

Rating Object	Rating Information
<p><b>Erste Group Bank AG (Group)</b></p> <p>Creditreform ID: 9110012895</p>	<p>Long Term Issuer Rating / Outlook: <b>A+ / stable</b></p> <p>Short Term: <b>L2</b></p> <p>Stand Alone Rating: -</p> <p>Type: Update / Unsolicited</p>
<p>Rating Date: <b>06 September 2024</b></p> <p>Monitoring until: withdrawal of the rating</p> <p>Rating Methodology: CRA "Bank Ratings v.3.3"</p> <p>CRA "Rating of Bank Capital and Unsecured Debt Instruments v.2.2"</p> <p>CRA "Environmental, Social and Governance Score for Banks v.1.1"</p> <p>CRA "Rating Criteria and Definitions v.1.3"</p> <p>CRA "Institutional Protection Scheme Banks v1.0"</p> <p>Rating History: <a href="http://www.creditreform-rating.de">www.creditreform-rating.de</a></p>	<p>Rating of Bank Capital and Unsecured Debt Instruments:</p> <p>Preferred Senior Unsecured (PSU): <b>A+</b></p> <p>Non-Preferred Senior Unsecured (NPS): <b>A</b></p> <p>Tier 2 (T2): <b>BBB+</b></p> <p>Additional Tier 1 (AT1): <b>BBB</b></p>

## Rating Action

### Creditreform Rating affirms Erste Group Bank AG's (Group) Long-Term Issuer Rating at A+ (Outlook: stable)

Creditreform Rating (CRA) affirms Erste Group Bank AG's (Group) Long-Term Issuer Rating at A+. The rating outlook is stable.

CRA affirms Erste Group Bank AG's Preferred Senior Unsecured Debt at A+, Non-Preferred Senior Unsecured Debt at A, Tier 2 Capital at BBB+ and AT1 Capital at BBB.

Please find a complete list of rating actions regarding the bank at the end of this rating update.

## Key Rating Drivers

- Strong presence in the growth markets of Eastern Europe
- Best business result in recent years by far; Excellent earnings ratios, which could be further improved in the course of the 2024 financial year
- Slight improvement in regulatory capital ratios, the liquidity ratios and capital ratios overall above average
- At the half-year mark 2024, the growth course will be continued, with slightly decreasing asset quality
- Member of the strong cross-guarantee system in the Austrian savings bank sector

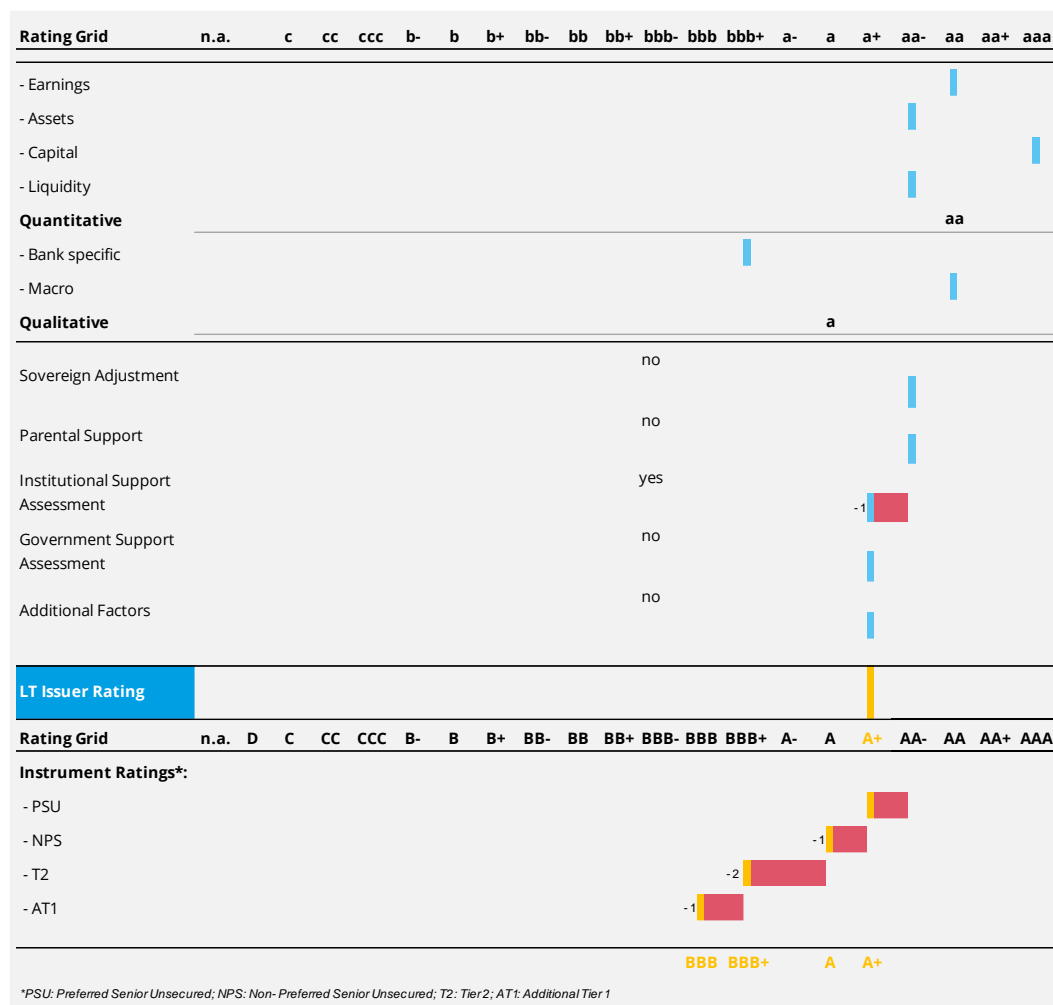
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## Executive Summary



Creditreform Rating (CRA) affirms the long-term issuer rating of Erste Group Bank AG (Group) at A+. The rating outlook is stable.

The rating of Erste Group Bank AG is prepared on the basis of group (Erste Group Bank AG) consolidated accounts.

### Institutional Support Assessment:

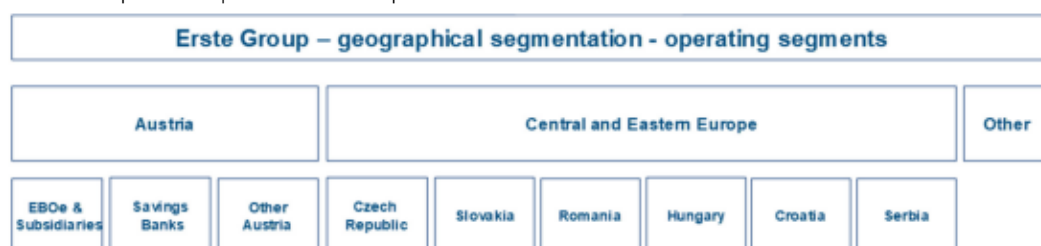
In the Institutional Support Assessment Creditreform Rating comes to the conclusion that in the case of Erste Group Bank AG's Long-Term Issuer Rating, there is a strong connection between Austrian Savings Banks Group and Erste Group Bank. In the opinion of Creditreform Rating, a stand-alone rating of Erste Group Bank AG is thus not appropriate due to its affiliation with Austrian Savings Banks Group. The rating is thus prepared on the basis of consolidated accounts of the institutional protection scheme, where possible.

## Company Overview

Erste Group Bank AG (hereinafter: Erste Group or the Bank) was founded in 1819 as Erste österreichische Sparkasse in Vienna, this was the starting point of the savings bank system in Austria and the successor states of Austria-Hungary. Erste Group shaped the 1990s like hardly any other institution in Austria. The fall of the Iron Curtain and Austria's accession to the European Union set the tone for Erste Group's expansion into neighbouring Eastern European countries. This was followed in 1997 by the IPO in Vienna. The bank serves more than 16mn customers in over two thousand branches and employs about 45 thousand people (as of December 2023). Erste Group Bank AG is the holding company responsible for the subsidiary banks in Austria, the Czech Republic, Slovakia, Romania, Hungary, Serbia and Croatia. In addition, as the central institution, it manages the central functions Treasury, Large Corporates and International Business.

The current Group structure and business segmentation is shown in Figure 1:

Chart 1: Group Structure | Source: Annual Report 2023



The Austrian Savings Banks Group, together with Erste Group Bank AG as the central institution, forms a credit institution group pursuant to section 30 (1) of the Austrian Banking Act. The Haftungsverbund/institutional protection scheme IPS (hereinafter: "the Association") is based on a large number of agreements and rulebooks that shape and complement the Association. In 2001, the basic agreement between Erste Group and the savings banks was concluded. This was followed in 2007 by the First Supplementary Agreement, to which all savings banks except Sparkasse Oberösterreich acceded. With the Second Supplementary Agreement in 2013, Sparkasse Oberösterreich also joined, with which an Institutional Protection Scheme (IPS) was established in accordance with Art. 113 (7) CRR. In addition, necessary provisions relating to group management were created. In 2014, the shareholders' agreement of Haftungsverbund GmbH (HVG) was concluded. Supplementary agreements were concluded with Sparkasse Oberösterreich (SPK OÖ); since 2010, SPK OÖ has been part of the Haftungsverbund on the basis of a trilateral agreement between SPK OÖ, Erste Bank Österreich (EBOe) and Erste Group Bank AG (EGB). Further agreements such as a syndicate agreement (2010), delegation agreement (2014) and an IPS steering agreement (2014) followed. Furthermore, there are so-called Rulebooks, which prescribe so-called Policies for various sub-areas of commercial trade. Due to the control conveyed in the agreements pursuant to Art. 4 (1) (16) CRR, the savings banks are fully consolidated with Erste Group pursuant to Art. 18 CRR. Erste Group Bank AG and the savings banks thus form a cross-guarantee system pursuant to Art 4 (1) (127) CRR and an institutional protection scheme (IPS) pursuant to Art 113 (7) CRR.

HVG is entrusted with three main tasks: supervision of the early warning system, control and influence rights over the savings banks, and regulatory monitoring. As a result, HVG has wide-ranging powers, including requiring the approval of the savings banks' management for annual budgets and investment plans, for changes to the general principles of savings banks' business

policy, and for appointments to the management boards of savings banks. In addition, HVG has information and influence rights, including monitoring compliance with rule-books in savings banks. It is also responsible for the choice of support measures, has the right to participate in supervisory board meetings of savings banks, and has extended sanctioning options in the event of compliance violations with contracts. In addition, HVG can order support measures. Based on a delegation agreement, the approval rights of Haftungsverbund GmbH have been delegated to EBOe. The rights to information and monitoring of the rulebooks have also been delegated to the EEO.

The IPS consists of two funds, an ex-ante fund and an ex-post fund. The ex-ante fund will be built up in quarterly installments through 2024 (similar to the annual installments through 2024 of the Deposit Guarantee Fund). The deposit will be accounted for as an investment in IPS GesBR and an other retained earnings reserve will be established, which can only be released in the event of a loss. The liability assets of the ex-post fund, on the other hand, do not constitute special assets, but are used to cover the guarantee case on the basis of existing funds in the IPS.

As part of the Institutional Support Assessment, Creditreform Rating examines the extent to which an existing cross-guarantee system or IPS can influence the rating of Erste Group Bank AG (central institution - individual financial statements). Creditreform Rating comes to the conclusion that in the case of the long-term issuer rating of Erste Group Bank AG (central institution - separate financial statements), there is a strong link between the cross-guarantee system/the parent company (Erste Group Bank AG - group) and Erste Group Bank AG (central institution - separate financial statements) due to the legal situation described above. This allows for additional notching. Therefore, in the opinion of Creditreform Rating, a stand-alone rating of Erste Group Bank AG (central institution - separate financial statements) is not appropriate due to its affiliation with the group parent (Erste Group Bank AG - group). As far as possible, the rating is based on consolidated financial statements.

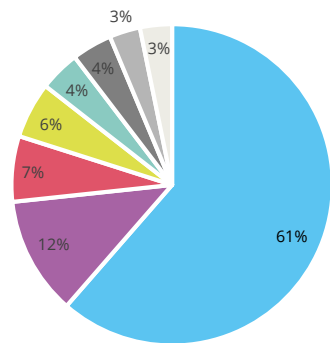
Erste Group aims to be the leading retail and corporate bank in Eastern Europe. The Group pursues a universal banking model in most countries of Southeastern Europe. The core market continues to be the savings banks in Austria with 4.2mn customers as of 2023. At least in terms of customer numbers, the Czech subsidiary Česká spořitelna has a higher number of customers (4.5 million). Other major subsidiaries exist in Romania (BCR Romania, 2.8 million customers), Slovakia (Slovenská sporiteľňa, 2 million customers), Croatia (Erste Bank Croatia, 1.3 million customers) and Hungary (Erste Bank Hungary, 1 million customers). Majority holdings also exist in Serbia, Montenegro and Moldova, among others. Minority holdings together with Austrian savings banks exist in Slovenia, Bosnia-Herzegovina and Northern Macedonia.

It had already become evident by the end of the 2023 financial year that Willi Cernko would relinquish his role as CEO of the bank by July 2024. He will be succeeded by Peter Bosek, who previously held a position on the extended Management Board of Erste Group before assuming the role of CEO at Luminor Bank AS. He and his management team have been in their current positions since 1 July 2024.

The main shareholder structure of Erste Group as of the financial statements 2023 is as follows:

Chart 2: Major shareholders | Source: Annual Report 2023

Major Shareholders



- Institutional Investors
- Sparkassen Beteiligungs GmbH & Co KG
- Retail Investors
- ERSTE Foundation direct
- Wiener Städtische Versicherungsverein
- BlackRock Inc.
- Foundations
- Other

## Business Development

### Profitability

Creditreform Rating AG follows a structural approach in the presentation of the income statement and balance sheet as well as in the calculation of key ratios. The presentation may therefore differ from that of the bank. Creditreform Rating pursues the goal of making financial statements of different banks as well as within the scope of consolidation as comparable as possible. Certain key ratios are also taken or calculated from the Bank's Pillar III Report for reasons of comparability. Balance sheet and income statement figures are taken from the consolidated financial statements of the respective years. One-off or exceptional items are, where possible, relegated to the line items non-recurring revenue and expense.

Erste Group Bank AG (separate financial statements, henceforth referred to as "Erste Group" or "EGB"), in its capacity as a holding company, experienced a notable decline in operating income. The decline in net interest income, amounting to 60.7% (as evidenced in the financial statements for 2023), can be attributed primarily to an increase in interest expenses resulting from the imposition of negative interest rates on securities. A 18.4% reduction in net fee and commission income was observed, which can be attributed to a decline in customer loans.

At the group level, operating income exhibited a marked increase of over 20% in comparison to the preceding year. Net interest income exhibited a marked increase of 21.5%, which was attributable to robust loan growth across all core markets and an enhanced interest rate environment, resulting in an augmented interest margin. Moreover, there was a 7.6% increase in net fee and commission income in comparison to the previous year. This was due in particular to substantial growth in almost every commission category, with the most notable increase occurring in payment transaction services.

There was an approximate 2.6% increase in EGB's operating expenses. This was attributable to an increase in both personnel expense and depreciation and amortisation.

At the group level, operating expenses increased by 8.5%, largely due to higher personnel costs and higher information technology expenses.

As a consequence of the reduction in risk costs for companies dependent on energy, the individual level saw a reversal of the year-on-year trend in customer credit risk costs, which moved from €72 million to €139 million. The total risk costs incurred by EGB reached a figure of EUR 481 million.

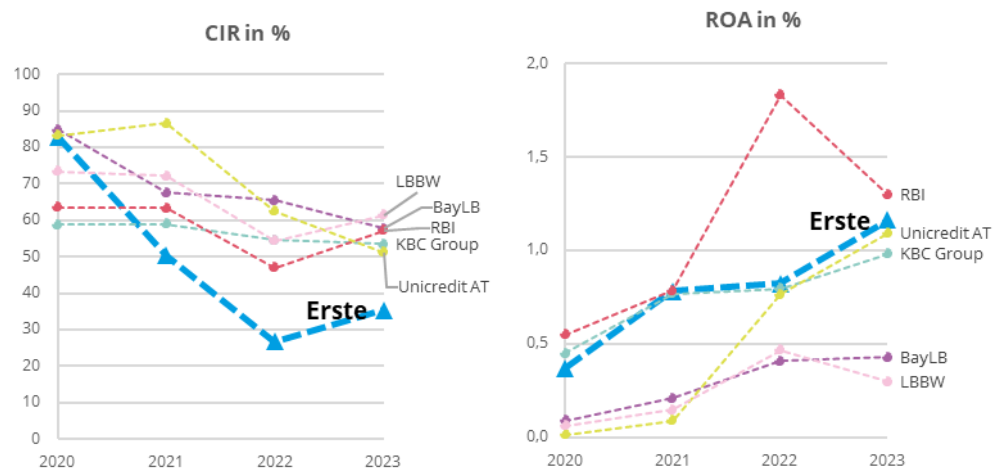
At the group level, the cost of pure customer credit risk decreased to EUR 202 million.

In conclusion, EGB's operating result increased by 14.3% year-on-year, reaching a total of EUR 1.8 billion. It is important to note, however, that the impact of high net reversals on this year's operating result should not be overlooked.

At the group level, there was a notable increase in operating profit, amounting to 47.1% and reaching a total of EUR 3.9 billion. Both at the individual and group levels, the key earnings figures remain at an above-average level.

In the peer group comparison below, you can clearly see that Erste Group's CIR is well below its peer group. The Return on Assets (ROA) is on an average level in its peer group.

Chart 2: CIR and ROA of Erste Group Bank AG | Source: Annual Report 2023



Erste Group was able to achieve a substantial increase in its operating income during the second quarter of the fiscal year. This growth was driven by an expansion in net interest and net fee and commission income, which contributed to an overall improvement in the Bank's financial performance when compared to the previous year. It is anticipated that operating expenses will decline despite the rise in personnel costs. Conversely, there was an increase in risk costs. It is anticipated that the net profit for the conclusion of the fiscal year will exceed that of the preceding year. A reduction of 4.6% was observed in the CIR during the first half of 2024.

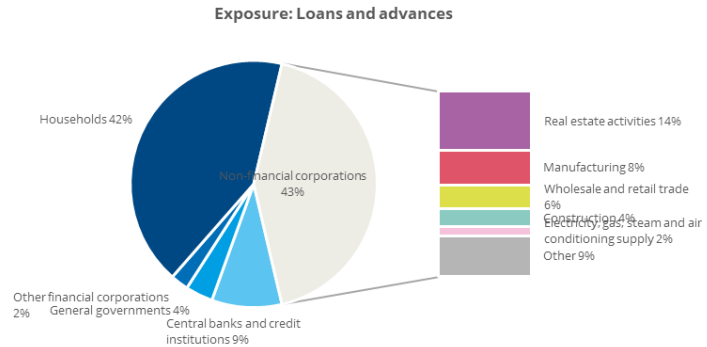
### Asset Situation and Asset Quality

Given the limitations of determining asset quality at the individual level and the greater tangible nature of this at the Group level, the following section will focus on the asset quality of the Group, which is also a key factor in the rating.

Furthermore, the lending business was expanded at the Group level in 2023. The substantial net increase in loans can be attributed primarily to an uptick in bank loans, particularly in Romania and Austria, as well as an expansion in retail and corporate customer loans. With regard to the geographical distribution of credit risk, the following overview is provided: The distribution of credit risk across the countries in question is as follows: Austria 37.3%, the Czech Republic 24.2%, Slovakia 9%, Romania 7% and Hungary 4.2%. The majority of the expansion in customer loans was driven by growth in Slovakia, Croatia and the Czech Republic. In addition to the geographical distribution of the credit exposure, the sector distribution demonstrates that the loans are well diversified, with the exception of a substantial share in the commercial real estate market, which may potentially result in impairment losses in the future.

As illustrated in Chart 4, the majority of Erste Group's exposure to loans and advances is concentrated in the non-financial corporations sector, particularly in the real estate industry, as well as in the household sector. The aforementioned two sectors account for 85% of the total exposure:

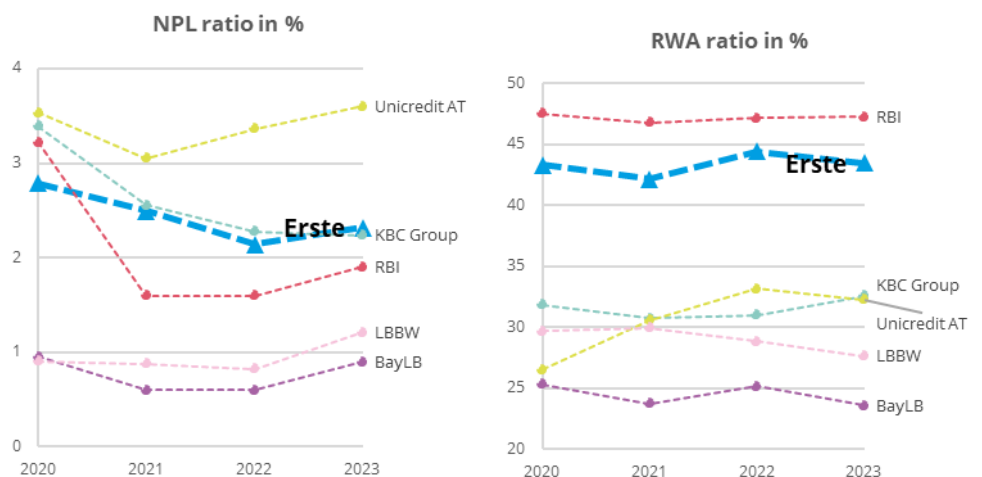
Chart 3: Exposure Loans and Advances of Erste Group (Group) | Source: Pillar III



The quality of assets at the Group level remained consistent with the previous year, exhibiting a favourable level of stability. On the one hand, the ratio of non-performing loans (Stage 3) saw a slight increase, reaching 2.3%, which is above the average. Conversely, the ratio of potential problematic loans (Stage 2 loans in relation to net loans to customers) exhibited a slight decline, from 19.6% to 18.9%. This represents the lowest asset grade at the Group level. The rise in the NPL ratio can be attributed to an expansion in Stage 3 exposure. The reduction in the Stage 2 ratio can be attributed to the consistent level of Stage 2 exposure, coupled with an expansion in customer loans. The elevated Stage 2 exposure may potentially exert an influence on the trajectory of NPLs in the forthcoming years, as evidenced by the increasing transfer rate to Stage 3. The allowance for losses on loans and advances remains adequate. As a consequence of a more pronounced expansion in total assets relative to the RWA exposure, the RWA ratio declined to 43.2%. The overall level remains considerable.

A comparison of the peer group data reveals that, with regard to the NPL ratio, the Erste Group is situated at the mean level for its peer group. With regard to the RWA ratio, the bank maintains a comparatively elevated ratio within its peer group.

Chart 5: NPL and RWA ratio of Erste Group (Group) | Source: Pillar III/other



On the assets side of the balance sheet, cash holdings were reduced by almost half during the first half of the year. Net loans to customers fell by almost 2.6%. Overall, the balance sheet expanded by almost 2.1%. RWA rose by more than 4%, which led to a slight increase in the RWA ratio.



## Refinancing, Capital Quality and Liquidity

With regard to the liabilities side of the balance sheet, there were no material alterations in the individual items, whether in the individual financial statements or at the Group level.

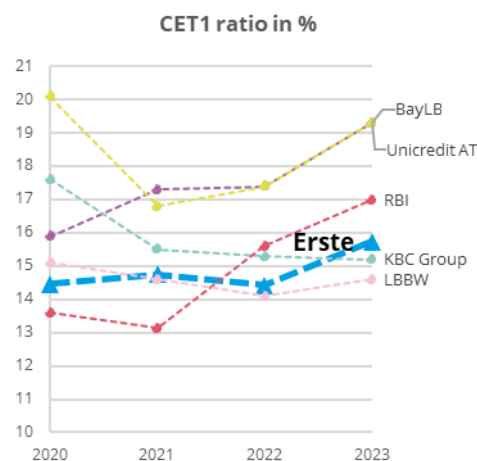
At the individual level, total equity increased at a slower rate than total assets in 2023. Consequently, the balance sheet equity ratio rose to 13.2%. This figure remains exceptionally favourable. The regulatory capital ratios, which are slightly higher than in the previous year, also represent excellent ratios, with a CET1 ratio of 23.4%, a T1 ratio of 29.3% and a total capital ratio of 36.5%. The capital ratios on individual financial statements are satisfactory.

At the Group level, the balance sheet equity ratio exhibited a slight increase, reaching 8.5%. This was driven by a more pronounced growth in equity. In 2023, the regulatory capital ratios at the Group level exhibited an increase, with the CET1 ratio rising to 15.8%, the T1 ratio to 17.4%, and the total capital ratio to 20%. Nevertheless, with a CET1 ratio of 15.8%, the Group remains comfortably above the regulatory minimum.

The liquidity position at the Group level remains sufficiently robust, with a liquidity coverage ratio of 136.2% and a net stable funding ratio of 142.4%.

A comparison of the CET1 ratio with that of other institutions in the peer group reveals that Erste Group's ratio is, on average, in line with its peers:

Chart 6: CET1 ratio of Erste Group Bank AG in comparison to the peer group | Source: Pillar III



Despite an increase in equity of 1.7%, the balance sheet equity ratio fell. The regulatory equity ratios remained virtually unchanged. The capitalization and liquidity situation can still be described as good.

Due to Erste Group Bank AG bank capital and debt structure, the Group's Preferred Senior Unsecured Debt instruments are (not) notched down in comparison to the Long-Term Issuer Rating. Due to the seniority structure, Erste Group Bank AG Non-Preferred Senior Unsecured debt is rated A. Erste Group Bank AG Tier 2 Capital is rated BBB+ based on the Erste Group Bank AG capital structure and seniority in accordance with our rating methodology. Additional Tier 1 Capital is rated BBB, reflecting the capital structure, seniority and a high bail-in risk in the event of resolution.

## Environmental, Social and Governance (ESG) Score Card

Erste Group Bank AG has one significant and two moderate ESG rating drivers

- Corporate Governance is identified as a highly significant rating driver. The relevance for the credit rating results from the impact of the Corporate Governance factor on all other ESG factors and the overall well-being of the bank. This sub-factor is rated neutral.

- Corporate Behaviour and Green Financing / Promoting are identified as moderate rating driver. While Green Financing / Promoting is rated neutral, Coporate Behaviour is rated neutral.

**ESG  
Bank Grade**

3,2 / 5

**Grade Guidance**

> 4,25	Outstanding
>3,5 - 4,25	Above-average
>2,5 - 3,5	Average
>1,75 - 2,5	Substandard
<= 1,75	Poor

	Sub-Factor	Consideration	Relevance Scale 2022	Eval.
<b>Environmental</b>	1.1 Green Financing / Promoting	The sub-factor "Green Financing/Promoting" has a moderate relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	3	( )
	1.2 Exposure to Environmental Factors	The sub-factor "Exposure to Environmental Factors" has a low relevance for the credit rating, and is rated negative in terms of the CRA ESG criteria.	2	( - )
	1.3 Resource Efficiency	The sub-factor "Resource Efficiency" has no significant relevance for the credit rating.	1	( + )

<b>Social</b>	2.1 Human Capital	The sub-factor "Human Capital" has low relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	2	( )
	2.2 Social Responsibility	The sub-factor "Social Responsibility" has no significant relevance for the credit rating.	1	( + + )

<b>Governance</b>	3.1 Corporate Governance	The sub-factor "Corporate Governance" is highly relevant for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	4	( )
	3.2 Corporate Behaviour	The sub-factor "Corporate Behaviour" has a moderate relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	3	( )
	3.3 Corporate Transparency	The sub-factor "Corporate Transparency" has no significant relevance for the credit rating.	1	( + + )

ESG Relevance Scale	
5	Highest Relevance
4	High Relevance
3	Moderate Relevance
2	Low Relevance
1	No significant Relevance

ESG Evaluation Guidance	
( + + )	Strong positive
( + )	Positive
( )	Neutral
( - )	Negative
( - - )	Strong negativ

The ESG Grade is based on the Methodology "Environmental, Social and Governance Grade of Banken (Version 1.0)" of Creditreform Rating AG, which is available on our homepage <https://creditreform-rating.de/en/about-us/regulatory-requirements.html>. In addition, we refer to CRA's position paper "Consodering the Impact of ESG Factors".

## Outlook

The outlook of the Long-Term Issuer Rating of Erste Group is stable. In the medium term, CRA expects constant further growth in the business areas of Erste Group Bank AG. In doing so, Erste Group will be able to benefit from its geographic diversification. We also support the chosen path with a focus on ESG business segments and increasing green financing.

Best-case scenario: AA-

Worst-case scenario: A

Please note:

The scenarios are based on information available at the time of the rating. Within the forecast horizon, circumstances may occur that could lead to a change of the rating out of the indicated range.

## Scenario Analysis

In a scenario analysis, the bank is able to reach a Long-Term Issuer Rating of AA- in the "Best-Case-Scenario" and a Long-Term Issuer Rating of A in the "Worst-Case-Scenario". The ratings of Bank Capital and Senior Unsecured Debt would respond similarly based on our rating methodology. These ratings are especially sensitive to changes in total equity and to the bank capital and debt structure in general.

We might upgrade Erste Group Bank AG's Long-Term Issuer Rating and the ratings of Bank Capital and Senior Unsecured Debt due to continued strong earnings figures and the ongoing retention of profits.

By contrast, a downgrade of Erste Group Bank Ag's Long-Term Issuer Rating and the ratings of Bank Capital and Senior Unsecured Debt due to a weakening of the economic situation in the Bank's business areas. In addition, a deterioration in profitability would have a negative impact on the bank's rating.

## Appendix

### Bank ratings Erste Group Bank AG GROUP

The bank ratings are dependent on a host of quantitative and qualitative factors. An improvement in either sub-category may result in a higher rating score.

Long-Term Issuer / Outlook / Short-Term **A+ / L2 / stable**

### Bank Capital and Debt Instruments Ratings Erste Group Bank AG GROUP

The ratings for bank capital and debt instruments are inter alia dependent on subordination and relative size of the instrument class, based on the long-term issuer rating of the bank.

Preferred Senior Unsecured (PSU): **A+**  
 Non-Preferred Senior Unsecured (NPS): **A**  
 Tier 2 (T2): **BBB+**  
 Additional Tier 1 (AT1): **BBB**

### Rating History

Please consult our website [www.creditreform-rating.de](http://www.creditreform-rating.de) for additional information regarding the dates of publication.

Figure 1: Rating History

Bank Issuer Rating	Rating Date	Result
Initialrating	09.03.2018	A- / stabil / L2
Rating Update	24.08.2018	A- / stabil / L2
Rating Update	29.11.2019	A / stabil / L2
Monitoring	24.03.2020	A / NEW / L2
Rating Update	16.10.2020	A- / stabil / L2
Rating Update	27.08.2021	A / stabil / L2
Rating Update	28.09.2022	A / positiv / L2
Rating Update	30.08.2023	A+ / stabil / L2
Rating Update	06.09.2024	A+ / stabil / L2
Bank Capital and Debt Instruments	Rating Date	Result
Senior Unsecured / T2 / AT1 (Initial)	09.03.2018	A- / BBB- / BB+
Senior Unsecured / T2 / AT1	24.08.2018	A- / BBB- / BB+
PSU / NPS / T2 / AT1	29.11.2019	A / A- / BBB / BBB-
PSU / NPS / T2 / AT1	24.03.2020	A / A- / BBB / BBB- (NEW)
PSU / NPS / T2 / AT1	16.10.2020	A- / BBB+ / BBB- / BB+
PSU / NPS / T2 / AT1	27.08.2021	A / A- / BBB / BBB-
PSU / NPS / T2 / AT1	28.09.2022	A / A- / BBB / BBB-
PSU / NPS / T2 / AT1	30.08.2023	A+ / A / BBB+ / BBB
PSU / NPS / T2 / AT1	06.09.2024	A+ / A / BBB+ / BBB

## Tables Group (if applicable)

Figure 2: Income statement<sup>1</sup> | Source: eValueRate / CRA

Income Statement (EUR m)	2023	%	2022	2021	2020
<b>Income</b>					
Net Interest Income	7.229	+21,5	5.952	4.976	4.775
Net Fee & Commission Income	2.640	+7,6	2.453	2.304	1.977
Net Insurance Income	-	-	-	-	-
Net Trading & Fair Value Income	306	< -100	-122	199	206
Equity Accounted Results	23	+27,8	18	15	10
Dividends from Equity Instruments	38	+31,0	29	33	20
Other Income	236	-22,9	306	182	174
<b>Operating Income</b>	<b>10.472</b>	<b>+21,3</b>	<b>8.636</b>	<b>7.709</b>	<b>7.161</b>
<b>Expense</b>					
Depreciation and Amortisation	569	+2,3	556	548	541
Personnel Expense	2.991	+12,1	2.668	2.578	2.521
Tech & Communications Expense	549	+12,5	488	433	425
Marketing and Promotion Expense	222	+15,0	193	168	155
Other Provisions	-	-	-	-5	18
Other Expense	1.218	+0,7	1.209	896	839
<b>Operating Expense</b>	<b>5.549</b>	<b>+8,5</b>	<b>5.114</b>	<b>4.617</b>	<b>4.499</b>
<b>Operating Profit &amp; Impairment</b>					
<b>Operating Profit</b>	<b>4.923</b>	<b>+39,8</b>	<b>3.522</b>	<b>3.092</b>	<b>2.663</b>
Cost of Risk / Impairment	128	-57,3	300	159	1.295
<b>Net Income</b>					
Non-Recurring Income	-	-	-	-	-
Non-Recurring Expense	-	-	-	-	-
<b>Pre-tax Profit</b>	<b>4.795</b>	<b>+48,8</b>	<b>3.222</b>	<b>2.933</b>	<b>1.368</b>
Income Tax Expense	874	+57,2	556	525	343
Discontinued Operations	-	-	-	-	-
<b>Net Profit</b>	<b>3.921</b>	<b>+47,1</b>	<b>2.666</b>	<b>2.408</b>	<b>1.026</b>
Attributable to minority interest (non-controlling interest)	923	+83,9	502	485	242
Attributable to owners of the parent	2.998	+38,5	2.165	1.923	783

Figure 3: Key earnings figures | Source: eValueRate / CRA and Pillar III

Income Ratios (%)	2023	%	2022	2021	2020
Cost Income Ratio (CIR)	52,99	-6,23	59,22	59,89	62,82
Cost Income Ratio ex. Trading (CIRex)	54,58	-3,81	58,39	61,48	64,68
Return on Assets (ROA)	1,16	+0,34	0,82	0,78	0,37
Return on Equity (ROE)	13,76	+3,22	10,54	10,24	4,58
Return on Assets before Taxes (ROAbT)	1,42	+0,43	0,99	0,95	0,49
Return on Equity before Taxes (ROEbT)	16,82	+4,09	12,73	12,48	6,10
Return on Risk-Weighted Assets (RORWA)	2,69	+0,81	1,88	1,89	0,87
Return on Risk-Weighted Assets before Taxes (RORWAbT)	3,29	+1,02	2,27	2,30	1,16
Net Financial Margin (NFM)	2,50	+0,29	2,21	2,05	2,08
Pre-Impairment Operating Profit / Assets	1,46	+0,37	1,09	1,01	0,96

Change in %-Points

<sup>1</sup> Data by our data provider eValueRate, which is standardized for analytical reasons. Thus, the used data and the resulting figures do not have necessary to match the presentation of the bank, which refers to this and all subsequent tables and figures.

Figure 4: Development of assets | Source: eValueRate / CRA

Assets (EUR m)	2023	%	2022	2021	2020
Cash and Balances with Central Banks	51.426	+4,5	49.198	61.923	52.601
Net Loans to Banks	6.691	+35,9	4.922	4.573	4.704
Net Loans to Customers	207.829	+2,8	202.111	173.907	160.582
Total Securities	62.428	+7,4	58.114	50.949	43.895
Total Derivative Assets	1.420	-22,8	1.840	2.338	3.165
Other Financial Assets	-	-	-	-	-
<b>Financial Assets</b>	<b>329.794</b>	<b>+4,3</b>	<b>316.185</b>	<b>293.691</b>	<b>264.947</b>
Equity Accounted Investments	241	+15,3	209	211	190
Other Investments	1.433	+11,9	1.281	1.251	1.225
Insurance Assets	-	-	-	-	-
Non-current Assets & Discontinued Ops	163	-2,4	167	73	212
Tangible and Intangible Assets	4.009	-1,2	4.056	4.101	3.966
Tax Assets	540	-26,8	738	697	635
Total Other Assets	975	-20,7	1.229	7.405	6.219
<b>Total Assets</b>	<b>337.155</b>	<b>+4,1</b>	<b>323.865</b>	<b>307.428</b>	<b>277.394</b>

Figure 5: Development of asset quality | Source: eValueRate / CRA and Pillar III

Asset Ratios (%)	2023	%	2022	2021	2020
Net Loans to Customers / Assets	61,64	-0,76	62,41	56,57	57,89
Risk-weighted Assets <sup>1</sup> / Assets	43,22	-0,56	43,78	41,46	0,00
NPL <sup>2</sup> / Loans to Customers <sup>3</sup>	2,32	+0,18	2,14	2,49	2,79
NPL <sup>2</sup> / Risk-weighted Assets <sup>1</sup>	3,24	+0,27	2,97	3,47	3,86
Potential Problem Loans <sup>4</sup> / Loans to Customers <sup>3</sup>	18,93	-0,70	19,63	17,15	19,24
Reserves <sup>5</sup> / NPL <sup>2</sup>	84,64	-0,63	85,27	86,76	87,11
Cost of Risk / Loans to Customers <sup>3</sup>	0,06	-0,09	0,15	0,09	0,79
Cost of Risk / Risk-weighted Assets <sup>1</sup>	0,09	-0,12	0,21	0,12	1,10
Cost of Risk / Total Assets	0,04	-0,05	0,09	0,05	0,47

Change in %-Points

1 RWA: Pillar 3, EU CR1

2 NPL: Gross: Non-Performing Loans of the categories Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

3 Loans to Customers: Gross: Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

4 Potential Problem Loans: Stage 2: Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

5 Reserves: Impairment & Provisions and Collateral & Guarantees; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

Figure 6: Development of refinancing and capital adequacy | Source: eValueRate / CRA

Liabilities (EUR m)	2023	%	2022	2021	2020
Total Deposits from Banks	18.904	-30,0	27.018	30.928	23.844
Total Deposits from Customers	229.471	+3,1	222.575	209.896	189.804
Total Debt	43.812	+21,9	35.955	32.194	30.741
Derivative Liabilities	1.900	-36,6	2.999	1.933	2.227
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	9.497	+96,4	4.836	3.712	3.414
<b>Total Financial Liabilities</b>	<b>303.584</b>	<b>+3,5</b>	<b>293.383</b>	<b>278.663</b>	<b>250.030</b>
Insurance Liabilities	-	-	-	-	-
Non-current Liabilities & Discontinued Ops	113	-1,7	115	0	1
Tax Liabilities	279	+95,1	143	162	79
Provisions	1.612	-3,8	1.676	1.986	2.082
Total Other Liabilities	3.065	-5,5	3.243	3.104	2.792
<b>Total Liabilities</b>	<b>308.653</b>	<b>+3,4</b>	<b>298.560</b>	<b>283.915</b>	<b>254.983</b>
<b>Total Equity</b>	<b>28.502</b>	<b>+12,6</b>	<b>25.305</b>	<b>23.513</b>	<b>22.410</b>
<b>Total Liabilities and Equity</b>	<b>337.155</b>	<b>+4,1</b>	<b>323.865</b>	<b>307.428</b>	<b>277.394</b>

Figure 7: Development of capital and liquidity ratios | Source: eValueRate / CRA and Pillar III

Capital Ratios and Liquidity (%)	2023	%	2022	2021	2020
Total Equity / Total Assets	8,45	+0,64	7,81	7,65	8,08
Leverage Ratio <sup>1</sup>	7,07	+0,44	6,63	6,49	6,72
Common Equity Tier 1 Ratio (CET1) <sup>2</sup>	15,75	+1,33	14,42	14,75	14,45
Tier 1 Ratio (CET1 + AT1) <sup>2</sup>	17,40	+1,40	16,00	16,51	16,77
Total Capital Ratio (CET1 + AT1 + T2) <sup>2</sup>	19,97	+1,50	18,47	19,47	20,04
CET1 Minimum Capital Requirements <sup>1</sup>	10,94	+0,53	10,41	10,21	12,21
Net Stable Funding Ratio (NSFR) <sup>1</sup>	142,38	+3,30	139,08	150,16	0,00
Liquidity Coverage Ratio (LCR) <sup>1</sup>	136,23	-5,57	141,80	168,60	156,90

Change in %- Points

<sup>1</sup> Pillar 3 EU KM1

<sup>2</sup> Regulatory Capital Ratios: Pillar 3 EU KM1

## Regulatory

Creditreform Rating AG was neither commissioned by the rating object nor by any other third party for the rating. The analysis took place on a voluntary basis by Creditreform Rating AG and is to be described in the regulatory sense as an unsolicited rating. The following table clarifies the level of participation of the rated entity (rating object):

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	No
With Access to Internal Documents	No
With Access to Management	No

The rating is based on publicly available information and internal evaluation methods for the rated bank. The quantitative analysis is based mainly on the latest annual accounts, interim reports, other investor relations information of the bank, and calculated key figures by eValueRate / CRA.

The information and documents processed met the requirements of the rating system of Creditreform Rating AG as published on the website [www.creditreform-rating.de](http://www.creditreform-rating.de). The rating was carried out on the basis of the following methodologies and [Rating Criteria and Definitions \(v1.3\)](#):

- [Bank ratings \(v3.3\)](#)
- [Rating of bank capital and unsecured debt instruments \(v2.2\)](#)
- [Institutional Protection Scheme Banks \(v1.0\)](#)
- [Environmental, Social and Governance Score for Banks \(v1.1\)](#)

The complete presentation of the rating methodologies used by Creditreform Rating AG and the basic document Rating Criteria and Definitions are published on our homepage:

<https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html>

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The rating result was communicated to Erste Group Bank AG, and the preliminary rating report was made available to the bank. There was no change in the rating.

The rating is valid until withdrawal and is subject to monitoring from the rating date (see cover page). The rating will be comprehensively reviewed at least once every year. Within this period, the rating can be updated.

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