



ČESKÁ
SPŮRITELNA

Financial Results Q1-3 2022

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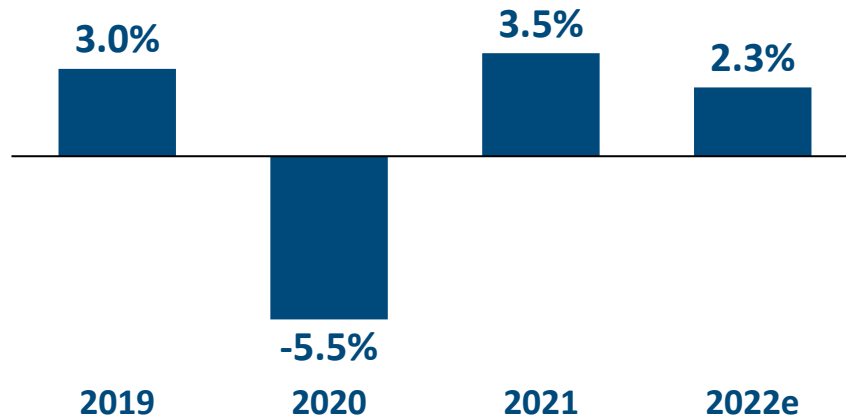
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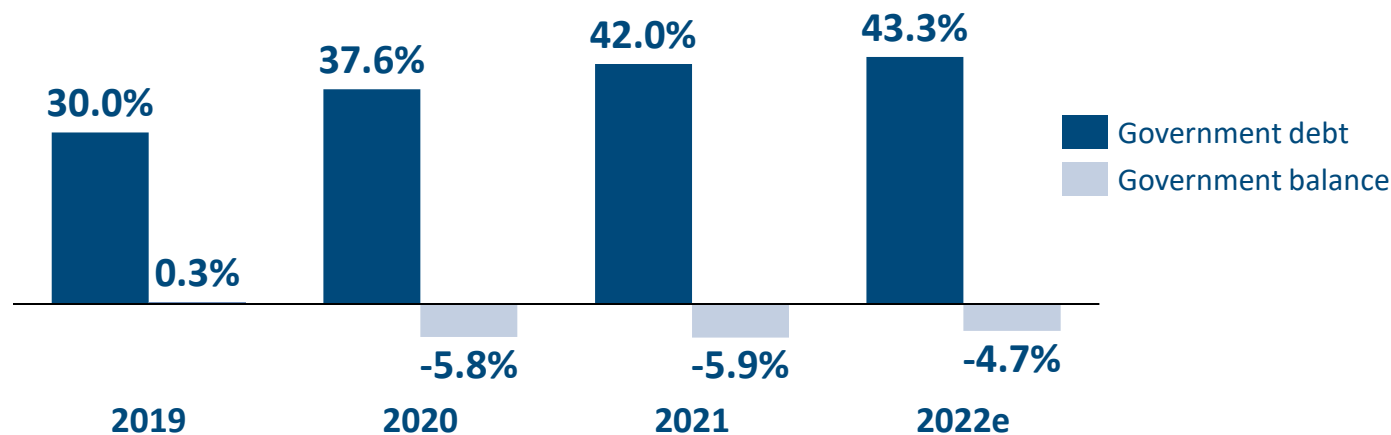
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Macroeconomic Developments

Real GDP Growth y/y



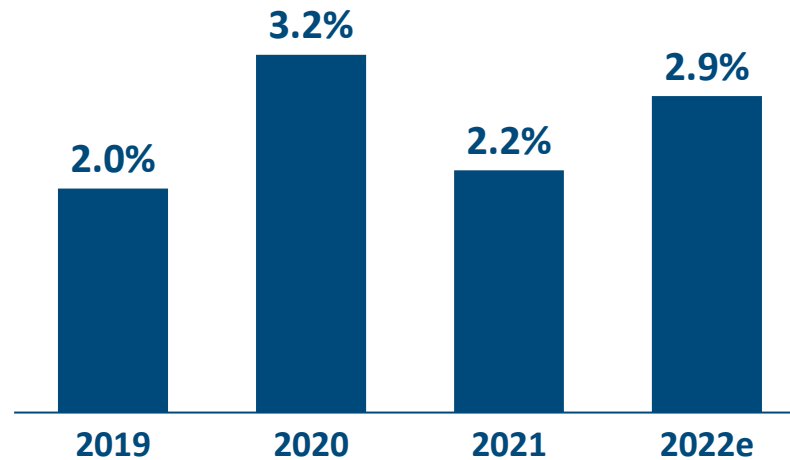
General Government Debt and Government Balance (share of GDP)



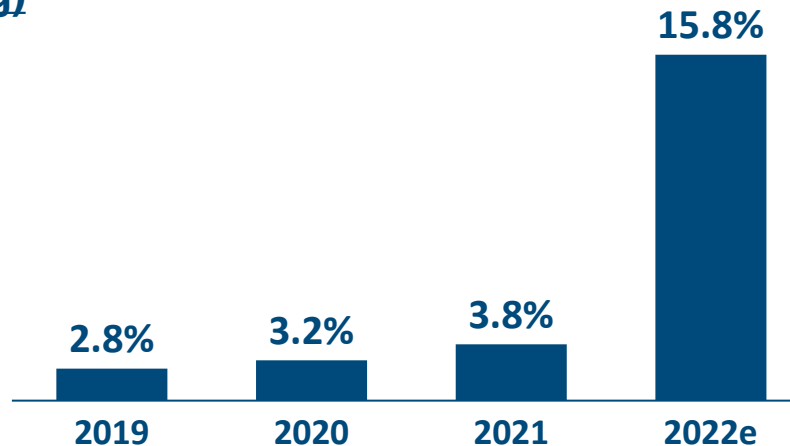
- The Czech economy showed its resilience to negative external shocks in H1 2022, as GDP growth arrived at 4.6% and 3.7% in Q1 and Q2, respectively. Growth was driven mainly by strong household consumption and investments. On the contrary, a contribution of net exports to GDP growth remained negative, which, besides external factors, was also affected by imports for strong domestic demand
- In 2022, ČS expects GDP growth to slow down towards 2.3%, as the war in the Ukraine and high energy prices will negatively affect economic activity in the second half of the year. In this respect, a mild recession is expected
- The war in the Ukraine and high energy prices have been resulting in higher than previously expected government expenditures. Thus, deficits of the government sector will be decreasing only gradually and ČS expects them to reach -4.7% in 2022
- Czech government is looking for ways to lower the deficit, one of possible measures could be “windfall tax” detailed parameters of which are still unclear

Macroeconomic Developments

Unemployment Rate (eop)



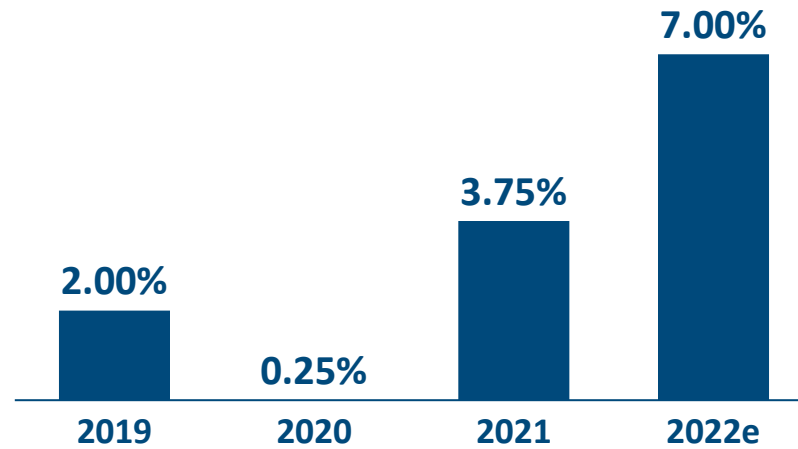
Consumer Price Inflation (avg)



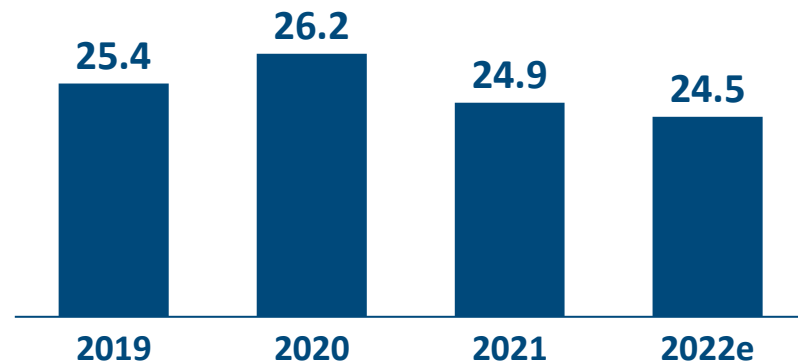
- General unemployment rate (ILO) came in at 2.5% in August, and thus remains very low. During H2 2022, ČS expects unemployment to be slightly increasing, as it will be affected by global economy worsening, high policy rates of the ČNB and high energy prices
- The labour market worsening deals mainly with real wages, which are significantly decreasing due to very high inflation. In Q2 2022, growth of real wages came in at -9.8% y/y
- CPI inflation arrived at 18.0% in September, and thus strengthened further. Mainly an increase in energy prices stood behind this development. At the same time, domestic demand-side pro-inflationary factors have been gradually weakening
- ČS expects CPI inflation to arrive approx. at 16% in 2022. At the end of 2022, inflation could peak close to 19% and start weakening from Q4 thereafter, mainly due to the base effect, impacts of high policy rates and anti-inflationary impacts of lower household consumption

Macroeconomic Developments

ČNB Repo (eop)



EUR/CZK



- Given sound pro-inflationary pressures, the key rate of the ČNB arrived at 7.00% in June 2022. In August and September, the Bank Board left rates unchanged. A movement of the monetary policy horizon and expected worsening of economic activity were the key factors
- ČS expects rates stability for the rest of 2022, although additional hike cannot be ruled out
- The most recent development, mainly the changing expectations on the ECB policy and higher geopolitical risks, could result in a longer period of rates stability. ČS expects that these factors could imply the first cut of the ČNB rates in May or August 2023
- The koruna has remained relatively stable recently, as it stays close to EUR/CZK 24.4-24.8 with no clear trend. Although negative sentiment in markets is working in the direction of weakening, koruna has been defended by the ČNB interventions
- Given the negative sentiment in markets, ČS does not expect an important koruna's appreciation in the rest of 2022. However, koruna is still weaker in comparison with fundamentals in general, and thus it should return to appreciation trajectory when market sentiment calms down and Czech inflation lowers



Summary & Business Highlights

Key Indicators

Summary & Highlights

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Net profit | **CZK 15.0 bn**
(+39.2% y/y)

Total capital ratio | **19.9%**
(-3.6 pp y/y)

Return on equity | **15.5%**
(+5.3 pp y/y)

Cost/income ratio | **41.9%**
(-5.9 pp y/y)

Operating result | **CZK 21.9 bn**
(+35.6% y/y)

Loan/deposit ratio | **65.5%**
(+0.5 pp y/y)



“Česká spořitelna's results and activities in Q1-3 2022 show that the Bank is able to build on its strong capital position and support its clients in difficult times. Clients have particularly appreciated the extraordinary Moneyback programme. Spořitelna has also joined the Merciful Summer initiative.

We greatly appreciate that our effort to promote the financial health of clients is reflected in the ever-increasing trust in our services. As a result, the number of active George digital banking users surpassed the 2 million milestone. Customers' confidence is also reflected in solid loan and deposit growth and is positively impacting our profitability. However, when comparing ČS's overall profit year-on-year, we need to take into the account that the last year was negatively impacted by the COVID-19 pandemic. Despite the ongoing uncertainty, our non-performing loans remain stable and capital position strong.”

Ivan Vondra, CFO

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

Personalized services and advisory will further substantially spread in retail banking and also in corporate banking, with the support of digital solutions

Advisory for Retail Clients:

Česká spořitelna will further improve financial health of its clients via:

- Deepening its understanding of customers' needs
- Personalised advisory and high-value adding solutions
- Increasing affordability of housing

Advisory for Corporate Clients:

Česká spořitelna aims to increase competitiveness, sustainability and prosperity of the country's economy (focus on ESG, Transformation 2.0 and entrepreneurship support) via:

- Active monitoring and improvement of financial health of its clients, thus creating stable business environment supporting companies on their way to prosperity
- 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



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:

- In June 2022, Česká spořitelna received an award for Green Market Pioneer in the Czech Republic in 2021 within the 7th Climate Bonds Awards. The Bank earned recognition for its EUR 500 m senior non-preferred green bonds issued last fall. Proceeds will be allocated to eligible renewable energy and green buildings
- Česká spořitelna has been introducing new “green” products for clients. After three new ESG mutual funds at the end of 2021, the Bank has come up with a new Mortgage for the Future and Renovation Loan for the Future. The new cheaper mortgage is available for the purchase of a residential unit or a house in the highest energy performing classes. Together with the building society loan, the loan can also be used for reconstruction where at least 30% of the total reconstruction budget is used for the purchase of energy-efficient and green elements that reduce the energy consumption of the building
- The 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
- Česká spořitelna participated in the establishment of a unique platform consisting of leading companies from several sectors of the Czech economy that should help companies map their CO₂ footprint and make the transition to more sustainable operations. The first comprehensive report, called Carbon Tracker 2022, was published in September 2022
- 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



Retail Banking

Help in Crisis

In August 2022, Česká spořitelna launched the Moneyback discount programme, thanks to which clients can get 15% back on purchases at the Albert and Globus food chains. The maximum monthly refund for payments with ČS cards is CZK 500. The aim is to relieve clients in times of high inflation

Spořitelna has again joined the Merciful Summer campaign and allows debtors to wipe out their debts. The condition is to pay the nominal debt to Česká spořitelna or building society Buřinka

Online Advisory

In order to be able to provide personal advice to more than 1 million clients who do not yet have a banker, Česká spořitelna has created a Remote Advisory Team in its Client Centre. Online bankers will provide services on a daily basis, including weekends

Investments

Česká spořitelna introduced a special bonus interest rate of +1% for owners of ČS/Premier/EPB savings accounts if they also make regular investments into mutual funds. As a result, the group of regular investors expanded by more than 30,000 over Q3 2022

Česká spořitelna has been conducting exclusive negotiations with the insolvency administrator of Sberbank CZ, a.s. in liquidation on the purchase of its business unit consisting of active credit agreements concluded by Sberbank CZ, a.s. with its clients

Corporate Banking

Strategic Advisory

Česká spořitelna has been developing a consulting concept focusing on the financial health of clients in the SME segment. By the end of Q3 2022, ČS bankers had held 1,600 meetings during which they provided clients with an overview of their companies' financial indicators and based on this, bankers advised clients how they can improve their financial health

Green Banking

ČS Leasing's portfolio has expanded by 99 electric vehicles over three quarters in 2022, which was more than 5% of new registrations of electric cars on the Czech market. At the same time, this was almost double of the share of new registrations of cars with combustion engines

Financing Energy

Česká spořitelna helped the gas company Pražská plynárenská to deal with the negative impacts resulting from the lower gas availability and the increase in prices on world markets. The Bank provided financial resources to Pražská plynárenská to cover new needs. These included funds to cover the high guarantee requirements from commercial gas purchase contracts and funds to fill the gas storage facility before the next heating season

George

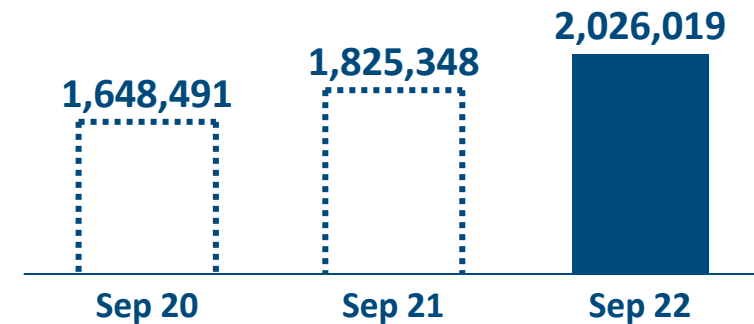
At the end of August 2022, Česká spořitelna's digital platform George passed the milestone of 2 million active users

George introduced more news during Q3 2022:

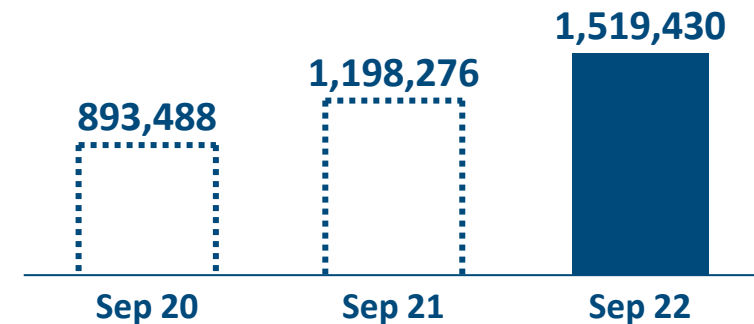
- George started speaking to Ukrainian clients in their native language on mobile. So far, only on screens or features that are most used
- It is possible to enter a QR code to make a SEPA payment in EUR
- Registration for the Moneyback discount programme can be done via mobile George
- Chatbot has been introduced to Mobile George



Number of Active Unique Users of George



Number of Active Unique Users of Mobile George

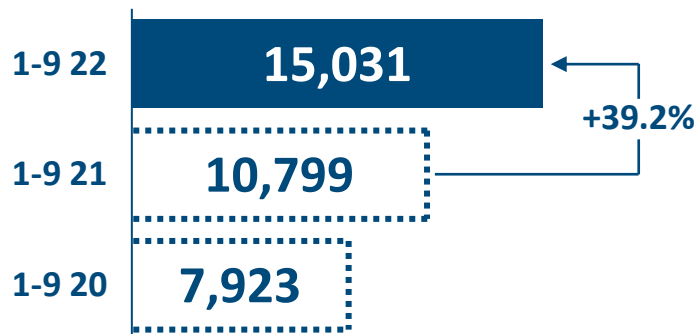




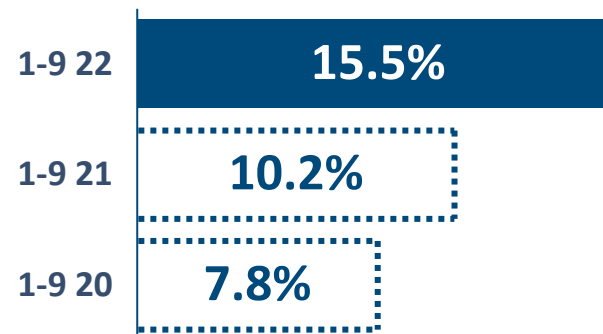
Financial Performance

Main Indicators

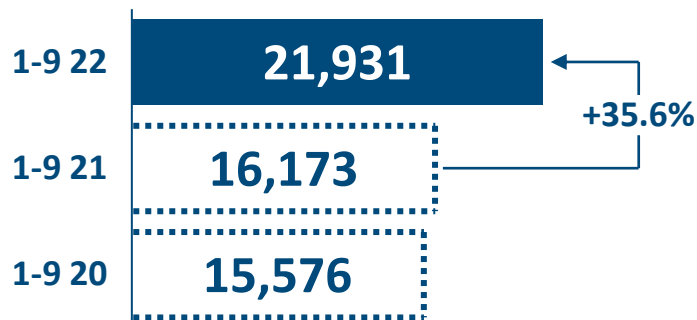
Net profit (CZK m)



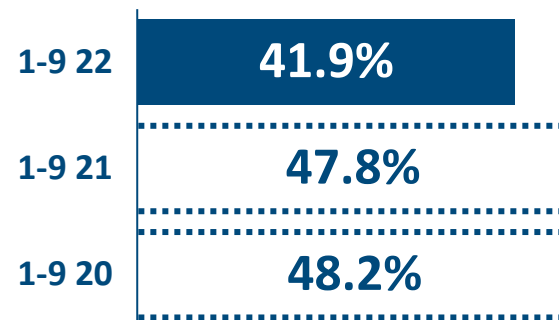
ROE



Operating result (CZK m)



Cost/income ratio



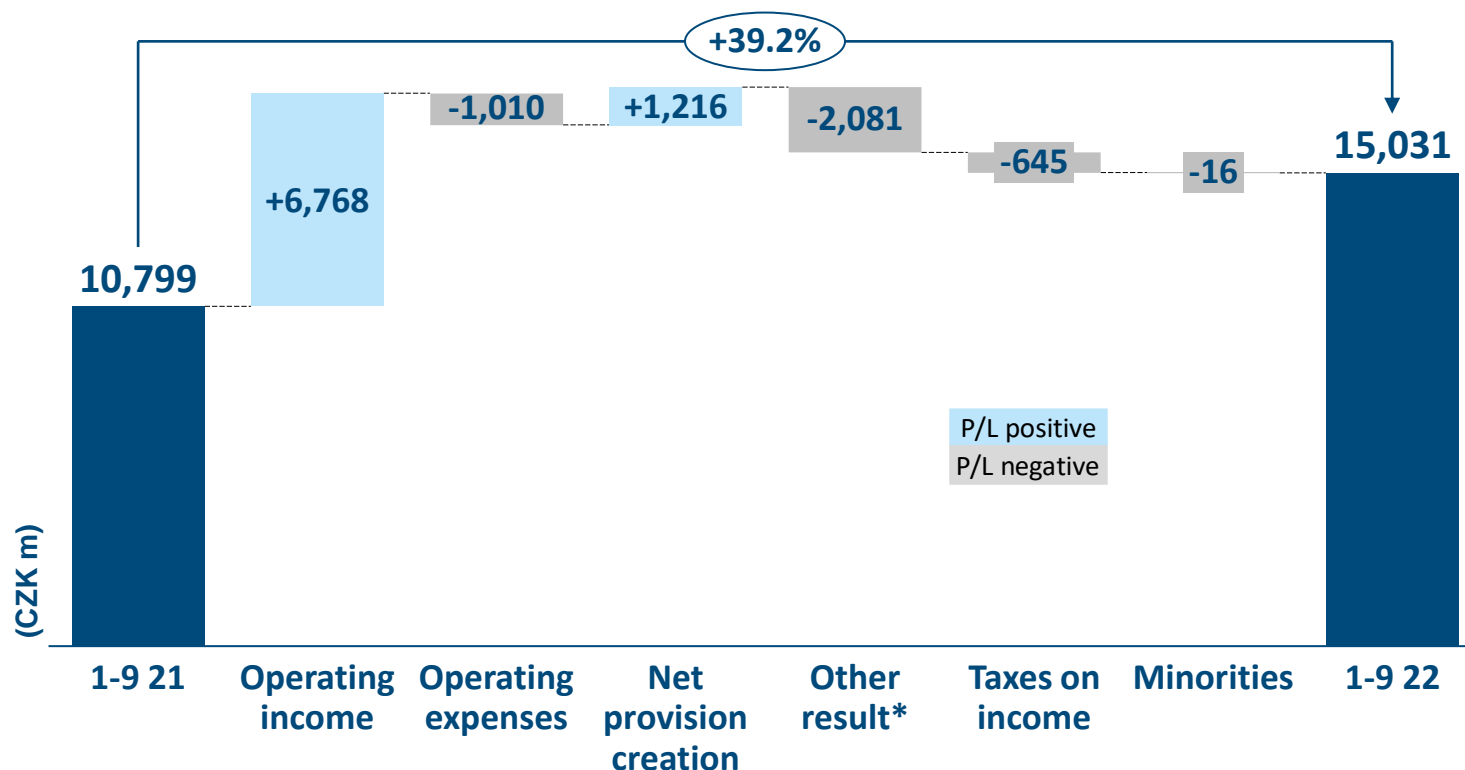
- Net profit increased by 39.2% y/y to CZK 15.0 bn driven by considerably higher operating result reflecting business growth and overall post-COVID development
- ROE grew to 15.5% (+5.3 pp y/y)
- Operating result rose by 35.6% y/y (or CZK 5.8 bn)
 - Operating income was up by 21.8% y/y, attributed to increase in net interest income (+24.0% y/y), net fee and commission income (+3.2% y/y) and net trading result (+75.0% y/y)
 - Operating expenses (+6.8% y/y) were well below the inflation rate, driven mainly by personnel expenses and other administrative expenses
- Cost/income ratio significantly improved to 41.9% (-5.9 pp y/y)

Net Profit – Y/Y

Summary & Highlights

Financial Performance

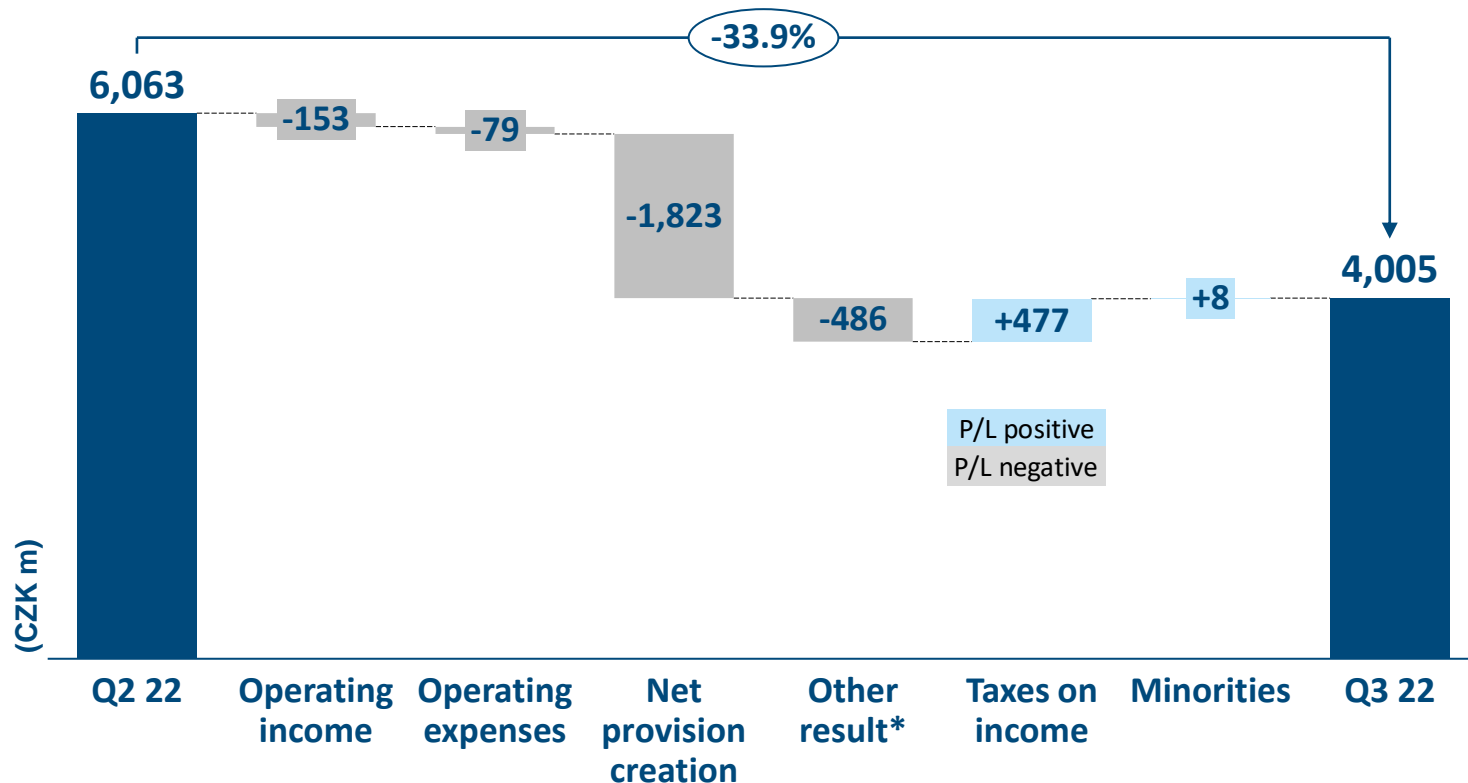
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- Operating income went up by 21.8% y/y, impacted by business growth and high interest rates environment. Net trading result (+75.0%) driven by higher client business and overall post-COVID development
- Operating expenses rose by 6.8% y/y attributed to increase in personnel expenses and other administrative expenses
- Lower creation of risk provision reflects positive development of portfolio quality while keeping prudent approach to potential impacts of current geopolitical risks
- Decrease in other result* attributed mainly to sale of bonds, impairment of buildings and higher contribution to Recovery and Resolution Fund in Q1 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

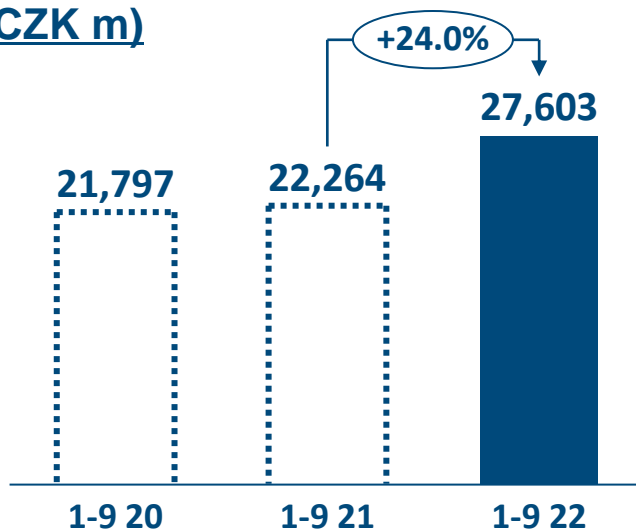


- Operating income in Q3 2022 decreased by 1.2% q/q attributed mainly to net fee and commission income (-2.4%) and net interest income (-0.6%)
- Operating expenses increased by 1.5% q/q driven mainly by higher personnel expenses (+1.5% q/q) and other administrative expenses (+1.7% q/q)
- Development of net provision caused by net provision creation in Q3 2022 reflecting ČS's approach to potential impacts of current geopolitical risks, compared to net provision release in Q2 2022
- Decrease in other result attributed mainly to impairment of buildings

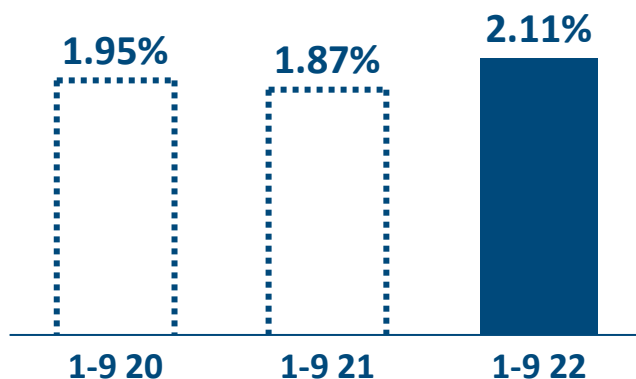
* Includes Gains/losses from derecognition of financial instruments not measured at FV through profit or loss and Other operating result

Net Interest Income & Net Interest Margin

Net Interest Income (CZK m)

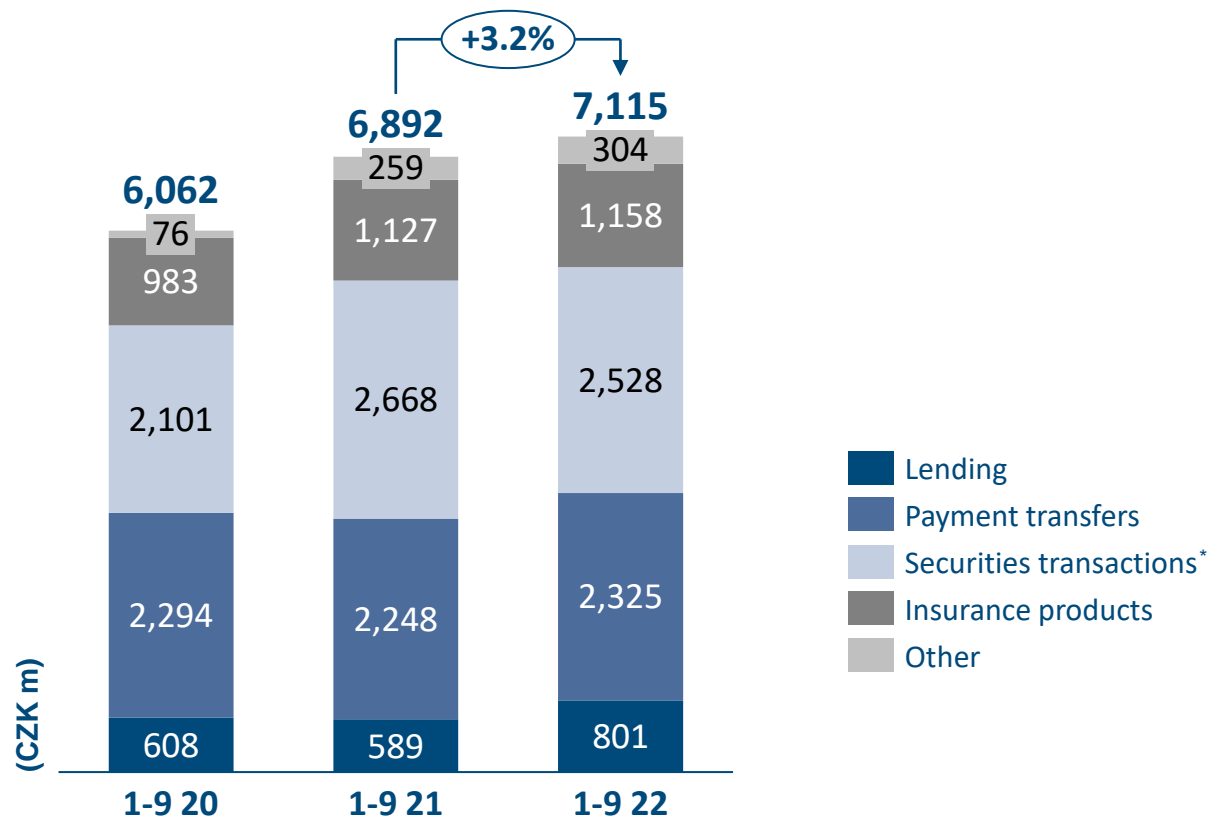


Net Interest Margin



- Net interest income rose by 24.0% (or CZK 5.3 bn) in comparison with Q1-3 2021, which was mainly affected by
 - Growth of customer loans and deposits
 - Investments into debt securities
 - High interest rates environment reflected on both loan and deposit side
- Net interest margin reached 2.11% in Q1-3 2022, supported by
 - Positive impact of high interest rates environment in loan book partly offset by increase in interest rates on deposits
 - Balance sheet structure

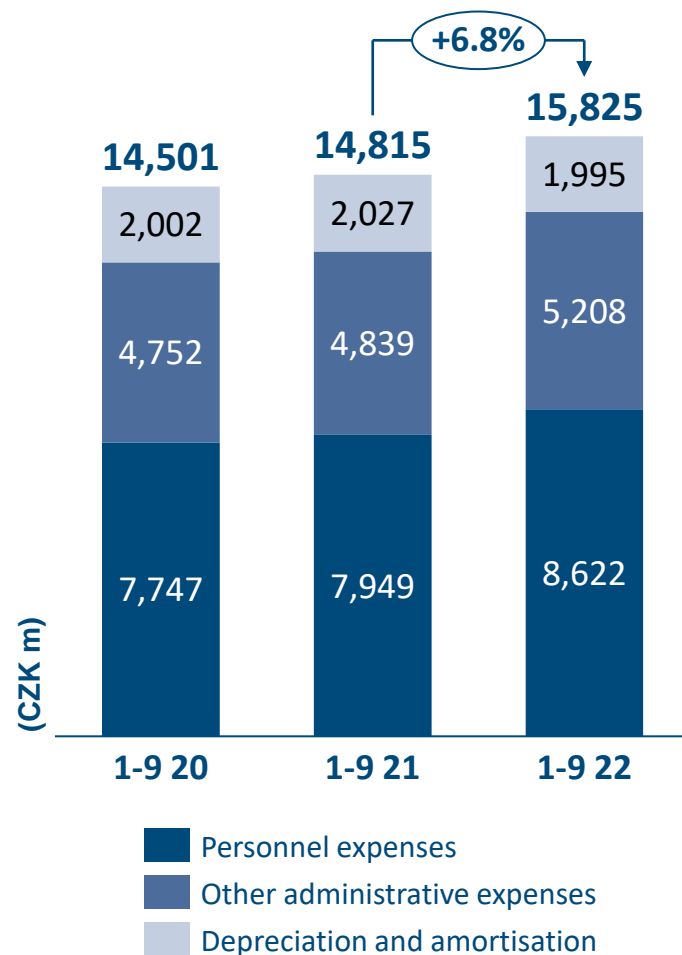
Net Fee and Commission Income



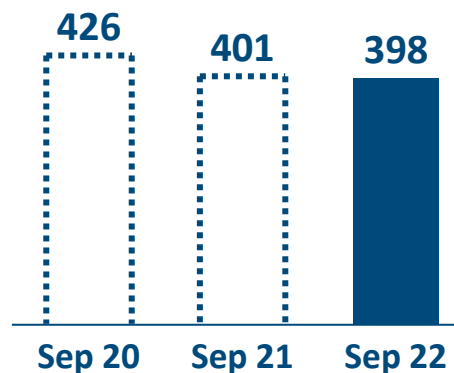
- Despite volatility on financial markets, net fee and commission income went up by 3.2% y/y in Q1-3 2022 caused by both retail and corporate
 - Increase in payment transfers reflected double-digit growth of card transactions and positive development of corporate cash management
 - Securities transactions slightly declined due to performance effect
 - Lending fees and insurance products supported by business development

* Since FY 2021 securities transactions include securities, asset management, custody and collective investments; previous data restated

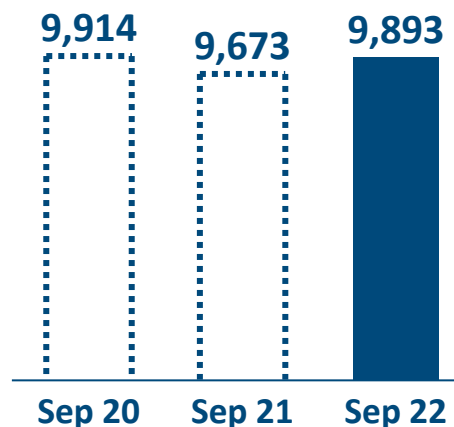
Operating Expenses



Number of Branches*



Number of Employees



- Operating expenses stayed well below the inflation rate in Q1-3 2022 and rose by 6.8% y/y attributed mainly to increase in personnel expenses and other administrative expenses
- Personnel expenses grew by 8.5% y/y driven mainly by impact of salary increase and employee share programme
- Other administrative expenses up by 7.6% y/y due to higher costs of property management, IT, business operation and personnel related costs. Furthermore, affected by increase in contribution into Deposit Insurance Fund in 2022 (+ CZK 52 m y/y)

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



Business Performance

Main Indicators

Summary & Highlights

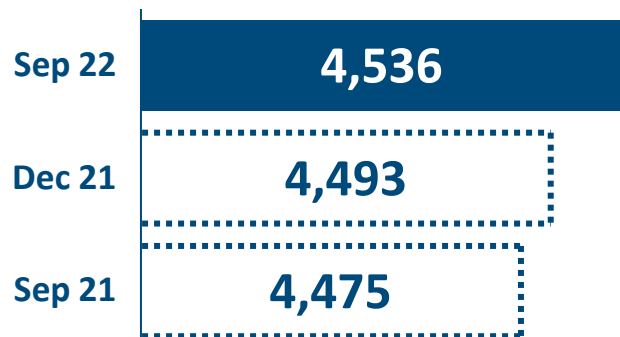
Financial Performance

Business Performance

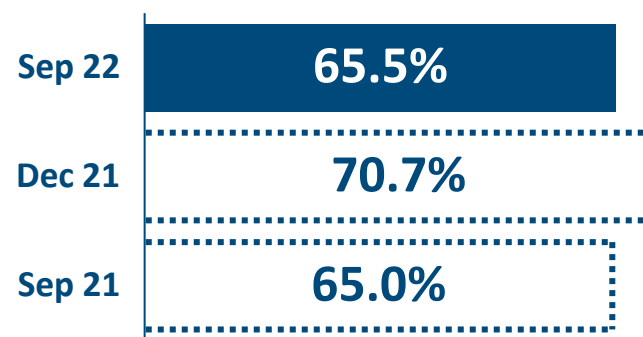
Risk & Capital Position

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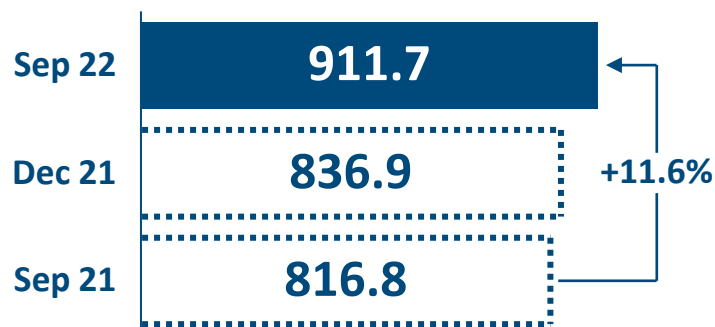
Number of clients (ths)



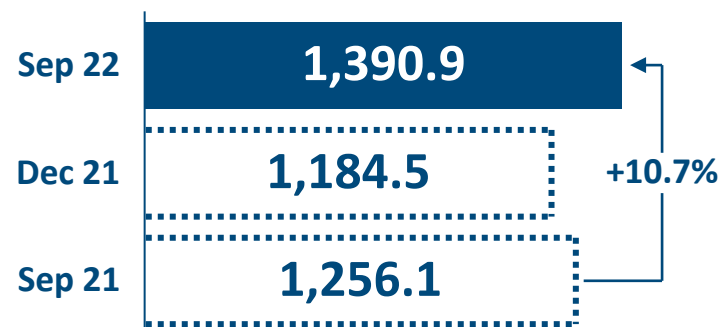
Loan*/deposit** ratio



Loans* (CZK bn)



Deposits** (CZK bn)



- Number of clients rose by 61 ths y/y
- Group net customer loans increased by 11.6% y/y, driven mainly by private mortgages, large corporates and SMEs
- Total group customer deposits grew by 10.7% y/y reflecting trust of clients
- Loan/deposit ratio at 65.5% (from 65.0% in September 2021)

* Includes loans and advances at amortised cost, loans and advances at FV through profit or loss, finance lease receivables and trade and other receivables

** Includes deposits from customers at amortised cost and deposits from customers at FV through profit or loss

Balance Sheet – Assets YTD

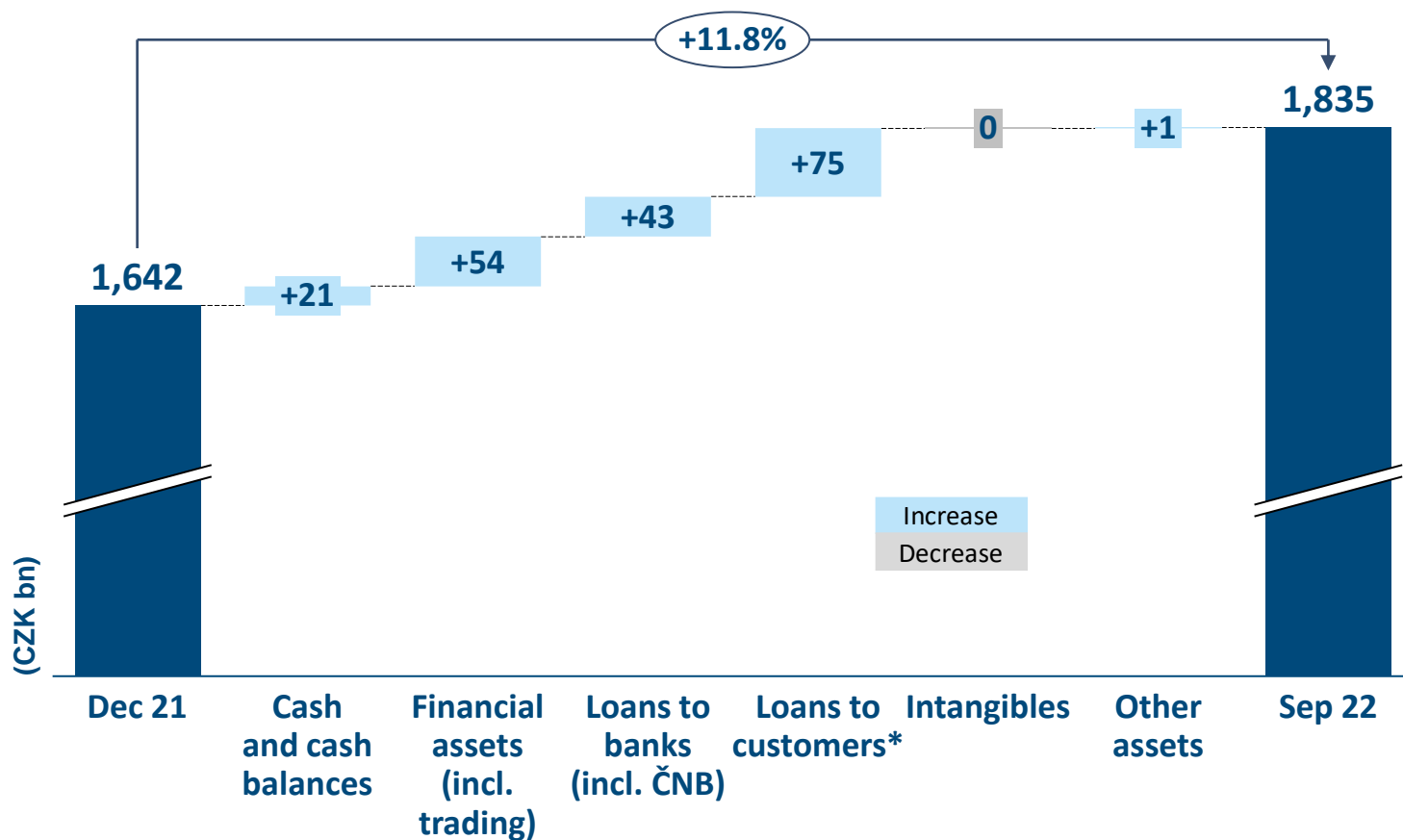
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- The assets development affected mainly by growth of loans to customers accompanied by loans to banks and financial assets
- Net customer loans* increased by 8.9% in Q1-3 2022 thanks to both retail and corporate lending
- Loans to banks attributed to reverse repo operations with ČNB increased by 11.9% (or CZK 43.5 bn) driven mainly by growth of customer deposits
- Growth of financial assets caused by higher investments into Czech government bonds

* Includes loans and advances at amortised cost, loans and advances at FV through profit or loss, finance lease receivables and trade and other receivables

ČS Group Gross Loan Portfolio

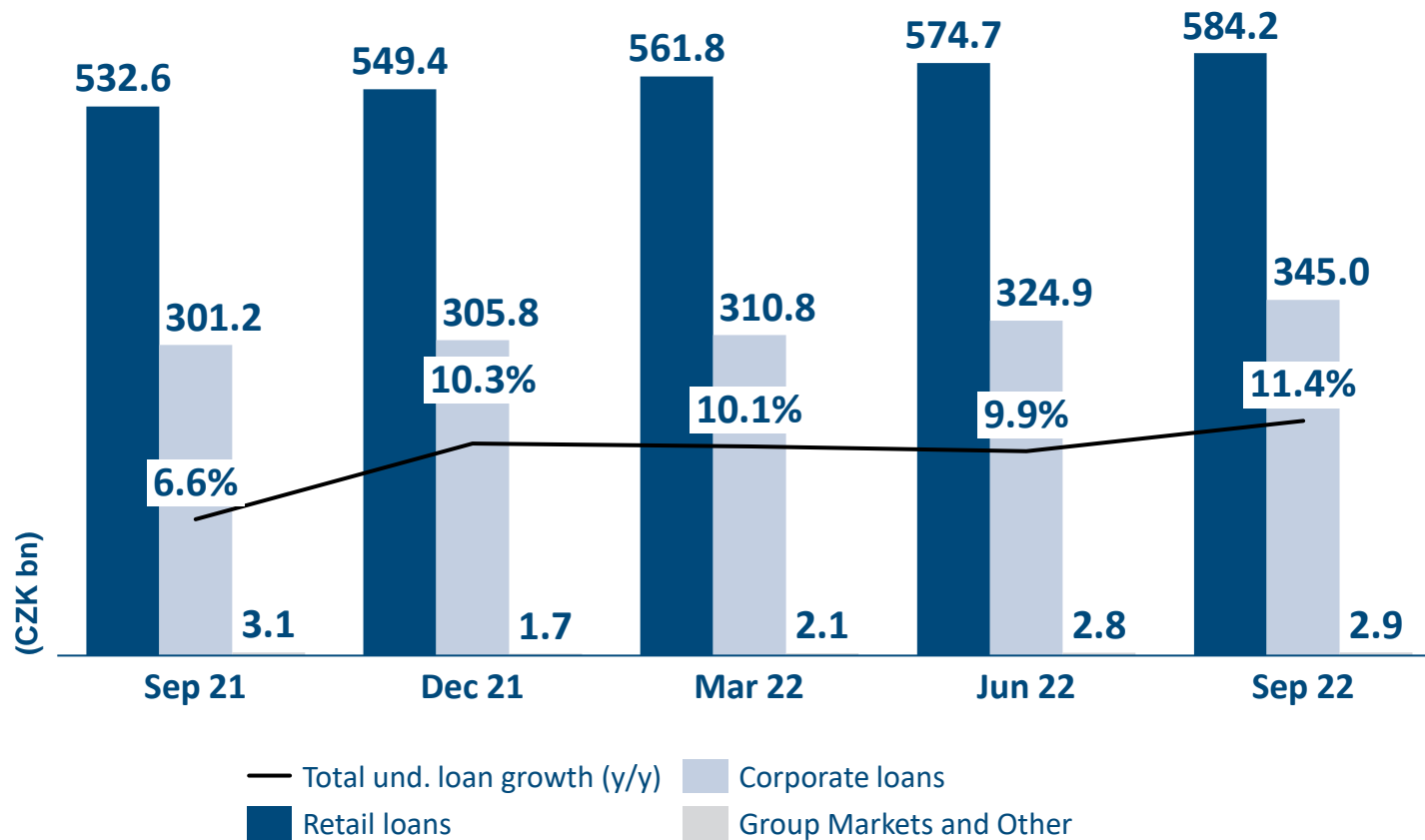
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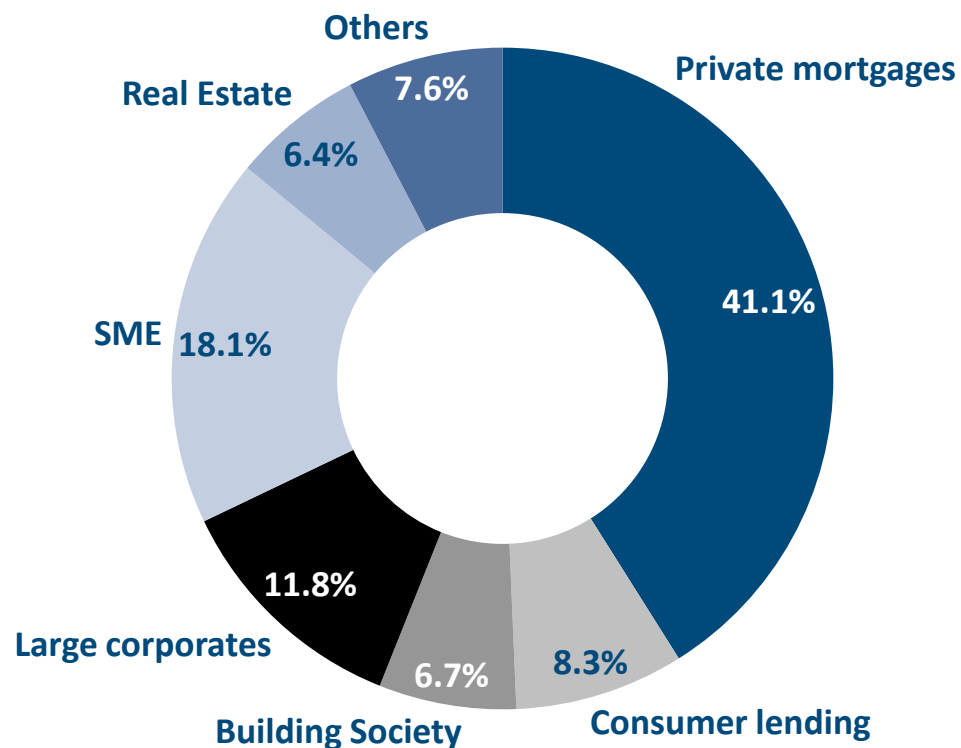
Appendix



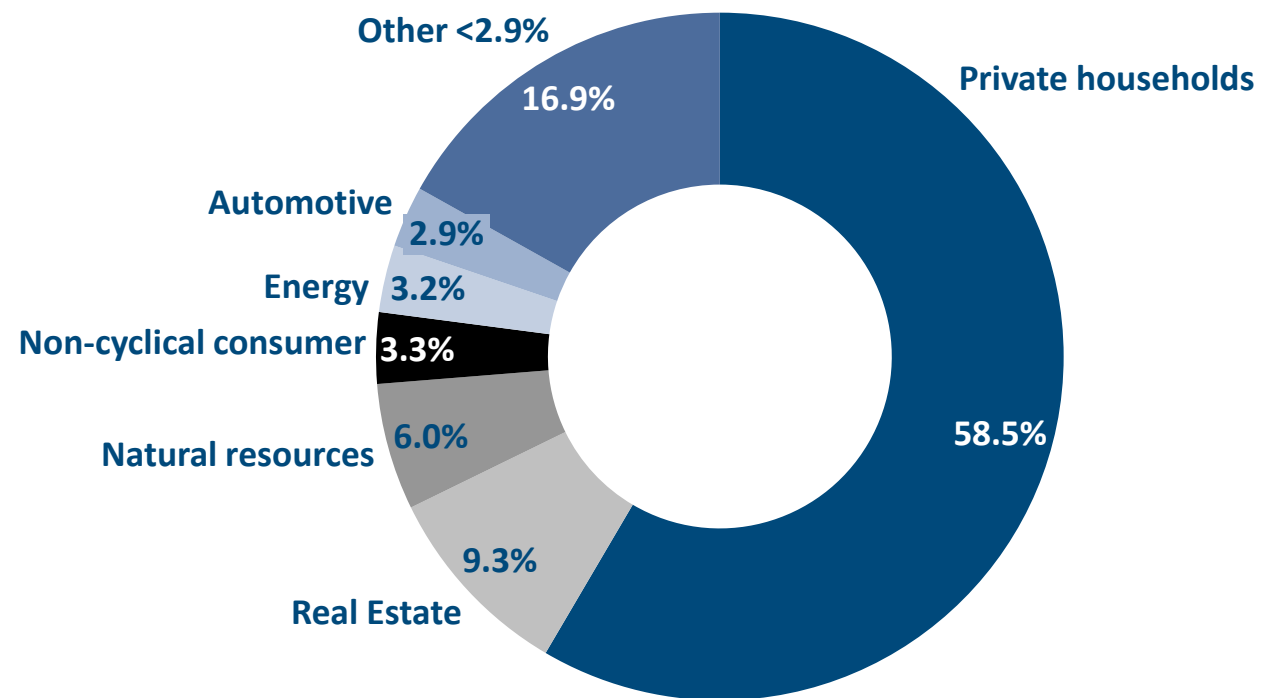
- ČS Group gross loan portfolio increased by 11.4% y/y driven by both retail and corporate loans
- Loans to retail clients rose by 9.7% y/y
 - Private mortgages +12.0%
 - Building Society (SSČS) +14.7%
 - Consumer lending +3.7%
- Loans to Corporate added 14.6% y/y (+16.7% y/y excluding FX impact)
 - Increase in Large Corporate +18.3%
 - SME +10.3%
 - Real Estate +16.0%
 - Subsidiaries grew by +15.2%

ČS Group Gross Loan Portfolio

Gross Loan Portfolio by Customer Segment



Industry Split of Gross Loan Portfolio



Note: New industry split definition since Q1 2022

Mortgages and Consumer Lending

Summary & Highlights

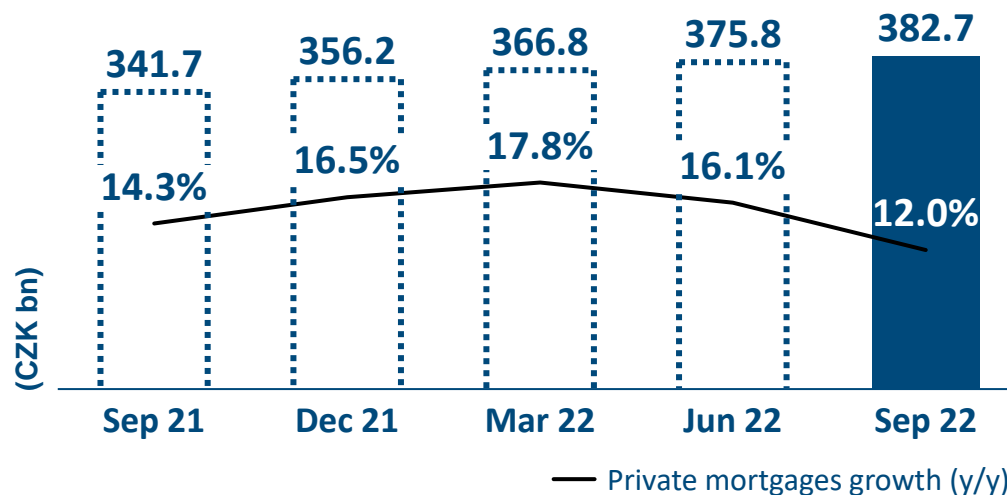
Financial Performance

Business Performance

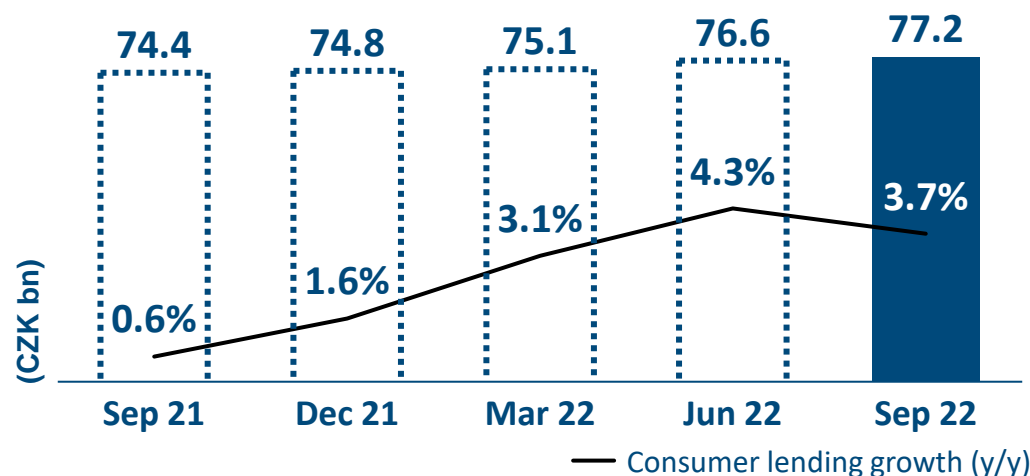
Risk & Capital Position

Appendix

Mortgages



Consumer Lending*



- Volume of private mortgages grew by 12.0% y/y
 - Gradual utilization of loans from extraordinary strong sales in 2021 continued. New sales declined following cooling of the mortgage market
 - Average maturity of new loans stable at 27.6 years, average volume at 3.1 m
 - Underwriting policy unchanged, LTV gradually declining due to a rise of real estate value (whole portfolio at 52.8% driven by regular Q1 repricing, new loans at 63.6%)
- Consumer lending* added 3.7%
 - Grow rate slowing down driven by prudent behavior of households amid economic uncertainty and high energy prices

Balance Sheet – Liabilities YTD

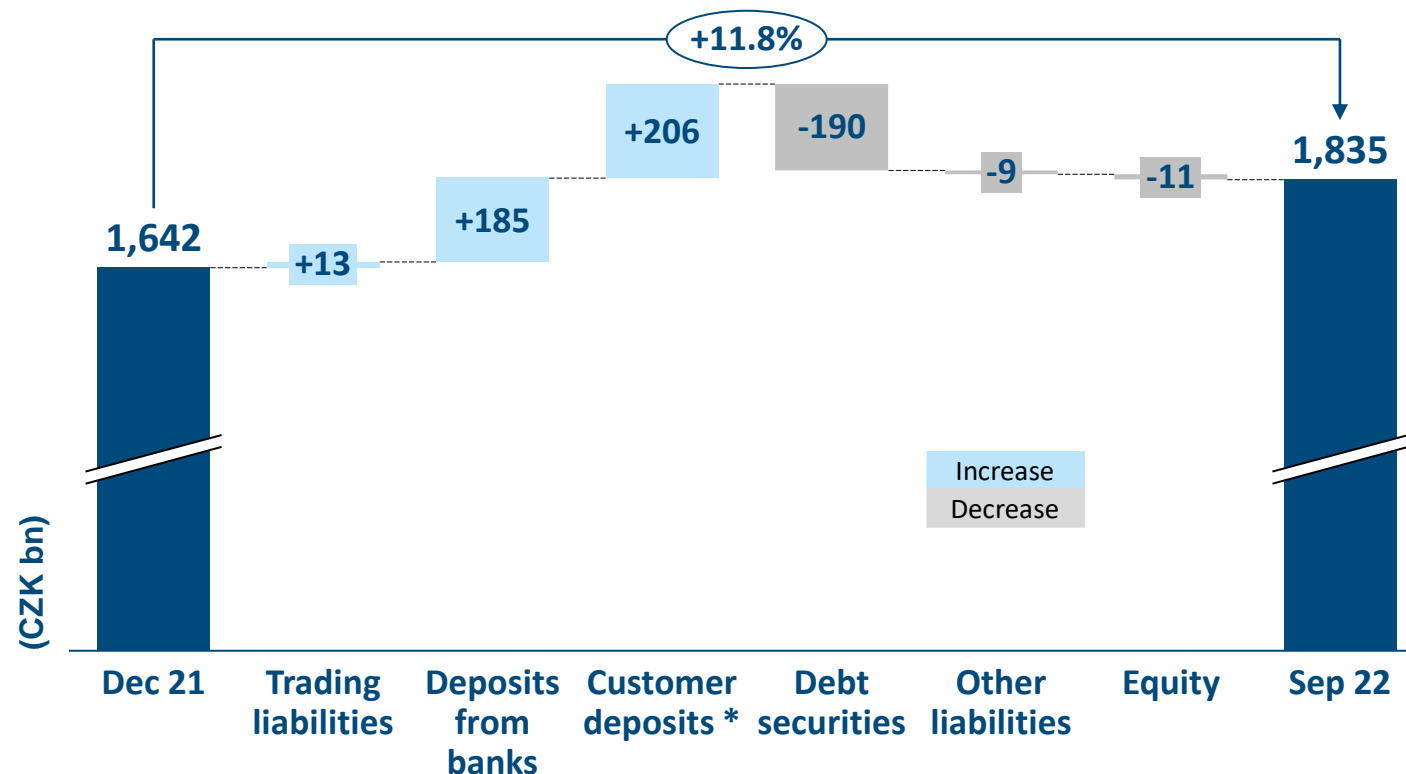
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- The main driver of growth on liability side of balance sheet were customer deposits
- Group customer deposits* grew by 17.4% in Q1-3 2022 attributed to all sectors (mainly corporate** and public sector)
- Increase in deposits from banks (credit institutions) was offset by decrease in debt securities reflecting changes in short-term intragroup liquidity steering

* Includes deposits from customers at amortised cost and deposits from customers at FV through profit or loss; previous figures restated

** Includes deposits of non-financial corporations and deposits of other financial corporations

ČS Group Customer Deposits

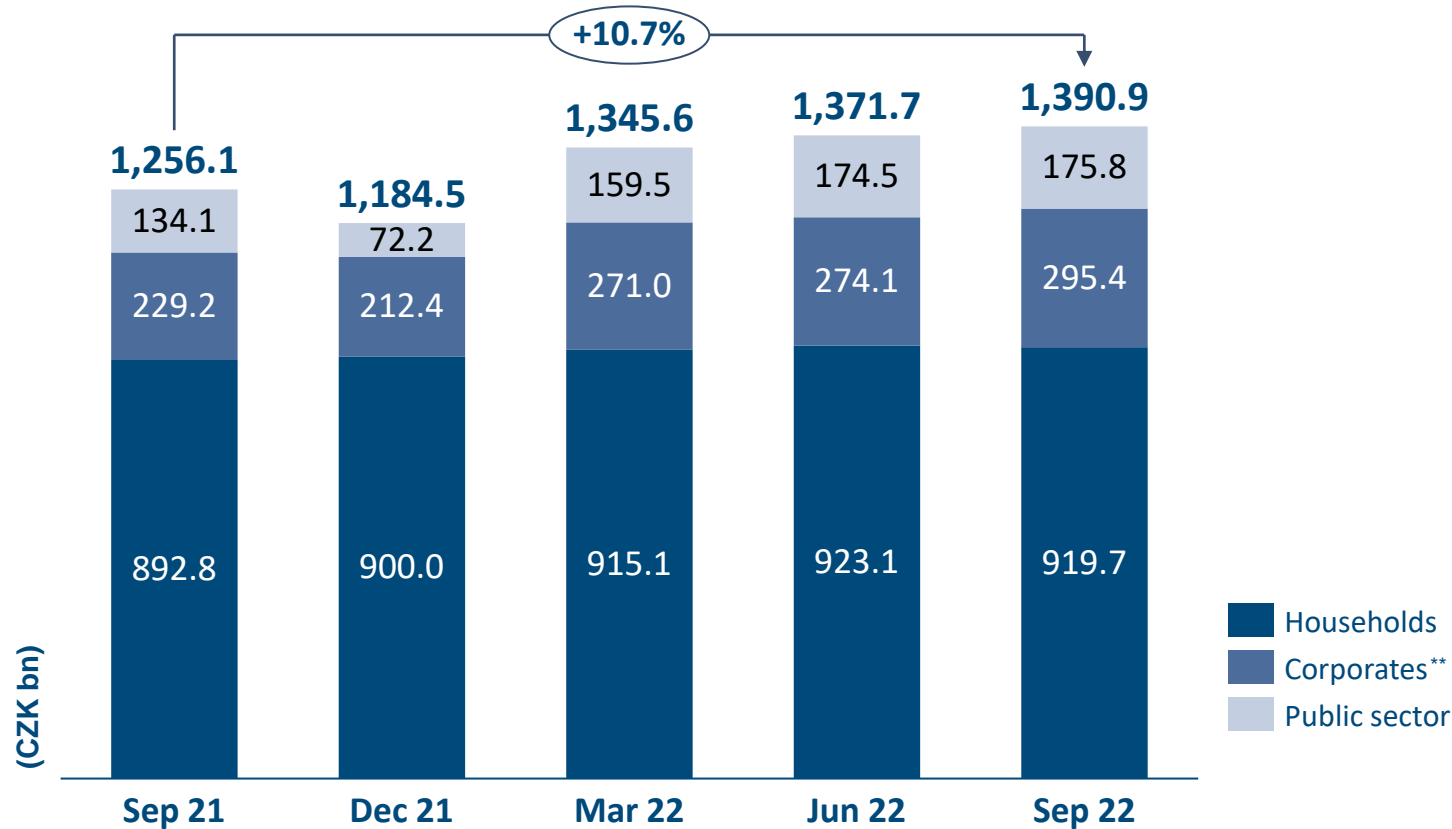
Summary & Highlights

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- Customer deposits continued in growth y/y in all segments; total group customer deposits* increased by 10.7% compared to September 2021 reflecting trust of clients
 - Households deposits grew by 3.0% y/y
 - Corporates** rose by 28.9% y/y influenced by short-term deposits
 - Public sector deposits increased by 31.1% y/y affected by short-term operations

* Includes deposits from customers at amortised cost and deposits from customers at FV through profit or loss

** Includes deposits of non-financial corporations and deposits of other financial corporations

Clients' Funds Under Management

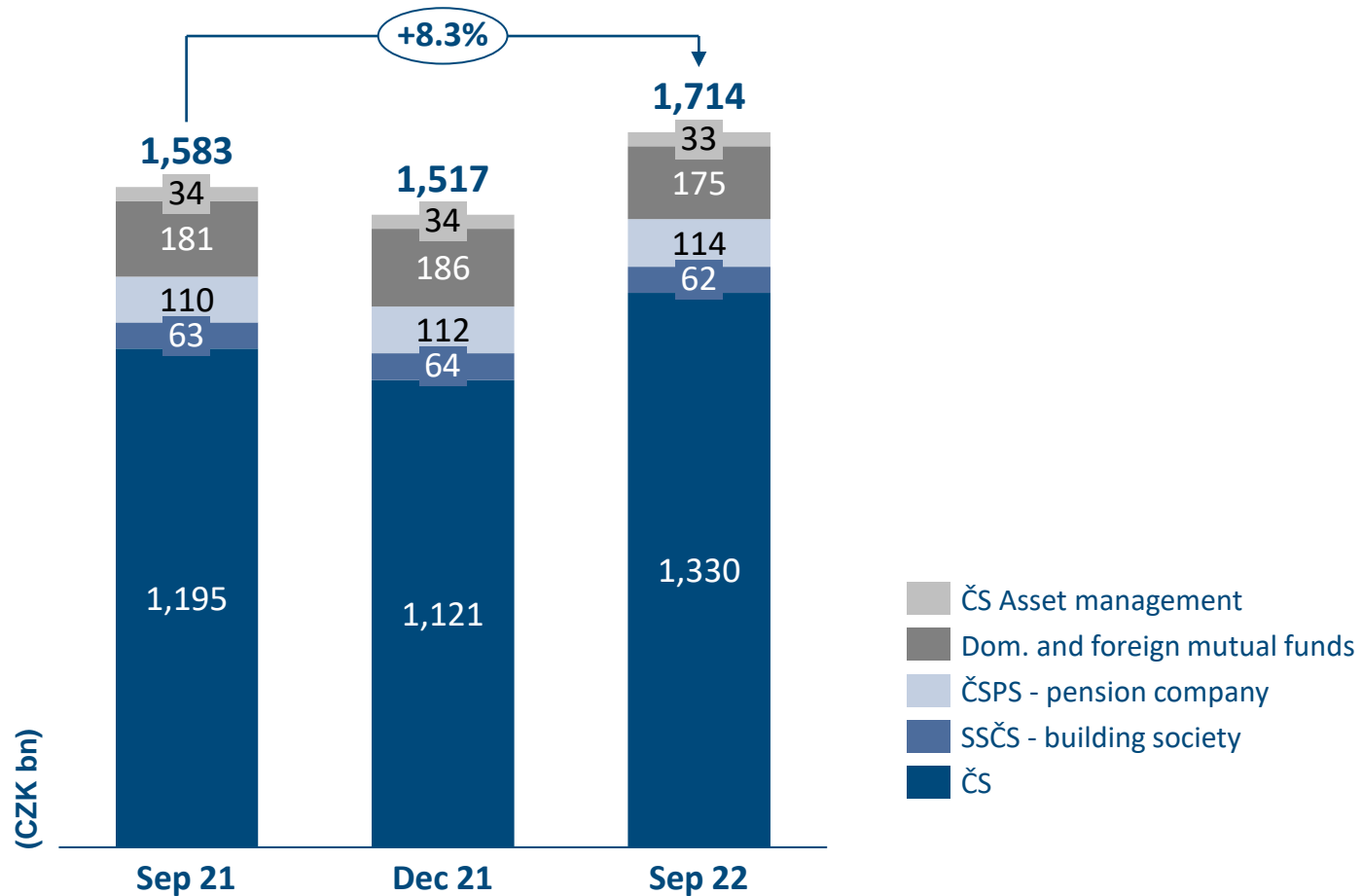
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- Funds under management rose by 8.3% y/y mainly due to ČS parent bank customer deposits
- ČS parent bank customer deposits grew by 11.2% y/y, excl. repo operations by 8.9% y/y
 - Rise driven by increase in all sectors
- Decrease in domestic and foreign mutual funds and asset management affected by clients preference in investing into secured products and market volatility

IFRS, in CZK bn	Sep 21	Dec 21	Sep 22	Change (y/y)
ČS - customer deposits	1,195	1,121	1,330	11.2%
SSČS - building society	63	64	62	-0.8%
ČSPS - pension company	110	112	114	3.9%
Dom. and foreign mutual funds	181	186	175	-3.4%
thereof REICO - investment company	27	28	27	0.1%
Asset management	34	34	33	-3.2%
Total	1,583	1,517	1,714	8.3%

Note: New reporting methodology applied since FY 2021; previous data restated

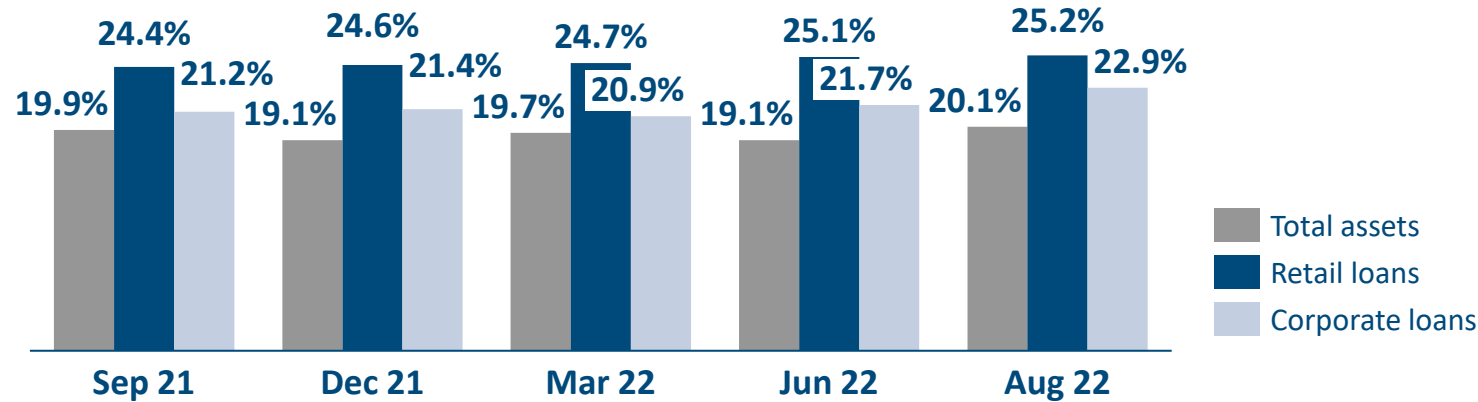
ČS's Market Shares (August 2022)*

Summary & Highlights
Financial Performance

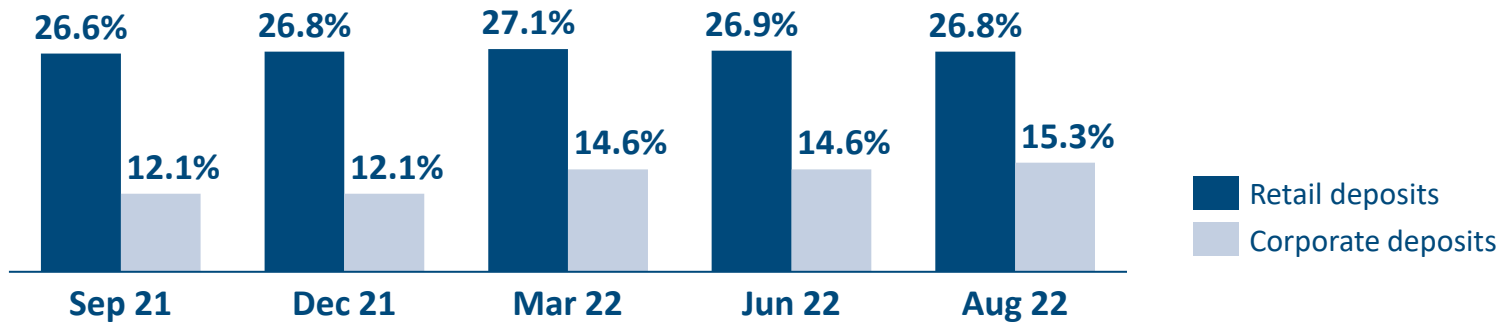
Business Performance

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Assets



Liabilities

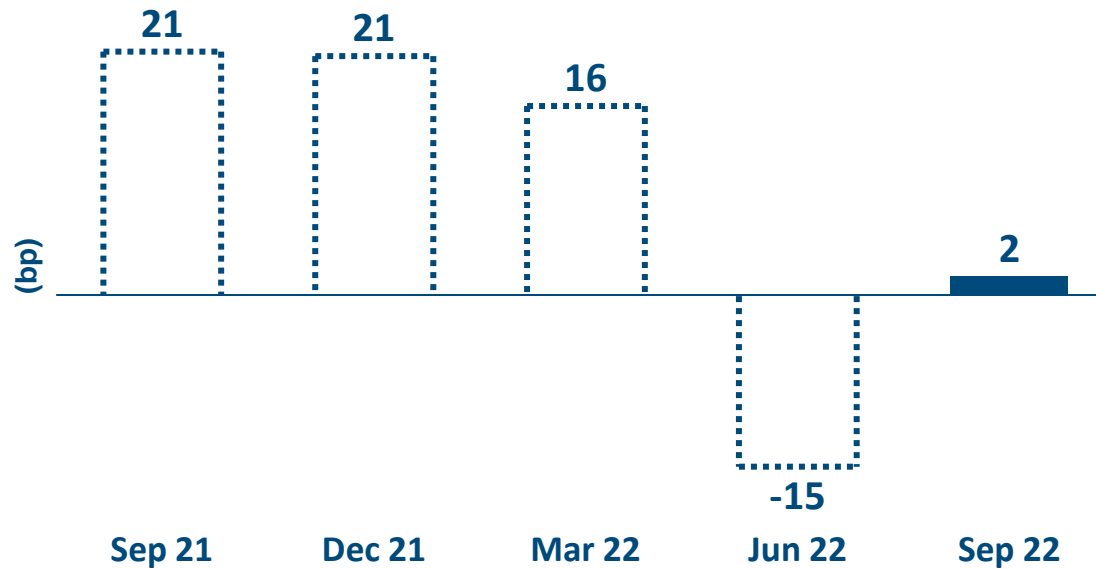


- Number of customers at 4.5 m
- Total assets market share of 20%
- Total loans market share of 23%
- Private mortgages
 - New business market share of 29%**
 - Outstanding portfolio market share of 28%**
- Consumer loans (incl. credit cards) market share of 26%
- Total deposits market share of 23%
 - 27% in retail deposits
 - 15% in corporate deposits
- Mutual funds with market share of 25%**



Risk & Capital Position

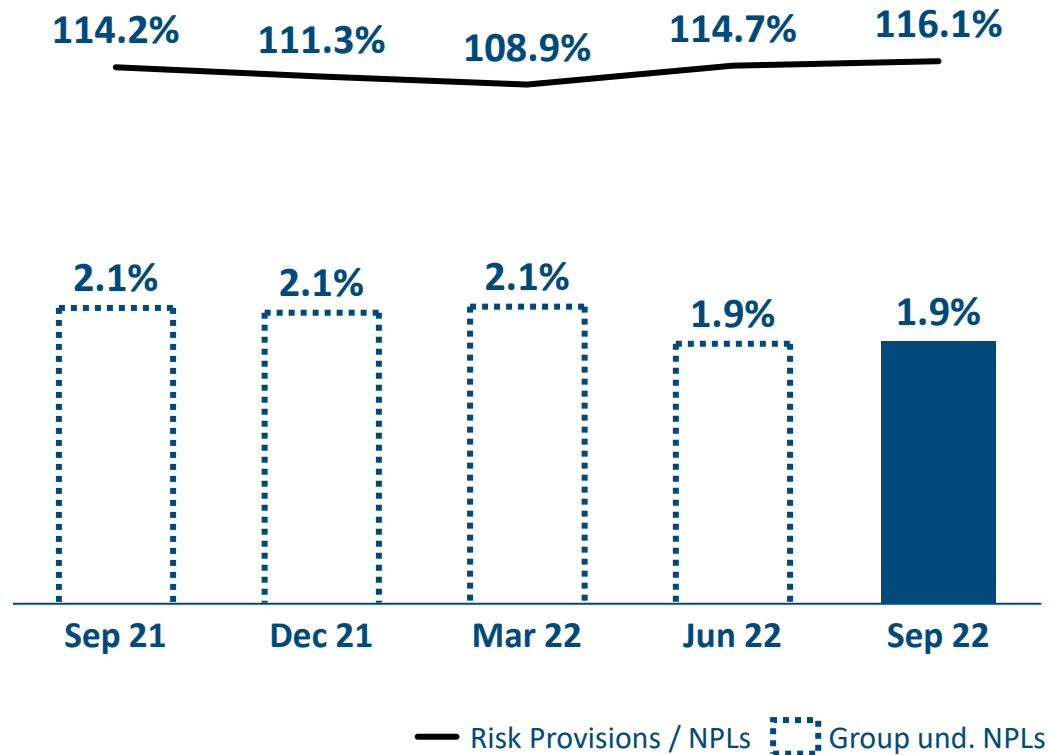
Risk Costs Development (YTD)



- Minor provision creation in Q1-3 2022 reflecting ČS's approach to potential impact of current geopolitical risks
- Stable development in retail portfolio quality kept risk costs in release mode
- Corporate recorded provision creation due to potential impacts of current geopolitical risks to selected industries and several defaults in SME

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

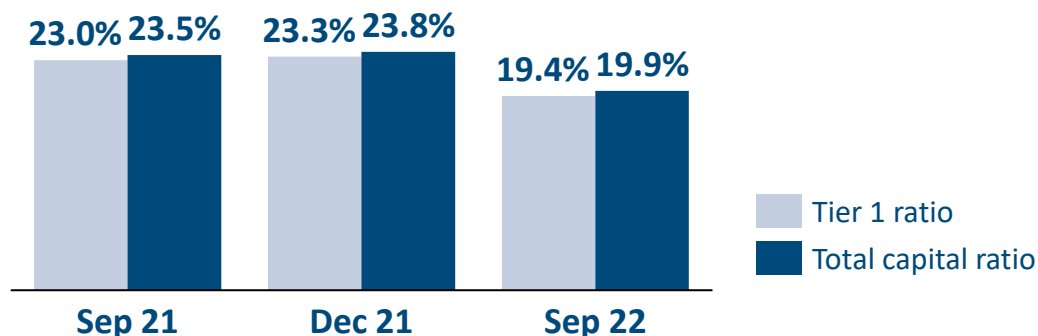
NPL Ratio and NPL Coverage



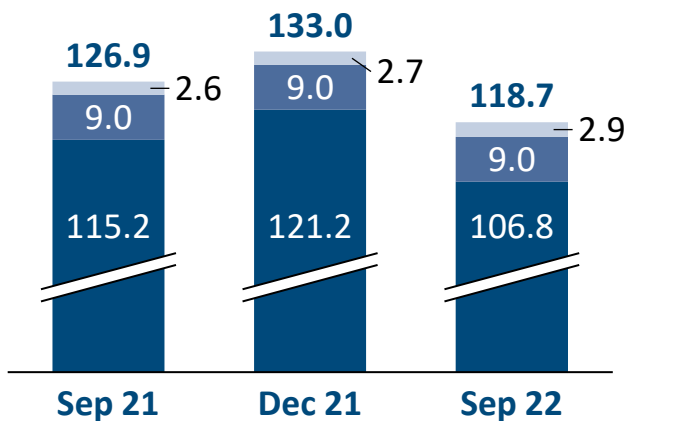
- Group NPL share stable at 1.9%
 - Quality remained unchanged as new defaults were offset by recoveries
 - Provision coverage stable at 116% and total coverage (provisions+collateral to NPL) also remained high at 144%

ČS Group Capital Position

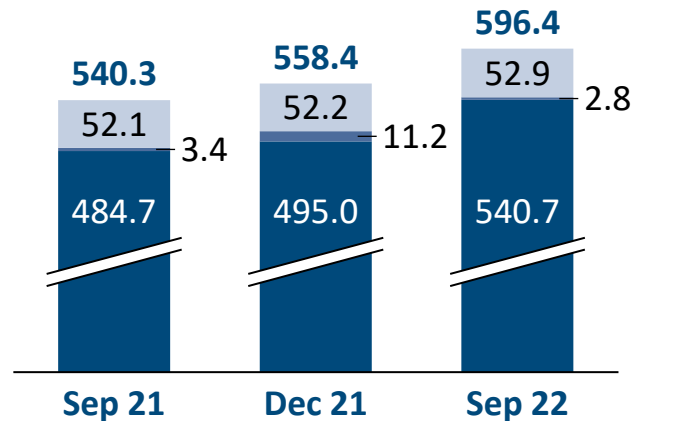
Capital Ratios



Regulatory Capital (CZK bn)



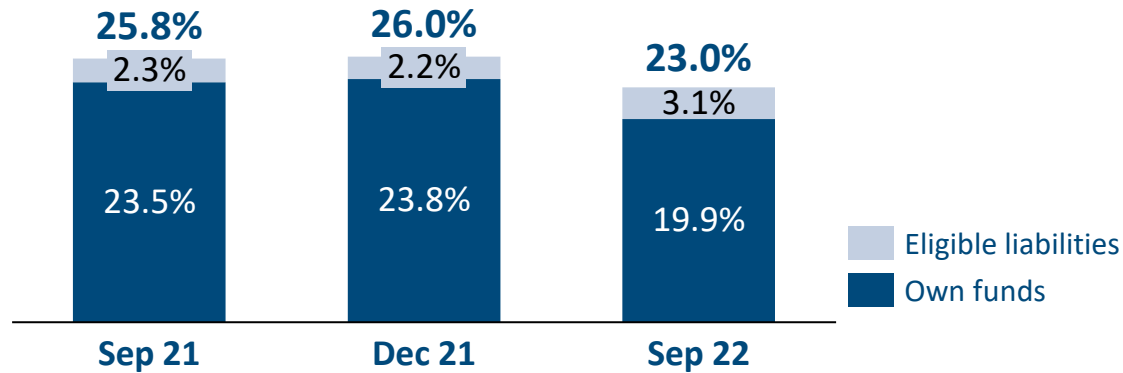
Risk Exposure (CZK bn)



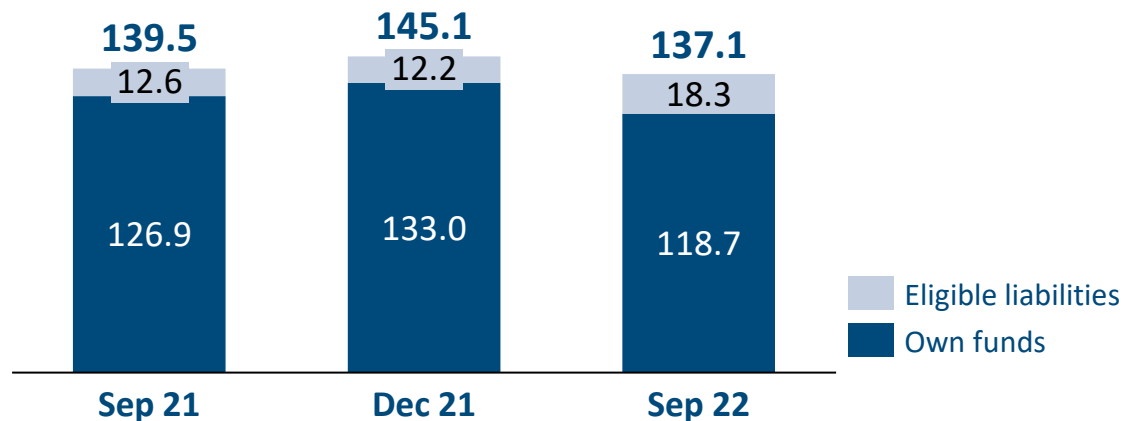
- Total capital ratio at 19.9%, Tier 1 ratio at 19.4%
- Year-on-year decrease in capital ratios driven mainly by paid out dividends and increase in risk exposures
- Capital adequacy remains significantly above regulatory requirement of 15.2%
- Total risk exposure increased by 10.4% y/y driven by growth of credit risk (+11.5% y/y)
- Growth of credit risk exposure corresponds to growth of loan book due to increase in corporate segment

ČS Group MREL Position

MREL Ratio



Own Funds and Eligible Liabilities (CZK bn)



- Regulatory update
 - MREL ratio at 23.0%
 - MREL ratio well above the interim regulatory requirement of 19.6% applicable from 1st January 2022 (ČNB interim requirement of 14.1% + combined buffer requirements 5.5%)
 - Final regulatory MREL requirement of 18.8% (excluding CBR) kicks in on 1st January 2024
 - ČS has a full subordination requirement for MREL
- Market development
 - Increase in eligible liabilities driven by CZK 6 bn new issuance of 5NC4 senior non-preferred bonds for institutional investors on domestic market at 7.41% yield (mid swap + 145 bps)
 - Market volatility and widened issuance spreads for CEE issuers due to elevated geopolitical risks
 - Plan to continue with international issuances throughout 2022-23

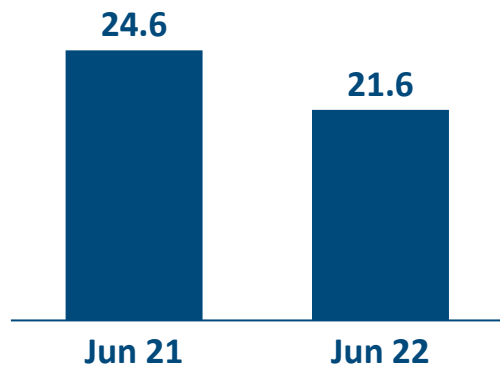


Appendix

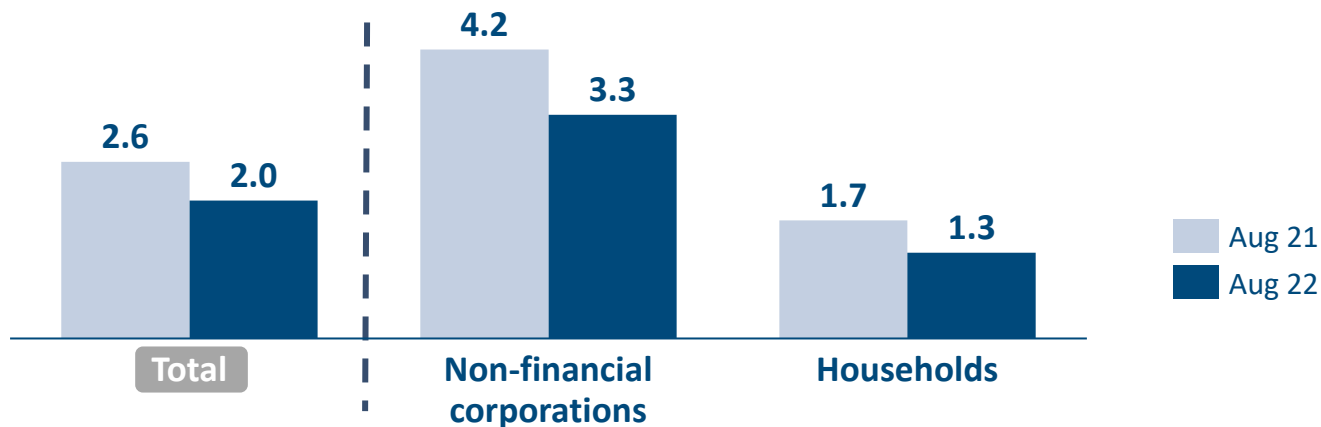
Czech Banking Market I.

Appendix

Total Capital Ratio of Czech Banks (%)



Non-performing Loan Ratios (%)



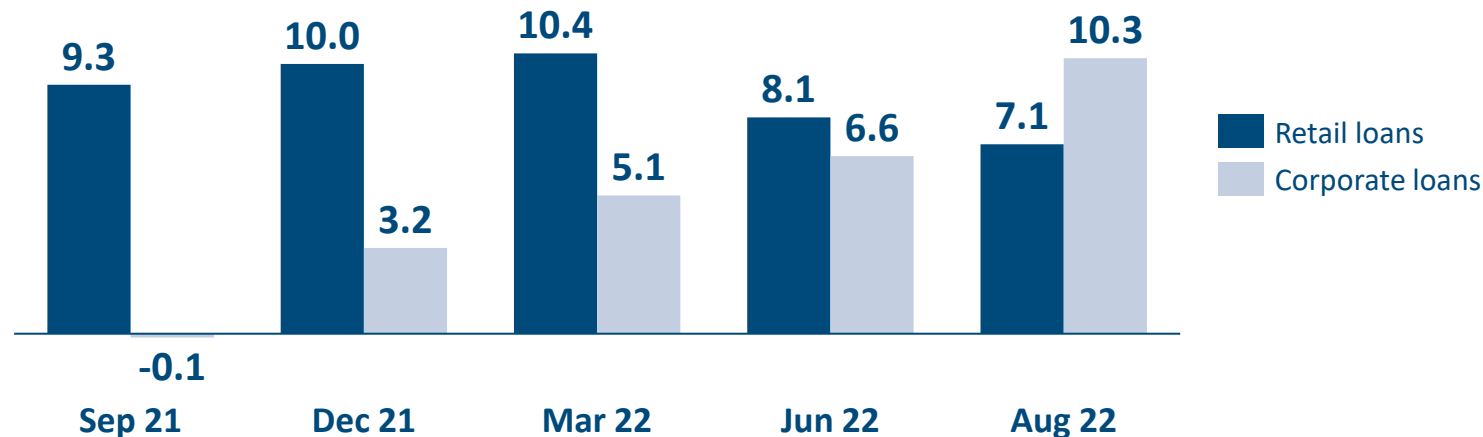
- The Czech banking sector is resilient against the economic impact of Russian invasion to the Ukraine thanks to the sector's high capital adequacy (21.6% at end of Q2 2022), robust profitability over the previous years and low exposure to both countries
- Latest ČNB stress tests (July 2022) confirmed 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 will rise from the current 1.5% to 2.0% effective from 1st January 2023 and to 2.5% effective from 1st April 2023
- At the beginning of the summer 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
- The NPL ratio for the corporate sector fell to 3.3% in August 2022, which is well below the average (5.4%) since 2005. For the household sector, the figure (1.3%) remained at the historical minimum
- NPL figures may worsen due to the consequences of the Russian invasion to the Ukraine but ČS does not expect this effect to be dramatic

Czech Banking Market II.

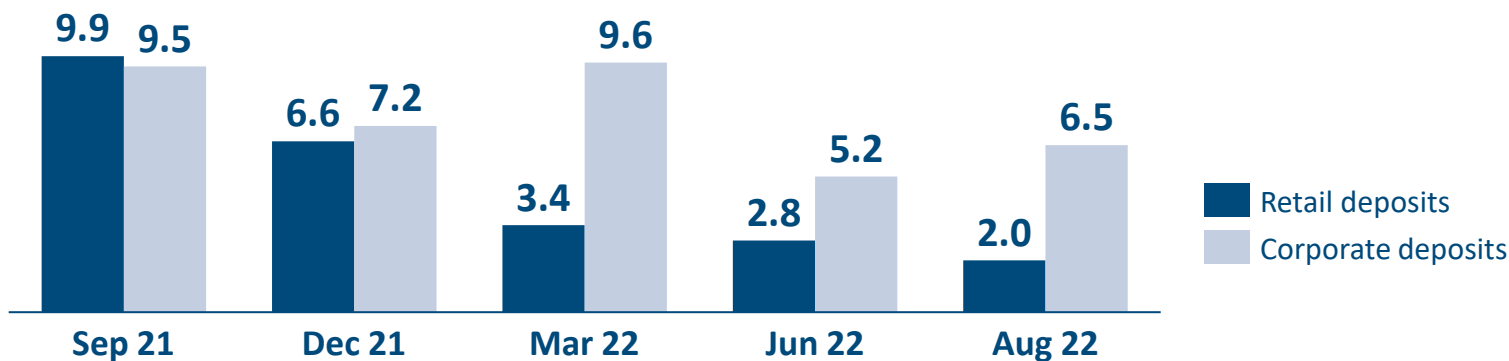
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Retail and Corporate Loans (y/y growth %)



Retail and Corporate Deposits (y/y growth %)



- Total client loans rose by 6.5% y/y in August 2022. The growth of corporate loans further strengthened to 10.3%. Retail loans growth slowed down to 7.1% while loans to the public sector fell
- In 2022, ČS expects client loans to rise by 3.8% y/y. Demand for housing loans has been easing below pre-COVID volumes and consumer credit may suffer from pressure on households' spending due to high energy prices. A revival of loans to corporates on the back of after-pandemic macroeconomic boom has so far not been hindered by an invasion-generated uncertainty
- All sorts of hindrances to international trade or energy supplies remain a major risk for forecasts on this slide
- In August 2022, y/y growth of client deposits reached 4.0%. Growth of retail deposits eased to 2.0% while corporate deposits rose to 6.5%. Public sector deposits saw a mild growth too
- For 2022, ČS expects total client deposits to rise by 5.3% y/y. Both firms and households will continue facing high energy costs while the fiscal policy's effort to follow a path of gradual restriction will be hindered by measures to help the private sector cope with high and rising prices

Income Statement (CZK m)

	1-9 21	1-9 22	Change	Change
Net interest income	22,264	27,603	24.0%	5,339
Net fee and commission income	6,892	7,115	3.2%	223
Dividend income	167	67	-59.9%	-100
Net trading result	1,623	2,841	75.0%	1,218
Gains/losses from financial instruments measured at FV through profit or loss	-140	-93	-33.6%	47
Rental and other income	182	223	22.5%	41
General administrative expenses	-14,815	-15,825	6.8%	-1,010
Gains/losses from derecognition of financial instruments not measured at FV through profit or loss	6	-1,745	-	-1,751
Impairment result from financial instruments	-1,328	-112	-91.6%	1,216
Other operating result	-981	-1,311	33.6%	-330
Pre-tax result from continuing operations	13,870	18,763	35.3%	4,893
Taxes on income	-3,064	-3,709	21.1%	-645
Net result attributable to non-controlling interests	7	23	>100%	16
Net result attributable to owners of the parent	10,799	15,031	39.2%	4,232
Operating income	30,988	37,756	21.8%	6,768
Operating expenses	-14,815	-15,825	6.8%	-1,010
Operating result	16,173	21,931	35.6%	5,758

Income Statement – Quarterly Development (CZK m)

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	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Change	Change
Net interest income	7,732	8,819	9,266	9,195	9,143	-0.6%	-52
Net fee and commission income	2,352	2,295	2,517	2,327	2,272	-2.4%	-55
Dividend income	2	0	0	65	3	-95.4%	-62
Net trading result	499	109	994	782	1,065	36.2%	283
Gains/losses from financial instruments measured at FV through profit or loss	11	37	41	41	-175	-	-217
Rental and other income	91	108	12	131	80	-38.9%	-51
General administrative expenses	-4,836	-5,583	-5,333	-5,207	-5,286	1.5%	-79
Gains/losses from derecognition of financial instruments not measured at FV through profit or loss	6	-248	-1	-723	-1,022	41.4%	-299
Impairment result from financial instruments	-477	-452	-359	1,035	-788	-	-1,823
Other operating result	-32	-725	-977	-74	-261	>100%	-187
Pre-tax result from continuing operations	5,350	4,360	6,160	7,572	5,030	-33.6%	-2,542
Taxes on income	-1,140	-957	-1,210	-1,488	-1,011	-32.1%	477
Net result attributable to non-controlling interests	14	21	-14	22	14	-36.4%	-8
Net result attributable to owners of the parent	4,196	3,382	4,964	6,063	4,005	-33.9%	-2,058
Operating income	10,689	11,367	12,830	12,540	12,387	-1.2%	-153
Operating expenses	-4,836	-5,583	-5,333	-5,207	-5,286	1.5%	-79
Operating result	5,853	5,784	7,497	7,333	7,101	-3.2%	-232

Balance Sheet (CZK m)

Assets	Dec 21	Sep 22	Change	Change
Cash and cash balances	37,472	58,276	55.5%	20,804
Financial assets held for trading	15,561	27,324	75.6%	11,763
Non-trading financial assets at FV through profit or loss	2,511	3,503	39.5%	992
thereof Loans and advances to banks	744	1,230	65.3%	486
thereof Loans and advances to customers	0	16	-	16
Financial assets at FV through other comprehensive income	31,132	43,272	39.0%	12,140
Financial assets at amortised cost	1,512,348	1,661,770	9.9%	149,422
Debt securities	325,514	355,223	9.1%	29,709
Loans and advances to banks	364,994	407,993	11.8%	42,999
Loans and advances to customers	821,840	898,554	9.3%	76,714
Finance lease receivables	1,083	832	-23.2%	-251
Hedge accounting derivatives	597	1,610	>100%	1,013
Property, equipment and right-of-use assets	12,201	11,677	-4.3%	-524
Investment property	2,221	1,818	-18.1%	-403
Intangible assets	6,301	6,006	-4.7%	-295
Trade and other receivables	14,025	12,287	-12.4%	-1,738
Other assets	6,288	7,047	12.1%	759
Total assets	1,641,741	1,835,423	11.8%	193,682

Balance Sheet (CZK m)

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Liabilities and equity	Dec 21	Sep 22	Change	Change
Financial liabilities held for trading	15,392	27,915	81.4%	12,523
Financial liabilities at fair value through profit or loss	10,653	31,132	>100%	20,479
thereof Deposits from customers	10,653	31,132	>100%	20,479
Financial liabilities at amortised cost	1,455,056	1,623,913	11.6%	168,857
Deposits from banks	49,695	234,499	>100%	184,804
Deposits from customers	1,173,890	1,359,794	15.8%	185,904
Debt securities issued	213,357	23,511	-89.0%	-189,846
Other financial liabilities	18,114	6,109	-66.3%	-12,005
Lease liabilities	3,121	3,365	7.8%	244
Hedge accounting derivatives	4,718	6,551	38.9%	1,833
Provisions	3,655	3,483	-4.7%	-172
Other liabilities	5,950	7,355	23.6%	1,405
Total equity	143,196	131,709	-8.0%	-11,487
Equity attributable to non-controlling interests	452	474	4.9%	22
Equity attributable to owners of the parent	142,744	131,235	-8.1%	-11,509
Total liabilities and equity	1,641,741	1,835,423	11.8%	193,682

Group Customer Loans

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in CZK m, IFRS	30/09/2021		31/12/2021		30/09/2022		YTD change		YTY change	
	Outstand.	Share	Outstand.	Share	Outstand.	Share	Outstand.	Rate	Outstand.	Rate
RETAIL	532,643	63.6%	549,402	64.1%	584,153	62.7%	34,752	6.3%	51,510	9.7%
Mortgages	341,683	40.8%	356,159	41.6%	382,660	41.1%	26,501	7.4%	40,977	12.0%
Consumer lending	74,444	8.9%	74,784	8.7%	77,162	8.3%	2,378	3.2%	2,718	3.7%
Small business	61,600	7.4%	61,441	7.2%	61,446	6.6%	5	0.0%	-154	-0.3%
Retail subsidiaries	54,916	6.6%	57,017	6.7%	62,886	6.7%	5,868	10.3%	7,970	14.5%
CORPORATE	301,185	36.0%	305,829	35.7%	345,041	37.0%	39,212	12.8%	43,855	14.6%
Large corporates	93,357	11.2%	95,950	11.2%	110,432	11.8%	14,482	15.1%	17,075	18.3%
SME	97,052	11.6%	96,485	11.3%	107,059	11.5%	10,574	11.0%	10,007	10.3%
Real estate	51,443	6.1%	51,671	6.0%	59,659	6.4%	7,987	15.5%	8,215	16.0%
Public sector	27,138	3.2%	28,145	3.3%	30,800	3.3%	2,655	9.4%	3,662	13.5%
Corporate subsidiaries	32,195	3.8%	33,577	3.9%	37,091	4.0%	3,514	10.5%	4,896	15.2%
GROUP MARKETS	4,732	0.6%	3,677	0.4%	5,046	0.5%	1,369	37.2%	314	6.6%
OTHER	-1,689	-0.2%	-2,017	-0.2%	-2,156	-0.2%	-139	6.9%	-467	27.7%
ČS GROUP GROSS LOANS TO CUSTOMERS	836,871	100.0%	856,889	100.0%	932,084	100.0%	75,194	8.8%	95,212	11.4%

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

ČS - Status as at 28th October 2022

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-I		positive	29/09/2021

Erste Group Bank - Status as at 28th October 2022

Rating Agency	Long-term	Short-term	Viability	Outlook	Latest actions
Fitch	A	FI	a	stable	27/10/2021
Moody's	A2	Prime - I		stable	29/10/2020
Standard & Poor's	A+	A-I		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 stable to positive on 29th September 2021

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	2016	2017	2018	2019	2020	2021	2022e	2023e
Population (avg, m)	10.6	10.6	10.6	10.7	10.7	10.5	10.5	10.5
GDP/capita (EUR thsd)	16.8	18.3	19.9	21.2	20.2	22.7	26.1	28.0
Real GDP growth	2.5	5.3	3.2	3.0	-5.5	3.5	2.3	0.9
Consumer price inflation (avg)	0.7	2.4	2.2	2.8	3.2	3.8	15.8	7.0
Unemployment rate (eop)	3.6	2.4	2.2	2.0	3.2	2.2	2.9	3.4
Current account balance (share of GDP)	1.8	1.5	0.4	0.3	2.0	-0.8	-2.8	0.3
General government balance (share of GDP)	0.7	1.5	0.9	0.3	-5.8	-5.9	-4.7	-3.7
Public debt (share of GDP)	36.6	34.2	32.0	30.0	37.6	42.0	43.3	44.0
Short term interest rate (3 months, eop)	0.3	0.8	2.0	2.2	0.4	4.1	7.1	4.0
EUR FX rate (eop)	27.0	25.5	25.7	25.4	26.2	24.9	24.5	24.2
2W repo rate (% eop)	0.05	0.50	1.75	2.00	0.25	3.75	7.00	3.75

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