ERSTE Group

Investor information
Vienna, 30 July 2026

Erste Group posts net profit of EUR 1,975 million in the first six months of 2026

Financial data

Income statement					
in EUR million	**Q2 25**	**Q1 26**	**Q2 26**	**1-6 25**	**1-6 26**
Net interest income	1,914	2,674	2,713	3,786	5,386
Net fee and commission income	762	965	964	1,542	1,929
Net trading result and gains/losses from financial instruments at FVPL	104	229	234	200	463
Operating income	2,866	3,939	4,020	5,668	7,959
Operating expenses	-1,361	-1,771	-1,766	-2,706	-3,537
Operating result	1,505	2,167	2,254	2,963	4,422
Impairment result from financial instruments	-97	-439	-144	-182	-583
Post-provision operating result	1,408	1,728	2,111	2,781	3,839
Net result attributable to owners of the parent	**921**	**879**	**1,096**	**1,665**	**1,975**
Net interest margin (on average interest-bearing assets)	2.4%	2.6%	2.6%	2.3%	2.6%
Cost/income ratio	47.50%	44.97%	43.92%	47.74%	44.44%
Provisioning ratio (on average gross customer loans)	0.2%	0.7%	0.2%	0.2%	0.4%
Tax rate	20.50%	24.50%	23.61%	20.50%	24.00%
Return on tangible equity	17.1%	18.1%	22.1%	16.3%	19.6%

Balance sheet					
in EUR million	**Jun 25**	**Mar 26**	**Jun 26**	**Dec 25**	**Jun 26**
Cash and cash balances	27,652	26,850	23,757	27,573	23,757
Trading, financial assets	78,448	106,177	111,826	79,522	111,826
Loans and advances to banks	22,818	26,382	27,811	20,827	27,811
Loans and advances to customers	223,983	275,630	282,704	231,985	282,704
Intangible assets	1,387	5,915	5,857	1,413	5,857
Miscellaneous assets	6,785	9,073	9,182	7,254	9,182
Total assets	**361,072**	**450,027**	**461,137**	**368,574**	**461,137**
Financial liabilities held for trading	2,729	4,975	4,732	2,412	4,732
Deposits from banks	15,368	19,658	21,191	16,919	21,191
Deposits from customers	248,499	314,772	323,653	252,991	323,653
Debt securities issued	54,809	59,891	58,913	54,872	58,913
Miscellaneous liabilities	7,064	10,423	10,957	6,715	10,957
Total equity	32,603	40,308	41,691	34,665	41,691
Total liabilities and equity	**361,072**	**450,027**	**461,137**	**368,574**	**461,137**
Loan/deposit ratio	90.1%	87.6%	87.3%	91.7%	87.3%
NPL ratio	2.5%	2.4%	2.3%	2.4%	2.3%
NPL coverage ratio (based on AC loans, ex collateral)	73.6%	67.9%	68.4%	69.7%	68.4%
CET1 ratio (phased-in)	17.4%	14.4%	15.2%	19.3%	15.2%

HIGHLIGHTS
P&L: 1-6 2026 compared with 1-6 2025
Balance sheet: 30 June 2026 compared with 31 December 2025
The first-time consolidation of Erste Bank Polska resulted in significant changes of multiple positions.

Net interest income rose to EUR 5,386 million (+42.3%; EUR 3,786 million). Increases were recorded primarily in Slovakia, the Czech Republic and Hungary on the back of loan growth and lower interest expenses on customer deposits, the latter most notably in Austria. An additional major contribution came from Poland in the amount of EUR 1,370 million. **Net fee and commission income** rose in nearly all core markets and income categories to EUR 1,929 million (+25.1%; EUR 1,542 million), including EUR 251 million from Poland. **Net trading result** increased to EUR 424 million (EUR 141 million); the line item **gains/ losses from financial instruments measured at fair value through profit or loss** declined to EUR 40 million (EUR 59 million). The development of both line items was mostly attributable to valuation effects. **Operating income** was up at EUR 7,959 million (+40.4%; EUR 5,668 million), with EUR 1,821 million contributed by Poland. **General administrative expenses** rose to EUR 3,537 million (+30.7%; EUR 2,706 million), including EUR 738 million from Poland. In the first half of the year, integration costs were posted in the total amount of EUR 73 million. Personnel expenses increased to EUR 1,977 million (+21.7%; EUR 1,624 million). This was primarily due to the consolidation of the Poland segment (EUR 276 million) and collectively agreed salary increases. Other administrative expenses were higher at EUR 1,075 million (+33.1%; EUR 808 million), thereof EUR 269 million in Poland. While contributions to deposit insurance schemes included in other administrative expenses – mostly already posted upfront for the full year of 2026 – declined to EUR 51 million (EUR 55 million), IT expenses increased to EUR 485 million (EUR 344 million), most importantly due to the inclusion of Poland (EUR 129 million). Amortisation and depreciation amounted to EUR 485 million (+77.3%; EUR 274 million), with Poland accounting for EUR 193 million. Overall, the **operating result** increased to EUR 4,422 million (+49.3%; EUR 2,963 million), the **cost/ income ratio** improved to 44.4% (47.7%).

The **impairment result from financial instruments** amounted to EUR -583 million or 44 basis points of average gross customer loans (EUR -182 million or 16 basis points). The rise was materially attributable to allocations to provisions for loans and advances related to the first-time inclusion of the Polish portfolio as required under IFRS 9 rules (EUR 302 million or 23 basis points). The **NPL ratio** based on gross customer loans improved slightly to 2.3% (2.4%). The **NPL coverage ratio** (excluding collateral) stood at 68.4% (69.7%).

Other operating result deteriorated to EUR -330 million (EUR -183 million). Banking levies – currently payable in five core markets – went up. EUR 392 million (EUR 197 million) are reflected in other operating result: thereof, EUR 189 million (EUR 109 million) were charged in Hungary (including EUR 121 million banking tax for the full year), EUR 98 million in Poland. In Austria, banking tax amounted to EUR 65 million (EUR 68 million), in Romania to EUR 39 million (EUR 20 million). The banking tax in Slovakia of EUR 33 million (EUR 32 million) is posted in the line item taxes on income. Expenses for annual contributions to resolution funds included in other operating result already for the full year of 2026 declined moderately to EUR 14 million (EUR 15 million).

Taxes on income amounted to EUR 841 million (EUR 529 million). The minority charge increased to EUR 689 million (EUR 389 million) on the back of higher contributions from the savings banks and the inclusion of the Poland segment (EUR 176 million). The **net result attributable to owners of the parent** rose to EUR 1,975 million (+ 18.6%; EUR 1,665 million).

Total equity not including AT1 instruments rose to EUR 37.5 billion (EUR 31.2 billion). After regulatory deductions and filtering in accordance with the Capital Requirements Regulation (CRR), **common equity tier 1 capital** (CET1) stood at EUR 28.5 billion (EUR 28.5 billion), total **own funds** at EUR 37.3 billion (EUR 36.5 billion).Total risk (**risk-weighted assets** including credit, market and operational risk) rose to EUR 186.9 billion (EUR 147.5 billion), which was mostly attributable to the acquisition of Erste Bank Polska. The **common equity tier 1 ratio** (CET1 ratio) declined to 15.2% (19.3%), the **total capital ratio** to 20.0% (24.8%). The initial consolidation of Erste Bank Polska reduced the CET1 ratio by 455 basis points.

Total assets increased to EUR 461.1 billion (+25.1%; EUR 368.6 billion). On the asset side, cash and cash balances declined to EUR 23.8 billion (EUR 27.6 billion); loans and advances to banks increased to EUR 27.8 billion (EUR 20.8 billion). Year to date, **loans and advances to customers** rose to EUR 282.7 billion (+21.8%; EUR 232.0 billion), most importantly on the back of the Polish portfolio of EUR 41.4 billion. In the other core markets, increased volume was recorded most notably in the Czech Republic, Hungary, Croatia and Austria. On the liability side, deposits from banks rose to EUR 21.2 billion (EUR 16.9 billion). **Customer deposits** were up at EUR 323.7 billion (+27.9%; EUR 253.0 billion). This rise was driven mainly by the first-time consolidation of Poland (EUR 59.3 billion) as well as higher deposits from corporates in Austria and the Czech Republic. The **loan-to-deposit ratio** stood at 87.3% (91.7%).

OUTLOOK 2026

Following the good business development in the first half of the year, Erste Group has raised the financial outlook for 2026. Erste Group now expects to achieve a return on tangible equity (ROTE) of above 20% (instead of about 19%) and an increase in earnings per share of more than 20% based on 2025 net profit adjusted for one-off items compared to the reported 2026 net profit. This ambition is built on the following key assumptions: Firstly, Erste Group's business, as at year-end 2025 in seven core markets (Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia and Serbia), is expected to perform well, despite somewhat dampened macroeconomic projections due to the ongoing geopolitical challenges resulting from the war in Iran, broadly stable interest rates, especially in the euro zone, and stable margins. Based on this, healthy loan volume growth of 6-8% (versus more than 5% previously) is projected. Operating performance as defined by operating result (operating income minus operating expenses) is expected to improve year-on-year as net interest income is projected to grow by about 5%, fee and commission income should increase by 7-9% (versus prior expectation of more than 5%), net trading and fair value result produces a similar revenue contribution as in 2025, and operating expenses grow in the order of 3%. Consequently, the cost/income ratio is expected to improve from the level of about 48% in 2025 to less than (instead of previously expected about) 47% in 2026. Other operating result is expected to normalise following several positive one-offs in the amount of about EUR 270 million in 2025 and be more in line with the amount of banking levies also booked in this line item. Risk costs, at 20-25 basis points, are expected at a similarly benign level as in 2025.

Secondly, extraordinary effects due to the full consolidation of Erste Bank Polska are primarily expected in net interest income, operating expenses and risk costs. Net interest income will be negatively impacted by about EUR 170 million (equivalent to a net profit impact of approx. EUR -60 million) connected to the amortisation of positive fair value adjustments recognised on debt securities and derivatives in the course of purchase price allocation. In addition, interest income earned on the purchase price in 2025 will not recur in 2026. Operating expenses will be affected by the amortisation of intangibles (customer stock and brand) and the booking of integration costs. Customer relationships will be amortised over ten years in the amount of about EUR 210 million per annum (net profit impact of approx. EUR -70 million), while the brand will be fully written off following rebranding in 2026 (EUR 30 million gross or EUR ~10 million net). Integration costs are forecast at up to EUR 180 million gross in 2026. The corresponding net impact will depend on the allocation of costs between the parent company and the local bank, which is still to be determined. Risk costs will be impacted by a EUR 302 million charge (net profit impact of about EUR -120 million) for expected credit losses of the Polish portfolio required under IFRS 9 in the course of the first-time consolidation. This charge is not indicative of portfolio deterioration. The bookings made in the first half of the year were in line with these expectations.

Consequently, Erste Group in its eight core markets, now expects an increase of net customer loans to approximately EUR 290 billion (instead of higher than EUR 285 million previously). In 2026, taking into account organic underlying growth as well as the contribution from Erste Bank Polska, including extraordinary effects from its first-time consolidation, Erste Group projects net interest income in excess of EUR 11 billion, fee income of approx. EUR 4 billion, a positive impact from the FX fees in Poland in the trading and fair value result and operating expenses of about EUR 7 billion (FX-adjusted). Consequently, the cost/income ratio is projected to improve to less than 45% (previously approximately), despite the integration costs. Risk costs are expected in the range of 25-30 basis points of average gross customer loans, as risk costs tend to be somewhat higher in Poland than in other CEE markets. This expectation is adjusted for the EUR 302 million one-off ECL provision mentioned above. Reported net profit for the combined entity is forecast above EUR 4 billion, despite extraordinary items related to first time consolidation of Erste Bank Polska (versus somewhat below EUR 4 billion previously).

Potential risks to the guidance include (geo)political and economic (including monetary and fiscal policy impacts) developments, regulatory measures, as well as changes to the competitive environment. Current international (military) conflicts do not impact Erste Group directly, as it has no operating presence in regions involved. Indirect effects, such as financial markets volatility, sanctions-related knock-on effects, supply chain disruptions or the emergence of deposit insurance or resolution cases cannot be ruled out, though. Erste Group is moreover exposed to non-financial and legal risks that may materialise regardless of the economic environment. Worse than expected economic development may put goodwill at risk.

FINANCIAL AMBITION TO 2030

Erste Group aims to double earnings per share (EPS) by 2030 to above EUR 15, resulting in a compound annual growth rate (CAGR) of approximately 15% in the 2025-2030 time frame. Furthermore, Erste Group projects return on tangible equity of above 20% throughout the forecast period.

2025 reported net profit of EUR 3,510 million adjusted for AT1 dividend (EUR 139 million) and net positive one-offs in other operating result after tax of EUR 213 million as well as weighted average undiluted number of outstanding shares in 2025 of 408.9 million serve as the base line for the forecast to 2030, resulting in 2025 earnings per share of EUR 7.72 (reported 2025 EPS: 8.24).

This financial ambition is built on the following key assumptions: sustainable organic growth in lending, deposit taking and asset management on the back of superior economic growth in Central Europe; inorganic optionality in Poland and across Central Europe; better operating efficiency driven by larger scale; a continued solid credit risk environment; and, meaningful capital return including regular dividend payments and share buybacks.

All assumptions are predicated on a similar positive interest-rate environment as prevailing currently, a reasonably stable geopolitical situation over the forecast horizon, as well as no material increase in the banking levy, regulatory and general tax burden.

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