other liabilities	115	-	-
Total equity	1,680	Total equity	1,680	-	-
TOTAL LIABILITIES AND EQUITY	**15,113**	**TOTAL LIABILITIES AND EQUITY**	**15,113**	-	-

					BANK
Annual report (AR)	**in EUR million**	**Income statement (CNB)**	**in EUR million**	**Diff.**	**Explanation**
Interest income	500				
Other similar income	39	Interest income	539	- -	
Interest expense	(125)				
Other similar expense	(39)	Interest expense	(164)	- -	
Fee and commission income	141	Fees and commissions income	141	- -	
Fee and commission expense	(43)	Fees and commissions expenses	(43)	- -	
Net trading result	15	Gains or losses on financial assets and financial liabilities held for trading, net	16	- -	
		Exchange differences [gain or loss], net	(1)		
Personnel expenses	(111)	Administrative expenses	(198)	-	
Other administrative expenses	(87)	Depreciation	(20)		
Depreciation and amortisation	(20)	Cash contributions to resolution boards and deposit guarantee schemes	-	-	
Other operating result	(7)	Gains or losses from derecognition of non-financial assets, net	1		
Rental income from investment properties & other operating leases	-	Other operating income	8		
Net impairment loss on financial instruments	17	Other operating expense	(4)	-	
Gains/losses from derecognition of financial assets measured at amortised cost	-	Provisions or cancellation of provisions	(24)		
		Impairment or reversal of impairment on financial assets not measured at FVPL	30		
		I Modification gains or (-) losses, net	-		
		(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	-		
		Profit or (-) loss from fixed assets and disposal groups classified as held for sale not qualifying as discontinued operations			
		Impairment of non-financial assets	(1)		
Dividend income	4	Dividend income	4	- -	
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	(5)	Gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	(5)	- -	
Gains/losses from financial instruments measured at fair value through profit or loss	2	Gains/losses from financial instruments measured at fair value through profit or loss	2	- -	
Pre-tax profit from continuing operations	**281**	**PRE-TAX PROFIT**	**281**	**- -**	
Income tax	(55)	Taxes on income	(55)	- -	
NET PROFIT OF THE YEAR	**226**	**NET PROFIT FOR THE PERIOD**	**226**	**- -**	