

Erste Group: Preliminary results 2023

Erste Group posts net profit of EUR 2,998 million in 2023; proposes dividend of EUR 2.7 per share

Financial data

Income statement					
in EUR million	Q4 22	Q3 23	Q4 23	2022	2023
Net interest income	1,565	1,861	1,806	5,951	7,228
Net fee and commission income	622	663	702	2,452	2,640
Net trading result and gains/losses from financial instruments at FVPL	58	113	129	-47	449
Operating income	2,300	2,692	2,699	8,571	10,552
Operating expenses	-1,194	-1,202	-1,345	-4,575	-5,020
Operating result	1,106	1,489	1,354	3,996	5,532
Impairment result from financial instruments	-141	-156	0	-300	-128
Post-provision operating result	965	1,333	1,354	3,696	5,404
Net result attributable to owners of the parent	518	820	688	2,165	2,998
Net interest margin (on average interest-bearing assets)	2.25%	2.50%	2.47%	2.21%	2.50%
Cost/income ratio	51.9%	44.7%	49.8%	53.4%	47.6%
Provisioning ratio (on average gross customer loans)	0.28%	0.30%	0.00%	0.15%	0.06%
Tax rate	15.0%	18.0%	19.0%	17.3%	18.2%
Return on equity	11.2%	17.7%	13.7%	12.6%	15.9%
Balance sheet					
in EUR million	Dec 22	Sep 23	Dec 23	Dec 22	Dec 23
Cash and cash balances	35,685	31,922	36,685	35,685	36,685
Trading, financial assets	59,833	63,504	63,690	59,833	63,690
Loans and advances to banks	18,435	28,094	21,432	18,435	21,432
Loans and advances to customers	202,109	206,153	207,828	202,109	207,828
Intangible assets	1,347	1,313	1,313	1,347	1,313
Miscellaneous assets	6,456	6,175	6,206	6,456	6,206
Total assets	323,865	337,161	337,155	323,865	337,155
Financial liabilities held for trading	3,264	2,428	2,304	3,264	2,304
Deposits from banks	28,821	23,223	22,911	28,821	22,911
Deposits from customers	223,973	235,773	232,815	223,973	232,815
Debt securities issued	35,904	41,089	43,759	35,904	43,759
Miscellaneous liabilities	6,599	6,961	6,864	6,599	6,864
Total equity	25,305	27,687	28,502	25,305	28,502
Total liabilities and equity	323,865	337,161	337,155	323,865	337,155
Loan/deposit ratio	90.2%	87.4%	89.3%	90.2%	89.3%
NPL ratio	2.0%	2.0%	2.3%	2.0%	2.3%
NPL coverage ratio (based on AC loans, ex collateral)	94.6%	96.7%	85.1%	94.6%	85.1%
Texas ratio	16.4%	15.1%	16.6%	16.4%	16.6%
CET1 ratio (final)	14.2%	14.5%	15.7%	14.2%	15.7%

HIGHLIGHTS

P&L 2023 compared with 2022; balance sheet 31 December 2023 compared with 31 December 2022

Net interest income increased significantly to EUR 7,228 million (+21.5%; EUR 5,951 million), most strongly in Austria, on the back of higher market interest rates as well as larger loan volume. **Net fee and commission income** rose to EUR 2,640 million (+7.6%; EUR 2,452 million). Growth was registered across all core markets, most notably in payment services but also in asset management and in lending. **Net trading result** improved to EUR 754 million (EUR -779 million); the line item **gains/losses from financial instruments measured at fair value through profit or loss** declined to EUR -306 million (EUR 731 million). The development of these two line items was mostly attributable to valuation effects. **Operating income** increased to EUR 10,552 million (+23.1%; EUR 8,571 million). **General administrative expenses** were up at EUR 5,020 million (+9.7%; EUR 4,575 million). Personnel expenses rose to EUR 2,991 million (+12.1%; EUR 2,668 million) driven by salary increases. The rise in other administrative expenses to EUR 1,468 million (+8.3%; EUR 1,356 million) was primarily due to higher IT and marketing expenses. Contributions to deposit insurance schemes included in other administrative expenses declined to EUR 114 million (EUR 143 million), most notably in Hungary (where in the comparable period of 2022, the Sberbank Europe deposit insurance case had resulted in higher expenses). Amortisation and depreciation amounted to EUR 560 million (+1.7%; EUR 551 million). Overall, the **operating result** increased markedly to EUR 5,532 million (+38.4%; EUR 3,996 million). The **cost/income ratio** improved to 47.6% (53.4%)

The **impairment result from financial instruments** amounted to EUR -128 million or 6 basis points of average gross customer loans (EUR -300 million or 15 basis points). Net allocations to provisions for loans and advances were posted in all core markets, with the exception of Croatia and Hungary. Positive contributions came from net releases of provisions for commitments and guarantees as well as from income from the recovery of loans already written off (in both cases most notably in Austria). The **NPL ratio** based on gross customer loans deteriorated slightly to 2.3% (2.0%). The **NPL coverage ratio** (excluding collateral) also slipped to 85.1% (94.6%).

Other operating result amounted to EUR -468 million (EUR -399 million). Expenses for annual contributions to resolution funds declined (most notably in Austria and the Czech Republic) to EUR 113 million (EUR 139 million). Banking levies – currently payable in two core markets – were lower at EUR 183 million (EUR 187 million). Thereof, EUR 137 (EUR 124 million) were charged in Hungary. In Austria, banking tax declined to EUR 46 million (EUR 63 million). Valuation effects had an adverse impact on other operating result.

Taxes on income amounted to EUR 874 million (EUR 556 million). The rise in the minority charge to EUR 923 million (EUR 502 million) was attributable to significantly better results from the savings banks – primarily due to higher net interest income. The **net result attributable to owners of the parent** rose to EUR 2,998 million (EUR 2,165 million) on the back of the strong operating result and low risk costs.

Total equity not including AT1 instruments rose to EUR 26.1 billion (EUR 23.1 billion). After regulatory deductions and filtering in accordance with the CRR, **common equity tier 1 capital** (CET1, final) rose to EUR 22.9 billion (EUR 20.4 billion), as were total **own funds** (final) to EUR 29.1 billion (EUR 26.2 billion). Total risk – **risk-weighted assets** including credit, market and operational risk (CRR, final) – increased to EUR 146.5 billion (EUR 143.9 billion). The **common equity tier 1 ratio** (CET1, final) improved to 15.7% (14.2%), the **total capital ratio** rose to 19.9% (18.2%).

Total assets increased to EUR 337.2 billion (+4.1%; EUR 323.9 billion). On the asset side, cash and cash balances increased to EUR 36.7 billion (EUR 35.7 billion), loans and advances to banks rose to EUR 21.4 billion (EUR 18.4 billion), most notably in Austria and the Czech Republic. **Loans and advances to customers** rose to EUR 207.8 billion (+2.8%; EUR 202.1 billion) with both retail and corporate loan volumes up. On the liability side, deposits from banks declined to EUR 22.9 billion (EUR 28.8 billion). **Customer deposits** rose in nearly all core markets – most strongly in Austria and the Czech Republic – to EUR 232.8 billion (+3.9%; EUR 224.0 billion). The **loan-to-deposit ratio** stood at 89.3% (90.2%)

OUTLOOK 2024

Erste Group's goal for 2024 is to achieve a return on tangible equity (ROTE) of about 15%. Three key factors will support achievement of this goal: firstly, a moderate improvement in economic growth compared to 2023 in Erste Group's seven core markets (Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia and Serbia) despite continued geopolitical risks, which, should they materialise, would likely negatively impact economic performance; secondly, a continued broadly positive, even if slightly deteriorating credit risk environment; and, finally, the continuous ability of Erste Group to attract new and retain existing customers through continuous development of its product portfolio and its brand. The key headwind to achievement of this goal is the magnitude and timing of the expected central bank rate cuts in all of Erste Group's markets. Overall, Erste Group expects a slight decline in operating result, which hit a historic high in 2023, and, consequently, a moderate deterioration in the cost/income ratio to a level of about 50%, also from a historic best in 2023 of 47.6%.

The expectation by economists is for Erste Group's core markets to post improved real GDP growth in 2024. Inflationary pressures are expected to continue their downward trend in 2024. Continued strong labour markets should be supportive of economic performance in all of Erste Group's markets. Current account balances are projected to remain at sustainable levels in most countries, while fiscal deficits should continue their path of consolidation. Public debt to GDP in all Erste Group markets is projected to be broadly stable, and hence remain materially below the euro zone average.

Against this backdrop, Erste Group expects net loan growth of about 5%. Retail and corporate business should contribute in all markets towards the achievement of this goal. Loan growth is projected to offset some of the interest rate headwinds detailed above, resulting in a moderate, decline of about 3% in net interest income versus 2023, following a historic upswing over the past two years. The second most important income component – net fee and commission income – is expected to rise by about 5%. As in 2023, growth momentum should again come from payment services, insurance brokerage fees as well as asset management and securities business with the latter being dependent on a constructive capital markets environment. The net trading and fair value result, which recovered significantly in 2023, is expected to normalise at historically observed levels in 2024. This, however, will depend substantially on the actual short- and long-term interest rate environment.

The remaining income components are forecast to remain, by and large, stable. Overall, operating income is therefore expected to decrease slightly in 2024, albeit from a historic high in 2023. Operating expenses are expected to rise by approximately 5%. With this the cost/income ratio should remain at a solid level of about 50%.

Based on the macro-outlook presented above, risk costs should remain at a low level in 2024. While precise forecasting is hard at current low risk cost levels, Erste Group believes that in 2024 risk costs will be below 25 basis points of average gross customer loans.

While a forecast for other operating result and various categories of gains and losses from financial instruments not measured at fair value is challenging, this combined item is likely to improve versus 2023 in the absence of significant one-off effects. Assuming an effective group tax rate of below 20% and lower minority charges compared to 2023, Erste Group aims to achieve a ROTE of about 15% in 2024. The CET1 ratio is expected to remain strong, providing enhanced capital return and/or M&A flexibility, despite Erste Group targeting the execution of a share buyback in the amount of EUR 500 million in 2024.

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. International (military) conflicts, such as the war in Ukraine and in the Mid East do not impact Erste Group directly, as it has no operating presence in the 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.

PERFORMANCE IN DETAIL

January-December 2023 compared with January-December 2022

in EUR million	2022	2023	Change
Net interest income	5,951	7,228	21.5%
Net fee and commission income	2,452	2,640	7.6%
Net trading result and gains/losses from financial instruments at FVPL	-47	449	n/a
Operating income	8,571	10,552	23.1%
Operating expenses	-4,575	-5,020	9.7%
Operating result	3,996	5,532	38.4%
Impairment result from financial instruments	-300	-128	-57.3%
Other operating result	-399	-468	17.4%
Levies on banking activities	-187	-183	-1.9%
Pre-tax result from continuing operations	3,222	4,795	48.8%
Taxes on income	-556	-874	57.2%
Net result for the period	2,666	3,921	47.0%
Net result attributable to non-controlling interests	502	923	84.0%
Net result attributable to owners of the parent	2,165	2,998	38.5%

Net interest income

Net interest income rose significantly both in the retail and in the corporate business. This marked increase was due to higher market rates most notably in Austria, Hungary, Croatia and Romania as well as higher loan volumes in nearly all core markets. In the Czech Republic, net interest income was negatively impacted by higher interest expense on deposits and slow repricing of retail loans. The net interest margin (calculated as the annualised sum of net interest income, dividend income and net result from equity method investments over average interest-bearing assets) widened markedly to 2.50% (2.21%).

Net fee and commission income

Growth was achieved across all core markets and nearly all fee and commission categories. Significant rises were recorded most notably in payment services in nearly all segments, with the exception of Serbia, driven by a larger number of transactions as well as repricing. Income from asset management and lending continued its positive trend.

Net trading result & gains/losses from financial instruments measured at fair value through profit or loss

Net trading result as well as the line item gains/losses from financial instruments measured at fair value through profit or loss are materially affected by the fair value measurement of debt securities issued. The related valuation is shown in the fair value result, the valuation of corresponding hedges in the net trading result.

Net trading result turned positive to EUR 754 million (EUR -779 million) due to valuation effects resulting from interest rate moves in the securities and derivatives business as well as higher income from foreign currency transactions. Gains/losses from financial instruments measured at fair value through profit or loss trended in the opposite direction and deteriorated to EUR -306 million (EUR 731 million). While the valuation of debt securities in issue resulted in losses, gains were posted from the valuation of the loan portfolio measured at fair value in Hungary as well as from the valuation of the securities portfolio in Austria (in the Savings Banks segment).

General administrative expenses

in EUR million	2022	2023	Change
Personnel expenses	2,668	2,991	12.1%
Other administrative expenses	1,356	1,468	8.3%
Depreciation and amortisation	551	560	1.7%
General administrative expenses	4,575	5,020	9.7%

Personnel expenses increased in all core markets – most significantly in Austria, the Czech Republic and Romania – driven mostly by higher collective salary agreements. The increase in **other administrative expenses** was primarily attributable to higher IT, marketing and office-related expenses. By contrast, contributions to deposit insurance schemes declined to EUR 114 million (EUR 143 million). In Hungary, expenses dropped to EUR 5 million (EUR 18 million) as contributions in the comparative period had been higher due to a deposit insurance case (Sberbank Europe). In Austria, contributions declined to EUR 68 million (EUR 80 million), in Slovakia to EUR 2 million (EUR 10 million). The cost/income ratio improved to 47.6% (53.4%).

Headcount as of end of the period

	Dec 22	Dec 23	Change
Austria	15,790	16,188	2.5%
Erste Group, EB Oesterreich and subsidiaries	8,687	9,019	3.8%
Haftungsverbund savings banks	7,103	7,168	0.9%
Outside Austria	29,696	29,535	-0.5%
Česká spořitelna Group	10,010	9,829	-1.8%
Banca Comercială Română Group	5,430	5,444	0.3%
Slovenská sporiteľňa Group	3,585	3,520	-1.8%
Erste Bank Hungary Group	3,352	3,359	0.2%
Erste Bank Croatia Group	3,319	3,291	-0.8%
Erste Bank Serbia Group	1,260	1,310	4.0%
Savings banks subsidiaries	1,507	1,539	2.2%
Other subsidiaries and foreign branch offices	1,233	1,242	0.8%
Total	45,485	45,723	0.5%

Gains/losses from derecognition of financial instruments not measured at fair value through profit or loss

Gains/losses from derecognition of financial instruments not measured at fair value through profit or loss amounted to EUR 141 million (EUR 75 million). This includes most notably negative results from the sale of securities in Austria.

Impairment result from financial instruments

The impairment result from financial instruments amounted to EUR -128 million (EUR -300 million). Net allocations to provisions for loans and advances declined to EUR 264 million (EUR 336 million), primarily on the back of releases in Romania. Positive contributions came from income from the recovery of loans already written off, most notably in Austria, the Czech Republic and Croatia, in the amount of EUR 80 million (EUR 82 million) as well as from net releases of provisions for loan commitments and financial guarantees in the amount of EUR 70 million (net allocations of EUR 28 million).

Other operating result

Other operating result is significantly affected by contributions to resolution funds and taxes and levies on banking activities. Contributions to resolution funds declined in all markets to EUR 113 million (EUR 139 million). The most notable decline was recorded in Austria, to EUR 65 million (EUR 74 million). Taxes and levies on banking activities were lower at EUR 183 million (EUR 187 million). Thereof, EUR 46 million (EUR 63 million) were payable by Austrian entities. In Hungary, banking levies rose to a total of EUR 137 million (EUR 124 million): in addition to regular Hungarian banking tax of EUR 17 million (EUR 15 million), a windfall tax based on the previous year's net revenues was posted in the amount of EUR 48 million (EUR 50 million). Financial transaction tax amounted to EUR 71 million (EUR 59 million). The balance of allocations/releases of other provisions deteriorated to EUR -23 million (EUR 46 million). In addition, impairment losses on tangible and intangible assets were recognised in the amount of EUR 70 million (EUR 44 million).

FINANCIAL RESULTS – QUARTER-ON-QUARTER COMPARISON

Fourth quarter of 2023 compared to third quarter of 2023

in EUR million	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
Income statement					
Net interest income	1,565	1,769	1,792	1,861	1,806
Net fee and commission income	622	643	632	663	702
Dividend income	6	6	17	6	9
Net trading result	70	117	154	67	417
Gains/losses from financial instruments measured at fair value through profit or loss	-12	-81	18	46	-288
Net result from equity method investments	4	5	9	4	5
Rental income from investment properties & other operating leases	44	41	41	44	48
Personnel expenses	-701	-698	-762	-736	-796
Other administrative expenses	-353	-409	-330	-324	-406
Depreciation and amortisation	-140	-136	-139	-142	-143
Gains/losses from derecognition of financial assets at AC	-5	-1	0	-2	-10
Other gains/losses from derecognition of financial instruments not at FVPL	0	1	2	-3	-128
Impairment result from financial instruments	-141	21	8	-156	0
Other operating result	-152	-274	-9	-44	-141
Levies on banking activities	-54	-99	-22	-27	-36
Pre-tax result from continuing operations	808	1,003	1,433	1,283	1,075
Taxes on income	-122	-186	-253	-231	-205
Net result for the period	687	818	1,180	1,052	870
Net result attributable to non-controlling interests	169	224	284	233	182
Net result attributable to owners of the parent	518	594	896	820	688

Net interest income declined by 3.0%, mainly due to increased interest expense on customer deposits in Austria and modification losses related to government-imposed interest rate caps in Hungary and Serbia.

Net fee and commission income was up 5.9%. While income from payment services, brokerage and asset management increased, income from securities business declined.

Net trading result improved primarily due to positive valuation effects resulting from the development of interest rates in securities and derivatives trading as well as higher income from foreign currency transactions. **Gains/losses from financial instruments measured at fair value through profit or loss** deteriorated primarily on the back of valuation losses of debt securities in issue driven by market rate developments. Gains from the valuation of the loan portfolio measured at fair value in Hungary increased to EUR 32 million (EUR 29 million). The securities portfolio in Austria (Savings Banks segment) was likewise up on the third quarter.

General administrative expenses rose by 11.9%. Personnel expenses were 8.1% higher, primarily due to seasonal bonus provisions. The increase in other administrative expenses (+25.5%) was mainly attributable to higher marketing costs in Austria. The **cost/income ratio** stood at 49.8% (44.7%).

Gains/losses from derecognition of financial instruments not measured at fair value through profit or loss amounted to EUR -138 million (EUR -5 million). This includes losses from the sale of securities in Austria, Hungary and Croatia.

The improvement in the **impairment result from financial instruments** was attributable in particular to lower allocations to provisions for credit risks in Austria, Romania and Hungary as well as net releases of provisions for loan commitments and guarantees.

Other operating result deteriorated. Taxes and levies on banking activities amounted to EUR 36 million (EUR 27 million). Thereof, EUR 18 million (EUR 18 million) were charged in Hungary. In Austria, banking tax amounted to EUR 17 million (EUR 9 million). In the fourth quarter, allocations to provisions for legal risks in several core markets resulted in expenses of EUR 39 million (EUR 2 million). Additional adverse impacts came from the write-down of computer software and licenses.

DEVELOPMENT OF THE BALANCE SHEET

31 December 2023 compared with 31 December 2022

in EUR million	Dec 22	Dec 23	Change
Assets			
Cash and cash balances	35,685	36,685	2.8%
Trading, financial assets	59,833	63,690	6.4%
Loans and advances to banks	18,435	21,432	16.3%
Loans and advances to customers	202,109	207,828	2.8%
Intangible assets	1,347	1,313	-2.5%
Miscellaneous assets	6,456	6,206	-3.9%
Total assets	323,865	337,155	4.1%
Liabilities and equity			
Financial liabilities held for trading	3,264	2,304	-29.4%
Deposits from banks	28,821	22,911	-20.5%
Deposits from customers	223,973	232,815	3.9%
Debt securities issued	35,904	43,759	21.9%
Miscellaneous liabilities	6,599	6,864	4.0%
Total equity	25,305	28,502	12.6%
Total liabilities and equity	323,865	337,155	4.1%

Cash and cash balances amounted to EUR 36.7 billion (EUR 35.7 billion). **Trading and investment securities** held in various categories of financial assets increased to EUR 63.7 billion (EUR 59.8 billion).

Loans and advances to credit institutions (net), including demand deposits other than overnight deposits, grew – primarily in Austria and in the Czech Republic – to EUR 21.4 billion (EUR 18.4 billion).

Loans and advances to customers (net) increased to EUR 207.8 billion (EUR 202.1 billion), most notably due to organic growth in Slovakia and Croatia as well as inorganic growth in the Czech Republic. Both retail and corporate loan volumes increased.

Loan loss allowances for loans to customers were nearly unchanged at EUR 4.1 billion (EUR 4.0 billion). The **NPL ratio** – non-performing loans as a percentage of gross customer loans – deteriorated slightly to 2.3% (2.0%), the **NPL coverage ratio** (based on gross customer loans) slipped to 85.1% (94.6%).

Financial liabilities – held for trading amounted to EUR 2.3 billion (EUR 3.3 billion). **Deposits from banks**, including term deposits in an amount of EUR 6.4 billion (EUR 15.6 billion) carrying amount of TLTRO III funds, declined to EUR 22.9 billion (EUR 28.8 billion); **deposits from customers** rose to EUR 232.8 billion (EUR 224.0 billion) due to strong growth in term deposits of financial institutions. The **loan-to-deposit ratio** stood at 89.3% (90.2%). **Debt securities in issue** increased to EUR 43.8 billion (EUR 35.9 billion).

Total assets rose to EUR 337.2 billion (EUR 323.9 billion). **Total equity** increased to EUR 28.5 billion (EUR 25.3 billion). This includes AT1 instruments in the amount of EUR 2.4 billion. After regulatory deductions and filtering according to the Capital Requirements Regulation (CRR) **common equity tier 1 capital** (CET1, CRR final) rose to EUR 22.9 billion (EUR 20.4 billion) as were total **own funds** (CRR final)

to EUR 29.1 billion (EUR 26.2 billion). Total risk – **risk-weighted assets** including credit, market and operational risk (CRR final) – increased to EUR 146.5 billion (EUR 143.9 billion).

The **total capital ratio**, total eligible qualifying capital in relation to total risk (CRR final), rose to 19.9% (18.2%), well above the legal minimum requirement. The **tier 1 ratio** increased to 17.3% (15.8%), the **common equity tier 1 ratio** advanced to 15.7% (14.2%) (both ratios CRR final).

BUSINESS DEVELOPMENT

January-December 2023 compared with January-December 2022

The tables and information below provide a brief overview of the development in the core markets by geographical segments (operating segments) focusing on selected and summarized items. For more details please see Note 28 Segment reporting. At www.erstegroup.com/investorrelations additional information is available in Excel format.

Operating income consists of net interest income, net fee and commission income, net trading result, gains/losses from financial instruments measured at fair value through profit or loss, dividend income, net result from equity method investments and rental income from investment properties & other operating leases. The latter three listed items are not shown in the tables below. Net trading result and gains/losses from financial instruments measured at fair value through profit or loss are summarized under one position. Operating expenses correspond to the position general administrative expenses. Operating result is the net amount of operating income and operating expenses. Risk provisions for loans and receivables are included in the position impairment result from financial instruments. Other result summarizes the positions other operating result and gains/losses from financial instruments not measured at fair value through profit or loss, net. The cost/income ratio is calculated as operating expenses in relation to operating income. The return on allocated capital is defined as the net result after tax/before minorities in relation to the average allocated capital.

AUSTRIA

Erste Bank Oesterreich & Subsidiaries

in EUR million	2022	2023	Change
Net interest income	709	1,200	69.3%
Net fee and commission income	480	505	5.1%
Net trading result and gains/losses from financial instruments at FVPL	-1	8	n/a
Operating income	1,250	1,778	42.2%
Operating expenses	-689	-747	8.5%
Operating result	562	1,031	83.5%
Cost/income ratio	1	0	
Impairment result from financial instruments	-31	-53	71.1%
Other result	-36	-68	90.1%
Net result attributable to owners of the parent	320	681	>100.0%
Return on allocated capital	14.6%	32.6%	

The Erste Bank Oesterreich & Subsidiaries (EBOe & Subsidiaries) segment comprises Erste Bank der oesterreichischen Sparkassen AG (Erste Bank Oesterreich) and its main subsidiaries (e.g. sBausparkasse, Salzburger Sparkasse, Tiroler Sparkasse, Sparkasse Hainburg).

Net interest income increased due to higher market interest rates and higher customer loan volumes, only partially offset by higher interest expenses for repriced customer deposits and a moderate shift from current accounts to term deposits and savings accounts. Net fee and commission income rose mainly on the back of higher payment fees. Net trading result and gains/losses from financial instruments at FVPL improved on valuation effects. The increase of operating expenses was driven by higher personnel, IT and marketing expenses. The deposit insurance contribution decreased to EUR 27 million (EUR 32 million). Consequently, operating result and the cost/income ratio improved notably. Impairment result from financial instruments worsened due to negative changes in customer creditworthiness. Other result deteriorated mainly due to lower real estate selling gains. The banking tax decreased to EUR 16 million (EUR 23 million). The payment into the resolution fund decreased to EUR 16 million (EUR 17 million). Overall, the net result attributable to owners of the parent increased.

Savings Banks

in EUR million	2022	2023	Change
Net interest income	1,223	1,892	54.7%
Net fee and commission income	623	656	5.3%
Net trading result and gains/losses from financial instruments at FVPL	-53	64	n/a
Operating income	1,844	2,660	44.2%
Operating expenses	-1,143	-1,259	10.1%
Operating result	701	1,401	100.0%
Cost/income ratio	1	0	
Impairment result from financial instruments	-62	-182	>100.0%
Other result	-25	-39	55.7%
Net result attributable to owners of the parent	57	122	>100.0%
Return on allocated capital	9.8%	20.6%	

The Savings Banks segment includes those savings banks which are members of the Haftungsverbund (cross-guarantee system) of the Austrian savings banks sector and in which Erste Group does not hold a majority stake but which are fully controlled according to IFRS 10. The fully or majority owned savings banks Erste Bank Oesterreich, Tiroler Sparkasse, Salzburger Sparkasse, and Sparkasse Hainburg are not part of the Savings Banks segment.

Net interest income increased due to higher market interest rates and higher customer loan volumes, only partially offset by higher interest expenses for repriced customer deposits and a moderate shift from current accounts to term deposits and savings accounts. Net fee and commission income increased mainly on the back of higher payment fees. Valuation effects led to the improvement of the net trading result and gains/losses from financial instruments at FVPL. Operating expenses increased due to higher personnel, IT and marketing expenses, partially compensated by a lower contribution to the deposit insurance fund of EUR 41 million (EUR 48 million). Consequently, operating result as well as the cost/income ratio improved notably. Impairment result from financial instruments deteriorated mainly due to negative changes in customer creditworthiness observed in the fourth quarter of 2023. Other result deteriorated due to lower real estate selling gains and higher provisions for legal cases. Banking tax decreased to EUR 5 million (EUR 18 million) due to a one-off payment in 2022. Overall, the net result attributable to the owners of the parent increased.

Other Austria

in EUR million	2022	2023	Change
Net interest income	634	623	-1.8%
Net fee and commission income	293	321	9.7%
Net trading result and gains/losses from financial instruments at FVPL	-22	16	n/a
Operating income	954	1,021	7.0%
Operating expenses	-363	-394	8.5%
Operating result	591	626	6.0%
Cost/income ratio	0	0	
Impairment result from financial instruments	-64	135	n/a
Other result	4	17	>100.0%
Net result attributable to owners of the parent	402	586	45.9%
Return on allocated capital	15.7%	23.0%	

The Other Austria segment comprises the Corporates and Group Markets business of Erste Group Bank AG (Holding), Erste Group Immorent, Erste Asset Management and Intermarket Bank.

Net interest income decreased moderately due to a lower contribution of money market and interest related derivatives in Group Markets, only partially compensated by a one-off payment related to a successful restructuring case and higher customer deposit margins in the Corporates business. Net fee and commission income improved due to higher asset management fees, higher lending fees in the Corporates business and higher fees from origination business in Group Markets. Net trading result and gains/losses from financial instruments at FVPL improved on valuation effects. Overall, operating income increased. Higher operating expenses on the back of higher personnel and project related costs led to a slight increase of the cost/income ratio. The impairment result from financial instruments improved significantly; rating upgrades and recoveries as well as muted NPL inflows resulted in a net release. This was supported by improved risk parameters and reviewed criteria for collective SICR assessment (mainly for energy intensive industries). Other result improved mainly on lower level of litigation provisions, it included the resolution fund contribution of EUR 8 million (EUR 8 million). Overall, the net result attributable to owners of the parent improved.

CENTRAL AND EASTERN EUROPE

Czech Republic

in EUR million	2022	2023	Change
Net interest income	1,417	1,320	-6.9%
Net fee and commission income	387	454	17.3%
Net trading result and gains/losses from financial instruments at FVPL	134	101	-25.1%
Operating income	1,952	1,894	-3.0%
Operating expenses	-868	-964	11.0%
Operating result	1,084	929	-14.2%
Cost/income ratio	0	1	
Impairment result from financial instruments	-26	-34	32.8%
Other result	-143	-83	-42.2%
Net result attributable to owners of the parent	758	679	-10.4%
Return on allocated capital	19.7%	15.4%	

The segment analysis is done on a constant currency basis. The CZK appreciated by 2.3% against the EUR in the reporting period. Net interest income in the Czech Republic segment (comprising Česká spořitelna Group) decreased on the back of higher funding costs – customer deposit repricing combined with a shift of volumes from current accounts towards term and savings deposits. The increase in net fee and commission income was mainly driven by higher securities fees as well as higher payment fees.

Valuation effects led to the reduction of net trading result and gains/losses from financial instruments at FVPL. Operating expenses increased mainly due to higher personnel as well as IT costs. Contributions into the deposit insurance fund rose to EUR 20 million (EUR 13 million). Overall, the operating result decreased, and the cost/income ratio worsened. Impairment result from financial instruments was impacted by provisions related to the newly integrated Sberbank and Hello bank portfolios, whereby risk costs related to the existing portfolio decreased. Other result improved on significantly lower selling losses from bonds. Contribution to the resolution fund decreased to EUR 32 million (EUR 39 million). Altogether, these developments led to a decline in the net result attributable to the owners of the parent.

Slovakia

in EUR million	2022	2023	Change
Net interest income	450	514	14.4%
Net fee and commission income	192	208	8.0%
Net trading result and gains/losses from financial instruments at FVPL	26	24	-8.5%
Operating income	671	751	11.9%
Operating expenses	-307	-332	8.1%
Operating result	364	419	15.0%
Cost/income ratio	0	0	
Impairment result from financial instruments	-32	-15	-52.7%
Other result	-12	-9	-25.9%
Net result attributable to owners of the parent	249	307	23.1%
Return on allocated capital	16.8%	20.1%	

Net interest income in the Slovakia segment (comprising Slovenská sporiteľňa Group) increased due to higher customer loan volumes and higher market interest rates leading to a repricing of loans, which was only partially offset by the repricing of liabilities and higher expenses for issued bonds. Net fee and commission income increased on the back of higher income from lending, payment and insurance brokerage fees. Net trading result and gains/losses from financial instruments at FVPL decreased slightly on valuation effects. Operating expenses increased due to higher personnel and IT expenses, partially compensated by lower contributions into the deposit insurance fund of EUR 2 million (EUR 10 million). Consequently, operating result increased and the cost/income ratio improved. Impairment result from financial instruments improved due to rating upgrades for corporate customers as well as net releases driven by review of criteria for collective SICR assessment (stage overlays, mainly for energy intensive industries). Other result improved slightly due to the lower contribution to the resolution fund of EUR 4 million (EUR 6 million) and lower impairments of participations. Overall, the net result attributable to the owners of the parent increased.

Romania

in EUR million	2022	2023	Change
Net interest income	530	637	20.2%
Net fee and commission income	191	205	6.9%
Net trading result and gains/losses from financial instruments at FVPL	128	112	-12.7%
Operating income	868	964	11.1%
Operating expenses	-381	-418	9.6%
Operating result	487	546	12.3%
Cost/income ratio	0	0	
Impairment result from financial instruments	-80	-9	-88.3%
Other result	-37	-34	-9.2%
Net result attributable to owners of the parent	297	383	29.1%
Return on allocated capital	16.5%	20.7%	

The segment analysis is done on a constant currency basis. The RON depreciated by 0.3% against the EUR in the reporting period. Net interest income in the Romania segment (comprising Banca Comercială

Română Group) was positively impacted by higher market interest rates combined with higher business volumes. Net fee and commission income increased mainly on higher lending fees. The decline of the net trading result and gains/losses from financial instruments at FVPL was attributable to lower trading result from bonds, money market instruments and interest rate derivatives. Operating expenses went up mainly due to higher personnel expenses, contributions to the deposit insurance fund decreased to EUR 5 million (EUR 9 million). Overall, operating result increased and the cost/income ratio improved moderately. Impairment result from financial instruments improved due to lower allocations on the back of methodological changes and net releases caused by refinancing in the fourth quarter. Other result improved mainly on lower provisions for other commitments. The contribution to the resolution fund amounted to EUR 10 million (EUR 12 million). Overall, the net result attributable to the owners of the parent increased.

Hungary

in EUR million	2022	2023	Change
Net interest income	396	357	-9.8%
Net fee and commission income	223	255	14.4%
Net trading result and gains/losses from financial instruments at FVPL	-73	142	n/a
Operating income	554	763	37.9%
Operating expenses	-247	-270	9.2%
Operating result	307	494	60.9%
Cost/income ratio	0	0	
Impairment result from financial instruments	-18	1	n/a
Other result	-138	-192	38.9%
Net result attributable to owners of the parent	125	265	>100.0%
Return on allocated capital	10.0%	17.3%	

The segment analysis is done on a constant currency basis. The HUF appreciated by 2.3% against the EUR in the reporting period. Net interest income in the Hungary segment (comprising Erste Bank Hungary Group) was negatively impacted by a P&L neutral shift from net trading result to interest expense (mainly intra-group transactions) as well as modification losses related to the mortgage interest cap prolongation. These developments were only partially offset by significantly higher interest rates supported by money market placements. Net fee and commission income rose on higher payment and securities fees. Net trading result and gains/losses from financial instruments at FVPL improved due to valuation effects as well as the positive impact of the P&L neutral shift to net interest income. Operating expenses increased due to higher personnel and IT expenses, partially compensated by lower contributions into the deposit insurance fund of EUR 5 million (EUR 18 million, predominantly driven by last year's Sberbank Europe deposit insurance case). Consequently, both operating result and the cost/income ratio improved notably. Impairment result from financial instruments improved due to parameter updates. The deterioration of other result was driven by selling losses from bonds, impairment of non-financial assets, provisions for legal expenses and higher financial transaction tax of EUR 71 million (EUR 59 million), partially offset by releases of provisions for other commitments. The banking tax remained by and large stable at EUR 66 million (EUR 65 million); it included the regular banking tax and a windfall profit tax of EUR 48 million (EUR 50 million). The contribution to the resolution fund decreased to EUR 2 million (EUR 4 million). Overall, the net result attributable to the owners of the parent increased.

Croatia

in EUR million	2022	2023	Change
Net interest income	285	403	41.7%
Net fee and commission income	117	124	5.9%
Net trading result and gains/losses from financial instruments at FVPL	38	16	-57.0%
Operating income	449	552	23.1%
Operating expenses	-240	-264	10.0%
Operating result	209	289	38.1%
Cost/income ratio	1	0	
Impairment result from financial instruments	42	46	8.7%
Other result	-27	-43	59.2%
Net result attributable to owners of the parent	120	164	36.6%
Return on allocated capital	14.2%	22.3%	

Net interest income in the Croatia segment (comprising Erste Bank Croatia Group) increased due to higher market interest rates and customer loan volumes as well as higher income from securities. Net fee and commission income went up due to higher payments, securities and documentary fees. Net trading result and gains/losses from financial instruments at FVPL deteriorated driven by lower foreign currency transactions as a result of euro introduction. Operating expenses went up on the back of higher personnel and IT costs. The contribution into the deposit insurance fund rose to EUR 9 million (EUR 8 million). Overall, operating result increased and the cost/income ratio improved. Impairment result from financial instruments benefited from net releases driven by the implementation of a new rating model and parameter updates as well as review of rules for collective SICR assessment (stage overlays). Other result worsened mainly on selling losses from bonds. The resolution fund contribution decreased to EUR 0.3 million (EUR 5 million). Consequently, the net result attributable to the owners of the parent increased.

Serbia

in EUR million	2022	2023	Change
Net interest income	83	101	21.9%
Net fee and commission income	23	24	3.5%
Net trading result and gains/losses from financial instruments at FVPL	6	7	34.5%
Operating income	112	134	19.9%
Operating expenses	-74	-91	22.1%
Operating result	38	43	15.5%
Cost/income ratio	1	1	
Impairment result from financial instruments	-20	-9	-53.9%
Other result	-3	1	n/a
Net result attributable to owners of the parent	11	26	>100.0%
Return on allocated capital	4.7%	10.3%	

The segment analysis is done on a constant currency basis. The Serbian Dinar (RSD) appreciated by 0.2% against the EUR in the reporting period. Net interest income in the Serbia segment (comprising Erste Bank Serbia Group) increased due to higher loan volumes and market interest rates, partially offset by a modification loss related to the newly introduced interest cap on housing loans. Net fee and commission income increased marginally. The net trading result and gains/losses from financial instruments at FVPL improved on a higher contribution of foreign currency transactions. Operating expenses rose mainly due to higher personnel and IT costs. Contributions into the deposit insurance fund amounted to EUR 5 million (EUR 5 million). Although the operating result improved, the cost/income ratio worsened. Impairment result from financial instruments improved on lower allocations driven by a review of rules for collective SICR assessment (stage overlays). Other result improved on lower provisions for legal expenses. Overall, the net result attributable to owners of the parent increased notably.

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APPENDIX: Preliminary results 2023 of Erste Group Bank AG (IFRS)

Consolidated income statement

in EUR thousand	2022	2023
Net interest income	5,950,570	7,227,901
Interest income	8,622,708	15,044,708
Other similar income	2,617,564	4,445,657
Interest expenses	-2,569,224	-6,873,015
Other similar expenses	-2,720,478	-5,389,449
Net fee and commission income	2,452,402	2,639,591
Fee and commission income	2,888,731	3,103,976
Fee and commission expenses	-436,329	-464,386
Dividend income	29,128	38,095
Net trading result	-778,633	754,206
Gains/losses from financial instruments measured at fair value through profit or loss	731,320	-305,646
Net result from equity method investments	18,023	22,853
Rental income from investment properties & other operating leases	167,810	174,613
Personnel expenses	-2,667,955	-2,991,339
Other administrative expenses	-1,356,243	-1,468,468
Depreciation and amortisation	-550,667	-559,799
Gains/losses from derecognition of financial assets measured at amortised cost	-52,014	-13,217
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	-23,273	-128,282
Impairment result from financial instruments	-299,541	-127,835
Other operating result	-398,543	-467,893
Levies on banking activities	-187,148	-183,499
Pre-tax result from continuing operations	3,222,384	4,794,782
Taxes on income	-556,108	-874,149
Net result for the period	2,666,275	3,920,633
Net result attributable to non-controlling interests	501,558	923,057
Net result attributable to owners of the parent	2,164,718	2,997,576

Consolidated statement of comprehensive income

in EUR thousand	2022	2023
Net result for the period	2,666,275	3,920,632
Other comprehensive income		
Items that may not be reclassified to profit or loss	240,152	-79,089
Remeasurement of defined benefit plans	99,253	-59,437
Fair value reserve of equity instruments	-33,107	10,191
Own credit risk reserve	239,290	-50,400
Deferred taxes relating to items that may not be reclassified	-65,284	20,557
Items that may be reclassified to profit or loss	-359,463	400,348
Fair value reserve of debt instruments	-560,430	401,093
Gain/loss during the period	-586,164	272,638
Reclassification adjustments	24,699	138,548
Credit loss allowances	1,035	-10,093
Cash flow hedge reserve	9,886	205,397
Gain/loss during the period	63,313	378,495
Reclassification adjustments	-53,427	-173,098
Currency reserve	79,017	-100,734
Gain/loss during the period	79,017	-100,734
Deferred taxes relating to items that may be reclassified	112,455	-105,444
Gain/loss during the period	107,220	-112,375
Reclassification adjustments	5,236	6,931
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	-390	36
Total other comprehensive income	-119,312	321,260
Total comprehensive income	2,546,964	4,241,892
Total comprehensive income attributable to non-controlling interests	426,659	931,039
Total comprehensive income attributable to owners of the parent	2,120,304	3,310,853

Group balance sheet

in EUR thousand	Dec 22	Dec 23
Assets		
Cash and cash balances	35,684,789	36,684,966
Financial assets held for trading	7,765,560	8,773,018
Derivatives	1,718,677	1,261,941
Other financial assets held for trading	6,046,883	7,511,077
Pledged as collateral	94,419	245,224
Non-trading financial assets at fair value through profit and loss	2,735,267	3,004,081
Pledged as collateral	0	0
Equity instruments	346,644	414,550
Debt securities	1,549,323	1,551,270
Loans and advances to customers	839,299	1,038,261
Financial assets at fair value through other comprehensive income	9,559,536	8,904,590
Pledged as collateral	698,497	355,595
Equity instruments	99,157	110,384
Debt securities	9,460,379	8,794,207
Financial assets at amortised cost	253,360,015	264,720,569
Pledged as collateral	1,760,916	3,125,186
Debt securities	40,611,716	44,046,951
Loans and advances to banks	18,435,476	21,432,389
Loans and advances to customers	194,312,823	199,241,229
Finance lease receivables	4,552,932	4,969,505
Hedge accounting derivatives	158,741	182,582
Fair value changes of hedged items in portfolio hedge of interest rate risk	-37,836	-24,981
Property and equipment	2,617,998	2,604,853
Investment properties	1,372,160	1,523,833
Intangible assets	1,347,143	1,313,389
Investments in associates and joint ventures	208,572	241,236
Current tax assets	108,939	71,956
Deferred tax assets	628,721	467,652
Assets held for sale	167,188	163,296
Trade and other receivables	2,403,677	2,579,306
Other assets	1,231,555	975,528
Total assets	323,864,958	337,155,380
Liabilities and equity		
Financial liabilities held for trading	3,263,683	2,303,932
Derivatives	2,626,452	1,614,035
Other financial liabilities held for trading	637,231	689,897
Financial liabilities at fair value through profit or loss	10,814,460	11,152,382
Deposits from customers	1,352,821	592,782
Debt securities issued	9,310,409	10,429,227
Other financial liabilities	151,230	130,373
Financial liabilities at amortised cost	278,932,459	289,841,790
Deposits from banks	28,820,800	22,910,686
Deposits from customers	222,619,717	232,222,669
Debt securities issued	26,593,433	33,330,090
Other financial liabilities	898,509	1,378,346
Lease liabilities	662,107	670,293
Hedge accounting derivatives	372,463	285,520
Provisions	1,676,010	1,612,034
Current tax liabilities	127,296	264,505
Deferred tax liabilities	15,569	14,329
Liabilities associated with assets held for sale	114,862	112,679
Other liabilities	2,581,311	2,396,364
Total equity	25,304,739	28,501,554
Equity attributable to non-controlling interests	5,957,142	6,853,486
Additional equity instruments	2,236,153	2,405,135
Equity attributable to owners of the parent	17,111,444	19,242,932
Subscribed capital	859,600	843,326
Additional paid-in capital	1,477,720	1,493,995
Retained earnings and other reserves	14,774,123	16,905,614
Total liabilities and equity	323,864,958	337,155,380

Operating segments: Geographical segmentation – overview

in EUR million	Austria		Central and Eastern Europe		Other		Total Group	
	2022	2023	2022	2023	2022	2023	2022	2023
Net interest income	2,566	3,715	3,160	3,332	225	181	5,951	7,228
Net fee and commission income	1,396	1,482	1,134	1,269	-77	-111	2,452	2,640
Dividend income	18	23	4	3	7	12	29	38
Net trading result	-128	77	326	359	-977	319	-779	754
Gains/losses from financial instruments at FVPL	52	12	-67	43	747	-360	731	-306
Net result from equity method investments	3	0	7	16	8	7	18	23
Rental income from investment properties & other operating leases	141	150	42	38	-15	-13	168	175
General administrative expenses	-2,195	-2,401	-2,118	-2,338	-262	-281	-4,575	-5,020
Gains/losses from derecognition of financial assets at AC	-1	0	-50	-12	-1	-1	-52	-13
Other gains/losses from derecognition of financial instruments not at FVPL	0	-3	-25	-39	2	-87	-23	-128
Impairment result from financial instruments	-158	-101	-134	-21	-8	-6	-300	-128
Other operating result	-56	-87	-285	-308	-58	-72	-399	-468
Levies on banking activities	-41	-22	-124	-137	-22	-25	-187	-183
Pre-tax result from continuing operations	1,639	2,867	1,994	2,341	-410	-413	3,222	4,795
Taxes on income	-418	-642	-376	-434	237	202	-556	-874
Net result for the period	1,221	2,225	1,618	1,906	-173	-211	2,666	3,921
Net result attributable to non-controlling interests	442	836	57	82	2	5	502	923
Net result attributable to owners of the parent	779	1,390	1,561	1,824	-175	-217	2,165	2,998
Operating income	4,048	5,459	4,606	5,059	-83	34	8,571	10,552
Operating expenses	-2,195	-2,401	-2,118	-2,338	-262	-281	-4,575	-5,020
Operating result	1,853	3,058	2,488	2,721	-345	-247	3,996	5,532
Risk-weighted assets (credit risk, eop)	62,673	63,405	53,151	56,872	3,458	2,465	119,282	122,742
Average allocated capital	9,712	9,236	9,913	10,707	4,660	7,058	24,284	27,001
Cost/income ratio	54.2%	44.0%	46.0%	46.2%	>100%	>100%	53.4%	47.6%
Return on allocated capital	12.6%	24.1%	16.3%	17.8%	-3.7%	-3.0%	11.0%	14.5%
Total assets (eop)	204,979	210,346	142,554	151,733	-23,669	-24,924	323,865	337,155
Total liabilities excluding equity (eop)	166,197	161,196	129,479	137,345	2,884	10,113	298,560	308,654
Impairments	-157	-103	-196	-83	-24	-20	-377	-206
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-159	-190	-93	-21	-20	14	-272	-198
Net impairment loss on commitments and guarantees given	1	89	-41	0	12	-20	-28	70
Impairment of goodwill	0	0	-5	-9	0	0	-5	-9
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	-6	-1	-15	-4	-21	-5
Net impairment on other non-financial assets	0	-2	-51	-52	-1	-11	-52	-64

Operating segments: Geographical area – Austria

in EUR million	EBOe & Subsidiaries		Savings Banks		Other Austria		Austria	
	2022	2023	2022	2023	2022	2023	2022	2023
Net interest income	709	1,200	1,223	1,892	634	623	2,566	3,715
Net fee and commission income	480	505	623	656	293	321	1,396	1,482
Dividend income	6	7	8	6	3	10	18	23
Net trading result	-58	29	-70	53	0	-5	-128	77
Gains/losses from financial instruments at FVPL	57	-21	16	11	-22	21	52	12
Net result from equity method investments	3	-1	0	0	0	1	3	0
Rental income from investment properties & other operating leases	52	60	43	41	45	50	141	150
General administrative expenses	-689	-747	-1,143	-1,259	-363	-394	-2,195	-2,401
Gains/losses from derecognition of financial assets at AC	-1	0	0	0	0	0	-1	0
Other gains/losses from derecognition of financial instruments not at FVPL	0	0	1	-4	-1	1	0	-3
Impairment result from financial instruments	-31	-53	-62	-182	-64	135	-158	-101
Other operating result	-35	-68	-26	-34	5	15	-56	-87
Levies on banking activities	-23	-16	-18	-5	0	0	-41	-22
Pre-tax result from continuing operations	495	910	614	1,180	530	778	1,639	2,867
Taxes on income	-140	-202	-157	-261	-121	-178	-418	-642
Net result for the period	355	707	456	919	410	599	1,221	2,225
Net result attributable to non-controlling interests	35	26	399	797	8	13	442	836
Net result attributable to owners of the parent	320	681	57	122	402	586	779	1,390
Operating income	1,250	1,778	1,844	2,660	954	1,021	4,048	5,459
Operating expenses	-689	-747	-1,143	-1,259	-363	-394	-2,195	-2,401
Operating result	562	1,031	701	1,401	591	626	1,853	3,058
Risk-weighted assets (credit risk, eop)	15,454	15,157	27,280	27,433	19,939	20,815	62,673	63,405
Average allocated capital	2,433	2,172	4,665	4,456	2,615	2,608	9,712	9,236
Cost/income ratio	55.1%	42.0%	62.0%	47.3%	38.1%	38.6%	54.2%	44.0%
Return on allocated capital	14.6%	32.6%	9.8%	20.6%	15.7%	23.0%	12.6%	24.1%
Total assets (eop)	59,249	58,667	80,471	81,594	65,259	70,085	204,979	210,346
Total liabilities excluding equity (eop)	56,574	55,524	74,399	74,586	35,223	31,085	166,197	161,196
Impairments	-31	-53	-62	-185	-65	135	-157	-103
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-34	-76	-67	-198	-58	84	-159	-190
Net impairment loss on commitments and guarantees given	3	23	5	16	-7	51	1	89
Impairment of goodwill	0	0	0	0	0	0	0	0
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	0	0	0	0	0	0
Net impairment on other non-financial assets	0	0	0	-2	0	0	0	-2

Operating segments: Geographical area – Central and Eastern Europe

in EUR million	Czech Republic		Slovakia		Romania		Hungary		Croatia		Serbia		Central and Eastern Europe	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Net interest income	1,417	1,320	450	514	530	637	396	357	285	403	83	101	3,160	3,332
Net fee and commission income	387	454	192	208	191	205	223	255	117	124	23	24	1,134	1,269
Dividend income	3	2	1	1	1	1	0	0	0	0	0	0	4	3
Net trading result	152	174	24	22	123	111	-18	29	40	15	6	7	326	359
Gains/losses from financial instruments at FVPL	-18	-74	2	2	5	1	-54	113	-2	1	0	0	-67	43
Net result from equity method investments	3	9	3	4	0	1	0	0	1	1	0	0	7	16
Rental income from investment properties & other operating leases	9	9	0	0	18	9	8	10	8	7	0	2	42	38
General administrative expenses	-868	-964	-307	-332	-381	-418	-247	-270	-240	-264	-74	-91	-2,118	-2,338
Gains/losses from derecognition of financial assets at AC	-50	-11	0	0	0	0	0	0	0	0	0	0	-50	-12
Other gains/losses from derecognition of financial instruments not at FVPL	-26	0	0	0	0	0	1	-17	0	-21	0	0	-25	-39
Impairment result from financial instruments	-26	-34	-32	-15	-80	-9	-18	1	42	46	-20	-9	-134	-21
Other operating result	-68	-71	-11	-9	-37	-33	-139	-174	-27	-22	-3	1	-285	-308
Levies on banking activities	0	0	0	0	0	0	-124	-137	0	0	0	0	-124	-137
Pre-tax result from continuing operations	914	812	320	395	370	503	151	304	224	292	15	35	1,994	2,341
Taxes on income	-156	-133	-71	-88	-73	-120	-26	-39	-50	-52	-1	-3	-376	-434
Net result for the period	759	680	249	307	297	383	125	265	174	240	14	32	1,618	1,906
Net result attributable to non-controlling interests	0	0	0	0	0	0	0	0	54	75	3	6	57	82
Net result attributable to owners of the parent	758	679	249	307	297	383	125	265	120	164	11	26	1,561	1,824
Operating income	1,952	1,894	671	751	868	964	554	763	449	552	112	134	4,606	5,059
Operating expenses	-868	-964	-307	-332	-381	-418	-247	-270	-240	-264	-74	-91	-2,118	-2,338
Operating result	1,084	929	364	419	487	546	307	494	209	289	38	43	2,488	2,721
Risk-weighted assets (credit risk, eop)	22,374	24,550	9,232	10,039	8,529	9,246	5,116	4,833	6,071	6,246	1,829	1,958	53,151	56,872
Average allocated capital	3,848	4,412	1,488	1,524	1,800	1,851	1,248	1,532	1,232	1,077	297	311	9,913	10,707
Cost/income ratio	44.5%	50.9%	45.8%	44.2%	43.9%	43.3%	44.6%	35.3%	53.4%	47.7%	66.5%	67.7%	46.0%	46.2%
Return on allocated capital	19.7%	15.4%	16.8%	20.1%	16.5%	20.7%	10.0%	17.3%	14.2%	22.3%	4.7%	10.3%	16.3%	17.8%
Total assets (eop)	68,002	72,716	23,752	26,469	19,972	21,877	12,717	12,512	14,980	14,752	3,132	3,408	142,554	151,733
Total liabilities excluding equity (eop)	62,292	66,871	21,566	23,995	17,738	19,369	11,601	11,043	13,519	13,077	2,763	2,989	129,479	137,345
Impairments	-72	-67	-36	-15	-86	-10	-24	-27	41	46	-20	-9	-196	-83
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-30	-45	-36	-24	-67	-6	-14	4	71	60	-17	-11	-93	-21
Net impairment loss on commitments and guarantees given	4	10	4	9	-13	-4	-4	-3	-28	-14	-3	1	-41	0
Impairment of goodwill	0	0	0	0	0	0	-5	-9	0	0	0	0	-5	-9
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	-6	-1	0	0	0	0	0	0	0	0	-6	-1
Net impairment on other non-financial assets	-46	-33	2	2	-6	-1	0	-20	-1	0	0	0	-51	-52

Business segments (1)

in EUR million	Retail		Corporates		Group Markets		ALM&LCC	
	2022	2023	2022	2023	2022	2023	2022	2023
Net interest income	2,643	3,263	1,542	1,931	526	386	-283	-558
Net fee and commission income	1,270	1,391	370	410	289	312	-84	-96
Dividend income	0	0	0	2	3	8	11	10
Net trading result	158	169	149	116	56	106	-915	359
Gains/losses from financial instruments at FVPL	-59	111	4	9	-33	13	818	-464
Net result from equity method investments	3	7	3	8	0	0	3	0
Rental income from investment properties & other operating leases	6	9	111	113	0	0	26	28
General administrative expenses	-2,227	-2,429	-592	-665	-246	-265	-122	-138
Gains/losses from derecognition of financial assets at AC	-2	-1	0	0	0	0	-50	-11
Other gains/losses from derecognition of financial instruments not at FVPL	0	0	1	0	0	1	-26	-125
Impairment result from financial instruments	-135	-56	-105	104	1	0	6	15
Other operating result	-101	-111	-57	-82	-34	-33	-155	-163
Levies on banking activities	-80	-84	-39	-54	-10	-16	-18	0
Pre-tax result from continuing operations	1,557	2,354	1,426	1,945	561	528	-770	-1,144
Taxes on income	-306	-424	-281	-374	-113	-102	125	166
Net result for the period	1,251	1,931	1,145	1,571	448	426	-644	-977
Net result attributable to non-controlling interests	33	35	62	75	5	5	0	7
Net result attributable to owners of the parent	1,218	1,896	1,083	1,496	444	422	-644	-984
Operating income	4,022	4,950	2,179	2,589	841	826	-422	-721
Operating expenses	-2,227	-2,429	-592	-665	-246	-265	-122	-138
Operating result	1,795	2,521	1,587	1,923	595	560	-545	-859
Risk-weighted assets (credit risk, eop)	22,458	24,311	55,858	57,264	3,600	4,009	7,269	8,037
Average allocated capital	3,791	3,708	5,841	6,178	1,102	975	5,917	6,701
Cost/income ratio	55.4%	49.1%	27.2%	25.7%	29.2%	32.1%	-29.0%	-19.2%
Return on allocated capital	33.0%	52.1%	19.6%	25.4%	40.7%	43.7%	-10.9%	-14.6%
Total assets (eop)	74,941	77,127	76,016	80,486	47,665	51,885	84,692	85,702
Total liabilities excluding equity (eop)	113,825	113,509	41,625	44,875	44,638	41,871	65,218	74,491
Impairments	-154	-56	-121	99	1	0	-20	-42
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-148	-73	-44	58	1	-5	3	10
Net impairment loss on commitments and guarantees given	13	17	-61	46	-1	5	3	5
Impairment of goodwill	-5	0	0	0	0	0	0	-9
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	0	0	0	0	-6	-1
Net impairment on other non-financial assets	-14	0	-16	-5	0	0	-21	-46

Business segments (2)

in EUR million	Savings Banks		Group Corporate Center		Intragroup Elimination		Total Group	
	2022	2023	2022	2023	2022	2023	2022	2023
Net interest income	1,223	1,892	138	247	162	67	5,951	7,228
Net fee and commission income	623	656	12	-3	-28	-30	2,452	2,640
Dividend income	8	6	7	12	0	0	29	38
Net trading result	-70	53	-17	0	-140	-49	-779	754
Gains/losses from financial instruments at FVPL	16	11	-15	13	0	0	731	-306
Net result from equity method investments	0	0	8	7	0	0	18	23
Rental income from investment properties & other operating leases	43	41	-18	-14	-1	-2	168	175
General administrative expenses	-1,143	-1,259	-964	-1,075	720	812	-4,575	-5,020
Gains/losses from derecognition of financial assets at AC	0	0	0	-1	0	0	-52	-13
Other gains/losses from derecognition of financial instruments not at FVPL	1	-4	2	-1	0	0	-23	-128
Impairment result from financial instruments	-62	-182	-4	-8	0	0	-300	-128
Other operating result	-26	-34	687	754	-713	-798	-399	-468
Levies on banking activities	-18	-5	-22	-25	0	0	-187	-183
Pre-tax result from continuing operations	614	1,180	-165	-69	0	0	3,222	4,795
Taxes on income	-157	-261	175	120	0	0	-556	-874
Net result for the period	456	919	10	51	0	0	2,666	3,921
Net result attributable to non-controlling interests	399	797	2	5	0	0	502	923
Net result attributable to owners of the parent	57	122	8	46	0	0	2,165	2,998
Operating income	1,844	2,660	115	262	-7	-14	8,571	10,552
Operating expenses	-1,143	-1,259	-964	-1,075	720	812	-4,575	-5,020
Operating result	701	1,401	-849	-813	713	798	3,996	5,532
Risk-weighted assets (credit risk, eop)	27,280	27,433	2,818	1,688	0	0	119,282	122,742
Average allocated capital	4,665	4,456	2,968	4,983	0	0	24,284	27,001
Cost/income ratio	62.0%	47.3%	>100%	>100%	>100%	>100%	53.4%	47.6%
Return on allocated capital	9.8%	20.6%	0.3%	1.0%			11.0%	14.5%
Total assets (eop)	80,471	81,594	5,464	3,973	-45,385	-43,611	323,865	337,155
Total liabilities excluding equity (eop)	74,399	74,586	4,281	2,978	-45,426	-43,656	298,560	308,654
Impairments	-62	-185	-21	-23	0	0	-377	-206
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-67	-198	-16	11	0	0	-272	-198
Net impairment loss on commitments and guarantees given	5	16	12	-19	0	0	-28	70
Impairment of goodwill	0	0	0	0	0	0	-5	-9
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	-15	-4	0	0	-21	-5
Net impairment on other non-financial assets	0	-2	-1	-11	0	0	-52	-64