



Financial Results H1 2023



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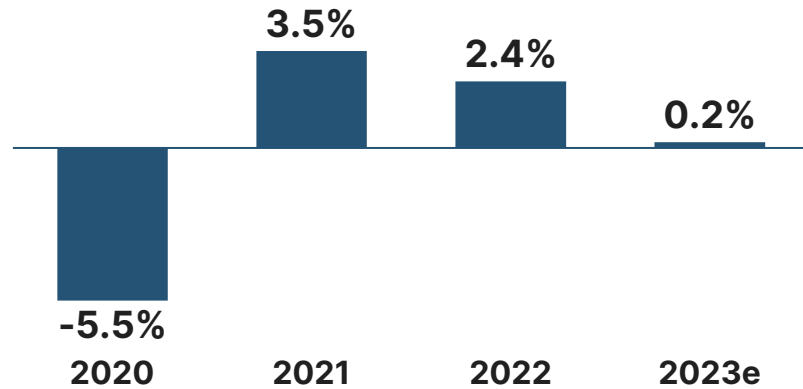
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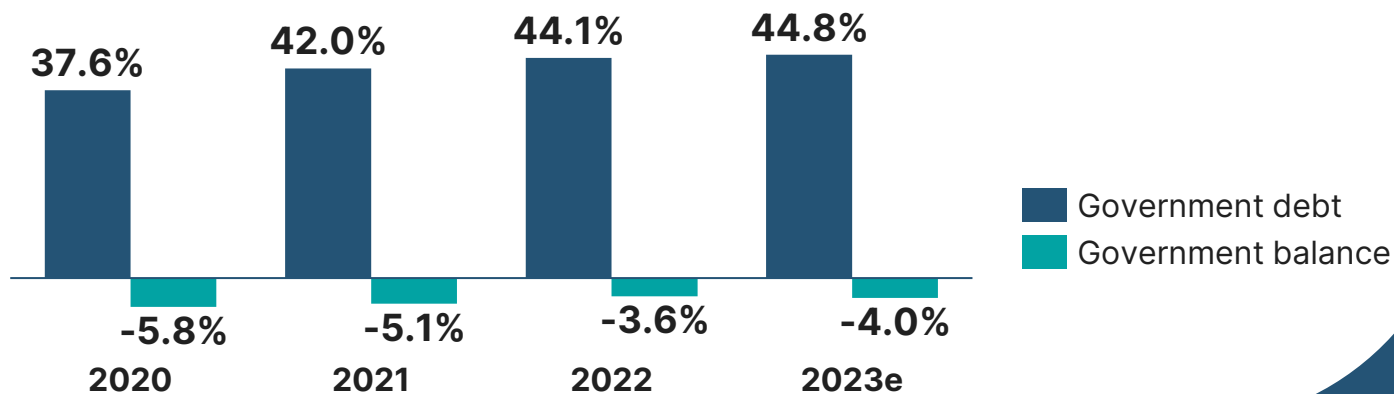
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Macroeconomic Developments

Real GDP Growth y/y



General Government Debt and Government Balance (share of GDP)

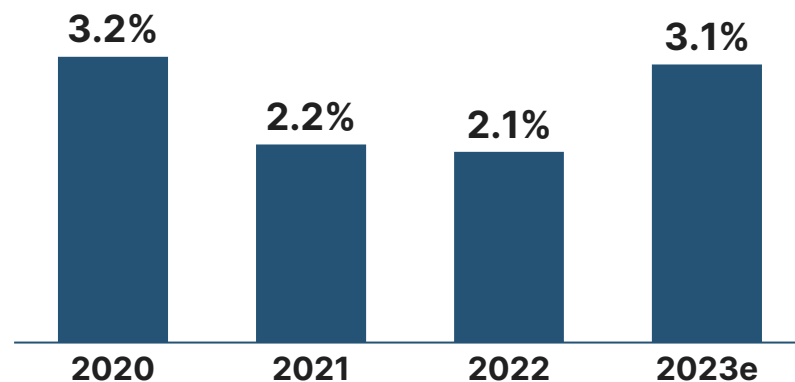


- In 2022, the Czech economy grew by 2.4%, supported primarily by investments. Household consumption, on the other hand, fell as it was negatively affected by high inflation and concerns about future macro developments
- In Q1 2023, GDP roughly stagnated (0.0% q/q and -0.5% y/y). Besides subdued household consumption, change in inventories contributed negatively to GDP growth
- ČS expects GDP growth to slow down significantly in 2023, as an expected further decrease in households' consumption will be accompanied by cooling external demand. However, from H2 2023 thereafter, economic development is expected to gradually improve, due to both domestic and foreign demand recovery
- The war in the Ukraine and high energy prices have been resulting in high government expenditures. Moreover, previous tax changes have negatively affected the income side of the budget
- The deficit of the government sector will be decreasing only gradually and ČS expects it to reach -4.0% in 2023

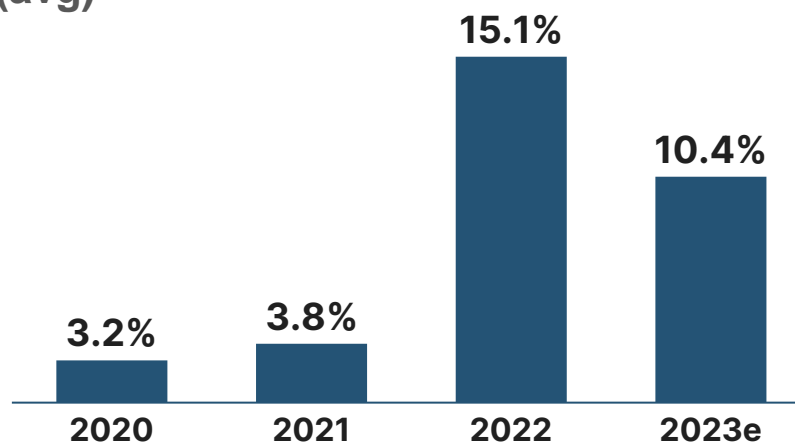
Note: Source for historic figures is the Czech Statistical Office (ČSÚ). Figures for forthcoming years are ČS forecasts
Mid-term outlook available in the Appendix

Macroeconomic Developments

Unemployment Rate (eop)



Consumer Price Inflation (avg)

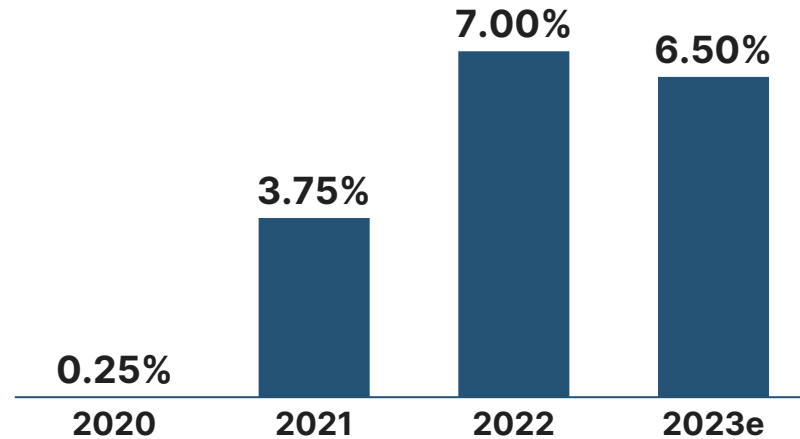


- General unemployment rate (ILO) arrived at 2.5% in May, and thus remains very low. During 2023, ČS expects unemployment to be slightly increasing and exceed 3%, mainly due to decreased domestic demand, high energy prices and global economy worsening
- The deterioration in the labour market took place primarily through the development of real wages, which fell due to high inflation. In 2022, average real wage growth came in at -8.5% and this development continued also in Q1 2023 (-6.8% y/y). From Q3 2023, ČS expects real wages to start rising again
- Headline CPI inflation reached 9.7% in June 2023, and confirmed its slowing trend. Moreover, it had been the first single-digit figure since January 2022. Besides the base effect, lower energy and fuel prices together with effects of strong koruna and subdued domestic demand acted in anti-inflationary direction
- For the whole year 2023, average inflation could slightly exceed 10%. During Q3 2023, inflation is expected to weaken further, which could be also an important factor for the ČNB

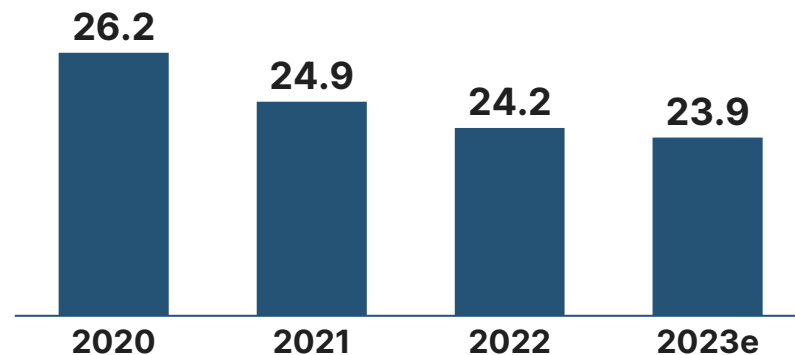
Note: Source for historic figures is the Czech Statistical Office (ČSÚ). Figures for forthcoming years are ČS forecasts
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Macroeconomic Developments

ČNB Repo (eop)



EUR/CZK (eop)



- Given sound pro-inflationary pressures, the key rate of the ČNB arrived at 7.00% in June 2022. Since then, the ČNB has kept it stable as domestic inflationary pressures gradually weakened and the koruna strengthened
- ČS expects rate stability during Q3 2023, as inflation will stay high despite its gradual slowdown. The first rate cut could occur in Q4 2023. In this respect, ČS expects November
- Risks are both-sided. On the one hand, anti-inflationary data could imply a rate cut already in Q3. On the other hand, current ČNB communication indicates a possibility of the first cut at the beginning of 2024
- The koruna remains relatively strong, as it is near EUR/CZK 23.8. The most important factor behind this development is the improved sentiment on the markets accompanied by improved foreign trade data
- ČS expects that the koruna could slightly weaken in the coming months towards EUR/CZK 24.0. Similar figure is also expected for the end of 2023

Note: Source for historic figures is the Czech National Bank (ČNB). Figures for forthcoming years are ČS forecasts
Mid-term outlook available in the Appendix

Summary & Business Highlights

“Česká spořitelna has a very strong long-term financial performance based on a successful business model focused on the financial health of its clients. The basis is, of course, our own health. From this perspective, it is very positive that we have seen a further improvement in our NPL ratio. Thanks to our strong position, we were able to complete the acquisition of Sberbank CZ's loan portfolio during the first half of the year, contributing significantly to making this the fastest and most successful large insolvency settlement in domestic history, as well as to further strengthening the stability of the domestic banking market.”

Ivan Vondra, CFO

Key Indicators

Net profit	CZK 9.3 bn (-16.0% y/y)	Total capital ratio	19.4% (-0.9 pp y/y)
Return on equity	13.8% (-2.8 pp y/y)	Cost/income ratio	48.5% (+7.0 pp y/y)
Operating result	CZK 12.3 bn (-17.3% y/y)	Loan/deposit ratio	66.4% (+2.0 pp y/y)

Česká spořitelna Supports Stronger and Sustainable Society

Česká spořitelna has formulated a purpose-driven strategy based on Erste 2030 vision – to transform itself from a traditional bank to a “Financial Health Company” guiding Czech individuals and companies to financial health through a differentiating personalized advisory concept scaled to millions of clients. Major focus is placed on sustainability, seen as a noble purpose as well as substantial growth opportunity

Customized advisory with the support of digital solutions will lead to:

- Increasing affordability of housing
- Guiding Czech companies through the “green transformation” by inspiring, advising, financing and connecting them
- Guiding Czech companies towards a higher added value products and services

Česká spořitelna has formulated following strategic commitments toward its customers:

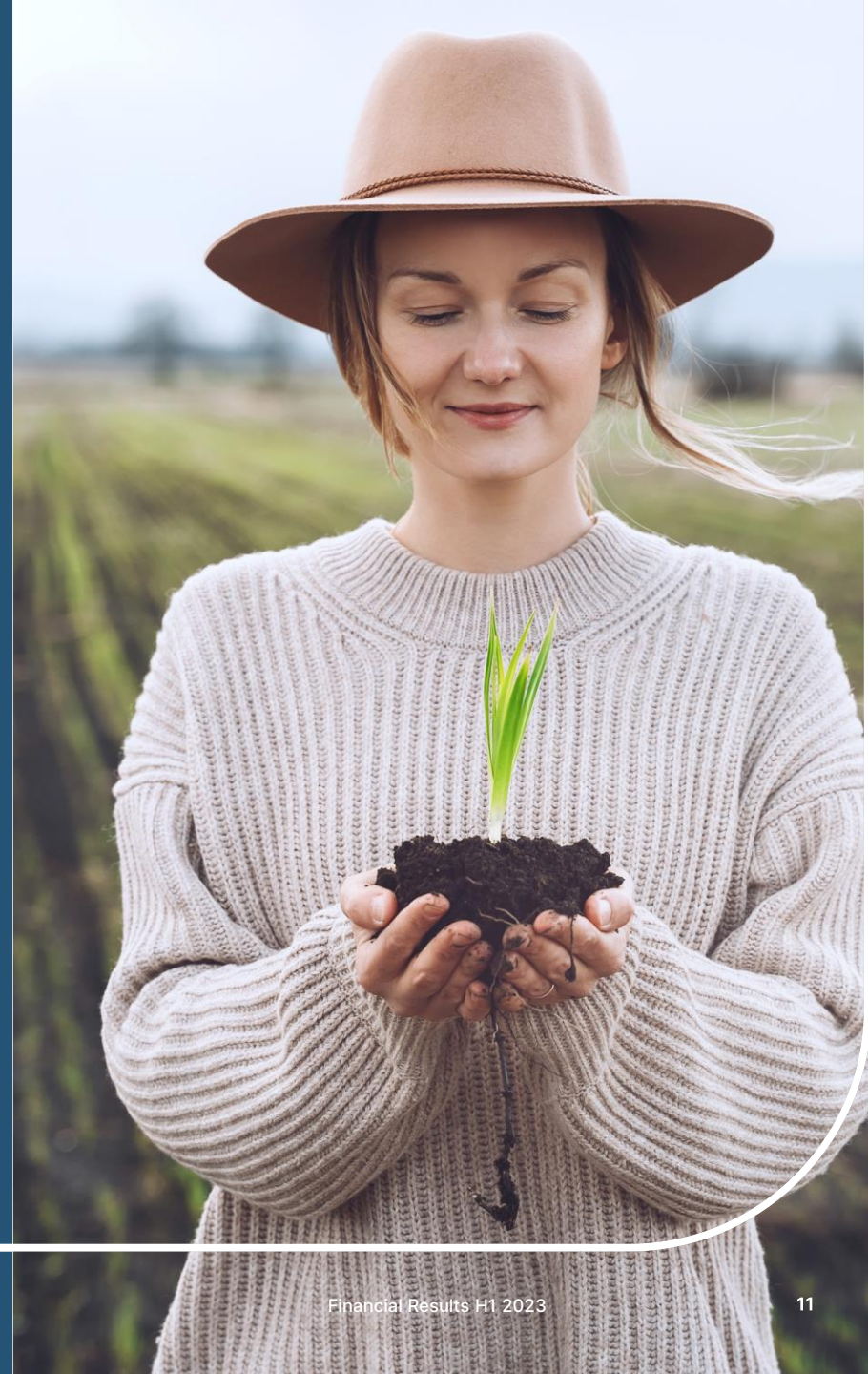
- By 2025, ČS will help all clients build a financial reserve for unexpected expenses
- By 2025, ČS will help one million clients save for retirement
- By 2025, ČS will make quality financial education available to all children in the Czech Republic
- By 2025, ČS will provide Czech companies with CZK 50 billion to increase their competitiveness and retain jobs

ČS Cares about Sustainability

Since its establishment in 1825, Česká spořitelna has played a significant role in shaping Czech society and strengthening the country's prosperity. The Bank perceives this role as a key priority. It is also clear that future growth and prosperity must be based on sustainability. Česká spořitelna wants to lead by example and also assist clients in transforming their own activities for long-term sustainability

From Words to Deeds:

- Česká spořitelna launched a new website focused exclusively on ESG – www.csas.cz/en/about-us/esg. The Bank also published the 2022 Sustainability Report
- As part of its ESG activities, Česká spořitelna has been assessing the "greenness" of all new corporate special-purpose loans since the beginning of 2023, based on the Green Asset Screening (GRAS) methodology. Its purpose is to assess the sustainability of new loans
- Česká spořitelna has been introducing new "green" products for clients. After three new ESG mutual funds, the Bank has come up with Mortgage for the Future and Renovation Loan for the Future. A cheaper mortgage is available for a purchase of energy efficient housing
- Česká spořitelna Financial Group (FSČS) has expanded with a new subsidiary Dostupné bydlení (Affordable Housing). The new company will co-operate with municipalities on the development of new affordable apartments that will be rented to people working in selected professions in social infrastructure. Over H1 2023, the subsidiary introduced two new projects
- Česká spořitelna defined an Environmental, Social and Governance (ESG) risk policy as its basic framework for identifying and managing sustainability related goals and risks. The Bank also implemented assessment of ESG risk for new loan origination according to EBA Guidelines on loan origination and monitoring



Business Highlights – Retail Banking

Advisory

During the first half of 2023, clients started using the new advisory website www.financnezdravejsi.cz, which Česká spořitelna launched this year. In six months, 400,000 people visited it in order to take advantage of useful calculators or to get information on how to get money back on purchases or how to build up a financial reserve

Accounts

In May 2023, Česká spořitelna expanded its product offer with a new savings account for children with an interest rate of up to 5% per annum. It can be opened for children by their parents

ATM

Česká spořitelna's ATMs can already serve clients in 13 languages. Ukrainian has been added as a new language

Acquisitions

In the second quarter of 2023, Česká spořitelna successfully completed the takeover of client loans from **Sberbank CZ**. Česká spořitelna contributed significantly to the smooth settlement of the largest insolvency on the Czech market.

Česká spořitelna is interested in taking over the consumer loan portfolio of **Hello bank**. The terms of the sale have already been agreed between Česká spořitelna and BNP Paribas Personal Finance. The sale of the loan portfolio is now subject to regulatory approvals



Business Highlights – Corporate Banking

Digitization

Since June 2023, Česká spořitelna has been the first bank in the Czech Republic to enable corporate clients to digitally sign documents via Bank ID SIGN. Corporate representatives can thus sign contractual documentation through the bank they use in their personal lives and do not need to have access to the company's internet banking. This service can be used by clients from the SME, LC, Real Estate, Financial Institutions and Public and Non-Profit segments.

Česká spořitelna has agreed with the Association of Towns and Municipalities to provide towns with an e-officer - a multifunctional machine that can handle a numbers of administrative agendas of the state administration online

ESG

Together with its subsidiary Leasing ČS, Česká spořitelna launched a new web application Elektromobilita in April 2023. Its aim is to show clients the opportunities and challenges that electromobility offers. The Bank has started actively offering it to clients from the ranks of entrepreneurs and companies

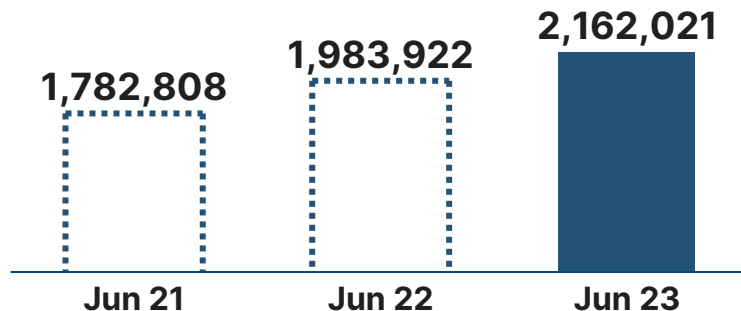
Public sector

The subsidiary Affordable Housing ČS, which focuses on providing housing for employees in key professions of the public sector, has introduced its first two projects in Prague. New apartments will be used mainly by employees of Prague hospitals

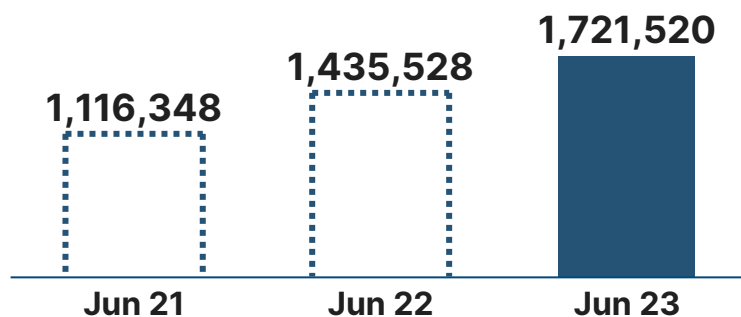


ČS Digital Story

Number of Active Unique Users of George (Internet & Mobile)



Number of Active Unique Users of Mobile George



George

Česká spořitelna's state-of-the-art digital platform George has expanded its investment interface. Among the new features that George accommodates are:

- Online opening of an investment account and trading with mutual funds (both one-off and regular)
- Trading shares on stock exchanges in the Czech Republic, Poland, Germany, Austria, France, Great Britain, Japan and the United States
- Trading with certificates and ETFs
- Household appliance insurance can also be concluded via George as of Q2 2023

Selected Awards



Golden Crown 2023 (Zlatá koruna)

- Golden Crown - Česka spořitelna's Mortgage, George Virtual Card, educational programme Money Alphabet
- Silver Crown - Mortgage for the Future, George in Mobile, Loan for the Future from Buřinka
- Bronze Crown – ČS Online Loan, Luxury metal Mastercard World Elite debit card for Erste private banking clients, ČS Pension Savings

Top Employer of the Year

- Česka spořitelna has become the number one and first career choice of university students in the field of Banking and Investment. At the same time, the Bank also won in the special Economist category, where the Employer of the Year is selected only by students of the faculties of Economics at universities with the best academic results

Top Corporate Tax-Payers

- In 2023, Česka spořitelna was again awarded by the Ministry of Finance and the General Financial Directorate for the largest corporate tax-payers in the Czech Republic. The Bank paid CZK 3.3 billion in income tax to the state budget in 2022 and became the second largest corporate tax-payer in the Czech Republic

Customer Centricity World Series Awards 2022

- Česka spořitelna triumphed in the prestigious global Customer Centricity World Series Awards 2022 – among projects aimed to help the Ukraine. The competition was contested by 26 countries

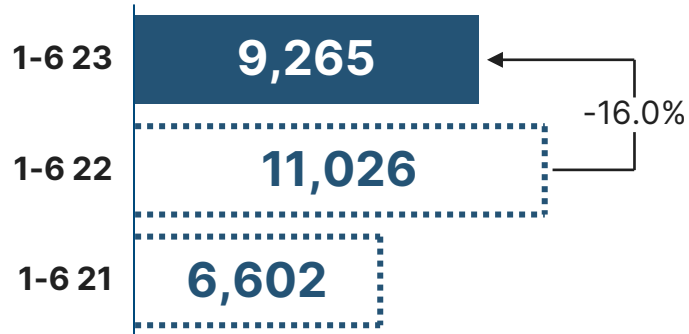
Climate Bonds Initiative

- Česka spořitelna was awarded the "Green Market Pioneer" award in the 7th edition of the international competition promoting sustainable financing. The international judges were impressed by the largest ever green bond issue among financial institutions operating on the domestic market, worth EUR 500 m, which Spořitelna carried out in September 2021. The Bank will use the proceeds of the issue to finance projects focused on sustainability and the environment

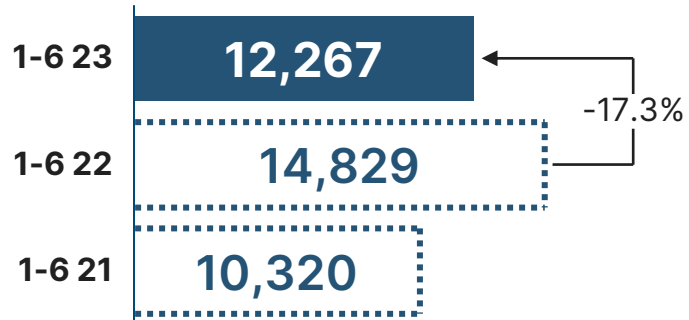
Financial Performance

Main Indicators

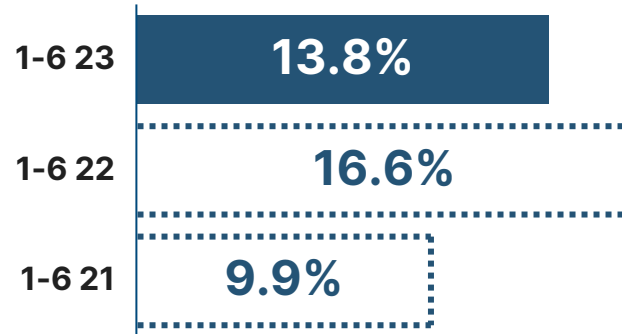
Net profit (CZK m)



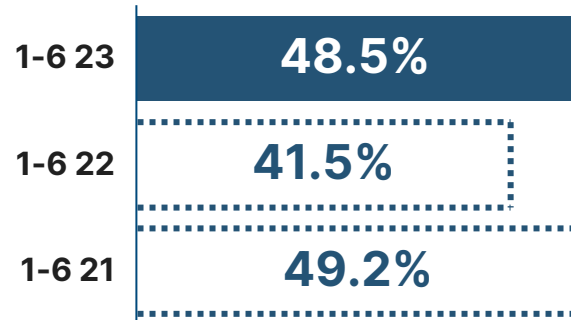
Operating result (CZK m)



ROE

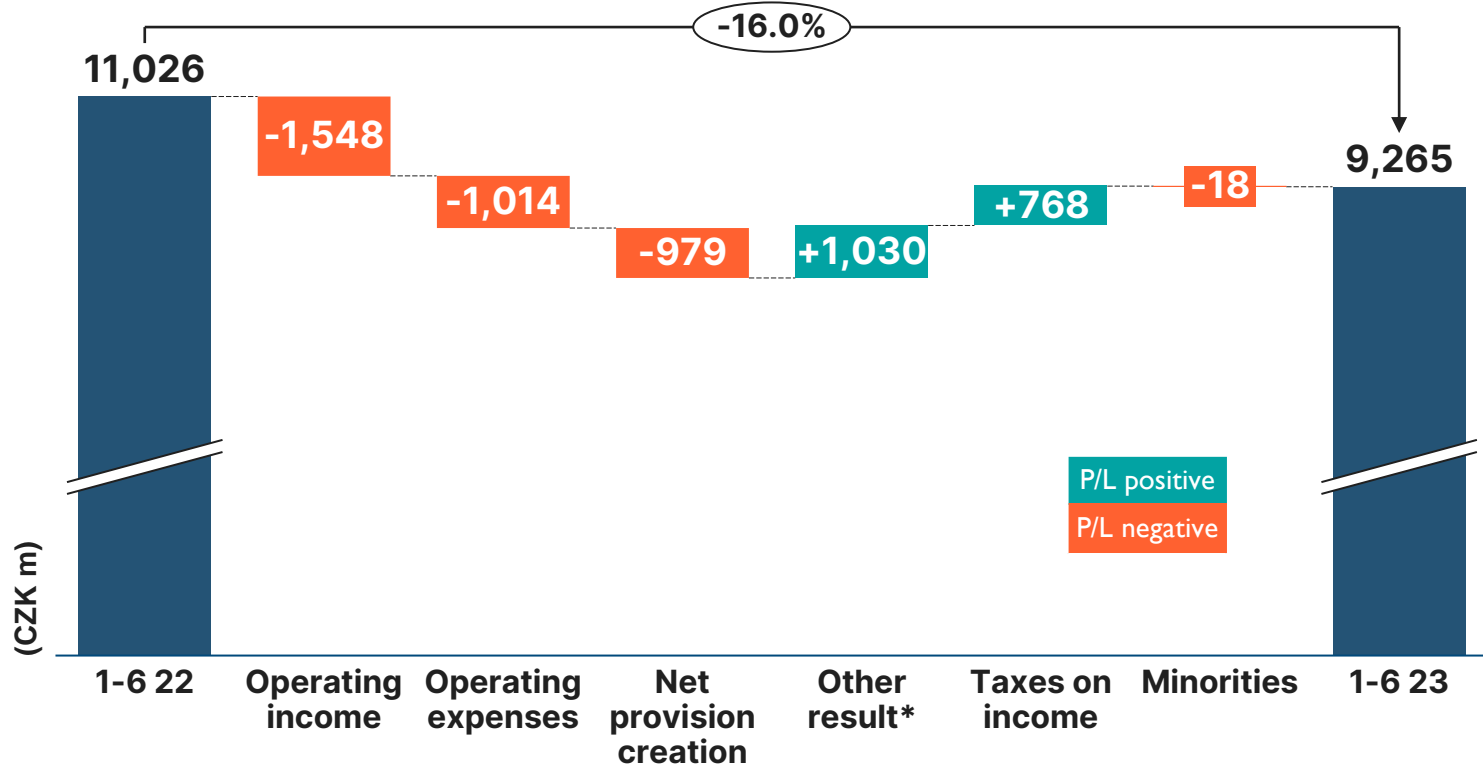


Cost/income ratio



- Net profit decreased by 16.0% y/y to CZK 9.3 bn, driven by considerably lower operating result. Visible q/q improvement of net profit
- ROE declined to 13.8% (-2.8 pp y/y)
- Operating result decreased by 17.3% y/y (or CZK 2.6 bn)
 - Operating income declined by 6.1% y/y, attributed to higher interest expenses paid on deposits and losses from financial instruments measured at FVTPL
 - Operating expenses (+9.6% y/y) stayed below the inflation rate, driven mainly by personnel expenses and other administrative expenses
- Cost/income ratio rose to 48.5% (+7.0 pp y/y)

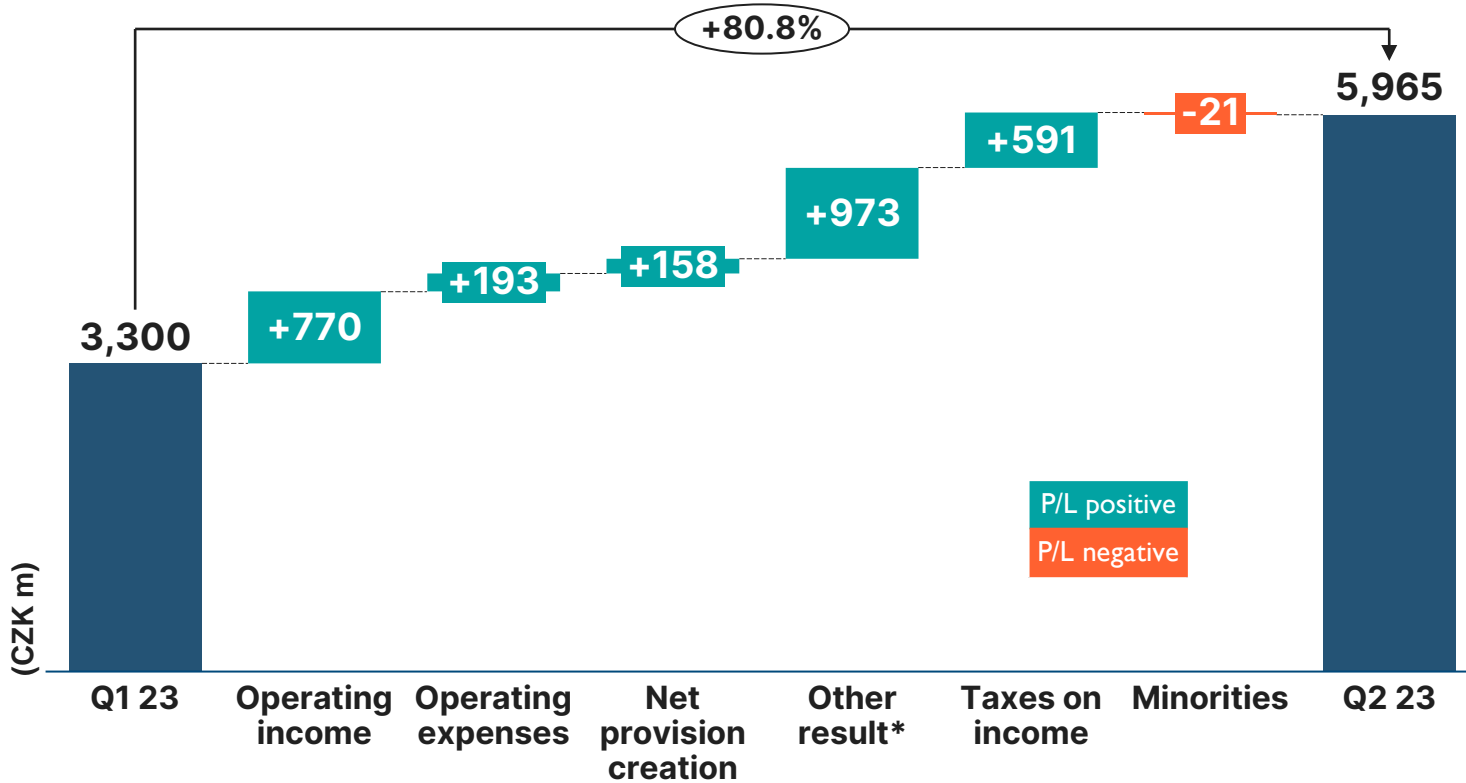
Net Profit – Y/Y



- Operating income went down by 6.1% y/y, impacted mainly by higher interest expenses paid on deposits and losses from financial instruments measured at FVTPL
- Operating expenses stayed below the inflation rate in H1 2023 and rose by 9.6% y/y, attributed to increase in personnel expenses and other administrative expenses
- Development of net provision was reflecting excellent quality of loan portfolio. Y/Y comparison was affected by net provision release in H1 2022 and one-off initial net provision creation due to Sberbank acquisition in H1 2023
- Y/Y increase in other result* attributed mainly to lower contribution to Recovery and Resolution Fund in H1 2023 and sales of bonds in H1 2022

* Includes Gains/losses from derecognition of financial instruments not measured at FV through profit or loss and Other operating result

Net Profit – Q/Q

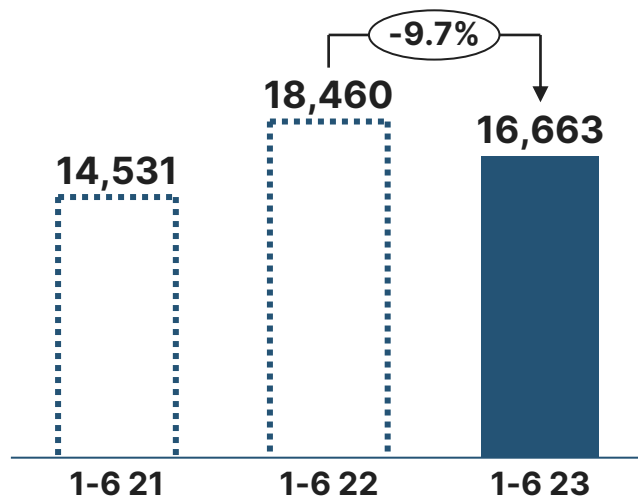


- Operating income in Q2 2023 increased by 6.7% q/q attributed mainly to growth of net interest income (+4.2% q/q) and net trading result (+38.9% q/q)
- Operating expenses decreased by 3.3% q/q driven mainly by
 - Lower other administrative expenses (-16.9% q/q) affected by booking of contribution to Deposit Insurance Fund in Q1 2023 and saving activities in Q2 2023
 - Partly offset by higher personnel expenses (+5.0% q/q) which were caused mainly by employee share programme and salary increase in Q2 2023
- Development of net provision caused by lower net provision creation in Q2 2023, reflecting excellent portfolio quality, partly offset by net provision creation connected to Sberbank acquisition
- Growth of other result* attributed mainly to booking of contribution to Recovery and Resolution Fund in Q1 2023
- The fluctuation in the tax charge was caused by significant reduction of windfall tax payable estimate

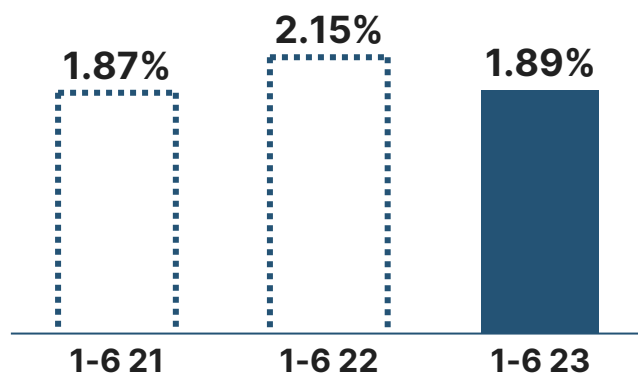
* Includes Gains/losses from derecognition of financial instruments not measured at FV through profit or loss and Other operating result

Net Interest Income

Net Interest Income (CZK m)

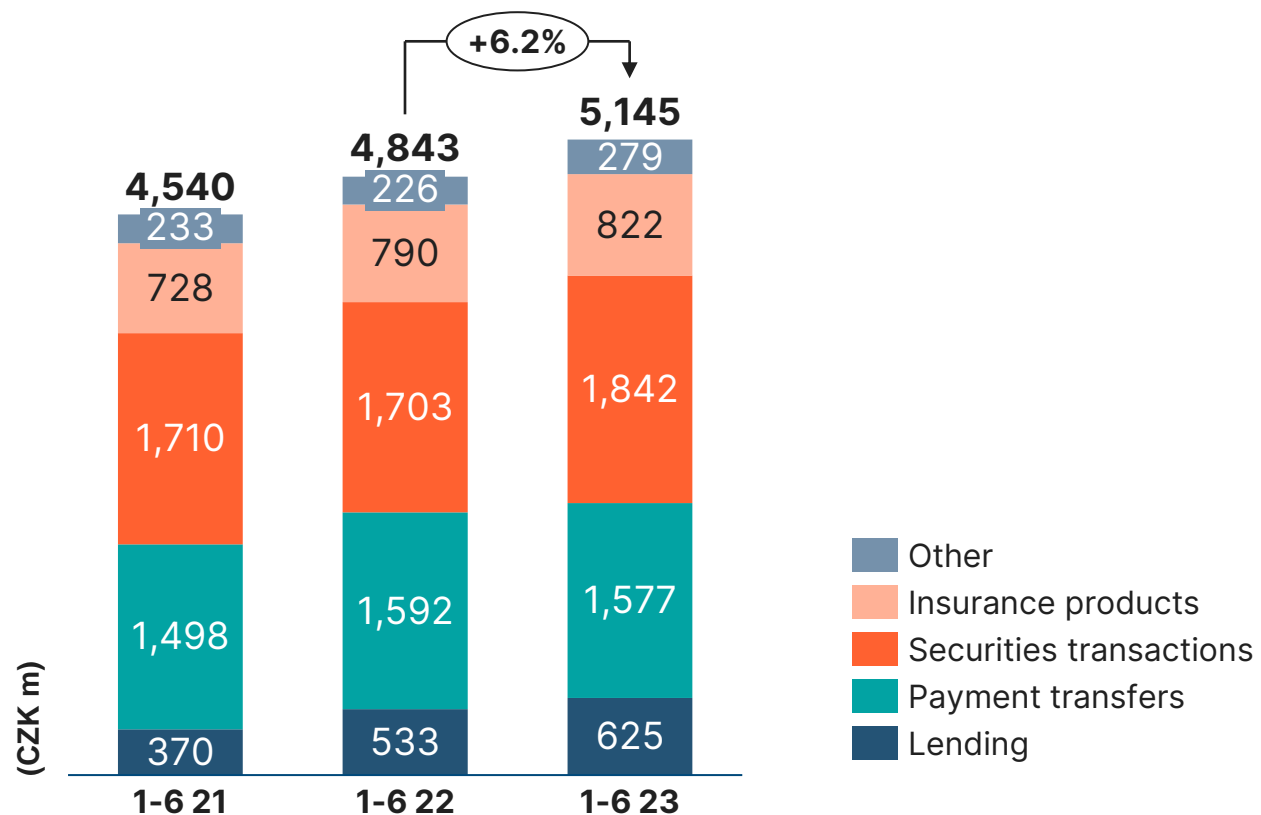


Net Interest Margin



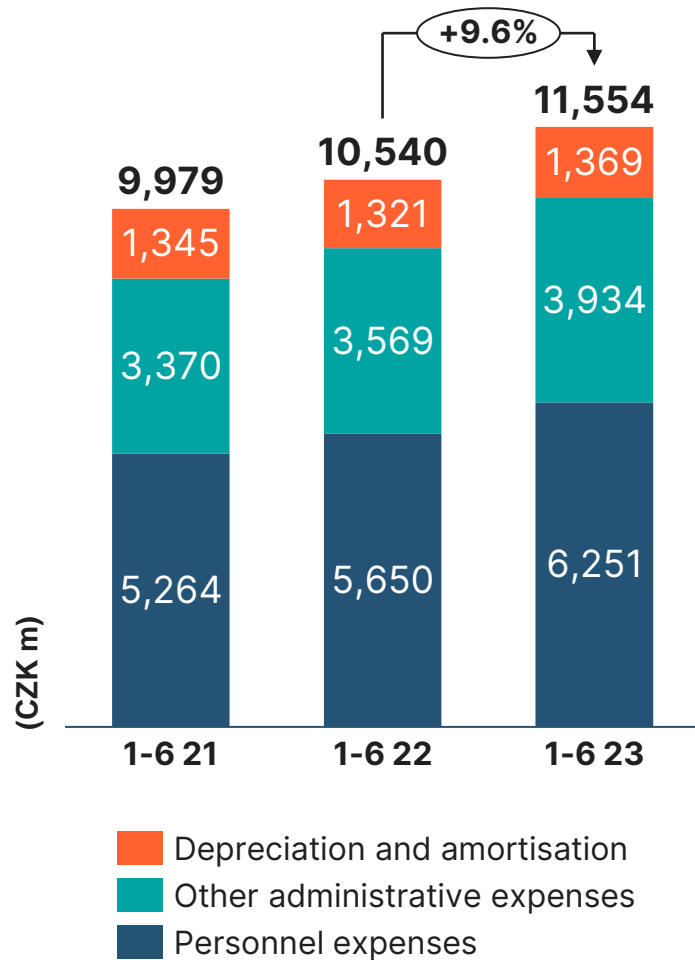
- Net interest income declined by 9.7% (or CZK 1.8 bn) in comparison with extraordinary H1 2022, which was affected mainly by
 - Higher interest rate environment led to deposit re-pricing which resulted in growth of volumes and change of structure towards deposits with higher interest rates. As a consequence of these effects interest expenses rose considerably
 - Growth of interest expenses was partly offset by increase in interest income reflecting volume growth of loans and investments combined with higher yields
- Net interest margin reached 1.89% in H1 2023 which was driven mainly by
 - Negative impact of increase in deposit interest rates
 - Development of balance sheet structure

Net Fee and Commission Income

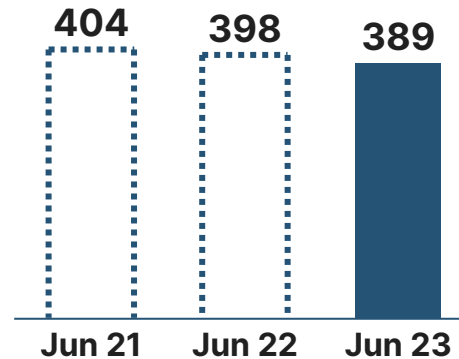


- Net fee and commission income went up by 6.2% y/y in H1 2023 caused by
 - Securities transactions increased by 8.2% y/y due to fees from investments in mutual funds and pension insurance
 - Lending fees supported by business development
 - Insurance fees attributed to non-life insurance products

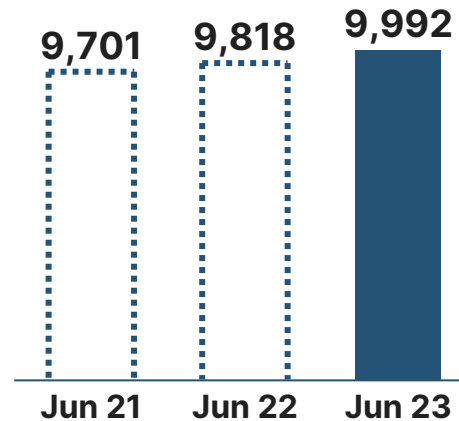
Operating Expenses



Number of Branches*



Number of Employees (eop)



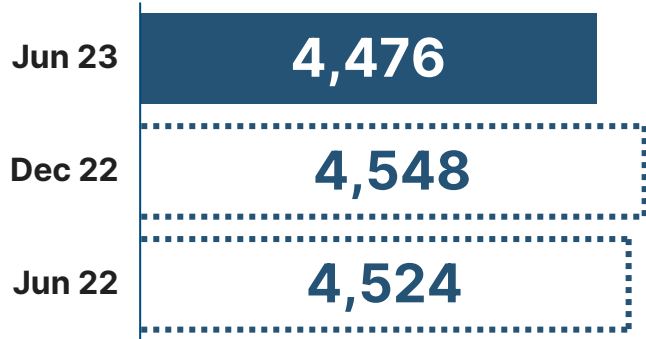
- Operating expenses stayed below the inflation rate in H1 2023 and rose by 9.6% y/y attributed mainly to increase in personnel expenses and other administrative expenses
- Growth of personnel expenses (+10.6% y/y) was driven mainly by impact of higher number of employees, salary increase and employee share programme
- Other administrative expenses up by 10.2% y/y due to higher costs of marketing, property management, IT and personnel related costs. Furthermore, affected by increase in contribution into Deposit Insurance Fund in H1 2023 (CZK +140 m y/y)
- Depreciation increased by 3.6% y/y as a result of strategic digital investments
- In q/q comparison visible decrease in number of employees and branches, reflecting efficiency measures

* Since H1 2022 number of physical branches, previous data restated

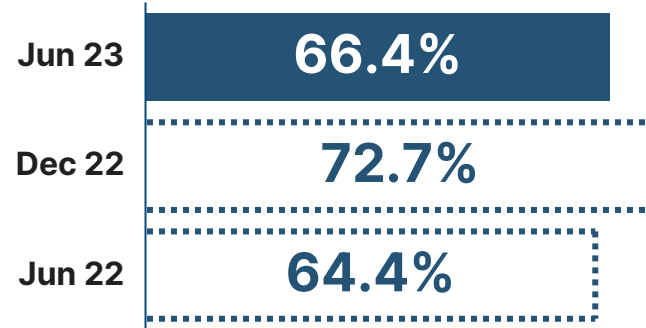
Business Performance

Main Indicators

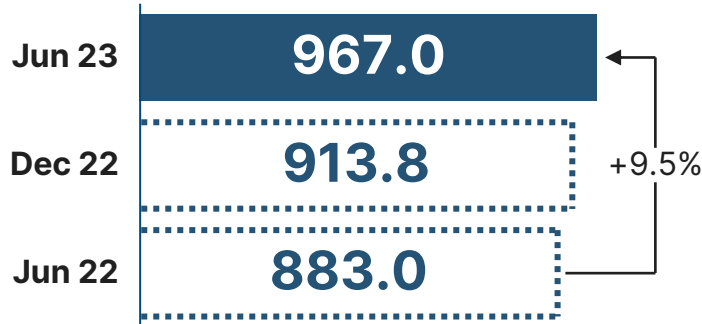
Number of clients (ths)



Loan*/deposit** ratio



Loans* (CZK bn)

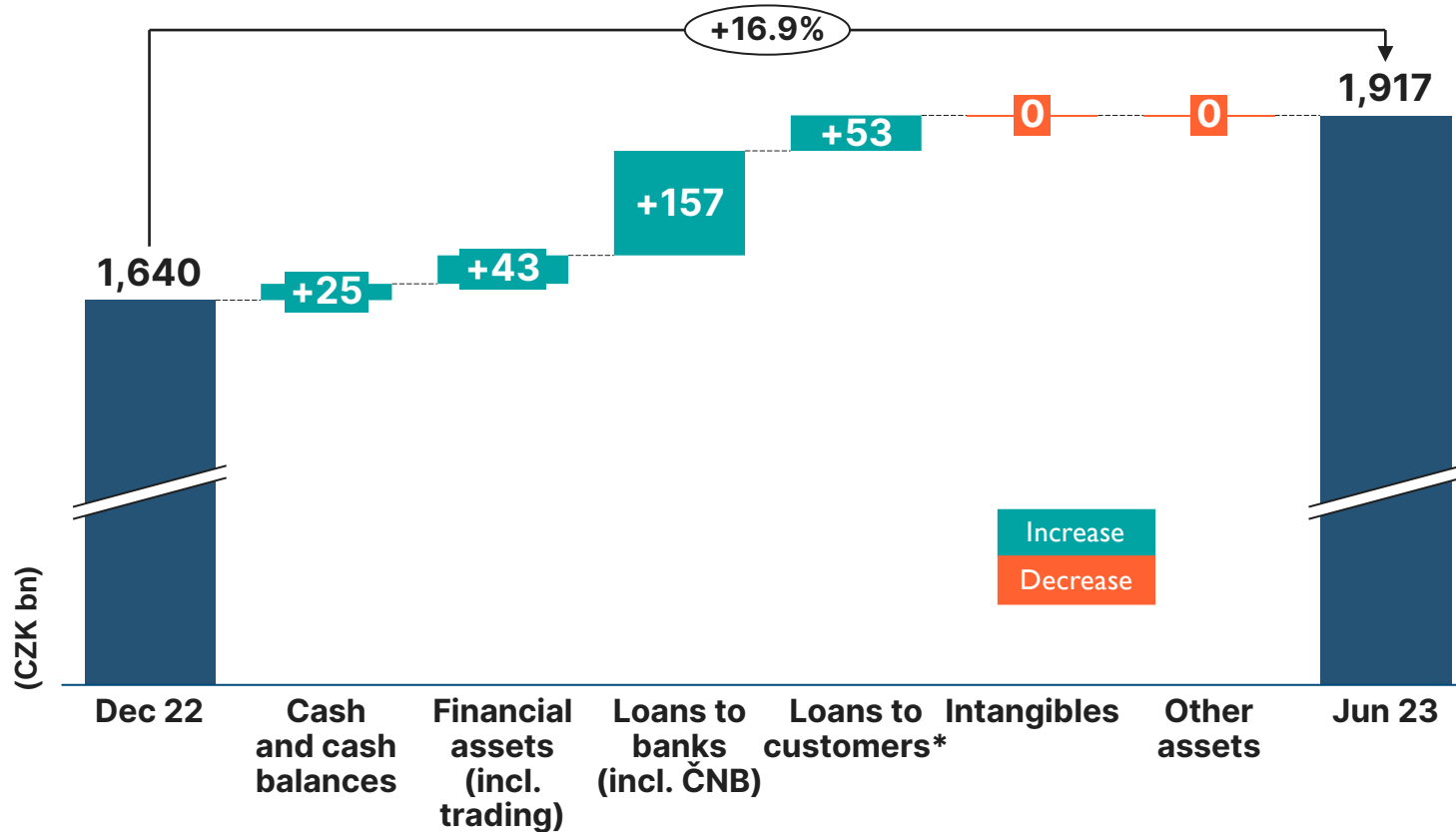


Deposits** (CZK bn)



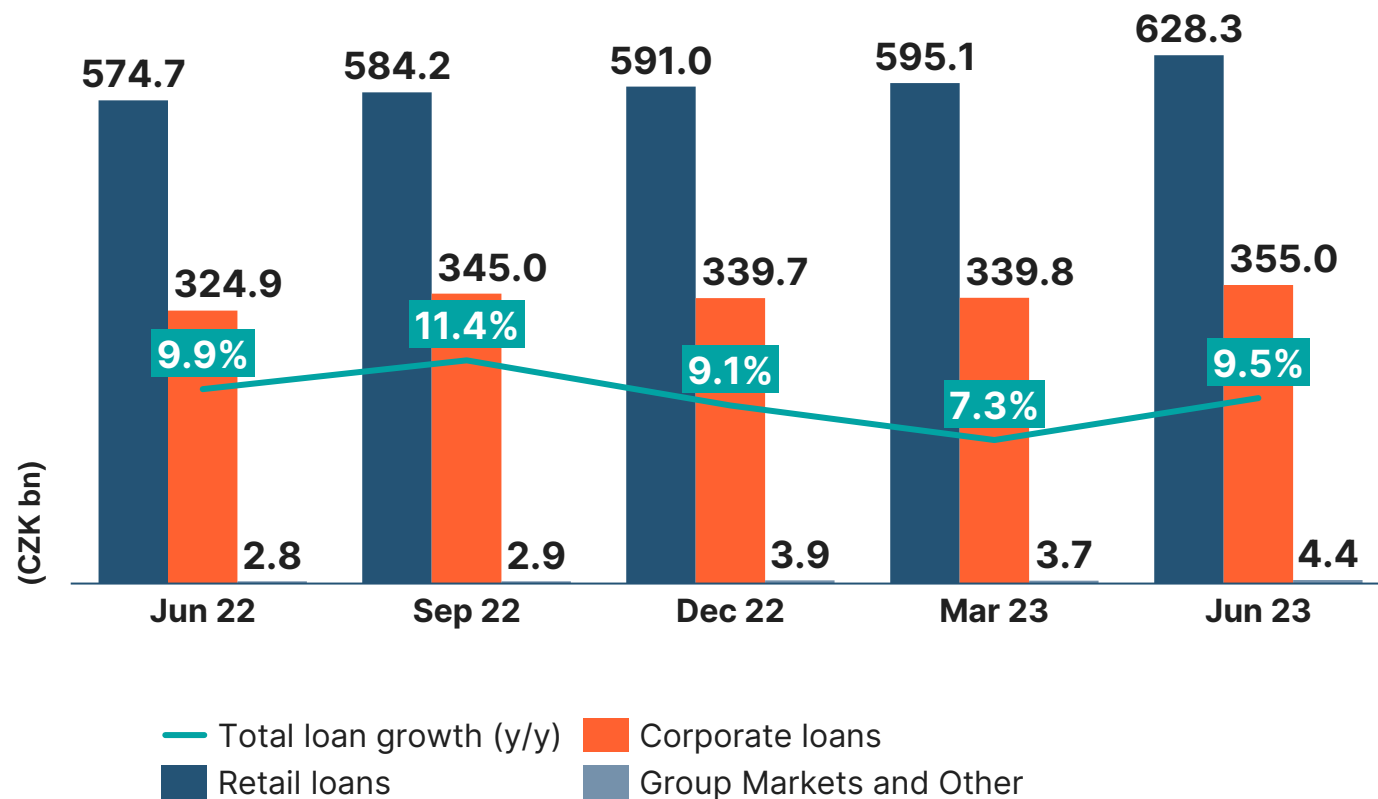
- Number of clients declined by 48 ths y/y influenced by data cleansing adjustment which was partly offset by inflow of clients from Sberbank
- Group net customer loans increased by 9.5% y/y (6.0% excluding Sberbank), driven mainly by private mortgages, large corporates, real estate, SMEs and consumer lending
- Total group customer deposits grew by 6.1% y/y attributed to increase in corporate deposits
- Loan/deposit ratio at 66.4% (from 64.4% in June 2022)

Balance Sheet – Assets YTD



- The assets development affected mainly by growth of loans to banks
- Loans to banks, attributed to reverse repo operations with ČNB, grew by 58.7% (or CZK 157.4 bn). This development mirrored reversal of seasonal outflow of deposits in December 2022
- Net customer loans* increased in H1 2023 due to Sberbank acquisition (CZK 31 bn**) as well as growth of retail and corporate lending. Corporate lending partly offset by negative FX impact due to Czech koruna appreciation
- Growth of financial assets caused by higher investments into T-Bills and Czech government bonds

ČS Group Gross Loan Portfolio

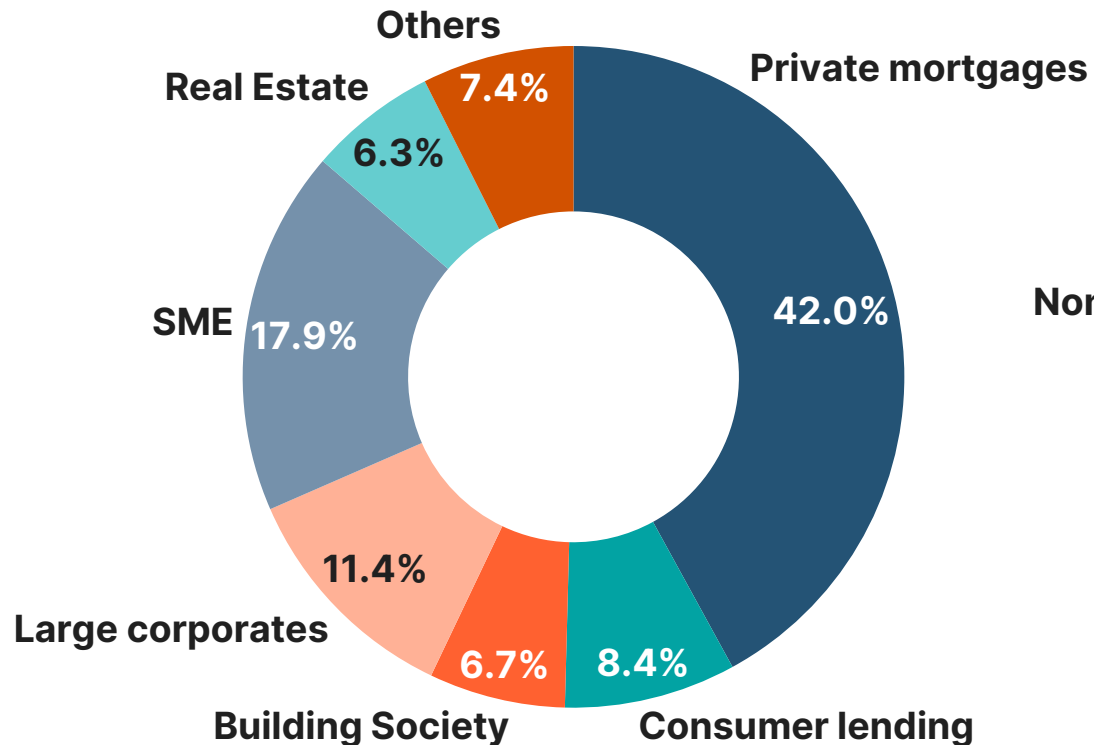


* Excluding Sberbank acquisition

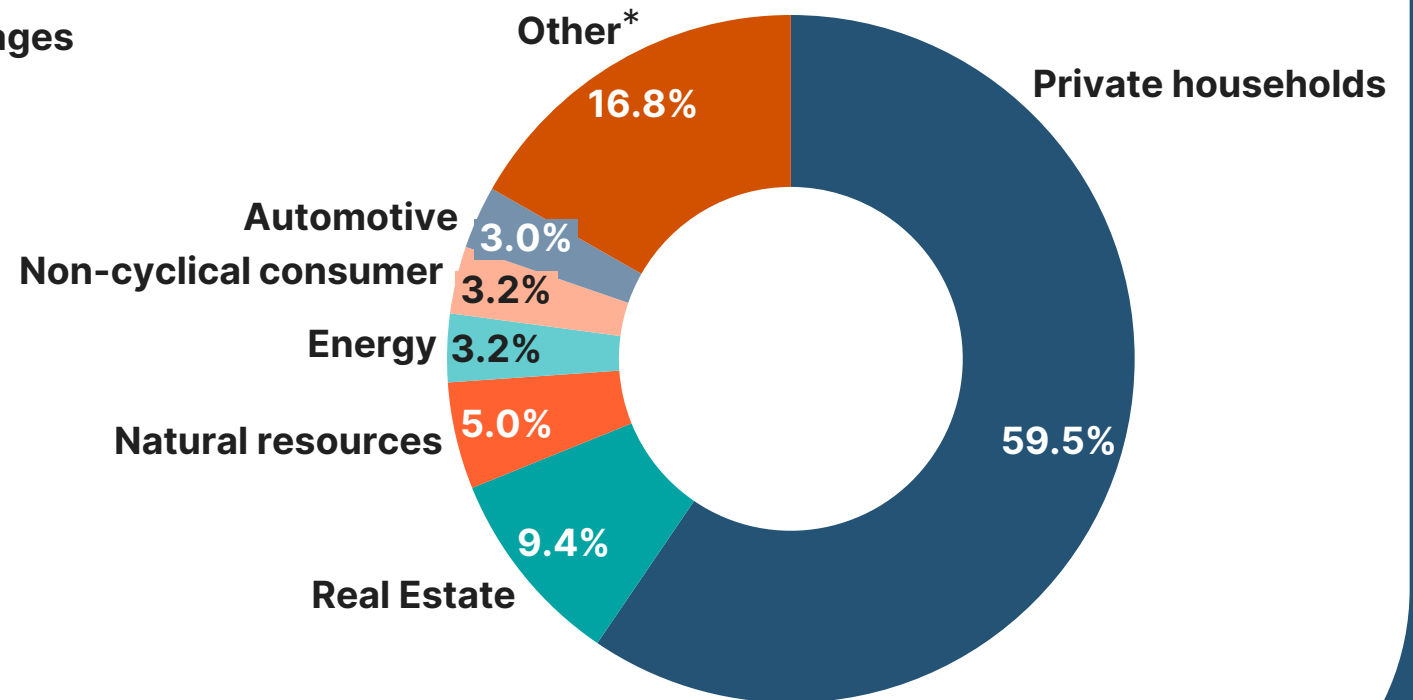
- ČS Group gross loan portfolio increased by 9.5% y/y (6.0%*), driven by both retail and corporate loans
- Loans to retail clients rose by 9.3% y/y (4.9%*)
 - Private mortgages +10.4% (5.5%*)
 - Building Society (SSČS) +7.8%
 - Consumer lending +8.2% (2.6%*)
- Loans to Corporate added 9.3% y/y (+11.6% y/y excluding FX impact of Czech koruna appreciation), 7.7% y/y*
 - Increase in Large Corporate +12.1% (10.6%*)
 - SME +7.7% (4.8%*)
 - Real Estate +18.0% (17.6%*)
 - Subsidiaries grew by +4.0%

ČS Group Gross Loan Portfolio

Gross Loan Portfolio by Customer Segment



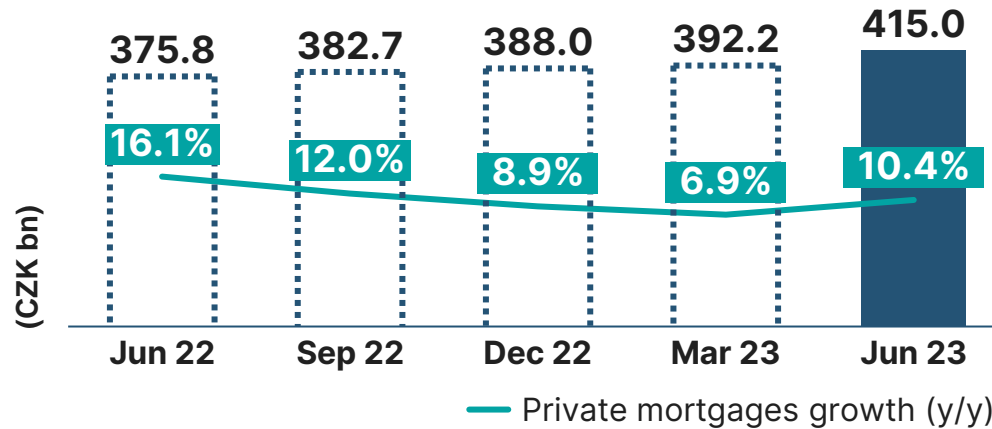
Industry Split of Gross Loan Portfolio



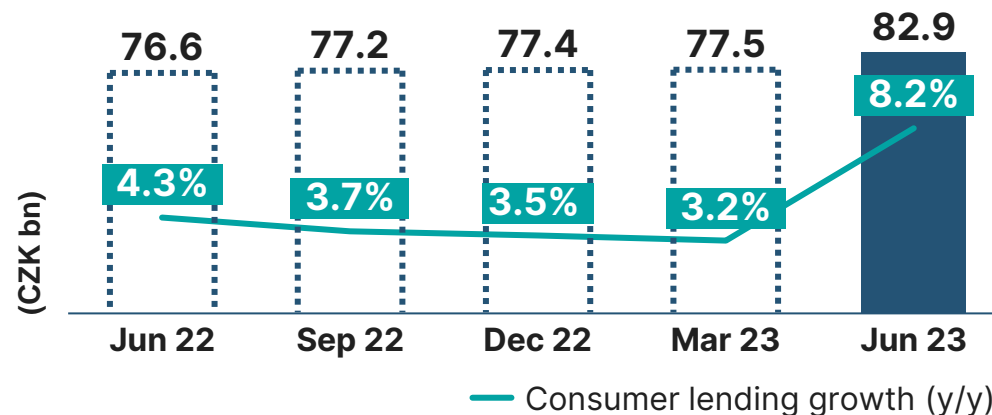
* Includes all industries with share less than 2.9%

Mortgages and Consumer Lending

Mortgages

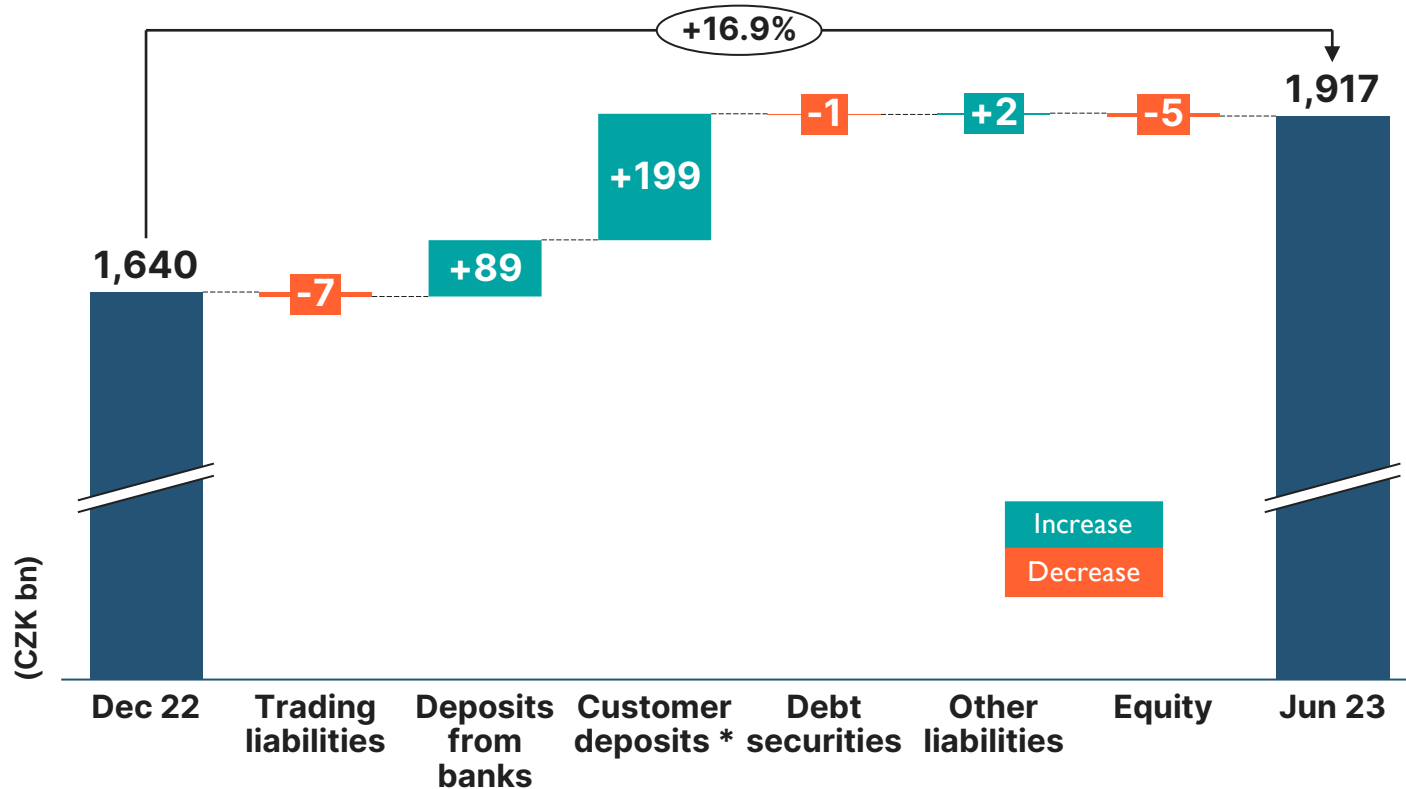


Consumer Lending*



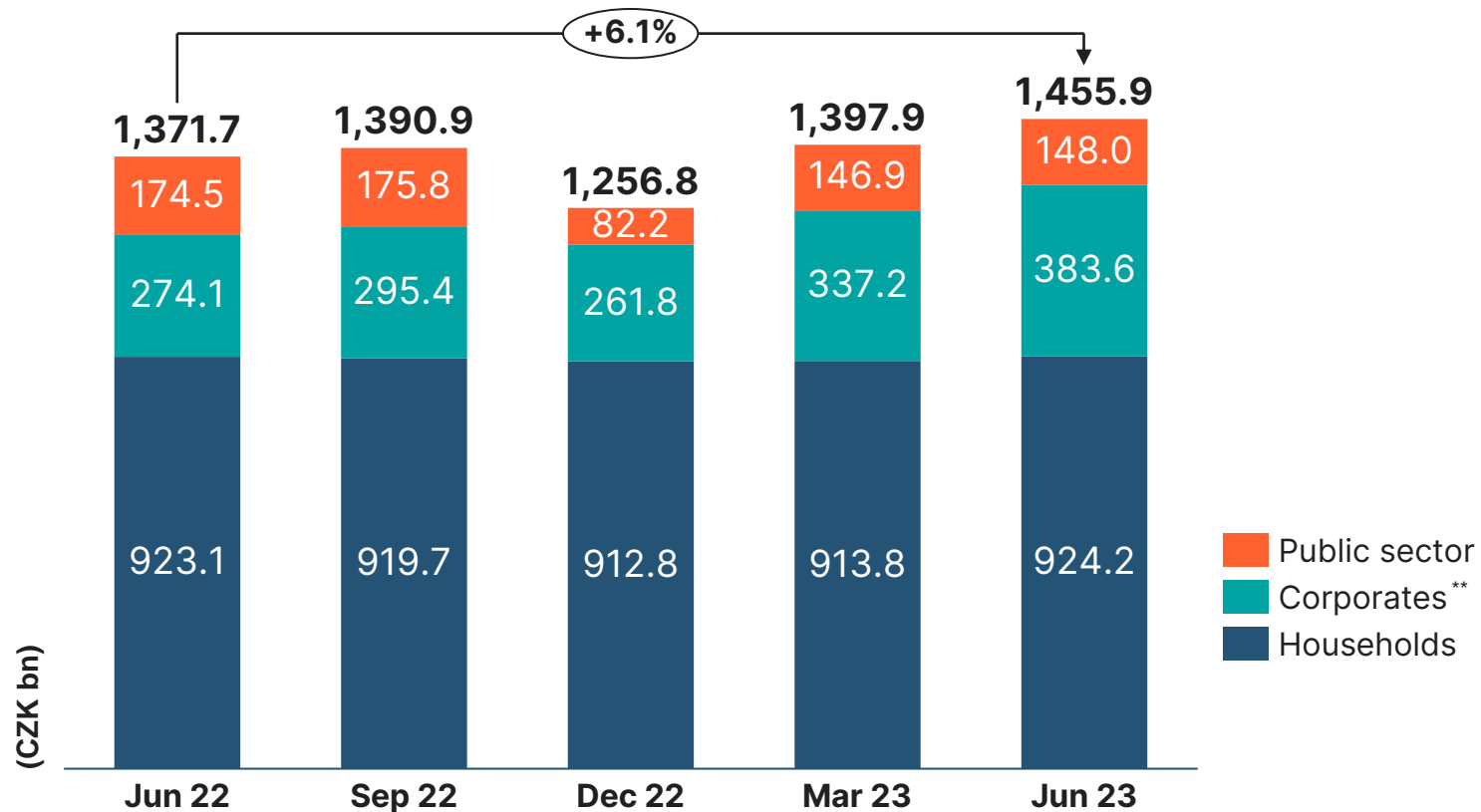
- Volumes affected by Sberbank acquisition
- Private mortgages grew by 10.4% y/y (5.5%**)
- New sales started to grow, reflecting that property prices have stopped increasing and positive development of interest rates is expected
- Average maturity of new loans stable at 27.1 years, average deal volume at CZK 2.7 m
- Underwriting policy unchanged, LTV gradually declining due to higher real estate values (whole portfolio at 53.3%, new loans at 62.8%)
- Consumer lending* added 8.2% y/y (2.6%**)
- Moderate increase of new sales compared to the last two quarters

Balance Sheet – Liabilities YTD



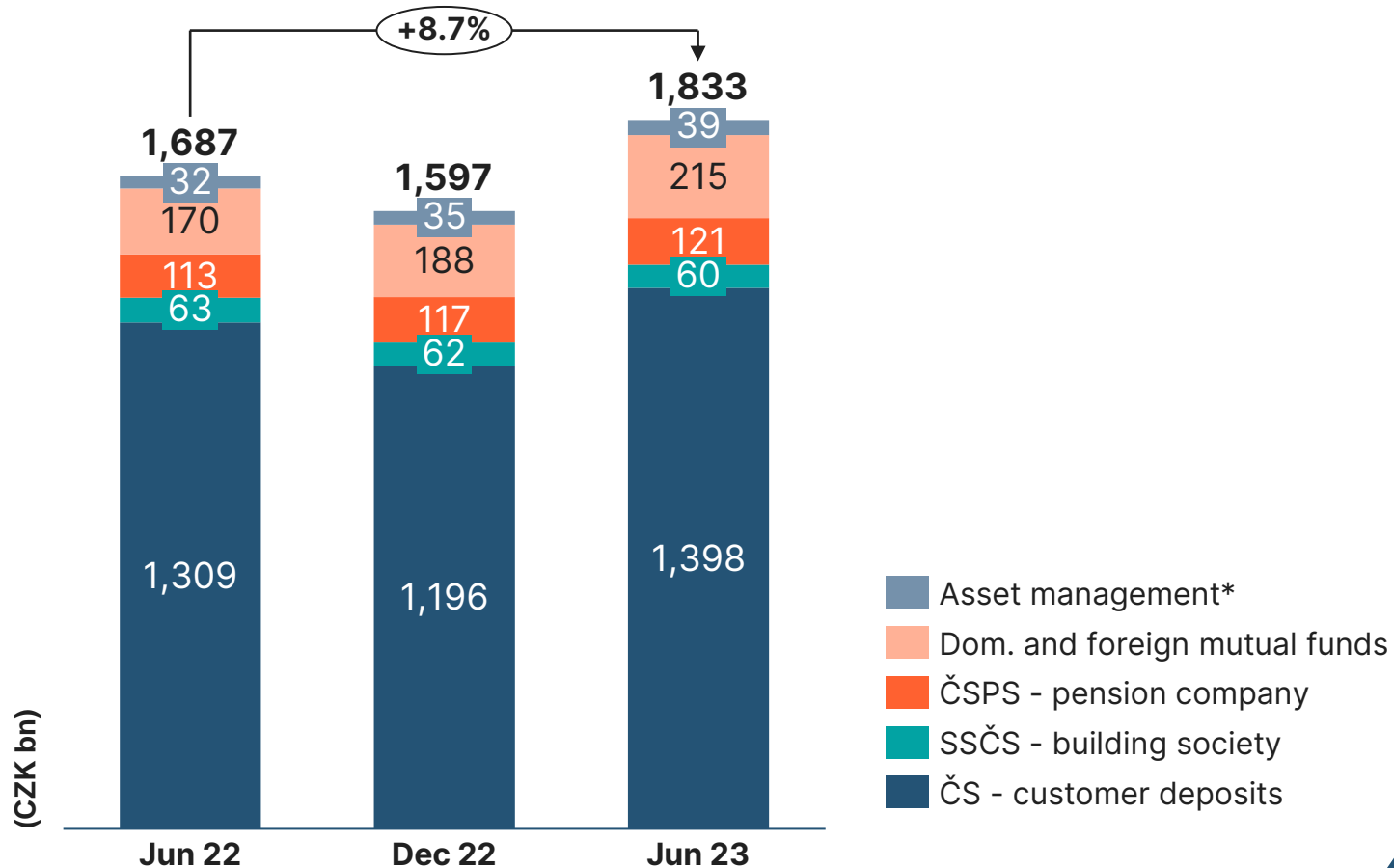
- The main driver of development on liability side of balance sheet was growth of customer deposits accompanied by deposits from banks
- Group customer deposits* grew by 15.8% in H1 2023 attributed mainly to corporate** and public sectors
- Slight decrease of debt securities caused by maturity of short-term mortgage bonds which was partly offset by issuance of senior non-preferred bonds

ČS Group Customer Deposits



- Customer deposits continued in growth y/y attributed to increase in deposits from corporates; total group customer deposits* increased by 6.1% compared to June 2022
 - Households deposits stable y/y
 - Corporates** rose by 39.9% y/y
 - Public sector deposits decreased by 15.1% y/y, affected by short-term operations
- Change in deposits structure towards deposits with higher interest rates

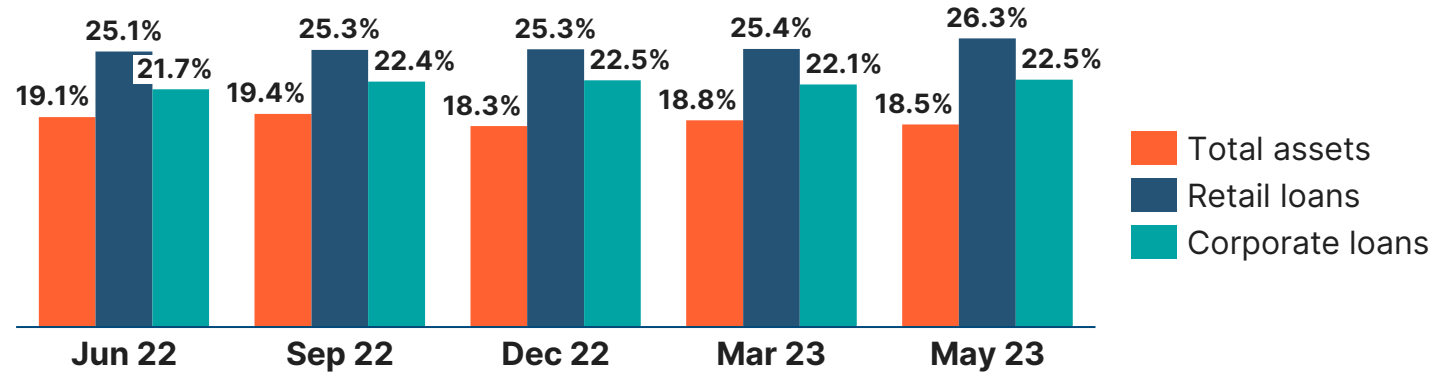
Clients' Funds under Management



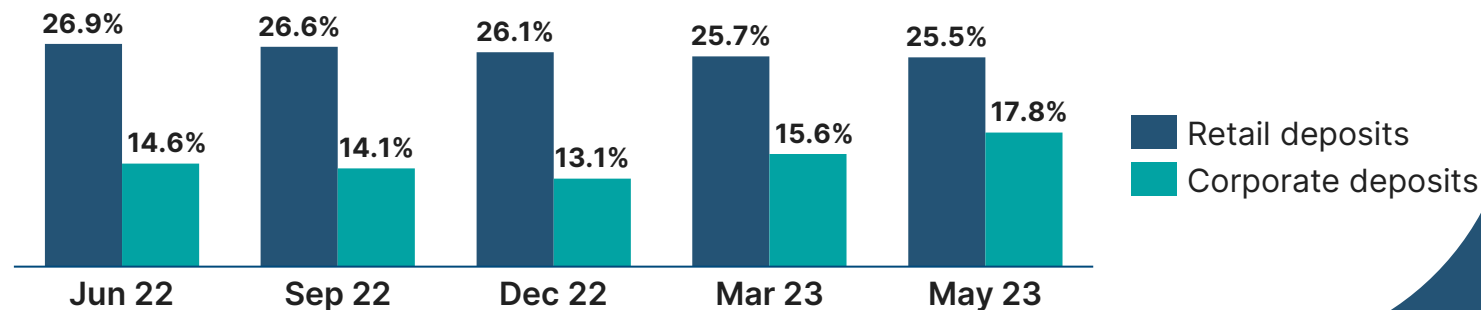
- Clients' funds under management rose by 8.7% y/y mainly due to growth of ČS parent bank customer deposits
- ČS parent bank customer deposits grew by 6.8% y/y, excl. repo operations by 5.8% y/y
 - Rise driven by increase in corporate sector

ČS's Market Shares (May 2023)*

Assets



Liabilities



- Total assets market share of 18%
- Total loans market share of 23%
- Private mortgages
 - New business market share of 24%**
 - Outstanding portfolio market share of 28%**
- Consumer loans (incl. credit cards) market share of 26%
- Total deposits market share of 23%
 - 26% in retail deposits
 - 18% in corporate deposits
- Mutual funds with market share of 26%

Note: Market figures affected by Sberbank liquidation

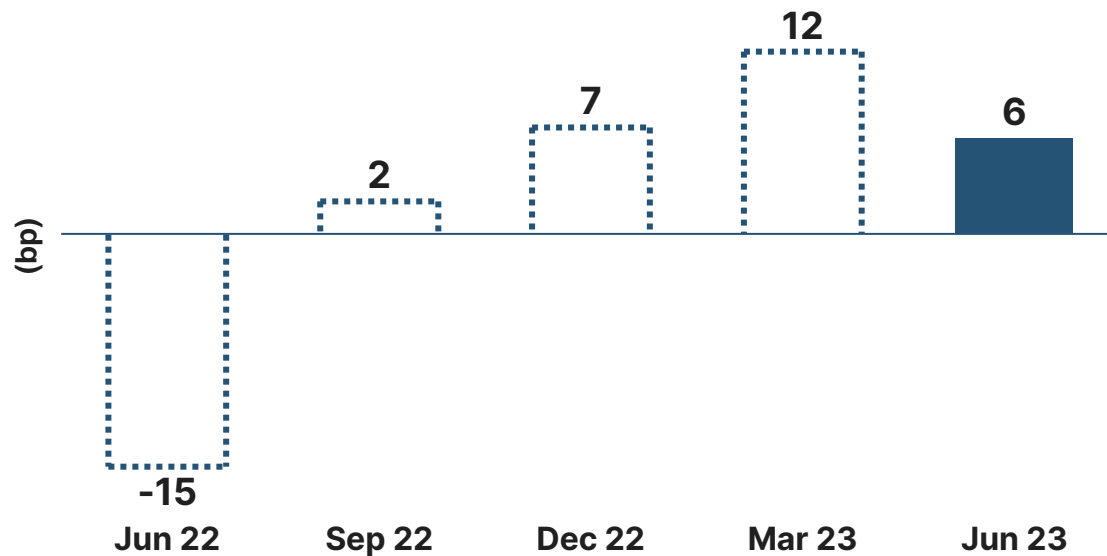
* Data for June 2023 not available yet

** Figures from March 2023

Risk & Capital Position

ČS Group Risk Costs

Risk Costs Development (YTD)

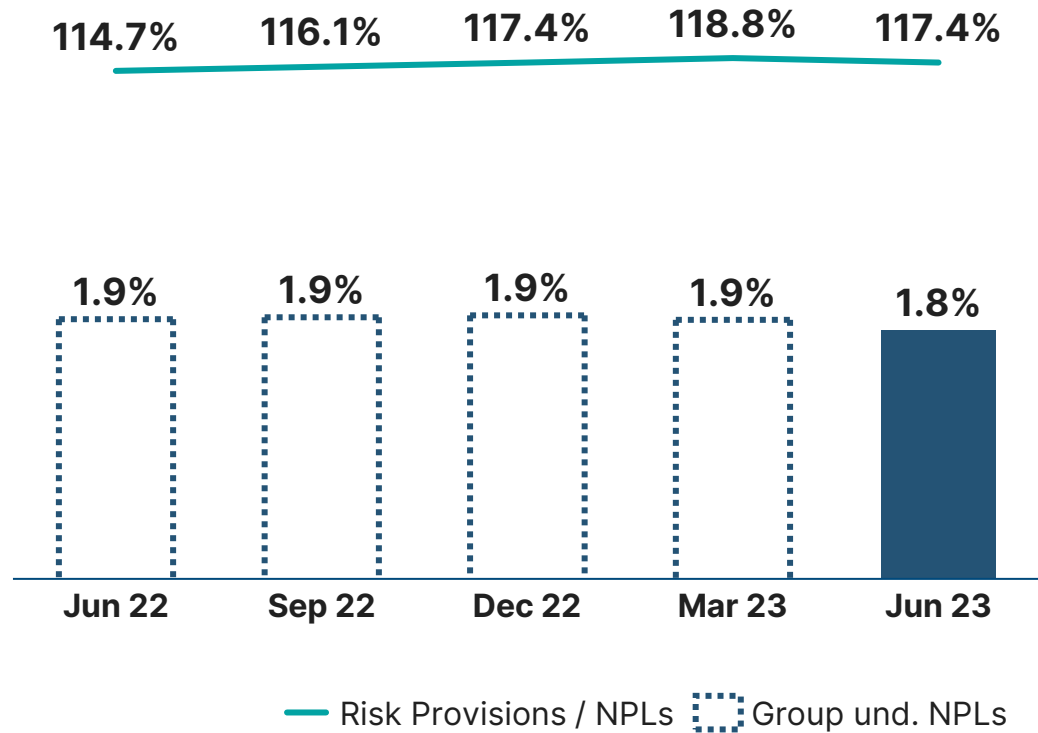


- Excellent quality of loan portfolio kept provision creation at a very low level
- Stable development in retail portfolio with minor provision creation
- Corporate showed provision release driven by improvements in SME and Large Corporate
- One-off impact of Sberbank acquisition (initial provision setting), excluding this impact risk costs would have reached -7 bps in June 2023

Note: Risk costs calculated as annualized credit risk provision creation YTD to customer loans

ČS Group Asset Quality

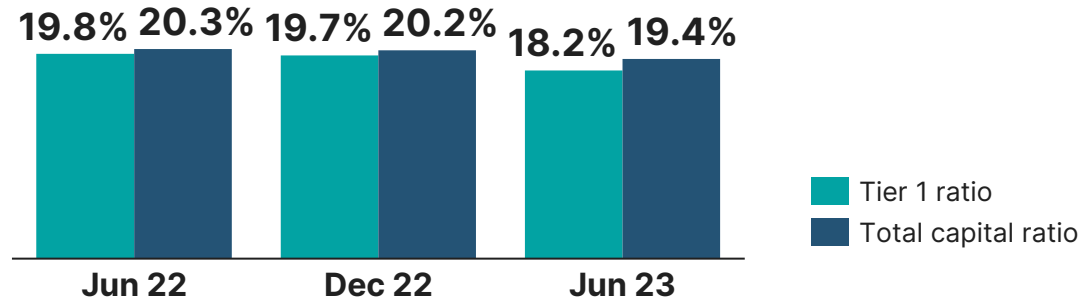
NPL Ratio and NPL Coverage



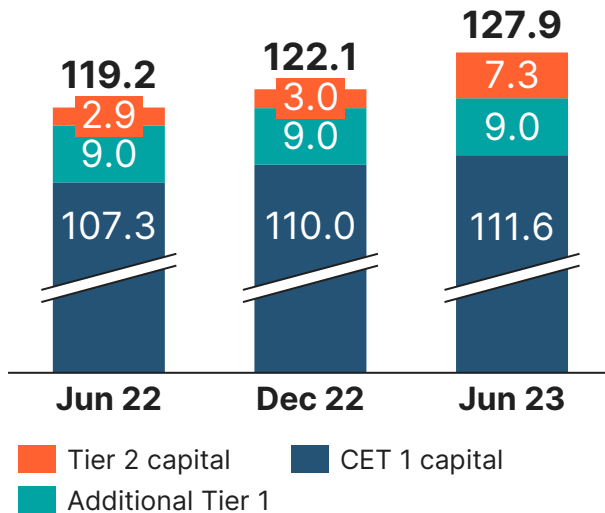
- Group NPL share improved to 1.8%
 - New defaults were more than offset by recoveries
 - Provision coverage stabilized at 117.4%, while total coverage (provisions+collateral to NPL) rose to strong 155%, driven by higher portfolio provisions

ČS Group Capital Position

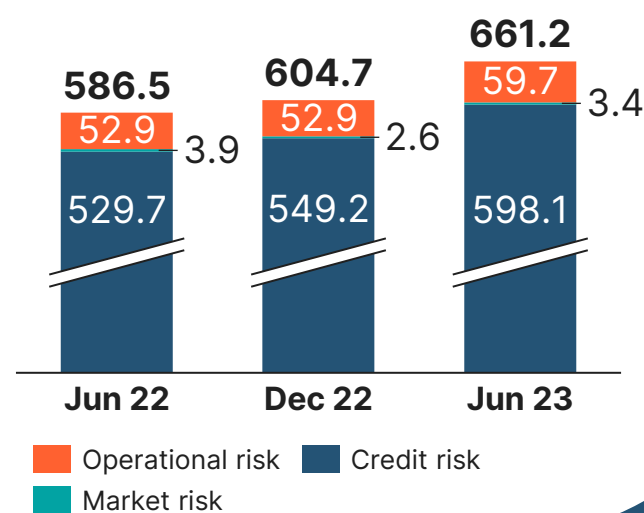
Capital Ratios



Regulatory Capital (CZK bn)



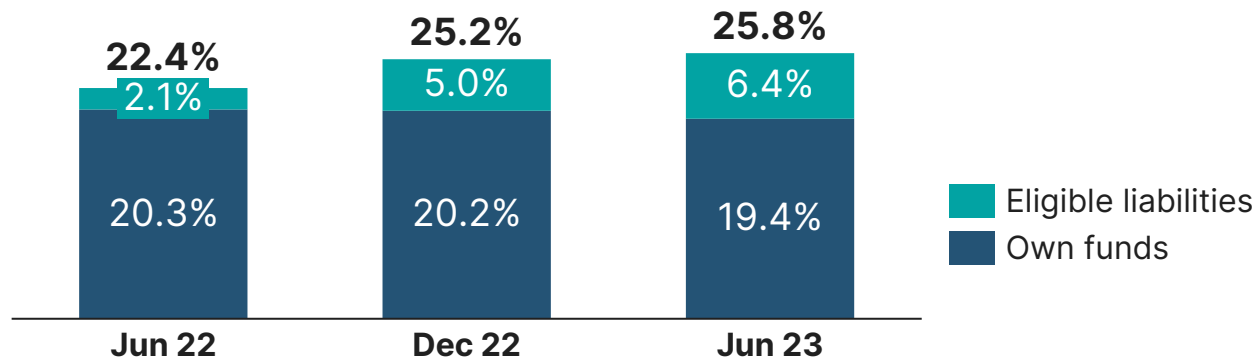
Risk Exposure (CZK bn)



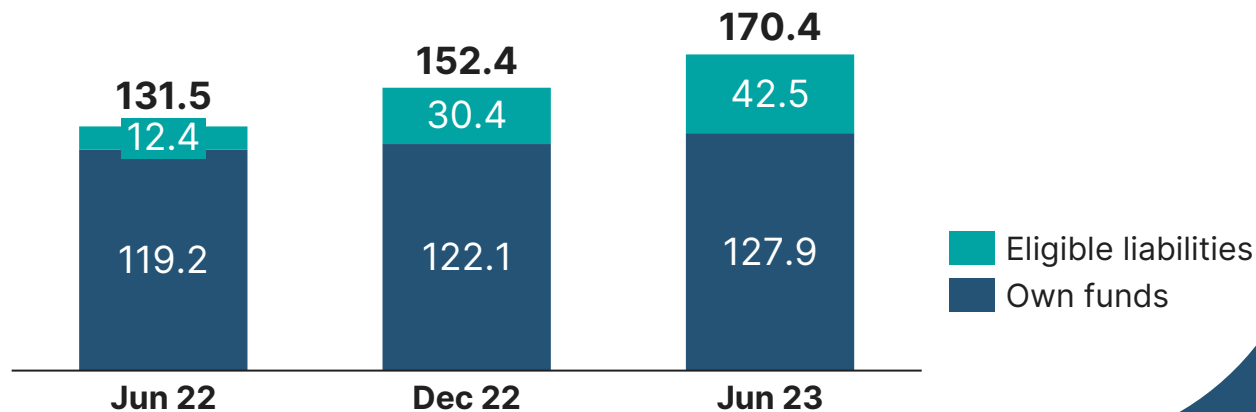
- Total capital ratio at 19.4%, Tier 1 ratio at 18.2%
- Capital adequacy remained well above regulatory requirement of 17% as at 30th June 2023
- Capital boosted by issuance of Tier 2 in June 2023 (CZK 4.2 bn) and by partial inclusion of H1 profit
- Moderate year-on-year decrease in capital ratios driven mostly by growth of risk exposures – growth of corporate business as well as a prudential increase in risk weights in retail
- Total risk exposure increased by 12.7% y/y driven by credit risk (+12.9% y/y)
- Growth of risk exposure reflects new loan volumes (including Sberbank) and updated risk parameters

ČS Group MREL Position

MREL Ratio



Own Funds and Eligible Liabilities (CZK bn)



Regulatory update

- MREL ratio at 25.8%
- Well above interim regulatory target of 23.5% (ČNB interim MREL expectation for MREL 16.5% applicable from 1st January 2023 + combined buffer requirement 7.0% as of June 2023)
- Final regulatory MREL requirement of 19.4% (excluding CBR) effective from 1st January 2024
- ČS has a full subordination requirement for MREL

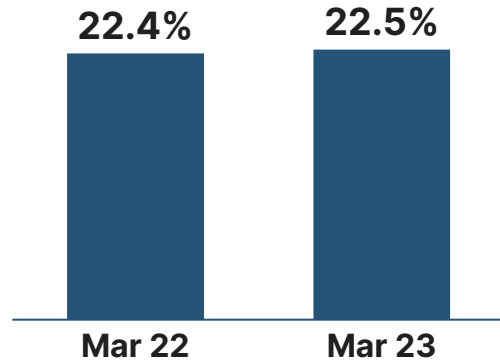
Market development

- Increase in own funds and eligible liabilities driven by two successful new issuances in June 2023:
 - T2 subordinated bonds for retail (CZK 4.2 bn 6NC5 at 6.75%)
 - Senior non-preferred bonds for institutional investors (EUR 500 m 4NC3 international benchmark issuance at MS+240) – substantially oversubscribed
- Market volatility persists over the H1 2023 due to elevated geopolitical risks which contributes to widened spreads for CEE issuers
- Plan to continue with international bond issuances in H2 2023 to comply with MREL build-up plan

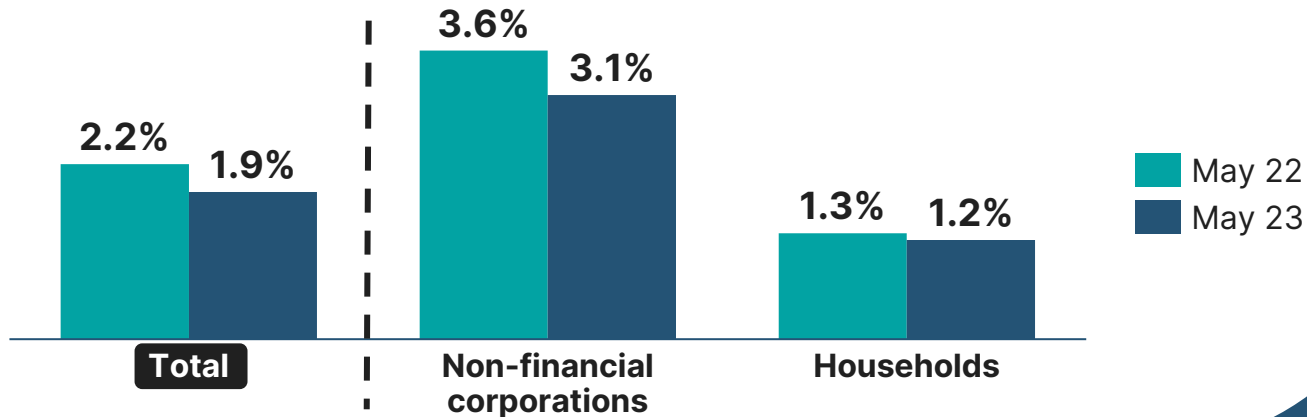
Appendix

Czech Banking Market I.

Total Capital Ratio of Czech Banks



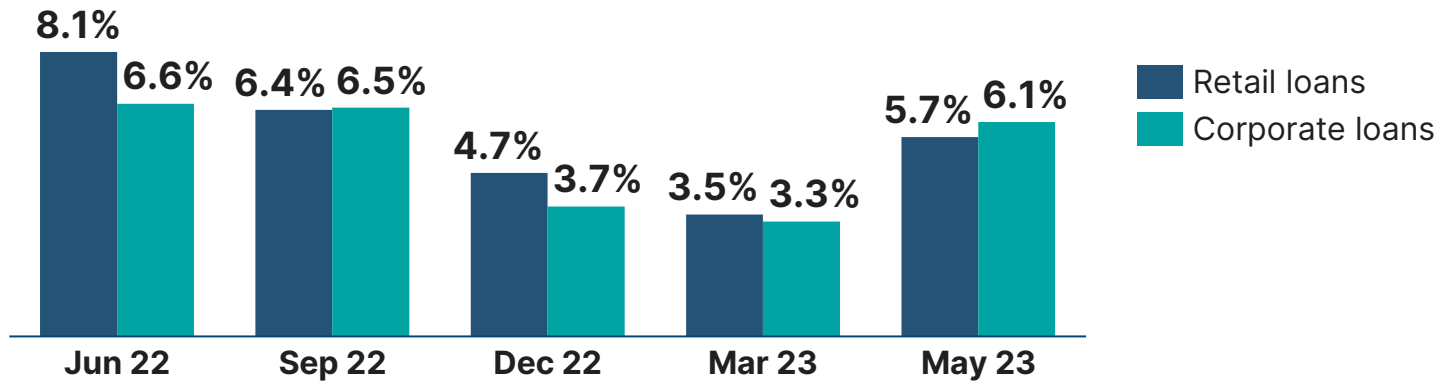
Non-performing Loan Ratios



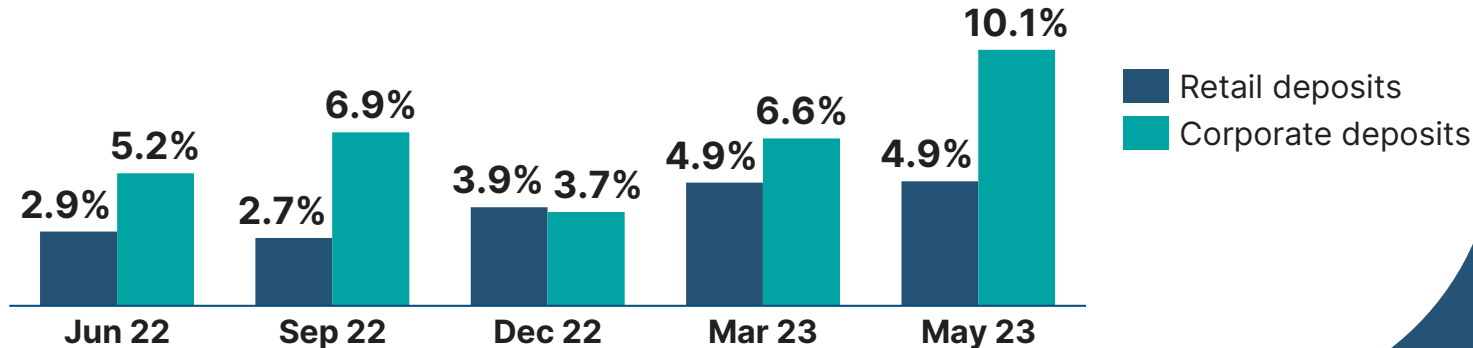
- The Czech banking sector remains resilient against adverse shocks thanks to its high capital adequacy (22.5% at the end of Q1 2023), exceeding regulatory requirements. Stabilisation is being enhanced also by the gradually growing capacity of sources for crisis resolution - MREL
- The latest ČNB stress tests (June 2023) confirmed resilience of the banking sector against even strongly negative shocks thanks to its strong capital position
- The counter-cyclical capital buffer rate for exposures of Czech banks was reduced from 2.5% to 2.25% effective from 1st July 2023
- In mid 2021, the share of non-performing loans (NPL ratio) started to fall again in both the household and corporate sector thanks to a post-pandemic recovery of most of the economy. Russian invasion to the Ukraine had no significant impact on these ratios
- Since the Summer 2022, the NPL ratio for the corporate sector has been hovering between 3% and 3.5%, which is well below the average (5.6%) for the last two decades. For the household sector, since the Autumn 2022 the figures have stabilized at 1.2% (historical minimum)
- The NPL figures have not worsened despite a dramatic rise in high energy prices and interest rates over the last two years. Impact of costly energies has been partly mitigated through price caps on gas and power introduced by Czech government since January 2023

Czech Banking Market II.

Retail and Corporate Loans (growth y/y)



Retail and Corporate Deposits (growth y/y)



- Total client loans rose by 7.1% y/y in May 2023. The growth of corporate loans rose to 6.1%. Retail loans grew to 5.7% on the back of a somewhat reviving demand for mortgages
- In 2023, ČS expects client loans to rise by 4.9% y/y. Over the recent months, demand for housing loans improved somewhat while consumer credit does not seem to suffer despite pressure on households' spending due to high energy prices. A revival of loans to corporates on the back of after-pandemic macroeconomic boom has slowed, likely hurt by an invasion-generated uncertainty and rising euro lending rates
- In May 2023, y/y growth of client deposits reached 6.7%. Growth of retail deposits reached 4.9% while corporate deposits growth accelerated to 10.1%.
- For 2023, ČS expects total client deposits to rise by 6.6% y/y. The pressure on firms' and households' budgets from high energy costs will be dampened by government-financed price caps. These caps, on the other hand, will complicate the fiscal policy's effort to follow a path of gradual restriction

Income Statement (CZK m)

	1-6 22	1-6 23	Change	Change
Net interest income	18,460	16,663	-9.7%	-1,797
Net fee and commission income	4,843	5,145	6.2%	302
Dividend income	65	39	-40.0%	-26
Net trading result	1,776	2,561	44.2%	785
Gains/losses from financial instruments measured at FV through profit or loss	82	-779	-	-861
Rental and other income	143	192	34.3%	49
General administrative expenses	-10,540	-11,554	9.6%	-1,014
Gains/losses from derecognition of financial instruments not measured at FV through profit or loss	-723	0	-100.0%	723
Impairment result from financial instruments	676	-303	-	-979
Other operating result	-1,050	-743	-29.2%	307
Pre-tax result from continuing operations	13,732	11,221	-18.3%	-2,511
Taxes on income	-2,698	-1,930	-28.5%	768
Net result attributable to non-controlling interests	8	26	>100%	18
Net result attributable to owners of the parent	11,026	9,265	-16.0%	-1,761
Operating income	25,369	23,821	-6.1%	-1,548
Operating expenses	-10,540	-11,554	9.6%	-1,014
Operating result	14,829	12,267	-17.3%	-2,562

Income Statement – Quarterly Development (CZK m)

	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Change	Change
Net interest income	9,195	9,143	9,116	8,159	8,504	4.2%	346
Net fee and commission income	2,327	2,272	2,389	2,537	2,608	2.8%	71
Dividend income	65	3	0	0	39	-	39
Net trading result	782	1,065	898	1,072	1,489	38.9%	417
Gains/losses from financial instruments measured at FV through profit or loss	41	-175	-345	-313	-466	48.9%	-154
Rental and other income	131	80	60	71	122	71.8%	51
General administrative expenses	-5,207	-5,286	-5,509	-5,874	-5,680	-3.3%	193
Gains/losses from derecognition of financial instruments not measured at FV through profit or loss	-723	-1,022	-110	0	0	-	0
Impairment result from financial instruments	1,035	-788	-524	-231	-72	-68.8%	158
Other operating result	-74	-261	-358	-858	115	-	973
Pre-tax result from continuing operations	7,572	5,030	5,619	4,563	6,658	45.9%	2,095
Taxes on income	-1,488	-1,011	-484	-1,260	-670	-46.8%	591
Net result attributable to non-controlling interests	22	14	5	3	23	>100%	21
Net result attributable to owners of the parent	6,063	4,005	5,130	3,300	5,965	80.8%	2,665
Operating income	12,540	12,387	12,119	11,526	12,295	6.7%	770
Operating expenses	-5,207	-5,286	-5,509	-5,874	-5,680	-3.3%	193
Operating result	7,333	7,101	6,610	5,652	6,615	17.0%	963

Balance Sheet (CZK m)

Assets	Dec 22	Jun 23	Change	Change
Cash and cash balances	21,870	46,399	>100%	24,529
Financial assets held for trading	28,009	23,356	-16.6%	-4,653
Non-trading financial assets at FV through profit or loss	3,331	3,207	-3.7%	-124
thereof Loans and advances to banks	1,383	501	-63.8%	-882
thereof Loans and advances to customers	19	35	84.2%	16
Financial assets at FV through other comprehensive income	48,434	52,741	8.9%	4,307
Financial assets at amortised cost	1,495,014	1,747,976	16.9%	252,962
Debt securities	327,805	369,974	12.9%	42,169
Loans and advances to banks	266,675	424,968	59.4%	158,293
Loans and advances to customers	900,534	953,034	5.8%	52,500
Finance lease receivables	1,474	1,425	-3.3%	-49
Hedge accounting derivatives	3,218	4,286	33.2%	1,068
Property, equipment and right-of-use assets	12,031	11,851	-1.5%	-180
Investment property	1,803	1,787	-0.9%	-16
Intangible assets	6,417	6,258	-2.5%	-159
Trade and other receivables	11,821	12,473	5.5%	652
Other assets	6,515	5,604	-14.0%	-911
Total assets	1,639,938	1,917,363	16.9%	277,425

Balance Sheet (CZK m)

Liabilities and equity	Dec 22	Jun 23	Change	Change
Financial liabilities held for trading	29,597	22,556	-23.8%	-7,041
Financial liabilities at fair value through profit or loss	31,331	27,226	-13.1%	-4,105
thereof Deposits from customers	31,331	27,226	-13.1%	-4,105
Financial liabilities at amortised cost	1,421,830	1,713,978	20.5%	292,148
Deposits from banks	113,541	202,630	78.5%	89,089
Deposits from customers	1,225,464	1,428,657	16.6%	203,193
Debt securities issued	76,657	75,621	-1.4%	-1,036
Other financial liabilities	6,168	7,070	14.6%	902
Lease liabilities	3,475	3,593	3.4%	118
Hedge accounting derivatives	5,870	4,701	-19.9%	-1,169
Provisions	3,406	3,279	-3.7%	-127
Other liabilities	6,718	9,472	41.0%	2,754
Total equity	137,711	132,558	-3.7%	-5,153
Equity attributable to non-controlling interests	479	505	5.4%	26
Equity attributable to owners of the parent	137,232	132,053	-3.8%	-5,179
Total liabilities and equity	1,639,938	1,917,363	16.9%	277,425

Group Customer Loans

in CZK m, IFRS	30/06/2022		31/12/2022		30/06/2023		YTD change		Y/Y change	
	Outstand.	Share	Outstand.	Share	Outstand.	Share	Outstand.	Rate	Outstand.	Rate
RETAIL	574,692	63.7%	590,969	63.2%	628,342	63.6%	37,373	6.3%	53,650	9.3%
Mortgages	375,803	41.6%	387,997	41.5%	415,028	42.0%	27,031	7.0%	39,225	10.4%
Consumer lending	76,617	8.5%	77,374	8.3%	82,927	8.4%	5,553	7.2%	6,310	8.2%
Small business	61,005	6.8%	60,976	6.5%	64,232	6.5%	3,256	5.3%	3,227	5.3%
Retail subsidiaries	61,267	6.8%	64,622	6.9%	66,154	6.7%	1,533	2.4%	4,887	8.0%
CORPORATE	324,886	36.0%	339,739	36.3%	354,969	35.9%	15,230	4.5%	30,083	9.3%
Large corporates	100,195	11.1%	107,044	11.5%	112,327	11.4%	5,283	4.9%	12,132	12.1%
SME	104,126	11.5%	106,815	11.4%	112,145	11.4%	5,330	5.0%	8,019	7.7%
Real estate	52,489	5.8%	59,863	6.4%	61,938	6.3%	2,074	3.5%	9,449	18.0%
Public sector	27,666	3.1%	27,435	2.9%	26,534	2.7%	-901	-3.3%	-1,132	-4.1%
Corporate subsidiaries	40,411	4.5%	38,581	4.1%	42,025	4.3%	3,444	8.9%	1,614	4.0%
GROUP MARKETS	5,037	0.6%	6,314	0.7%	6,420	0.7%	106	1.7%	1,383	27.5%
OTHER	-2,219	-0.2%	-2,365	-0.3%	-2,029	-0.2%	336	-14.2%	190	-8.6%
ČS GROUP GROSS LOANS TO CUSTOMERS	902,396	100.0%	934,657	100.0%	987,702	100.0%	53,044	5.7%	85,306	9.5%

Note: Retail subsidiaries include mainly SSČS (Building Society) and Corporate subsidiaries include mainly Leasing ČS and Factoring ČS

Ratings

Česká spořitelna – Status as at 26th July 2023

Rating Agency	Long-term	Short-term	Viability	Outlook	Latest actions
Fitch	A	FI	a	stable	01/11/2021
Moody's	A1	Prime - I		stable	21/11/2018
Standard & Poor's	A	A-1		negative	09/12/2022

Erste Group Bank – Status as at 26th July 2023

Rating Agency	Long-term	Short-term	Viability	Outlook	Latest actions
Fitch	A	FI	a	stable	27/10/2021
Moody's	A1	Prime - I		stable	11/07/2023
Standard & Poor's	A+	A-1		stable	16/12/2021

- Latest rating actions - ČS:
 - Fitch upgraded long-term rating to A (from A-) and viability rating to a (from a-) on 22nd January 2019, outlook was changed to stable from negative on 1st November 2021
 - Moody's improved long-term rating of ČS to A1 (from A2) on 21st November 2018 and simultaneously revised the outlook from positive to stable
 - Rating agency Standard & Poor's upgraded all ČS ratings on 16th March 2017, outlook was revised from positive to negative on 9th December 2022

Macroeconomic Figures

	2017	2018	2019	2020	2021	2022	2023e	2024e
Population (avg, m)	10.6	10.6	10.7	10.7	10.5	10.5	10.5	10.6
GDP/capita (EUR ths)	18.3	19.9	21.2	20.2	22.7	26.3	29.7	30.9
Real GDP growth	5.3	3.2	3.0	-5.5	3.5	2.4	0.2	2.8
Consumer price inflation (avg)	2.4	2.2	2.8	3.2	3.8	15.1	10.4	2.6
Unemployment rate (eop)	2.4	2.3	2.0	3.2	2.2	2.1	3.1	3.6
Current account balance (share of GDP)	1.5	0.4	0.3	2.0	-0.8	-5.6	0.8	1.0
General government balance (share of GDP)	1.5	0.9	0.3	-5.8	-5.1	-3.6	-4.0	-2.8
Public debt (share of GDP)	34.2	32.0	30.0	37.6	42.0	44.1	44.8	45.1
Short term interest rate (3 months, eop)	0.8	2.0	2.2	0.4	4.1	7.3	6.3	3.5
EUR FX rate (eop)	25.5	25.7	25.4	26.2	24.9	24.2	23.9	23.7
2W repo rate (% eop)	0.50	1.75	2.00	0.25	3.75	7.00	6.50	3.50

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