ČESKÁ spořitelna

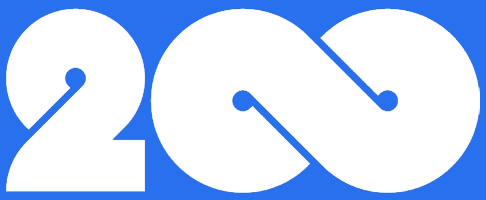
Annual Report 2024

The details matter.

Great stories that shape our present are woven from the smallest details. The ocean would not exist without its countless drops, a monumental building without each stone, and a symphony without its individual notes. Details are the very foundation of all things. In them resides strength—the strength of harmony and resilience. Whether it is a quiet act that fosters sustainability, a thoughtful decision that strengthens stability, or a bold move that shifts the course of an entire journey, a detail is never just a small thing. It is the pillar on which the whole world stands.

This annual report reflects the power of the details that embody our values, guide our approach to work, and illuminate our vision for the future. It is these very details upon which we build not just success, but lasting prosperity—a prosperity that paves the way for a stronger future for us all.

#silnější budoucnost



In 2025, Česká spořitelna celebrates 200 years since its founding. While few Czech companies—if any—can claim a mission unchanged for two centuries, our purpose has always been timeless.

When a group of industrialists, merchants, and noblemen established Bohemia's first savings bank in 1825, they pursued both a noble and pragmatic goal: to empower people from all walks of life to secure their own future while strengthening society as a whole through savings.

Though the symbol of saving has evolved from passbooks to personalized financial advice and mobile apps, our core mission remains unchanged: to support the financial well-being of individuals and the prosperity of society.

At Česká spořitelna, we believe a stronger future begins with financially secure individuals and a thriving economy. We are committed to helping our clients build financial reserves and prepare for retirement while fostering a Czech economy defined by entrepreneurship, innovation, and global ambition. Through our initiatives, we inspire Czechs to embrace self-confidence—the key to both personal and societal prosperity.

We believe a stronger future is not built on leadership alone or the concentration of capital. Instead, it emerges from communities and regions, growing from the foundation of an open and inclusive society. After all, Česká spořitelna was not born in Prague—it naturally took root in dozens of towns and villages across Bohemia and Moravia. Today, we remain deeply connected to local communities, and this year, we are further strengthening our presence.

We are making significant investments in transforming Czech education. In collaboration with leading education experts, we have developed an innovative financial literacy program, which we will offer to all schools across the country. But we also recognize that even the best innovations alone cannot guarantee a stronger future for education. That's why we are inspiring ten thousand of our employees to continue learning—because leading by example is the most powerful way to foster an educated and prosperous society.

Two hundred years ago, the founders of Česká spořitelna understood that their business could only thrive if society and its people prospered. Today, we hold the same belief.

This document is a transcription of the official version of the 2024 Annual Report of Česká spořitelna, a.s. which was prepared in XHTML format in accordance with the European Single Electronic Format (ESEF) Regulation. Compared to the official version this document does not contain tags in XBRL language. The official version of the 2024 Annual Report of Česká spořitelna, a.s. prepared in accordance with the ESEF Regulation is available on the website: https://www.csas.cz/en/documents-to-download#/37/Annual-Reports

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Bank with 200 years of tradition...

4.6 m
clients

9,674
employees

...and the best service availability

2.4 m
George users

1,611
ATMs

337
branches

Bank Cares about Clients‘ Financial Health and Supports Long-term Sustainability

In 2024, Česká spořitelna recorded...

20.0%
sustainable corporate financing portfolio

1.1 m clients
explored indicators of financial health

86%*
CO_2 reductions compared to 2017

27%
share of women in the Board of Directors and Supervisory Board

6.6%
sustainable retail mortgage portfolio

20%*
share of electric cars in the fleet

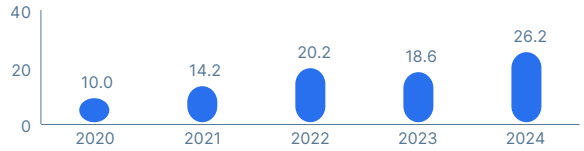
20%
share of women in management at B-1 level

57 points*
on the eNPS employee satisfaction scale

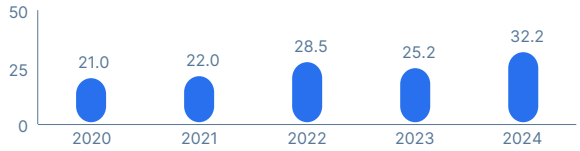
Detailed description of the individual metrics is available in the Consolidated Sustainability Statement (pp. 395–625).
* metric is measured for the entire Česká spořitelna Group (including subsidiaries)

Key Figures

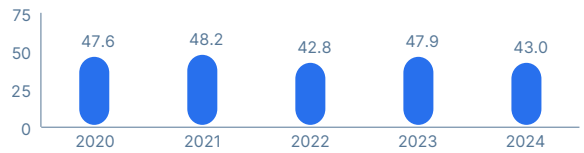
Net profit (CZK bn)



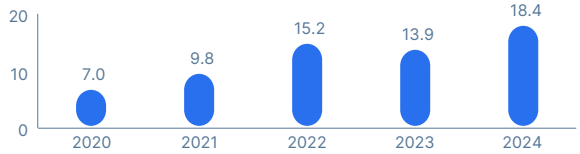
Operating result (CZK bn)



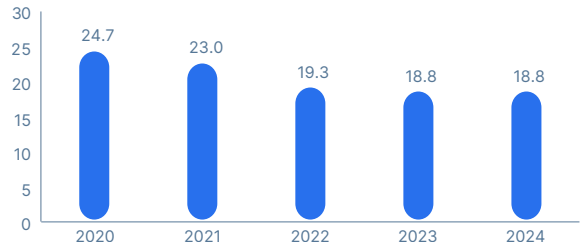
Cost/Income ratio (%)



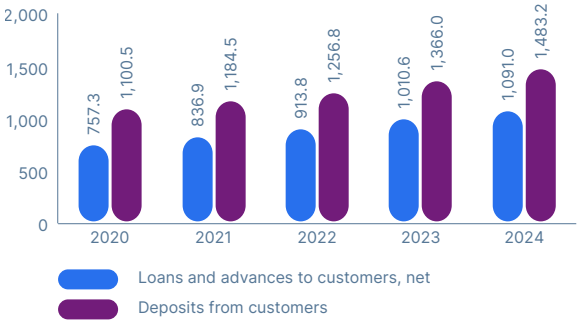
ROE (%)



Capital adequacy (unconsolidated) (%)



Loans to customers and Deposits from customers[1] (CZK bn)



1 Since 2021 includes "Deposits from customers at amortised cost" and "Deposits from customers at FV through profit or loss". Previous figures were restated.

Rating

Rating agency	Long-term rating	Short-term rating	Outlook
Fitch	A	F1	stable
Moody´s	A1	Prime-1	stable
Standard & Poor´s	A+	A-1	stable

Key Consolidated Figures

in accordance with International Financial Reporting Standards (IFRS)[1]

Financial Position Indicators

CZK million	2024	2023	2022	2021	2020
Total assets	2,030,076	1,797,820	1,639,938	1,641,741	1,537,780
Loans and advances to banks, net[2]	443,389	304,007	266,675	364,994	424,838
Loans and advances to customers, net	1,090,958	1,010,592	913,847	836,949	757,324
Securities[3]	426,968	408,678	378,216	358,466	277,646
Deposits from banks	275,456	122,287	113,541	49,695	91,335
Deposits from customers[4]	1,483,174	1,366,038	1,256,795	1,184,543	1,100,450
Equity attributable to owners of the parent	154,144	143,955	137,232	142,744	149,125

Income Statement Indicators

CZK million	2024	2023	2022	2021	2020
Net interest income	39,811	34,583	36,719	31,083	29,099
Net fee and commission income	12,778	10,894	9,504	9,186	8,243
Operating income	56,486	48,365	49,875	42,354	40,147
Operating expenses	(24,304)	(23,144)	(21,335)	(20,398)	(19,110)
Operating result	32,182	25,221	28,540	21,956	21,037
Net profit attributable to owners of the parent	26,162	18,614	20,161	14,181	10,006

Basic Ratios

	2024	2023	2022	2021	2020
ROE	18.4%	13.9%	15.2%	9.8%	7.0%
ROA	1.3%	1.0%	1.1%	0.8%	0.6%
ROA (Česká spořitelna, a.s. only)	1.3%	1.0%	1.2%	0.8%	0.6%
Cost/Income ratio	43.0%	47.9%	42.8%	48.2%	47.6%
Non-interest operating income/ operating income	29.5%	28.5%	26.4%	26.6%	27.5%
Net interest margin on interest-bearing assets	2.0%	1.9%	2.1%	2.0%	1.9%
Loan/Deposit ratio	73.6%	74.0%	72.7%	70.7%	68.8%
Capital adequacy (unconsolidated)	18.8%	18.8%	19.3%	23.0%	24.7%

Key Operating Indicators

Number of:	2024	2023	2022	2021	2020
staff (FTE end of period)	9,674	9,829	10,010	9,711	9,820
branches[5]	337	366	398	400	424
clients	4,630,932	4,545,699	4,547,686	4,492,801	4,474,198
private accounts	3,309,846	3,182,663	3,108,842	2,981,443	2,819,346
active cards	4,036,539	3,668,247	3,387,506	3,145,650	2,988,906
of which: credit cards	235,064	222,461	180,679	177,552	167,677
ATMs and payment machines	1,611	1,680	1,736	1,783	1,825

(1) Definitions of below mentioned alternative performance indicators are stated in the chapter Definitions of Alternative Performance Indicators, on the page 392
(2) "Loans and advances to banks at amortised cost".
(3) Calculation equals to "Other financial assets held for trading" + "Non-trading financial assets at fair value through profit or loss (excl. Loans and advances both to banks and customers)" + "Financial assets at fair value through other comprehensive income" + "Debt securities at amortised cost".
(4) Since 2021 includes "Deposits from customers at amortised cost" and "Deposits from customers at FV through profit or loss". Previous figures were restated.
(5) Since 2022 number of physical branches. Previous figures were restated.

Profile of Česká spořitelna

Česká spořitelna is the bank with the longest tradition in the Czech market. It has been one of the fundamental pillars of the Czech banking system since 1825. Currently, the Bank provides services to 4.6 million clients. Since 2000, Česká spořitelna has been part of Erste Group Bank, a multinational financial group.

Česká spořitelna is the bank with the longest tradition on the Czech market

Česká spořitelna is a modern bank focused on retail clients, small and medium-sized enterprises, large corporations, and municipalities. With the largest network of branches, ATMs, and payment machines, Česká spořitelna is the most accessible bank in the domestic market from a retail client's perspective. It holds a leading position in the volume of provided mortgage loans, consumer loans, including credit cards and overdrafts, and total deposits. Česká spořitelna is one of leaders in the distribution of mutual funds as well as in life insurance mediation.

The Bank is actively introducing and expanding its digital services. It strives to get closer to its clients in order to offer even faster and more effective solutions that align with the changing conditions and situations clients may encounter. Česká spořitelna places a strong emphasis on personalised advisory, digitalisation, and optimising its operations. With this intention, the Bank is also restructuring its branch network.

The Bank's strategy is based on the Financial Health Company (FHC) concept, which guides individuals and businesses to financial health through differentiated personalised advisory services available to millions of clients. A major focus is placed on sustainability, viewed as an opportunity to further enhance the prosperity of individuals and companies. Česká spořitelna has formulated four strategic commitments which FHC concept also aims to fulfil:

- 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 provide Czech companies with CZK 50 billion to increase their competitiveness and retain jobs;
- By 2025, ČS will make quality financial education available to all children in the Czech Republic.

All of the Bank's activities are directed towards fulfilling its strategic vision – to co-create a #stronger and more sustainable society, consisting of financially healthy, educated and self-confident citizens and businesses.

Supporting the Transformation of the Economy

Česká spořitelna continues to support the strategic transformation of Czech industry and the economy, aiming to strengthen the competitiveness of domestic companies in global markets, promote production with higher added value, and facilitate the delivery of final products under their own brand.

The Bank actively engages in sustainable finance, focusing on enhancing companies' operational efficiency and fostering long-term sustainable growth.

In corporate banking, the Bank provides comprehensive solutions for entrepreneurs and companies and is the largest provider of corporate loans in the Czech Republic. It is also the market leader in providing financial services to municipalities and the public sector. With a broad range of foreign exchange, interest rate, commodity and money market products, Česká spořitelna holds a dominant position in treasury services and products for large, small and medium-sized businesses. The Bank places significant emphasis on management support and financial risk analysis. Česká spořitelna has participated in virtually every successful equity offering on the Prague Stock Exchange, including both initial public offerings (IPOs) and secondary public offerings (SPOs). With the strong backing of Erste Group Bank, Česká spořitelna is well-positioned to provide services to clients in foreign markets.

Strengthening the Country's Prosperity

Česká spořitelna has historically been involved in building and strengthening the country's prosperity. The Bank is traditionally ranked among the largest and most awarded

employers in the domestic market. It is also one of the largest taxpayers in the Czech Republic. In 2024, the Bank secured fifth place on the Ministry of Finance's list of the TOP20 corporate income taxpayers for the year 2023.

Česká spořitelna is engaged in strengthening the population's financial literacy

The Bank's social engagement is reflected in its services. In its offerings for retail clients, Česká spořitelna takes into consideration the needs of people with various disabilities. More than 1,400 ATMs are adapted for the visually impaired, all branches provide a simultaneous transcription service for the hearing impaired, and three-quarters of all branches are wheelchair accessible. The Bank also places a strong emphasis on supporting the non-profit sector and, through its social banking initiatives, assists businesses and non-profit organisations offering socially responsible services. Česká spořitelna also plays a significant role in education, working to enhance financial literacy in the Czech Republic on a long-term basis. Česká spořitelna cooperates with universities across the country to improve their quality and competitiveness.

Additionally, the Bank is active in promoting innovation. Česká spořitelna is a trendsetter in introducing modern technologies to the local banking market. It partners with numerous business talent pools focused on innovation and supports cooperation between the corporate and public sectors in this area.

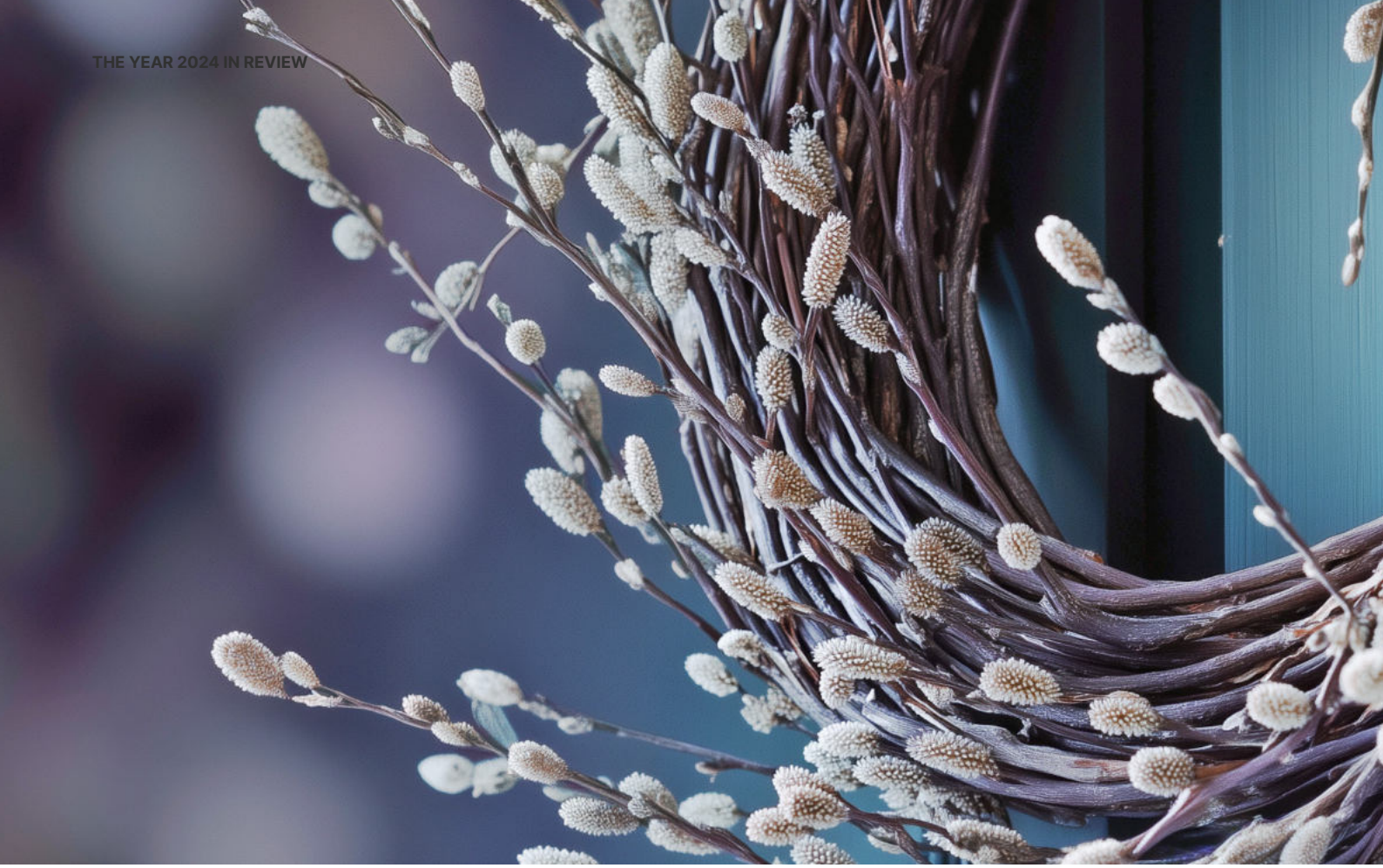
The Year 2024 in Review

January

- As one of the first domestic banks, Česká spořitelna began offering clients a new product called the long-term investment product (DIP), which is intended to complement the products of pension companies, helping Czechs build reserves and secure their retirement.
- Česká spořitelna introduced an innovative Carbon Footprint Calculator for companies, which has become a crucial part of ESG digital consulting services.
- Leasing České spořitelny provided ČSAD Střední Čechy with financing of CZK 172 million for the acquisition of 34 new buses, which will enhance regional transport services in the Central Bohemian Region.
- Česká spořitelna launched an updated version of the Financial Coach in the George mobile banking app, empowering clients to manage their family budgets more effectively.

February

- Česká spořitelna has started offering investment advisory services in the George digital banking platform. The new service, "Personal Investment Plan," provides clients with personalised investment advice and the option to set up regular investments.
- The George mobile app ranked second in the Top App Award competition in the category of best banking mobile applications in the Czech Republic.
- In the Top Employer of the Year competition, Česká spořitelna won the top award for the third time in a row and became the number one and first career choice for university students in the field of Banking and Investment. At the same time, the Bank was also the winner of the special Economist category, where the Employer of the Year is selected only by economics faculty students at universities with the best academic results.
- In the annual competition organised by Finparáda.cz, Česká spořitelna achieved the highest scores in every category and won the Product Company of the Year award. Spořitelna triumphed in the categories of building savings and pension savings, while the TOP STOCKS fund won the public award.
- For the third consecutive year, Česká spořitelna has been recognised as the most popular bank in the Czech Republic from the point of view of clients of regional corporate centres.



March

- After almost 200 years, Česká spořitelna has discontinued the sale of new deposit books. The Bank has also stopped offering the last remaining types of deposit books it had offered to clients, specifically children's and prize deposit books.
- In the prestigious Qorus Reinvention Awards – Europe 2024, Česká spořitelna secured third place in the ESG category.
- The "Round Up Savings" feature, which rounds up payments to help clients build a financial reserve, has been activated by over 100,000 clients within five months.
- The subsidiary "Dostupné bydlení České spořitelny" ("Affordable Housing Česká spořitelna") has introduced its first project to construct affordable rental apartments outside of Prague. In Žďár nad Sázavou, 34 new apartments will be built.

April

- Česká spořitelna launched a nationwide advertising campaign in which it once again aimed at boosting the self-confidence of Czechs with the slogan "You're stronger than you think".
- For the first time in its history, Sporoinvest, a mutual fund specialising in very short-term investments, surpassed the CZK 50 billion mark in client assets under management, becoming the largest mutual fund in the Czech Republic.
- The VÚTS research institute, one of the most advanced in the Czech Republic, has become a new client of Česká spořitelna.

May

- Another year of the “Spořka Českem” (“Spořitelna Across the Czech Republic”) stage hikes has begun, covering a total distance of 937 km. As part of the hikes, the employees of Česká sporitelna contribute by cleaning up the environment and enhancing the locations.
- Erste Premier has opened its first online centre, providing premium segment clients with comprehensive services through video meetings.
- In the George mobile app, the Bank has launched a secure call feature with a personal banker (referred to as verified calls). Previously, clients could only access this option when contacting the Client Centre.
- Česká spořitelna has been named the absolute winner in the international CX competition, the World Customer Centricity Awards. Competing against 150 companies from 38 countries, Spořitelna nominated “financial health” as a strategy, digital solution, and client experience.
- The Board of Directors of Stavební spořitelna ČS Buřinka has been strengthened by Jaroslav Rychna, who will in particular manage the development of information technologies and the digitalisation of processes.

June

- In the George app, Česká spořitelna has launched George for Kids, a banking service designed for children. Its goal is to teach children how to manage their money responsibly and explain how to take care of their financial health.
- The Bank has launched a new advertising campaign focused on promoting sustainable business.
- In the prestigious Golden Crown 2024 competition, the Financial Group of Česká spořitelna was recognised as the most successful financial group, winning a total of five Golden Crowns, three Silver Crowns, and two Bronze Crowns.
- In the Responsible Lending Index, published twice a year by the non-profit organisation People in Need, Česká spořitelna ranked second overall. In the category comparing microloans of CZK 20,000, Spořitelna celebrated first place.

July

- Česká spořitelna has launched a new service called Datatrezor, a digital safety deposit box where clients can securely store contracts, documents, cryptocurrency keys, or photographs.
- Česká spořitelna has joined the Electromobility Guarantee Programme by the National Development Bank (NRB), which aims to support the increase of alternative fuel vehicles in the Czech Republic. Within less than four months, Leasing České spořitelny and Erste Grantika Advisory have concluded over 400 leasing contracts with entrepreneurs and companies, amounting to CZK 246 million.
- Česká spořitelna provided financing to the DECCI group for the launch of the largest battery storage facility in the Czech Republic.

August

- Česká spořitelna has reached a significant milestone. The volume of housing loans, including mortgages and loans from the building society Buřinka, has exceeded CZK 500 billion.
- In support of the digitalisation of the economy, Česká spořitelna has joined the Association for Digital Receipts (SDU), which is working on unifying receipt formats so that customers can ideally store them in a single application.
- "Open an account for children with a bonus of up to CZK 500. All they need to do is check George on their phone every month." This was the main message of the campaign for children's products, aiming to teach children to take care of their financial health.
- Spořitelna has completed the transformation of its ATM network; all screens are now touch-enabled.

September

- Česká spořitelna donated CZK 50 million to the SOS Floods Relief Fund of the People in Need organisation. At the same time, employees and clients contributed more than CZK 50 million through the George digital banking platform or account transfers. The Česká spořitelna Foundation also participated in the aid effort, donating CZK 10 million to children and their families in regions affected by the floods.
- Česká spořitelna provided financing to the company Katemo for the construction of the largest photovoltaic power plant in the Czech Republic.
- Česká spořitelna has made the online dividend payment application available to a fifth company, the concrete producer Holcim Česko.
- As the first bank in the Czech Republic, Spořitelna has begun offering clients the unique opportunity to determine the value of any real estate. A new feature, the Property Value Calculator, has been introduced in the George app.
- REICO ČS Real Estate Fund, managed by the REICO investment company of Česká spořitelna, has acquired its first residential housing project for its portfolio.
- Peter Bosek, the CEO of the Erste Group, has been elected as the new Chairman of the Supervisory Board of Česká spořitelna.

October

- For the first time in history, the volume of loans to corporate clients has exceeded CZK 400 billion. Česká spořitelna has thus reinforced its position as the largest corporate bank in the Czech Republic by the volume of financing provided.
- In the George mobile banking app, Česká spořitelna has introduced an updated “Investments in George” section. New features include fractional investing in stocks and ETFs, the ability to acquire new products in George (such as bonds, structured securities, currency premium deposits, and stock subscriptions), and the use of FX conversions.
- In the international Qorus-Infosys Finacle Banking Innovation Competition, Česká spořitelna received the highest award for its strategic concept of financial health for clients, supported by the FIT zone in the George mobile banking app.

November

- Česká spořitelna secured the top award in the prestigious “Banka roku” (“The Bank of the Year”) competition winning not only the overall ranking but also excelling in three key categories: Corporate Bank of the Year, Private Bank of the Year, and Mobile Application of the Year.
- In the “Nejlepší banka” (“The Best Bank”) competition, Česká spořitelna claimed victory in the Best Bank 2024 category and earned second place in the Most Client-Friendly Bank category.
- The subsidiary “Dostupné bydlení České spořitelny” (“Affordable Housing Česká spořitelna”), delivered the first-ever affordable rental housing apartments to medical staff from the Motol University Hospital and the Bulovka University Hospital in Prague. The newly completed Amadeus Residence, located near Střížkov metro station, will provide a total of 254 apartments.
- The Client Centre in Prostějov successfully completed a pilot project utilizing artificial intelligence to manage client emails in English.

December

- Česká spořitelna has introduced six ambitious young professionals who will collaborate with the Board of Directors on selected initiatives. This initiative aims to bring fresh perspectives to decision-making and better address the needs of the younger generation.
- Česká spořitelna reached a significant milestone, with corporate deposits in the SME segment surpassing CZK 100 billion for the first time in its history.
- The investment company REICO, which manages the open-end real estate funds REICO ČS NEMOVITOSTNÍ and REICO ČS LONG LEASE, has officially become part of the Austrian investment company Erste Asset Management (EAM). Previously, REICO was part of the Česká spořitelna Financial Group.

Foreword by the Chairman of the Board of Directors

Dear Ladies and Gentlemen,

As Česká spořitelna celebrates its 200th anniversary, I am proud to reflect on a year that reaffirms our founding mission from 1825: to promote financial well-being for individuals and contribute to the prosperity of society as a whole.

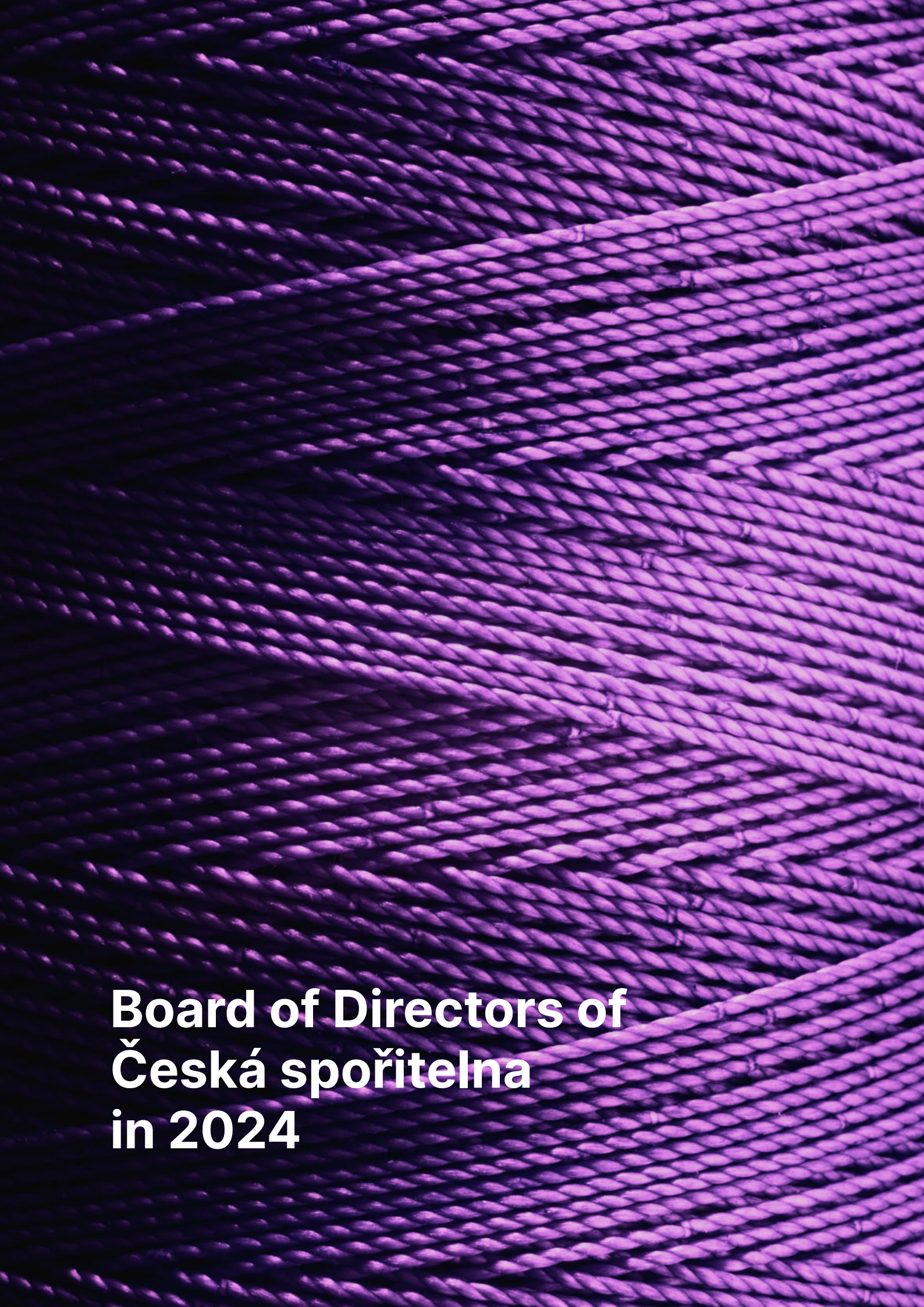
In 2024, we made significant strides in fulfilling the public commitments that define our purpose—helping clients build both short-term financial security and long-term savings for retirement, supporting the growth of Czech businesses, and ensuring high-quality financial education for all children in the Czech Republic. The record number of corporate loans we granted this year, bringing our total portfolio to over CZK 400 billion, and the unprecedented milestone of motivating more than 100,000 clients to start investing regularly demonstrate that our clients' financial success and Česká spořitelna's growth go hand in hand.

Several key achievements in the past year have helped strengthen the future of the Czech Republic. These include the expansion of the Skoala educational platform, designed to transform financial education in schools, and the successful completion of the first few hundred affordable rental apartments for employees in essential professions. Our subsidiary, Dostupné bydlení České spořitelny (Affordable Housing Česká spořitelna), aims to reach 1,000 units by 2025.

In 2024, our hybrid advisory model took a significant qualitative leap, enhancing our ability to provide highly personalized financial guidance through George digital banking and our branch network. The successful integration of AI into our advisory system—through the Hey George chatbot in our mobile banking app —will further accelerate the positive impact of our services on clients' financial well-being and the country's economic prosperity.

Finally, I would like to express my deepest gratitude to all Spořitelna employees for their exceptional dedication, and to our clients and shareholders for their trust and support. Let us move forward with courage and determination, working together to build a stronger future for the Czech Republic—because that future depends on each and every one of us.

Tomáš Salomon
Chairman of the Board of Directors, Česká spořitelna



Board of Directors of Česká spořitelna in 2024

Tomáš Salomon
Chairman of the Board of Directors

Reference address: Budějovická 1518/13a, Prague 4, Czech Republic

Tomáš Salomon is a graduate of the Faculty of Economics of Services and Tourism of the University of Economics in Bratislava. He started his banking career in 1997 at GE Capital Multiservis, eventually rising to the role of Chairman of the Board of Directors and CEO. In 2000 he was appointed as the Director of Retail Banking and the member of the Board of Directors at GE Capital Bank responsible for sales and marketing.

From 2004 to 2007, he worked as the Chairman of the Board of Directors and the CEO of Poštová Banka, a.s. in Slovakia. From 2008 to 2012, he focused on private investment projects and initiated the development of a platform to facilitate mobile payments in the Czech Republic. In 2013, he began working at Slovenská sporiteľňa, where he was later appointed as the member of the Board of Directors responsible for retail. In 2015, Tomáš Salomon was the member of the Board of Directors of Česká spořitelna responsible for retail banking.

Tomáš Salomon has been the Chairman of the Board of Directors of Česká spořitelna, with responsibility for Staff Function Division since 2016.

Membership in the governing bodies of other organisations: Kooperativa pojišťovna, a.s., Vienna Insurance Group, Nadace České spořitelny, Česká bankovní asociace, Hýlov Invest, Smetanova Litomyšl, Aspen Institute Central Europe, Druhá ekonomická transformace, z.s.

Karel Mourek
Vice-Chairman of the Board of Directors

Reference address: Budějovická 1518/13a, Prague 4, Czech Republic

Karel Mourek is a graduate of the Czech Technical University in Prague and the Thunderbird University in the USA, where he obtained an MBA. His professional career began in 1992 at Creditanstalt, later in Bank Austria Creditanstalt Czech Republic in the Corporate Banking Division, where he worked until 2001. From 2001 to 2011, he worked at Česká spořitelna in the management of Commercial Centres. From 2011 to July 2013, he worked at Erste Group Immorent as the member of the Board of Directors responsible for risk management.

Karel Mourek has been the member of the Board of Directors of Česká spořitelna responsible for risk management since 2013. Since 2021 he has been the Vice Chairman of the Board of Directors.

Membership in the governing bodies of other organisations: Erste Reinsurance S.A.

Martin Kobza
Member of the Board of Directors

Reference address: Budějovická 1518/13a, Prague 4, Czech Republic

Martin Kobza holds a degree in Information Technology from the Faculty of Economic Informatics at the University of Economics in Bratislava. He started his career in 2003 in IT and consulting companies in Slovakia and Germany, where he eventually managed large projects and development centres. In 2008, he joined the project of introducing a new information system in Slovenská sporiteľňa and managed several divisions in s IT Solutions. From 2012, he led Erste Group IT Slovakia, and in 2014, he also held the position of the CIO at Slovenská sporiteľňa. In 2015, he joined Erste Group Bank AG, where he successively held the positions of the Head of Development and Roll-Out of the George Group Platform, member of the Board of Directors responsible for Digital Banking at Erste Group IT International, member of the George Labs Advisory Board, and oversaw digitalisation within the Erste Group Bank. In 2021, he served as the CEO of George Labs.

Martin Kobza has been the member of the Board of Directors of Česká spořitelna responsible for IT and operations since 2021.

Membership in the governing bodies of other organisations: none

Pavel Kráčmar
Member of the Board of Directors

Reference address: Budějovická 1518/13a, Prague 4, Czech Republic

Pavel Kráčmar graduated in Nuclear Sciences and Physical Engineering from the Czech Technical University in Prague. Over the next few years, he completed internships and training courses with major financial institutions (the World Bank, Bank of England, EBRD, J. P. Morgan, UBS, and more). He began his banking career in 1991 at the State Bank of Czechoslovakia (later the Czech National Bank), where he held several positions over 7 years, primarily in the management of foreign exchange reserves and operations on financial markets. At that time, he lectured on expert topics at the Banking Institute in Prague. In 1998, he joined GE Capital Bank as the Treasury Director. In 2000 and 2001, he was the CEO of Savings Investment Company. Since 2001, he has been working at Česká spořitelna, where he successively managed trading on financial markets, the sale of financial market products to corporate and institutional clients, relationships with financial institutions, assets and liabilities of the Group and subsequently, investment products for retail clients.

Pavel Kráčmar has been the member of the Board of Directors of Česká spořitelna responsible for financial markets and corporate banking since 2016.

Membership in the governing bodies of other organisations: none

Daniela Pešková
Member of the Board of Directors

Reference address: Budějovická 1518/13a, Prague 4, Czech Republic

Daniela Pešková is a graduate of the University of Economics in Prague, the Faculty of International Relations. She began her banking career in 1998 at GE Capital Bank as the Early Collections team leader. Over the next five years, she worked at GE Capital Bank in management positions primarily in early collections and operations. In September 2003, she accepted an offer to work abroad and became the Director of the Mortgage Division in Budapest Bank in Hungary within the GE Money Financial Group. From October 2004, she worked within the Raiffeisen International Group in the Slovak Tatrabanka as the Director of Project, Procedural, and Organisational Department. In December 2007, she began working for the Erste Group Bank in Česká spořitelna, starting as the Director of Retail Operations. From April 2012, she led the entire Operations Department. From January 2015, she worked as the Director of the Branch Distribution Networks and External Sales. As part of her professional growth, Daniela Pešková successfully completed, among others, the Leadership Programme at the Katz Graduate School of Business in Pittsburgh, the McKinsey Lean Academy in Santiago de Chile, and Green Belt certification in project management quality based on the philosophy of Six Sigma.

Daniela Pešková has been the member of the Board of Directors of Česká spořitelna responsible for retail banking since 2016.

Membership in the governing bodies of other organisations: Stavební spořitelna České spořitelny, a.s., Bankovní identita, a.s.

Ivan Vondra
Member of the Board of Directors

Reference address: Budějovická 1518/13a, Prague 4, Czech Republic

After graduating in finance and economics in 1989, Ivan Vondra began his banking career in 1992 by joining International Commercial Bank Prague, where he worked in the field of financial management. In 1996, he joined the Accounting and Controlling Department at Erste Bank in Prague. From 2002 to 2012, he served as the Director of Controlling and Planning at Česká spořitelna, and from 2013 to 2015, he was the Director of the Accounting and Controlling Department. In 2015, he was elected a member of the Board of Directors of Erste Bank Hungary, where he served until May 2021.

Ivan Vondra has been the member of the Board of Directors of Česká spořitelna responsible for the Financial Division since 2021.

Membership in the governing bodies of other organisations: none

Supervisory Board of Česká spořitelna in 2024

Supervisory Board and Audit Committee of Česká spořitelna

Supervisory Board of Česká spořitelna

Peter Bosek
Chairman of the Supervisory Board

Peter Bosek is a graduate of the Faculty of Law at the University of Vienna, where he subsequently began his career as an assistant and later as a lecturer at the School of Finance, Accounting and Taxes, and the Federal Academy of Public Administration. He began his banking career at Erste Bank der oesterreichischen Sparkassen AG in 1996. From 2007 to 2015, he was a member of the Board of Directors of Erste Bank Oesterreich, where he was responsible for Retail Business, Corporate Business, Public Sector, Large Customer Business, Real Estate, Private Banking and Asset Management, Marketing, Product Management, and Channel Management. From 2015 to 2020, he was the member of the Board of Directors of Erste Group Bank AG responsible for Retail Banking. Between 2021 and mid 2024, he was the Chairman of Luminor Bank. Since July 2024, Peter Bosek has been the Chairman of the Board of Directors of Erste Group Bank AG.

Peter Bosek has been the Chairman of the Supervisory Board of Česká spořitelna since 2024.

Membership in the governing bodies of other organisations: Erste Group Bank AG, Erste Mitarbeiterbeteiligung Privatstiftung, Erste Social Finance Holding GmbH, Haftungsverbund GmbH, Österreichischer Sparkassenverband, Wiener Städtische Wechselseitiger Versicherungsverein - Vermögensverwaltung - Vienna Insurance Group.

Reference address: Am Belvedere 1, 1100 Vienna, Austria

Štefan Máj
Vice-Chairman of the Supervisory Board

Štefan Máj graduated from the Faculty of Management at the University of Economics in Bratislava. Between 1991 and 1995, he worked for Slovenská sporiteľňa as the Director of Asset Management, the General Manager of the Technology Division and later as a member of the Board of Directors. From 1995 to 1998, he was the Head of the Finance Department, later a member of the Board of Directors and the Deputy CEO of Komerční banka Bratislava. In 1998, he became the Vice-Chairman of the Board of Directors of Slovenská sporiteľňa. He was also a member of the Steering Group for the Restructuring and Privatisation of Selected Banks and for the Restructuring of the Financial Sector at the Ministry of Finance of the Slovak Republic. From 2015 to 2017, he was the Chairman of the Board of Directors of Slovenská sporiteľňa.

Štefan Máj has been a Vice-Chairman of the Supervisory Board of Česká spořitelna since 2019.

Membership in the governing bodies of other organisations: Erste Mitarbeiteiligung Privatstiftung, Nadácia Slovenskej sporiteľne, Dostupný domov, j.s.a., FinQ Centrum, n.o.

Reference address: Budějovická 1518/13a, Prague 4, Czech Republic

Stefan Dörfler
Member of the Supervisory Board

Stefan Dörfler graduated in Technical Mathematics from the Technical University of Vienna. After completing his studies in 1995, he began working at GiroCredit Bank AG der Sparkassen in Vienna. Since the merger of GiroCredit and Erste österreichische Spar-Casse in 1997, he has been working at Erste Bank. In 1999 and 2000, he was the Head of Interest Rates and Foreign Exchange Derivatives, and later, from 2000 to 2004, the Head of the Fixed Income Department. From 2004 to 2009, he held a leading position in Capital Markets Trading & Sales. Between 2009 and 2016, Stefan Dörfler was the Head of Erste Group Bank Capital Markets, and from 2016 until 2019, he was the Chairman of the Board of Directors of Erste Bank Österreich. Since June 2019, Stefan Dörfler has been the member of the Board of Directors of Erste Group Bank AG responsible for financial management.

Stefan Dörfler has been a member of the Supervisory Board of Česká spořitelna since 2019.

Membership in the governing bodies of other organisations: Erste Group Bank AG, Wiener Börse AG, Banca Comercială Română SA, Erste Digital GmbH, Procurement Services GmbH, OM Objektmanagement GmbH, EB-Restaurantsbetriebe GmbH, Sparkassen-Haftungs GmbH, Haftungsverbung GmbH.

Reference address: Am Belvedere 1, 1100 Vienna, Austria

Zlata Gröningerová
Member of the Supervisory Board

Zlata Gröningerová completed her studies at the University of Economics in Prague, where she accepted the role of academic assistant in the Department of Finance and Credit after graduating in 1982. From 1991 to 1993, she was the Deputy CEO of SUEZ INVESTIČNÍ, a.s., specialising in advisory and consulting in corporate search and acquisitions. From 1995 to 2004, she held several senior positions (Director of the Equity Investment Financing Department, Senior Director of the Credit Transactions and Business Specialists Department) and was a member of the Board of Directors of Consolidation Bank Prague and the Czech Consolidation Agency. From 2005 to 2007, she was the CEO and Chairwoman of the Board of Directors of Technometra Radotín. Between 2007 and 2009, she was a financial and organisational consultant and later held the position of Department Director at the Ministry of Finance. From 2011 to 2016, she worked in the International Division of ČEZ, including three years as CFO of ČEZ Bulgaria. Now, she provides economic and organisational consultancy services. Her professional residencies and courses include a Management Development Programme and a corporate finance and financial management residency at universities in Paris and Lyon.

Zlata Gröningerová has been a member of the Supervisory Board of Česká spořitelna since 2017.

Membership in other companies: Prisko, a.s.

Reference address: Budějovická 1518/13a, Prague 4, Czech Republic

Maurizio Poletto
Member of the Supervisory Board

Maurizio Poletto graduated in Design from the Istituto Superiore per le Industrie Artistiche in Urbino, Italy. He began his career in 1996 in Vienna at Nofrontiere Design, where he led a team of designers and IT developers. In 2003, he founded Collettiva Design in Vienna, specialising in corporate design, and worked as the Creative Director there until 2020. In parallel with this position starting in 2012, he became the CEO and Head of Design at George Labs, where he was responsible for managing, developing and overseeing the company's innovation programmes until 2020. In 2021, Maurizio Poletto was elected the member of the Board of Directors of Erste Group Bank AG responsible for all customer-oriented digital platforms in retail and corporate banking.

Maurizio Poletto has been a member of the Supervisory Board of Česká spořitelna since 2021.

Membership in the governing bodies of other organisations: Erste Group Bank AG, George Labs GmbH, Erste Digital, Mobey Forum Mobile Financial Services Ltd.

Reference address: Am Belvedere 1, 1100 Vienna, Austria

Attila Sánta
Member of the Supervisory Board

Attila Sánta studied at the Faculty of Mathematics, Physics, and Informatics at the Comenius University in Bratislava, graduating in 2002. After completing his studies, Attila Sánta worked as an ALM analyst at Slovenská sporiteľňa. He joined Erste Group in 2005 and held various management positions within Group Asset & Liability Management from 2007 to 2012. Between 2012 and 2017, he served as Head of Group Liquidity & Balance Sheet Investments, and from 2018 to 2021, as Head of Group Asset & Liability Management. Since 2021, Attila Sánta has been Head of Group Balance Sheet Management at Erste Group Bank AG.

Attila Sánta has been a member of the Supervisory Board of Česká spořitelna since 2024.

Membership in the governing bodies of other organisations: Erste Bank Hungary Zrt.

Reference address: Am Belvedere 1, 1100 Vienna, Austria

Aleš Veverka
Member of the Supervisory Board

Aleš Veverka completed his studies at the Grammar School in Břeclav before undertaking a Business Academy qualification course in Economics. After his studies and military service, he joined the Břeclav branch of Česká spořitelna in 1993 as an advisor to corporate clients, with a continued focus on MSE clients. Since 2014, he has been the Chairman of the Group-wide Trade Union Committee of Česká spořitelna. He is also the Vice-President of the Trade Union of Money and Insurance Workers. He served as a member of the Supervisory Board of Česká spořitelna between 2011 and 2015. In 2017, he earned a bachelor's degree in finance, Tax, and Economic Informatics from the European Polytechnic Institute.

Aleš Veverka has been a member of the Supervisory Board of Česká spořitelna since 2016.

Membership in the governing bodies of other organisations: Celopodnikový výbor odborů České spořitelny, a.s., Odborový svaz pracovníků peněžnictví a pojišťovnictví, Odborová organizace zaměstnanců České spořitelny, a.s., Břeclav, Oborová zdravotní pojišťovna zaměstnanců bank, pojišťoven a stavebnictví. sPŘÁTELÉ z.s., Odborový svaz pracovníků peněžnictví a pojišťovnictví

Reference address: Národních hrdinů 3127/7, Břeclav, Czech Republic

Zlata Kunešová
Member of the Supervisory Board

Zlata Kunešová studied at the Faculty of Law, Charles University in Prague, from 1992 to 1997, where she earned a Master of Laws degree. From 2006 to 2007, she attended Queen Mary and Westfield College, University of London, where she obtained an LL.M. in International Banking and Finance. She began her professional career in 1999 at Československá obchodní banka, a.s., progressing from a lawyer to Director of the Legal Department, a position she held until 2014. In 2015 and 2016, she worked in private practice, specialising in banking, finance, and banking regulation. Since 2016, she has been with Česká spořitelna, a.s., where she managed the Legal Support for Corporate Banking Credit Transactions Department, overseeing the legal agenda for corporate segments until 2023. Since 2024, she has been the Director of the Legal Department of Česká spořitelna.

Zlata Kunešová has been a member of the Supervisory Board of Česká spořitelna since 2023.

Membership in other companies: none

Reference address: Budějovická 1518/13a, Prague 4, Czech Republic

Marta Vrbová
Member of the Supervisory Board

Marta Vrbová is a graduate of the Faculty of Economics at VSB – Technical University of Ostrava. In 1983, she joined Česká spořitelna, where she worked as an accountant, and later as an accounting office manager. From 2013 to 2015, she served as a branch network specialist. Since 2015, she has been the regional operations manager for the North Moravia region. Additionally, she is the Chairwoman of the Trade Union Organisation for the Nový Jičín region and holds the position of a member of the Group-wide Trade Union Committee of Česká spořitelna.

Marta Vrbová has been a member of the Supervisory Board of Česká spořitelna since 2023.

Membership in other companies: none

Reference address: Budějovická 1518/13a, Prague 4, Czech Republic

Willibald Cernko
Chairman of the Supervisory Board

Before joining Erste, Willibald Cernko served as the CEO of UniCredit Bank Austria AG and spent more than 20 years in various managerial roles at Bank Austria Creditanstalt AG, HypoVereinsbank AG, and within the UniCredit Group. From 2017 to 2019, he was a member of the Board of Directors of Erste Group, and, from 2019 to 2022, he was the member of the Board of Directors of Erste Bank der oesterreichischen Sparkassen AG responsible for corporate banking. He has expertise in corporate and retail banking. Willibald Cernko also has extensive experience in Erste Group's core markets. Between July 2022 and June 2024, he served as the Chairman of the Board of Directors of Erste Group Bank.

Willibald Cernko was the Chairman of the Supervisory Board from 2022 until his resignation in July 2024.

Reference address: Am Belvedere 1, 1100 Vienna, Austria

Maximilian Hardegg
Member of the Supervisory Board

Maximilian Hardegg graduated in Agricultural Sciences in Weihenstephan, Germany. From 1991 to 1993, he worked at AWT Trade and Finance Corp., which was part of the Creditanstalt Group. He also worked as an advisor to the Czech Ministry of Agriculture regarding the privatisation of agriculture. Since 1993, he has been engaged in agricultural management. He has participated in the Phare, Sapard and Leader + projects, which are designed to support cooperation among agricultural systems within the EU. He is also a member of lobbying groups in Austria and the EU, which are focused on promoting sustainable development in land utilisation and agriculture.

Maximilian Hardegg's mandate on the Supervisory Board ended in May 2024.

Reference address: Budějovická 1518/13a, Prague 4, Czech Republic

Members of the Managing and Supervisory Boards declare not to be aware of any possible conflicts of business, private and other interests or duties.

Audit Committee of Česká spořitelna

Štefan Máj
Chairman of the Audit Committee

For more information, refer to the chapter Supervisory Board of Česká spořitelna 2024, page 28.

Štefan Máj has been the Chairman of the Audit Committee since 2021.

Reference address: Budějovická 1518/13a, Prague 4, Czech Republic

David Bichler
Member of the Audit Committee

David Bichler holds a degree in International Business Administration from the University of Vienna, complemented by a technical high school education in Telecommunications and Biomedicine. He has continuously advanced his expertise through numerous professional training courses, including achieving the CIA and CRMA degrees, and attending management programmes at prestigious institutions such as Hult Business School – Ashridge and IESE – Barcelona. His career at Erste Group Bank began in 2000, where he initially managed corporate finance portfolios. Over the years, he has taken on increasingly significant roles, including auditing foreign branches, overseeing internal audits and regulatory liaisons, and leading audit departments focused on credit risk assets and risk management processes. His leadership skills were further recognised when he became the Deputy Division Head in 2017. Since January 2019, David Bichler has served as the Division Head of Group Audit and Chief Audit Executive, responsible for the internal audit function across the entire Erste Group.

David Bichler has been a member of the Audit Committee of Česká spořitelna since 2024.

Reference address: Am Belvedere 1, 1100 Vienna, Austria

Zlata Gröningerová
Member of the Audit Committee

For more information, refer to the chapter Supervisory Board of Česká spořitelna 2024, page 28.

Zlata Gröningerová has been a member of the Audit Committee of Česká spořitelna since 2009.

Reference address: Budějovická 1518/13a, Prague 4, Czech Republic

Pavel Závitkovský
Member of the Audit Committee

Pavel Závitkovský graduated from the University of Economics in Prague. In 1990, he became a Registered Auditor with the Chamber of Auditors of the Czech Republic and, in 2002, a Certified Internal Auditor with the Czech Institute of Internal Auditors (CIIA). Pavel Závitkovský has more than 25 years of experience in auditing financial and industrial companies while working for KPMG. He has also participated in specific engagements, such as due diligence, privatisation projects, mergers, acquisitions, and internal audits. He was one of the founders of the Chamber of Auditors of the Czech Republic and served as the Chairman of its Supervisory Committee from 1998 to 2001. From 2001 to 2003, he was the Vice-President of the Czech Institute of Internal Auditors.

Pavel Závitkovský has been a member of the Audit Committee of Česká spořitelna since 2016.

Reference address: Budějovická 1518/13a, Prague 4, Czech Republic

Attila Sánta
Member of the Audit Committee

For more information, refer to the chapter Supervisory Board of Česká spořitelna 2024, page 28.

Attila Sánta has been a member of the Audit Committee of Česká spořitelna since 2024.

Reference address: Am Belvedere 1, 1100 Vienna, Austria

Maximilian Hardegg
Vice-Chairman of the Audit Committee

For more information, refer to the chapter Supervisory Board of Česká spořitelna 2024, page 28.

Maximilian Hardegg resigned from his position as a member of the Audit Committee of Česká spořitelna in May 2024.

Reference address: Budějovická 1518/13a, Prague 4, Czech Republic

Macroeconomic Development of the Czech Republic in 2024

Throughout 2024, the Czech economy experienced a gradual recovery that began at the end of 2023. This positive trend was primarily supported by household and government consumption, as well as foreign trade, although its influence gradually weakened during 2024 due to the sluggish performance of the German economy. After several years of significant price increases, inflation returned to the target at the beginning of 2024 and only slightly intensified towards the end of the year. The labour market situation remained favourable; despite a slight increase, the unemployment rate remained very low overall, and real wages began to grow again. Low inflation allowed the Czech National Bank to gradually reduce interest rates.

Gross domestic product increased by 1.0%[6] in 2024. Economic growth was primarily driven by household consumption, positively influenced by declining inflation, rising real wages, and improved consumer sentiment. Government consumption and foreign trade also contributed to growth. However, the positive contribution of foreign trade gradually weakened during 2024, due to subdued demand from Germany and a recovery in imports for consumption purposes. Conversely, investments had a negative impact on growth. This negative contribution was due to the significant influence of inventories, which had been excessively accumulated in previous years, and their gradual reduction continued in 2024. Fixed investments also had a negative impact on GDP growth, affected by weak foreign demand and high ČNB interest rates.

GDP y/y growth[7]

2024	2023	2022	2021	2020
1.0%	0.1%	2.9%	4.0%	-5.3%

Average inflation reached 2.4%[8] in 2024. At the beginning of the year, there was a significant slowdown in inflation, bringing it back near the Czech National Bank's target. The main reason was the dissipation of the previous inflationary shock, compounded by the weak economic performance of the previous year and high ČNB interest rates. Conversely, rising service prices exerted inflationary pressure, reflecting the recovering household demand. Inflation remained at relatively low levels for most of the year but began to gradually increase towards the end, reaching 3.0%[9] in December. In addition to the base effect from the previous year, food prices began to rise during the autumn, alongside the continued increase in service sector prices.

Price growth (CPI inflation)[10]

2024	2023	2022	2021	2020
2.4 %	10.7 %	15.1%	3.8%	3.2%

The labour market performed favourably in 2024. Although the unemployment rate increased slightly, it remained very low overall. Additionally, the reduction in labour market overheating contributed to easing inflationary pressures. After two negative years, real wages began to grow again. This development was supported not only by significantly lower inflation but also by relatively strong nominal wage growth, which reached 7.2%[11] in the fourth quarter.

Unemployment rate[12]

2024	2023	2022	2021	2020
2.7%	2.6%	2.2%	2.8%	2.6%

Throughout most of 2024, the Czech National Bank continued its gradual reduction of interest rates, a process that began at the end of 2023. This trend was facilitated by a decline in inflation and its expected values, which did not indicate a potential significant resurgence of inflationary pressures. The growth of the Czech economy also contributed, as it was undergoing a recovery that was not strong enough to significantly push inflation upward. A change occurred at the December meeting when the

(6) Source: Czech Statistical Office, 11. 3. 2025, https://csu.gov.cz/rychle-informace/gdp-resources-and-uses-4-quarter-of-2024
(7) Source: Czech Statistical Office, 11. 3. 2025, https://www.czso.cz/csu/czso/hdp_ts
(8) Source: Czech Statistical Office, 11. 3. 2025, https://csu.gov.cz/rychle-informace/consumer-price-indices-inflation-december-2024
(9) Source: Czech Statistical Office, 11. 3. 2025, https://csu.gov.cz/rychle-informace/consumer-price-indices-inflation-december-2024
(10) Source: Czech Statistical Office, 11. 3. 2025, https://www.czso.cz/csu/czso/hmu_ts
(11) Source: Czech Statistical Office, 11. 3. 2025, https://csu.gov.cz/rychle-informace/average-wages-4-quarter-of-2024
(12) Source: Czech Statistical Office, 11. 3. 2025, https://www.czso.cz/csu/czso/zam_ts

ČNB left interest rates unchanged, keeping the key rate at 4.0%[13]. This decision was due to intensified inflationary pressures during the autumn months and uncertainty regarding inflation developments for 2025.

The exchange rate of the koruna was relatively volatile throughout 2024, influenced not only by changing expectations regarding the future policy of the Czech National Bank but also by a range of external factors. These included frequent shifts in market expectations about the future monetary policy of the European Central Bank and the US Federal Reserve, the continued weak performance of the German economy, and the results of the US presidential elections. Following the elections, the market feared the potential introduction or increase of tariffs in foreign trade during 2025, which could negatively impact economic development and significantly influence the monetary policy of several central banks. Overall, despite the volatility, there was no trend strengthening or weakening of the koruna against the euro, and the exchange rate remained relatively close to EUR/CZK 25.0[14] for most of the year.

Alongside the reduction of interest rates by the Czech National Bank and similar actions by several foreign central banks, the yield curve gradually shifted downward throughout 2024. This shift was more pronounced at the shorter end of the curve, where the impact of rate changes is more noticeable. At the longer end of the curve, there were no significant changes in yields during 2024, as the expected medium-term rate cuts had already been reflected in their levels in 2023. Additionally, the decline in the yield curve was tempered by the continued high issuance activity of the Ministry of Finance.

The central government budget deficit reached CZK 271 bn[15] in 2024, remaining at a high level. Although fiscal consolidation contributed to reducing the deficit, it was counteracted by the significant extent of mandatory budget expenditures, the overall expansionary stance of fiscal policy, and the need for increased spending due to floods. Nevertheless, the public debt-to-GDP ratio remains relatively low, reaching 43.6%[16] in the third quarter of 2024.

(13) Source: Czech National Bank, 11. 3. 2025, https://www.cnb.cz/en/monetary-policy/bank-board-decisions/CNB-Board-decisions-1734615000000/
(14) Source: Czech National Bank, 11. 3. 2024, https://www.cnb.cz/en/financial-markets/foreign-exchange-market/central-bank-exchange-rate-fixing/central-bank-exchange-rate-fixing/charts_form.html
(15) Source: Ministry of Finance, 11. 3. 2025, https://www.mfcr.cz/cs/rozpoctova-politika/statni-rozpocet/plneni-statniho-rozpoctu/2024/mesicni-pokladni-plneni-sr-54751
(16) Source: Czech Statistical Office, 11. 3. 2025, https://csu.gov.cz/rychle-informace/government-deficit-and-debt-3-quarter-of-2024

Report of the Board of Directors

Report of the Board of Directors on the Company's Business Activities and Financial Position

for 2024

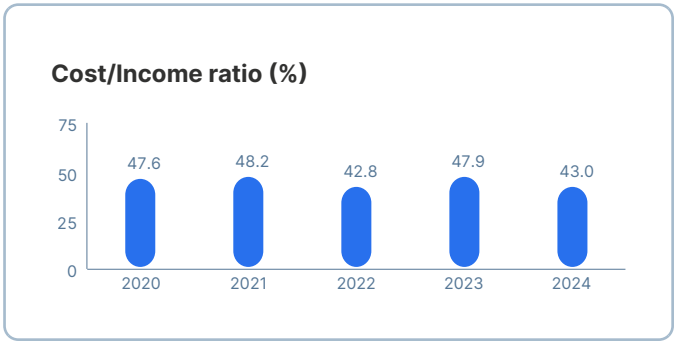
Consolidated Financial Results[17]

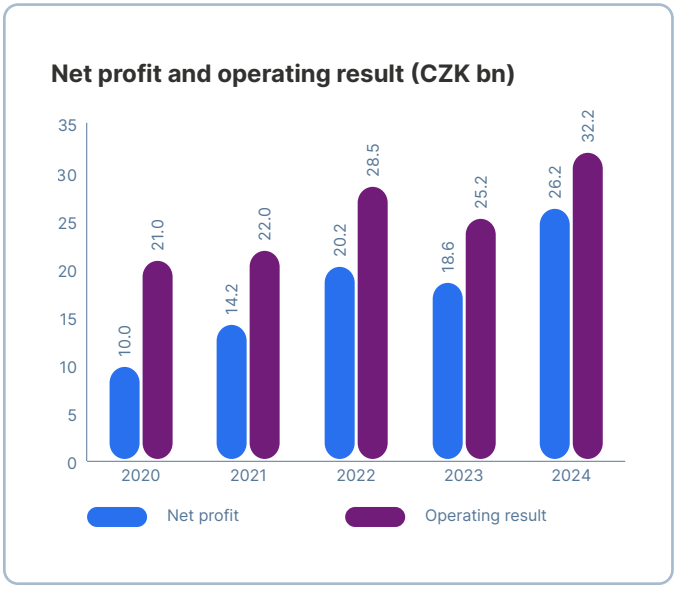
Consolidated Statement of Income

As of 31 December 2024, Česká spořitelna reported an audited consolidated net profit of CZK 26.2 bn, according to the International Financial Reporting Standards (IFRS). Operating result reached CZK 32.2 bn.

Česká spořitelna reported an audited consolidated net profit of CZK 26.2 bn

Operating result of Česká spořitelna increased by 27.6% y/y to CZK 32.2 bn in FY 2024 driven by higher operating income growing by 16.8% y/y attributed to higher net interest incomes, net fee and commission income and gains from financial instruments measured at fair value through profit or loss which were partly offset by decrease in net trading result. The development of operating expenses was influenced by growth of personnel expenses and other administrative expenses. As the consequence, Cost/Income ratio improved to 43.0% from 47.9% in FY 2023.





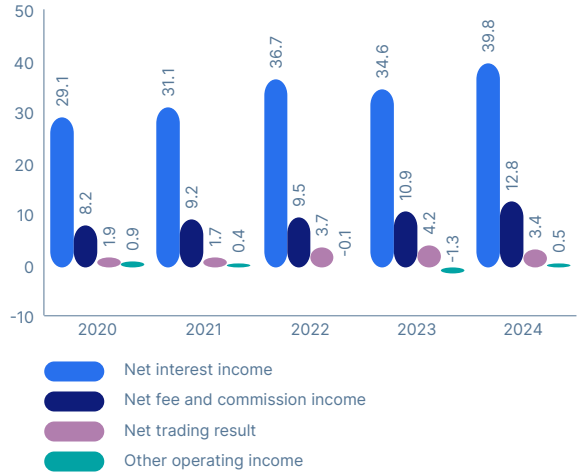
Net interest income increased by 15.1% in comparison with FY 2023 and reached CZK 39.8 bn. The development of net interest income was affected mainly by volume growth of both deposits and loans which were supported by positive impact from Hello bank consumer loan portfolio acquisition realised in 2023. Net interest income development furthermore benefitted from favourable balance sheet positioning and gradual decline in costs of funds reflecting decreasing interest rate environment. On the contrary, cancellation of remuneration of minimum reserves placed with central bank had negative impact on net interest income development. Net interest margin related to interest bearing assets increased to 2.03% in FY 2024, reflecting the above-mentioned development.

Net fee and commission income rose by 17.3% y/y to CZK 12.8 bn which was mainly caused by securities transactions due to higher sales of mutual funds and rise in pension savings fees. The increase in payment transfers reflected higher interchange fees from card

(17) Definitions of the below mentioned alternative performance indicators are stated in the chapter Definitions of Alternative Performance Indicators, on the page 392

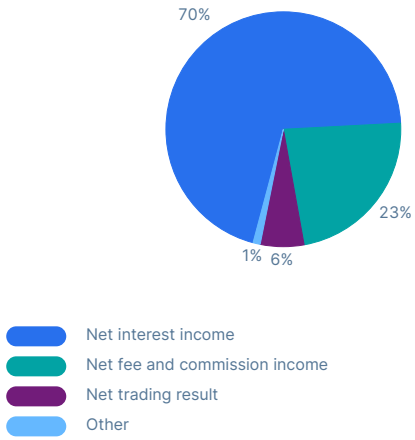
business; rise in insurance fees attributed mainly to life insurance products.

Composition of operating income (CZK bn)



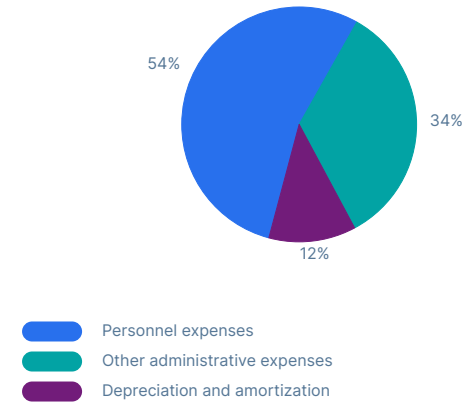
Net trading result decreased by 18.3% y/y to CZK 3.4 bn in FY 2024 which was driven mainly by revaluation of derivatives.

Structure of operating income



Total operating expenses rose by 5.0% y/y to CZK 24.3 bn in FY 2024, mainly influenced by growth of personnel expenses and other administrative expenses. The increase in personnel expenses (+4.3% y/y) was driven mainly by salary increase partially compensated by lower number of employees. Higher costs of IT and marketing led to rise in other administrative expenses (+8.1% y/y). Depreciation down by 0.4% in comparison with FY 2023.

Structure of operating expenses



Loss from derecognition of financial assets measured by amortised costs reached CZK -0.8 bn due to sale of bonds.

Impairment result from financial instruments (i.e., creation/release of risk provisions and reserves for loans and advances, guarantees and commitments) recorded release of CZK 0.3 bn in FY 2024, reflecting excellent quality of the loan portfolio.

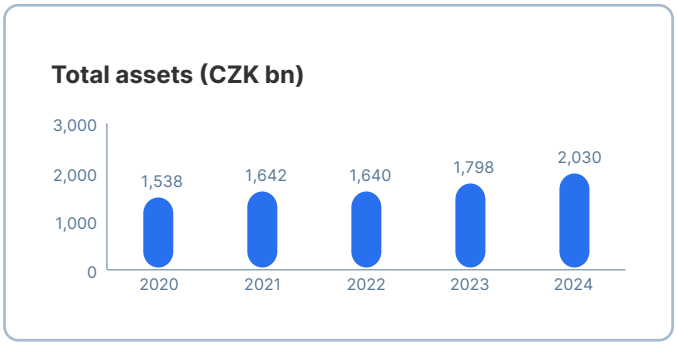
The loan portfolio reported excellent quality; the share of non-performing loans over total loans remained unchanged in a year-on-year comparison at 1.8%.

Coverage of non-performing loans by impairment provisions declined in a year-on-year comparison and reached solid 102% in 2024 (111% in 2023); the total coverage of non-performing loans (including collaterals) stood at 137% (148% in 2023).

Other operating result of CZK 0.2 bn, consisting mainly of other income and costs not directly related to main operating activities of the Group, improved y/y, mainly due to sale of Reico entity, decline in contribution to the Resolution Fund in 2024 and lower impairment.

Consolidated Balance Sheet Analysis

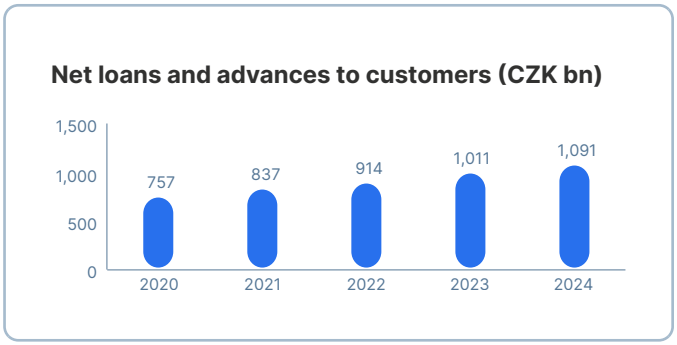
As of 31 December 2024, total consolidated ČS Group assets amounted to CZK 2,030.1 bn, which meant a 12.9% increase compared to 31 December 2023. On the assets side, the development was driven by growth of both loans to banks and loans to customers. The liability side of the balance sheet increased thanks to higher deposits from banks and customer deposits as well.



Assets

The loan book of Česká spořitelna developed successfully across various client segments and products reflecting improving macroeconomic development. The total net volume of loans and advances to customers grew from CZK 1,010.6 bn at the end of 2023 to CZK 1,091.0 bn at the end of 2024, which meant an 8.0% increase. The proportion of net client loans to client deposits (Loans/Deposits ratio) went down from 74.0% at the end of 2023 to 73.6% at the end of 2024.

The loan book of Česká spořitelna developed successfully across various client segments and products

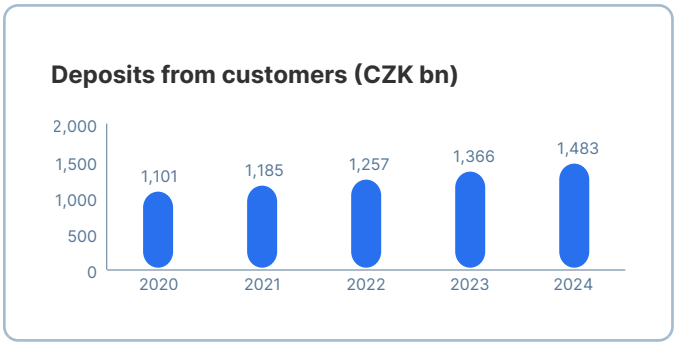


The gross volume of ČS Group customer loans increased by 7.7% y/y to CZK 1,111.3 bn. The portfolio of retail loans amounted to CZK 694.1 bn, representing a year-on-year increase of 7.1%, driven by private mortgages (+8.3% y/y), consumer lending (+4.3% y/y) and Building Society (+8.3% y/y). The volume of corporate loans grew by 9.0% y/y to CZK 413.1 bn attributed to increase in Large Corporates (+10.7%), SME (+4.9%), Real Estate (+12.5%) and corporate subsidiaries (+13.4%).[18]

Balance sheet development in 2024 also reflected growth of debt securities of CZK 20.2 bn (or 5.7%) to CZK 372.5 bn. Loans and advances to banks at amortised cost increased by CZK 139.4 bn (or 45.8%) to CZK 443.4 bn driven by higher reverse repo operations with the ČNB.

Liabilities

Group deposits from customers grew by 8.6% y/y to CZK 1,483.2 bn attributed to increase in retail deposits (+5.0% y/y to CZK 1,026.3 bn), corporate deposits (+27.0% y/y to CZK 314.4 bn) and non-core deposits (+1.1% y/y to CZK 142.5 bn).



The deposits from banks rose by CZK 153.2 bn (or 125.3%) y/y to CZK 275.5 bn partly offset by decrease in debt securities issued by CZK 39.9 bn (or 32.9%) y/y to CZK 81.5 bn reflecting intragroup transactions with the parent. Furthermore, senior non-preferred bonds eligible for the regulatory MREL requirement were issued two times in the amount of EUR 500 m (in January and July 2024) and USD 40 m (in November 2024); moreover, there was successful issuance of T2 subordinated bonds for retail in the amount of CZK 3.7 bn in March 2024. On the other hand, EUR 500 m callable senior non-preferred bond was early redeemed in November 2024. The total MREL ratio therefore stood at 28.2% in 2024, well above regulatory requirement.

Equity attributable to owners of the parent grew to CZK 154.1 bn as of 31 December 2024, which was 7.1% more than at the end of the year 2023. The total capital ratio for Česká spořitelna Group reached 18.6% as of

(18) Source: ČS 2024 results, p. 48, 28. 02. 2025, https://www.csas.cz/static_internet/en/Redakce/Ostatni/Ostatni_IE/Prilohy/cs-results-fy-2024.pdf

31 December 2024, well above minimum regulatory capital requirement (15.85%).

Business Activities

Retail Banking

As at the end of 2024, 4.4 million clients were using the retail banking services of Česká spořitelna and its subsidiaries. The George application, actively used by 2.44 million customers and rated as one of the best on the market, plays a key role in customer care. Česká spořitelna combines digital technologies with a personal approach and, thanks to the most extensive network of branches (337) as well as ATMs and transaction terminals (1,611), is the most accessible bank on the domestic market. From the perspective of market share, it holds the first place on the market in the field of consumer loans, including credit cards and overdraft facilities, total deposits, mutual fund distribution, mortgage loans, and life insurance brokerage.

Česká spořitelna is the most accessible bank on the domestic market

Financial Health as a Strategic Proposition of the Bank

The long-term strategy of Česká spořitelna is to improve the financial health of individuals, communities and companies and lead them to long-term prosperity in 2024, this strategy has focused primarily on personalising services and linking them to real-time data, enabling to provide clients with advice as close to their everyday lives as possible. This approach combines in-person and digital advice within a unique ecosystem of tools that connect both worlds. As a result, clients experience a seamless and connected interaction that can assess their financial health and offer relevant and immediate solutions. This enables effective financial advice to be provided to a large group of clients, creating a meaningful differentiator leading to higher satisfaction, loyalty of existing clients and acquisition of new ones.

The Bank continues to communicate and deliver on its public promises to improve financial health in the Czech Republic:

- ČS will help all its clients build a financial reserve for unexpected expenses;
- ČS will help one million of its clients save up for retirement;
- ČS will make quality financial education available to all children in the Czech Republic;
- ČS will provide Czech companies with CZK 50 bn to increase their competitiveness and retain jobs.

The post-inflationary wave is still unfolding, with people often adopting a cautious approach to consumer spending. That is why Česká spořitelna has focused on practical recommendations in the area of financial health that enable clients to receive financial benefits for financially healthy behaviour. Specific examples in the George app that reflect commitments to clients include:

- New section "Find More Cash": the Bank has made available to all clients a new section summarising the benefits from the Bank and third parties that they already use. At the same time, the Bank identifies the benefits that clients could obtain but are not yet using. This way, the Bank is helping the clients assess their financial situation more effectively and get extra funds into their budget;
- Reserves thanks to the "Pay and Save" function: the Bank encourages customers to build up short-term financial reserves through a function that automatically sets aside small amounts in a savings account by rounding up each card transaction. To promote this habit, the Bank has increased the amount saved by customers by an additional 10% throughout August 2024;
- Support for long-term reserves: for clients who regularly set aside at least CZK 2,000 per month for investments or pension savings, the Bank offers top interest rates on savings accounts. This encourages the clients to build up long-term financial reserves to fund their retirement.

These measures reflect the Bank's efforts to respond proactively to the needs of clients in the current economic environment and to provide meaningful support to clients in taking care of their financial health. In 2024, over 3 million customers benefited from some form of financial health management services, with an average benefit per person totalling CZK 8,000.

Despite the growing influence of technology, the most effective approach is still a combination of high-quality personal and digital advisory services. Česká spořitelna is the only bank on the market that offers personalised advisory services to all its clients, regardless of their creditworthiness, and naturally integrates the physical and

digital worlds in these interactions. This approach has been very well received by customers – those who have used a combination of digital and personal advice have an NPS that is 15 points higher.

Česká spořitelna's long-term strategy is to improve the financial health of individuals, communities and companies and lead them to long-term prosperity

The Bank also promotes financial health through educational activities, which have a positive impact not only on clients but also on society in general. In 2024, the Česká spořitelna Foundation launched a new educational programme, www.skoala.cz, which follows the successful Money Alphabet programme. In 2024, more than 500 schools and over 1,800 teachers participated in this new initiative. Thanks to digitalisation and the ability to scale, all children in the Czech Republic will gain access to financial education, thereby fulfilling another of the Bank's public promises. The programme significantly expands the reach of Česká spořitelna's initiative and contributes to the development of financial literacy among the younger generation. At the same time, the Bank continues with other socially beneficial activities, such as supporting cybersecurity and financial literacy for seniors.

At the end of 2024, the Bank had an NPS of 39. As many as 83% of clients rate their satisfaction with a 7+ on a scale of 0 to 10. Taking care of financial health is becoming a differentiator (78% of clients rate Česká spořitelna as an institution that helps them improve their financial health).

The Bank's double materiality assessment identified the positive impact and opportunity in financial health as material. Given their significance, this is discussed in more detail in the consolidated sustainability statement section.

George Mobile and Internet Banking

The Bank continues to develop its digital environment, which plays an increasingly important role in customer service. The clients receive personalised advice and tips on how to use Česká spořitelna's products and services more wisely and how to manage their family finances as efficiently as possible in the George online or mobile banking system. The long-term goal is to transform George from a simple daily banking service into a real guide to clients' financial lives.

The Usage of George

In 2024, George Mobile Banking once again secured its position as the most used banking app on the market. In December, it exceeded the figure of 2.2 million active users (a user logged in at least once a month), and this number increased by 10% compared to 2023.

Česká spořitelna is making a major contribution to the digitisation of the Czech economy

The average George mobile banking client logs into the app 32 times a month.

The total number of 2,923,731 unique users have already visited George at least once, and 2,442,931 clients are active in George (either mobile or web). The downward trend in web banking usage saw another 16% decline to 537,969 users.

The FIT Zone – a strategic financial health concept within the George mobile banking app – received not only a new visual design in 2024 but, more importantly, personalised content. The so-called pillars of financial health provide an up-to-date overview of each client's status and guide them in a simple manner to improve it. Built upon the uniqueness of each client, the advisory scenarios directly motivate them to take active steps, which they can manage on their own or with the support of a banker.

Thanks to all these improvements, the FIT Zone saw a significant increase in interest among the Bank's customers last year. Almost 1.4 million unique customers have already accessed and explored its content. Every second visitor benefited from its advice through consulting scenarios.

At the beginning of June 2024, Česká spořitelna launched an attractive new simplified George view for children aged 0–14.99 years.This new feature aims to teach children how to manage their money responsibly and explain how to take care of their financial health. Children get the opportunity to be independent with the full support of a parent who is in control of the account.

A parent can use their George app to change the limits on their child's card or block the card, and thanks to incoming notifications, they are always aware of all transactions on their child's account. The parent can also control the visibility of the child's long-term savings products in their George app. It is entirely up to the parent whether to

reveal options such as building savings or pension savings to the child.

In a playful manner, tips from George teach clients how to keep their money under control, which is a cornerstone in building financial health. Through notifications on the overview screen of the George app on their mobile, clients receive relevant information based on their transaction behaviour. The tips alert clients to unusual payments, monitor subscriptions, and keep track of balances. They also provide notifications about when it might be appropriate to save or, conversely, pay off a credit card. Additionally, the feature offers short quizzes, for example, about spending at the client's favourite store. The tips have been well received by clients, with nearly 100,000 clients giving them an average rating of 4.5 out of 5 stars.

Rounding up card payments with automatic change to the savings account has become one of George's most popular features since its launch in November 2023. Pay and Save, which is the name of the feature in George mobile banking, is used by nearly 250,000 customers per month, who have set aside over CZK 0.75 billion in total. The average monthly amount saved is approximately CZK 500.

George digital banking confirmed its position as the most used banking application on the market

The Moneyback Discount Programme

With the Moneyback discount programme available in the mobile George app, clients can significantly save when paying with a Česká spořitelna card. In 2024, the number of users of the programme reached 1.3 million, with over 550,000 of them receiving bonuses. The average bonus for 2024 is CZK 297, with the highest annual bonus being CZK 61,609, and the total amount of bonuses distributed exceeding CZK 174,763,925.

Using the Moneyback programme has a demonstrably positive impact on client satisfaction (+11 points). In response to clients' current need to add more money to their budgets, the Bank allowed clients to receive a 30% bonus on the amount rewarded during the pre-Christmas period. Moneyback is a significant part of the financial health programme "Find More Cash", which clients can find in the FIT Zone in the George app. To facilitate client navigation through an increasing number of offers, the Bank has improved filtering options and launched personalised notifications. These inform clients about new retailers, special offers, or upcoming offer expirations, thus enhancing both the efficiency and clarity of the programme.

In addition to the George mobile app, the clients of Česká spořitelna can also use other mobile applications, such as:

- APPLE PAY – since February 2019, Česká spořitelna's clients have been able to pay with their iPhones or Apple Watches;
- GOOGLE PAY – to activate Google Pay, all a client needs is to have a mobile device that supports the NFC technology and Android 9.0 or higher operating system, and then add their ČS payment card to the Google Pay app;
- BUSINESS 24 Mobile Bank – an application for corporate clients that allows them to manage their finances through BUSINESS 24, even on the go;
- GEORGE BUSINESS – a state-of-the-art corporate internet and mobile banking adapted to all forms of business, needs and roles, focusing on corporate financial health. It is currently available only to selected clients.

BankID

In 2024, Česká spořitelna provided the service to 2.8 million clients, significantly contributing to the digitalisation of the Czech economy, which is currently ranked 15th in Europe in terms of digitalisation, placing it in the lower average.

Since its launch in January 2021, nearly 970,000 of Česká spořitelna's clients have used the Bank iD service to log in for e-government purposes, achieving more than 14 million logins. This made Česká spořitelna number one in e-government logins, with customers most frequently logging in to data boxes, the Ministry of Labour and Social Affairs portal, the Czech Social Security Administration portal and the Citizen portal. Using Bank iD, customers could easily apply for benefits, a new driving licence or calculate their pension amount online. The most frequent login was to the Data Box Information System, with a total of almost 5 million logins.

For private companies, the Bank iD service was launched in June 2021 and continued its successful adoption in 2024. Thanks to Bank iD, Česká spořitelna's clients can verify their identity in the digital environment of private companies at the same level as if they were visiting a branch with their ID card. In addition to identity verification, Bank iD also offers a digital

signature for electronic documents. Since June 2021, more than 750,000 clients of Česká spořitelna have used the identity verification services, and in 2024 alone, 525,000 clients used Bank iD. Clients mostly verified their identity with betting offices, insurance companies, financial institutions, and the State Environmental Fund. In 2025, an increase is expected in e-commerce for age verification of customers and in HR processes related to employees' electronic signatures. A significant interest in online school applications is also expected.

Housing Financing

In 2024, the volume of newly granted loans on the mortgage market continued to increase. Česká spořitelna secured the first position in the volume of newly granted mortgages. It also confirmed the first place in terms of the mortgage portfolio.

Spořitelna managed to maintain its position as number one on the market in terms of total mortgage loan portfolio

A significant portion of the newly granted mortgage volumes (30%) was provided to clients for energy-efficient housing with the "Mortgage for the Future". In 2024, Česká spořitelna provided 21,567 newmortgage loans. The volume of agreed loans was more than double compared to 2023, reaching a total volume of CZK 77.9 bn. The volume of the mortgage portfolio (including American mortgages) reached CZK 465.1 bn, representing an increase of CZK 35.8 bn compared to 2023.

Financing the Needs of Private Individuals

In 2024, there was significant market growth for unsecured loans. This trend was supported by falling interest rates, which made loans more accessible to a wider range of clients. As a result, many of Česká spořitelna's clients decided to realize consumption deferred from previous two years, which led to increased demand for the bank's loan products. Declining interest rates also encouraged clients to consolidate loans from previous years, which had originally been taken out with competing institutions on less favourable terms.

In response to changing client needs, the Bank focused strongly on developing digital sales channels. The Bank's strategy included expanding the online availability of credit products and ensuring that the entire process was as simple and convenient as possible. To streamline and simplify the client experience, the Bank gradually unified sales processes for all products, both in the digital world and at branches. This effort will continue into 2025 to offer a consistent and seamless experience across the entire product portfolio in all distribution channels. This enables the Bank to respond more quickly to client needs and provide faster and more efficient services.

In its effort to simplify processes, the Bank began to adjust the contractual documentation to be short and client-friendly. In 2024, agreements for consolidation and loans were adjusted, with other products to follow in 2025. Price lists were also simplified and shortened. Based on client feedback, the Bank abolished some fees on unsecured loans.

To provide the best possible support to clients, the Bank invested in improving digital advisory tools. These tools now allow clients to better understand their financial options and select loan products that best meet their needs. This has strengthened the Bank's ability to provide quality and personalised financial advice. In 2024, Česká spořitelna helped 66,000 credit clients reduce or adjust their payments, verify savings options on repayments, or restructure debt. To help clients manage these challenging situations digitally, the Bank created a new section in George called "Help with Repayments". Here, clients can adjust or defer payments and notify the Bank if they fear repayment difficulties or have trouble making regular monthly payments. The Bank then seeks the best possible solution for each client's situation.

The Distribution Network

In 2024, the transformation of branches continued, to create the optimal environment to support the provision of financial advisory and digitalisation of services. Emphasis was placed on creating discreet spaces for face-to-face meetings with clients at branches, creating conditions for bankers to conduct online meetings with clients, as well as adjusting the layout and standards to make the branches as suitable as possible for the actual work of bankers and the business model.

As part of the new concept, branches include a self-service zone with a range of machines, mainly recycling ATMs for cash withdrawals and deposits and for entering payment orders. The self-service zones and standalone branch ATMs are available to clients 24/7.

In 2024, the Bank renovated an additional 15 branches into the new format. By the end of the year, the Bank had a total of 204 (60%) branches in the new format, including 11 flagship branches, 132 medium-sized branches (51 of which operate on a cashless basis), and 61 small branches (55 of which operate on a cashless basis).

In connection with the development of the business model, service trends and feedback from clients, the design of the new format branches is being adjusted (e.g., colour, materials, new types of work and service areas), also with regard to the sustainability and operational efficiency of the branches. In 2024, Česká spořitelna implemented rebranding standards across all renovated branches – branches feature new logo colours, marketing elements, and furniture designs. The new concept is also being implemented at small branches.

The new concept branches are being built as barrier-free, to be accessible to all clients. Bankers at all branches have access to the Deafcom application on their mobile phones for serving clients with hearing impairments. Large and medium-sized branches (a total of 95 branches) have voice navigation for blind clients installed. Clients with disabilities can make an "appointment with assistance" at a branch. In cooperation with the Prague Organisation of Wheelchair Users, the Bank carries out a mapping of branches and ATMs in terms of their accessibility. Information on accessibility is made available to clients on Česká spořitelna's website and a special website presbariery.cz.

In 2024, Česká spořitelna adjusted branch locations to optimise client demand coverage, relocating two branches to new sites with proven service demand. Following a detailed analysis of business performance, including current data on branch visits and client traffic in affected locations, operations at 29 branches in the Czech Republic have been discontinued.

At the end of 2024, a total of 210 branches were operating on a cashless basis. Clients can execute cash and cashless transactions through ATMs (in particular, the recycling ATM) or through the George service (a cash desk as such is no longer available). Great emphasis was placed on optimising the amount of cash at the branches and the quality of the cash tellers' work.

The change in branch format goes hand in hand with the Financial Health service and the digitalisation of services. The new attractive branch environment, and the discreet meeting points, which are particularly appreciated by clients, complemented by modern technology (client tablets, advisors' iPads, biometrics, digital advertising) enhance the overall client experience. To support this, Česká spořitelna has strengthened portfolio management for clients through personal bankers.

Remote consulting experienced further development in 2024 – clients can now benefit from the Online Meeting with a Banker service with a banker from their home branch as well as with bankers from the Online Branch of the client centre, available during extended hours.

Investment Products for Retail Clients in 2024

When creating investment products for retail clients, Česká spořitelna has long focused on delivering investment solutions that will bring its clients added value and will meet their needs, requirements, and expectations. Great emphasis is placed on the clarity, simplicity, and transparency of investment solutions while maintaining the highest possible probability of achieving an attractive return.

Česká spořitelna has long focused on offering investment solutions that will bring its clients added value

The year 2024 was very successful for financial markets in terms of returns and business results. As of 31 December 2024, Česká spořitelna managed over CZK 415 bn in investments for 658,936 clients. In 2024, the Bank gained more than 101,000 new investors. As in previous years, conservative currency premium deposits were highly popular, both in Czech koruna and foreign currencies, with clients investing CZK 7 bn, USD 54 m, and EUR 56 m. Clients invested over CZK 3.2 bn in 34 new issues of structured premium debt securities and premium bonds.

Clients invested more than CZK 4 bn in subordinated bonds of Česká spořitelna and Erste Group, over CZK 0.4 bn in senior Zerobonds, and more than CZK 7.4 bn in corporate bond issues.

The year 2024 was marked by the trend towards digitalisation and making investments and investment tools accessible to as many clients as possible through the George app. In Q4, a new section of investments was launched in George. New visualisation, new functionalities such as fractional trading in stocks and ETFs, and the ability to trade in new product groups such as bonds or structured products enhance the investor experience and the availability of a wide range of investment tools.

The year 2024 was also favourable for dynamic assets. Stocks attracted significant interest, with clients investing over CZK 7 bn (of which CZK 2.6 bn digitally), and exchange-traded ETFs purchased for more than CZK 1.1 bn (of which CZK 0.6 bn digitally). The number of client trades on stock exchanges more than doubled year-on-year. Nearly 10 million trades in investment products took place in 2024.

The sale of physical gold remained popular, with clients purchasing 111 kg of gold bullion worth CZK 211 m. Since the sale of gold bullion began in 2012, clients have purchased 2,539 kg for over CZK 3.3 bn.

Erste Asset Management GmbH Mutual Funds, the Czech Republic Branch

The year 2024 will be remembered very positively by investors as it was even more successful than 2023. Financial markets were favourably impacted by the fall in inflation across the world and the associated reduction in central bank interest rates, which benefited the markets greatly.

Stock markets outperformed investors' expectations as stock indexes surpassed their all-time highs. Stocks were again dominated by technology stocks, which rose above average, all with artificial intelligence as a common denominator. Bonds and several other types of investment assets also performed well.

Net sales of mutual funds from the Czech branch of Erste Asset Management exceeded CZK 45 bn in 2024, setting a record for the Czech branch. About two-thirds of net sales went into bond funds due to good historical performance and the conservative nature of Czech investors. The Sporobond bond fund emerged as the sales champion of the year 2024 within the entire Erste Group. Mixed funds followed, with positive investor sentiment and good performance resulting in positive sales balances in 2024 for all mixed mutual funds. For example, the largest mixed fund, Conservative Mix, grew by 5.11% and recorded net sales of nearly CZK 4 bn.

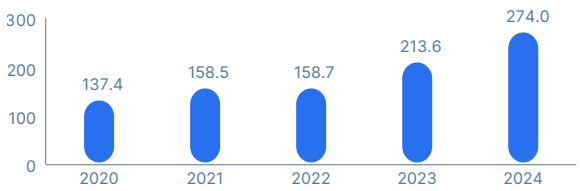
The successful performance of the stock markets is also reflected in the performance of equity funds. The Stock Small Caps equity fund, which focuses on companies with lower market capitalisation, was very popular among investors, attracting new investments of over CZK 1.7 bn. Its unit certificates grew by +11.84% in 2024. Top Stocks, the largest domestic equity fund, ended the year with an increase of +10.18%. This fund recorded net sales of more than CZK 1.3 bn. However, the highest growth of +12.15% for equity funds was recorded by the Sporotrend fund, which invests in stocks mainly in Central and Eastern Europe.

On the bond markets, 2024 was a year marked by high volatility. Central banks continued to cut interest rates, but the strengthening US economy and the election of a new president pushed longer yields higher at the year's end. This resulted in shorter-term government bond yields ending the year lower, while longer yields rose. This is positively reflected in the appreciation of the Sporoinvest (4.23%) and Sporobond (2.72%) funds. Both funds also achieved the highest sales volumes of CZK 17 bn and CZK 5.3 bn, respectively. Although credit markets remained relatively stable throughout the year, higher long-term risk-free yields also impacted the performance of the ČS Corporate Bond (4.33%) and the High Yield Bond (4.68%) funds. Net sales into the ČS Corporate Bond Fund reached over CZK 6.2 bn in 2024.

In 2024, regular investments continued to play a significant role in the inflow of funds into mutual funds. It is worth noting that more than CZK 1 bn in monthly investments comes into the funds through regular investment programs. The number of regular investors increased, also thanks to combined products, where higher interest on a savings account was conditional on starting a regular investment plan. The high savings rate and increased financial literacy also contributed to the inflow of new beginner investors. The average regular investment amount also increased to slightly above CZK 1,800.

The total asset volume managed by the Czech branch of Erste Asset Management reached over CZK 274 bn by the end of 2024, representing a strong 28.3% year-on-year growth. This growth was supported mainly by strong investor interest in conservative bond funds, recording record net inflows, as well as rising market prices of investment instruments. Investing in mutual funds is expected to continue in 2025, driven by stabilising inflation and rising real household income. The outlook for 2025 promises significant changes, particularly with the new US president, where fiscal and monetary policy should be key drivers. Geopolitical risks and increasing local conflicts, which could impact the global economy, also remain significant factors.

Volume of assets in funds managed by the Czech branch of Erste Asset Management (CZK bn)



REICO Funds

Česká spořitelna, in cooperation with REICO investiční společnost Erste Asset Management, a.s. (hereinafter also referred to as “REICO”) offers retail clients the opportunity to invest in commercial real estate through the REICO

NEMOVITOSTNÍ ("RN") and REICO LONG LEASE ("RLL") funds. Both are open-end mutual funds, with RN being one of the largest Czech mutual funds, managing assets worth CZK 29 bn. With a history spanning almost 15 years, it is also the oldest domestic real estate fund.

In 2024, REICO focused on efficient property management and liquidity optimisation, supported by new fund inflows and the renegotiation of external financing conditions. The main emphasis was placed on increasing rental yields through higher rents in new lease agreements. At the same time, REICO actively worked to reduce operating costs, in particular by securing better energy prices and implementing measures to reduce the energy consumption of buildings. Key initiatives included installing photovoltaic panels, replacing lighting with modern LED technology, and introducing intelligent energy consumption measurement and control systems. These initiatives enhance operational efficiency and contribute to portfolio sustainability.

In September 2024, significant changes were made in the RN portfolio. The fund successfully sold the Čtyři Dvory shopping and entertainment centre in České Budějovice, which no longer matched its strategy, and made its first residential sector acquisition with the Nový Opatov G1 rental housing project from developer FINEP. This investment marks an important milestone, as it expands the fund's portfolio beyond the commercial sector, contributing to greater stability against market fluctuations. With strong liquidity and attractive opportunities on the real estate market, the RLL fund actively seeks new acquisition opportunities to further enhance portfolio value and stability. In light of careful market analysis and the Fund's strategic objectives, new investments are planned to be made during 2025, aiming to leverage the current market dynamics to drive long-term asset appreciation.

The total number of properties managed by REICO thus stabilised at 24 commercial properties, of which 20 were in the portfolio of the RN fund and 4 in the portfolio of the RLL fund. In terms of individual regions, REICO managed 10 properties in the Czech Republic, 7 in Poland and 6 in Slovakia in 2024. In 2024, RN achieved an appreciation of 4.08% on the funds invested by investors. The return was positively impacted mainly by inflationary rental growth together with the revaluation of the property portfolio and the appreciation of the liquid component in the deposit accounts. The RLL Fund achieved an appreciation of 2.95% in 2024. This return was primarily driven by inflationary rent increases and the appreciation of the liquid component in the deposit accounts.

From a financial perspective, the portfolios of RN and RLL are healthy, with the majority of properties being more than 90% leased and regular rental income being secured. The current values of the buildings in the portfolios of both funds are stable with significant long-term growth potential.

REICO investiční společnost Erste Asset Management, a.s. was incorporated on 13 June 2006. The sole shareholder is Erste Asset Management GmbH. REICO's registered office is located at Antala Staška 2027/79, Prague 4, Postal Code 140 00.

On 20 December 2024, REICO transferred to the organisational structure of Erste Asset Management (EAM). Until then, REICO was part of Česká spořitelna Financial Group. The main objective of the transfer of REICO to the organisational structure of EAM is primarily to unify the operating model of investment companies within the Erste Group. This model is standard in all countries where Erste Group operates. REICO thus remains within the parent Erste Group. The funds will continue to be managed in the Czech Republic.

Savings

Another popular retail product is the Savings Account, which is designed for regular and irregular savings and thus for creating a reserve for unexpected expenses. The money in the account is available to clients at all times. The total amount saved with the Savings Account and other savings products amounted to CZK 432 bn at the end of 2024. The amount does not include Premium deposits and savings in current and personal accounts. Clients are saving more for the future. Given the interest rates, demand for term deposits continued to grow.

In 2024, ČS offered its clients 12 CZK, 12 USD and 12 EUR issues of premium currency deposits. Clients have opened CZK 7 billion in premium currency deposits in Czech crowns. The Bank recorded stable interest in EUR and USD currency issues, whose total volume exceeded EUR 56 million and USD 54 million last year. Since November 2024, premium currency deposits in all three currencies have also been available for purchase via George.

Building Savings

Building savings with Stavební spořitelna České spořitelny (also known as Buřinka – the "Bowler Hat") were put under pressure by the state in 2024 by reducing state support. Thanks to the actions of Buřinka, which was the first and only one to react to the forthcoming reduction of state support by offering a guarantee of doubling the state contribution amount throughout 2024, it was possible to

achieve an appreciation of building savings of up to 5.3% per annum.

Although the number of new building savings contracts (including the increase of the target amount) decreased by 6% year-on-year due to the considerations on the reduction of state support in 2024, Buřinka was the only building savings bank to increase its production of new contracts by 31% year-on-year and concluded a total of 120,749 new contracts (including the increase). Similar was the result in the volume of negotiated target amounts of new contracts, including increases, which grew by 41% year-on-year and reached CZK 60 bn.

In total, Buřinka manages almost 567,000 building savings accounts with CZK 57.5 bn saved and a target amount of almost CZK 222 bn.

In the area of loans, the entire building savings market grew by 45% year-on-year in 2024. In Buřinka, loan volume increased by 48% compared to 2023. In terms of the number of loan agreements concluded, Buřinka saw a 19% year-on-year increase.

In 2024, Buřinka continued to gradually launch servicing operations for building savings in George (e.g. increase of the target amount, change of state support or termination of building savings).

Buřinka also thinks about its existing clients. To reduce deposit outflows, it has increased the rate on deposits for clients after the 6th year of saving from 1% to 3.5% per annum and continued the retention programme with fee exemption during the commitment period.

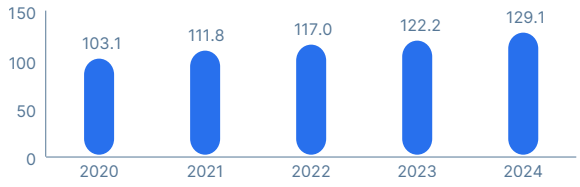
Pension Savings

Česká spořitelna – penzijní společnost celebrated 30 years of its existence at the end of 2024; it has long been the market leader in supplementary pension savings. It manages the two largest participant funds on the pension market, the Balanced Fund with assets of CZK 26.1 bn and the Conservative Fund with assets of CZK 21.2 bn. The Ethical Participation Fund, which appreciates pension savings by investing exclusively in responsible and sustainable companies and sectors, has already grown to CZK 4.5 bn. By the end of 2024, the pension company had 893,000 unique participants with a total fund volume of over CZK 129 bn.

Česká spořitelna – penzijní společnost is the long-standing market leader in supplementary pension savings

The year 2024 was a year of change for pension savings. Legislative changes came into force and were approved in the pension reform in 2023. The impact of the reform was positive, awareness of pension savings increased, and people started to think much more about their future and retirement. This is also why 2024 was a particularly successful year for pension funds from a business perspective. During the year, more than 130,000 new clients started saving in the pension company's participation funds. And the appreciation of the company's pension funds also contributed to the successful results. Clients' funds in both the equity and bond portfolios achieved remarkable appreciation.

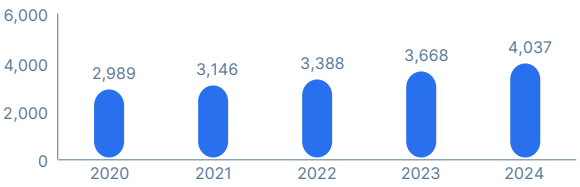
Volume of assets managed by ČS – penzijní společnost (CZK bn)

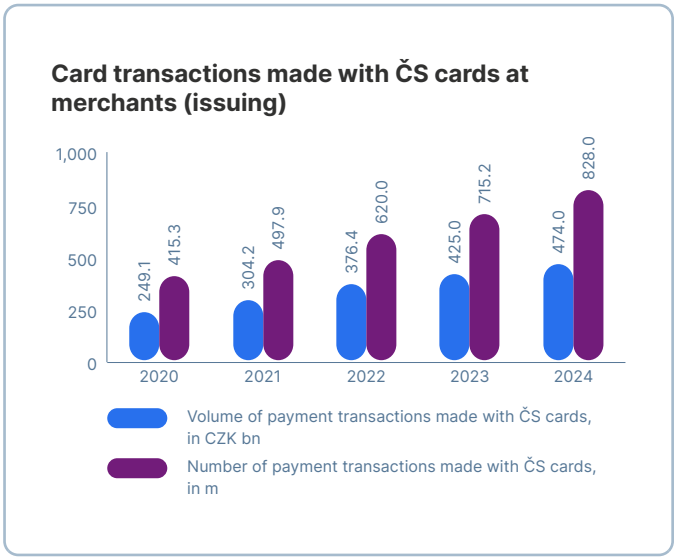


Payment Cards

The payment card boom, which started due to the COVID-19 pandemic in 2020, continued with a significant shift from cash to card payments. In 2024, Česká spořitelna recorded an 11.5% increase in card transaction volume to CZK 474 bn and a 15.7% increase in the number of card transactions to 828 million transactions.

Number of active cards (thousand)





Online Payment Cards

George Virtual Card

The George virtual card allows payments on the internet and at retail outlets, as well as withdrawals from contactless ATMs, via Apple Pay, Google Pay, or Garmin Pay, without the need for a plastic card.

Clients can arrange a virtual George card instantly through George mobile or internet banking and in 2024, clients set up 216,000 permanent virtual George cards. Since their launch in 2021, nearly 706,000 cards have been set up in this way.

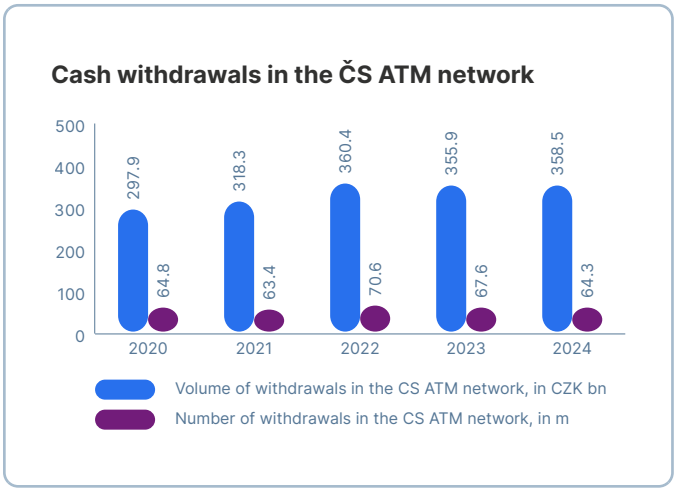
One-time Virtual Card

Since 2022, Česká spořitelna has been offering One-Time Virtual Cards for secure payments on the internet. A client can create the card in a single process and display its details. The card will remove itself automatically within one hour after being created or immediately after a payment is made. By using it, the client minimises the risk linked to payments over the internet. In 2024, clients created 1,123,000 one-time virtual cards.

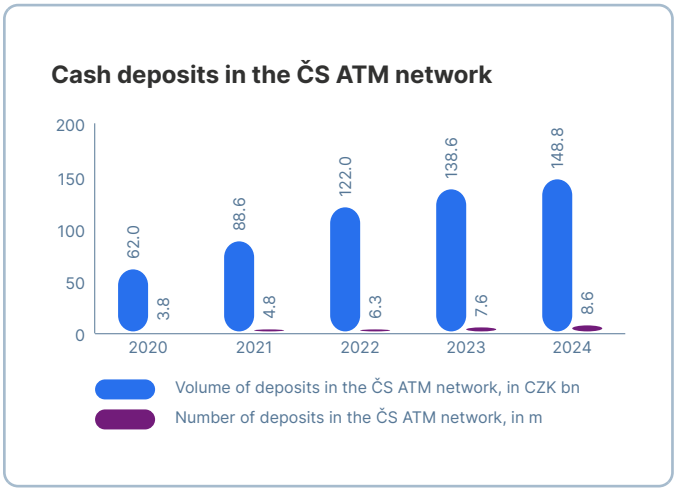
ATMs

Česká spořitelna's ATM network has long maintained a significant position on the Czech market, both in terms of the range and quality of services provided. At the end of 2024, it operated a total of 1,611 self-service machines (1,457 ATMs, 154 transaction terminals). In 2024, cardholders made 64.3 million cash withdrawals at Česká spořitelna's ATMs, amounting to CZK 358.5 bn. The average withdrawal amount was CZK 5,572.

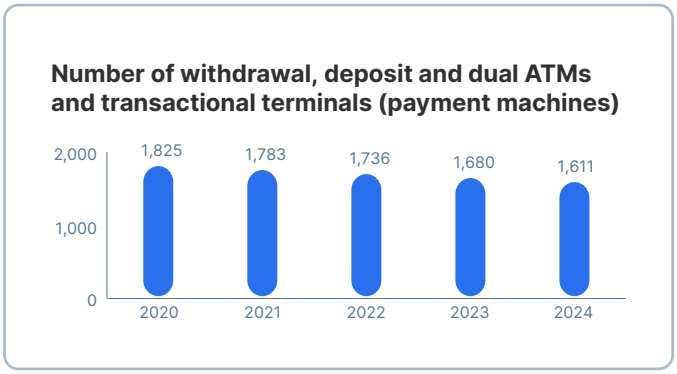
Česká spořitelna´s ATM network has long maintained a significant position on the Czech market



A total of 456 deposit, dual and recycling ATMs are in operation, where customers made 8.62 million deposits totalling CZK 148.81 bn. The average deposit amount was CZK 17,274.



In 2024, a new screen design was introduced in all ATMs with the option of touch control for all machines, featuring the new colours and graphics used by Česká spořitelna and the entire Erste Bank Group.



Corporate Banking

Within the framework of Česká spořitelna's corporate banking, clients are offered tailor-made solutions to their needs and wishes, including investment, acquisition, and project financing, support for export activities, advisory services on mergers and acquisitions, and a wide range of cash management and treasury products, as well as introductions to the bond or equity capital markets.

At the centre of the corporate banking strategy is advice on financial health, ESG and Transformation 2.0, automation and digitisation

The concept of advisory banking – focused on supporting business competitiveness and sustainability in three key areas (financial health, ESG and Transformation 2.0, and the automation and digitalisation of processes and services for clients) – is at the core of Česká spořitelna's corporate banking development strategy.

After several years of a highly volatile business environment, the Czech economy began to recover in 2024, which was reflected in the demand for financing and investment. The ongoing trend towards digitalisation continues, driven by the pressure for efficiency and automation. Česká spořitelna recognises this trend and has decided to invest significant resources in the digitalisation of processes and services for corporate clients in the coming years in order to better meet client needs.

In 2024, Česká spořitelna moved beyond basic service, significantly expanding the possibilities for signing documents electronically without the need for a personal meeting and digitising a large part of the KYC (know your client) process. Furthermore, the Bank has taken additional steps to digitise the lending process and most daily banking products for individuals and entrepreneurs. Česká spořitelna also envisions a digital future for consulting services for companies and entrepreneurs through the Financial Health Zone, where clients can gain an overview of their business health, and the fully digital Sustainable Business Guide, which includes tools such as an electromobility and photovoltaics guide and a CO2 footprint calculator).

A significant milestone in the digitalisation of not only the Bank's product and service offerings but also advisory services, in general, was the launch of the new digital platform George for entrepreneurs and companies, with the gradual migration of clients to this new platform. Thousands of clients from all segments of corporate banking tested the platform in 2024, and plans for 2025 foresee a many times higher number of migrations. The transition of clients is based on available functionalities, ensuring that clients find all necessary services on the new platform while maintaining the positive user experience they have come to expect from George retail banking.

The ongoing effort to meet client needs in the best possible way, address unexpected challenges – not only in times of crisis – and improve overall client care has been reflected in high client satisfaction and recognition from industry professionals.

Beyond digitalisation, which allows services and advice to reach a larger number of clients, Česká spořitelna acknowledges the importance of individual attention to specific client needs. In response to the growing emphasis on sustainability, the Bank has fully integrated the services of the Responsible Finance Team into its offering to provide the most comprehensive advisory services to clients, helping them navigate new challenges associated with this megatrend, while identifying emerging opportunities. Česká spořitelna has become a partner of the Technology Agency of the Czech Republic, which supports innovation in businesses. Additionally, it is the only bank to have established a partnership with the University of Chemistry and Technology, Prague ("VŠCHT"), a leading scientific institution in green technologies and ESG. The Bank has also contributed to the establishment of the unique Climate & Sustainable Leaders Czech Republic platform, which will map the carbon footprint of the Czech Republic. Thanks to its expertise and commitment in this area, Česká spořitelna has participated in several important transformation projects, that will shape the future of the economy and its sustainability.

Small and Medium-sized Enterprises

Česká spořitelna serves its small and medium-sized enterprise (SME) clients through fifteen regional corporate centres. In each sub-segment – SEs and MEs – the Bank offers individualised services and tailored products. Despite challenging market conditions in recent years, Spořitelna has managed to further strengthen its position as a key financial partner for clients, thanks to a well-structured corporate banking development strategy and its ability to rapidly adapt to new circumstances.

In the SME segment, Česká spořitelna has long prioritised an individual client approach, providing advisory services and financing solutions that consider both the current situation and long-term development. Looking ahead, the Bank remains focused on improving the financial health and overall sustainability of its clients' businesses. At the same time, Česká spořitelna recognises the increasing demand for digital solutions in this segment – tools that not only save time but are also accessible whenever and wherever they are needed. To address this, the Bank continues to introduce innovations in digital banking and has plans for further developments in the future.

Corporate Clientele

Česká spořitelna serves large local and multinational corporations, offering a comprehensive range of high-level corporate banking products, including specialised investment banking products and services. The Bank strives to deeply understand its clients' needs, acting as a true business partner by providing highly qualified professionals with sector-specific expertise in the large corporate client segment. Česká spořitelna is also prepared to support corporate clients operating outside the Czech Republic through cooperation with the Erste Group.

The year 2024 was marked by recovery and growth in the large corporate segment, with increasing investment appetite and interest in new challenges and consolidation opportunities – signs of a strong business environment in the Czech Republic. Companies sought not only traditional operating and investment financing but also capital market, club, and export finance products, all of which contributed to robust lending activity throughout 2024. A key trend, particularly among larger and multinational firms is the growing need to address issues related to green transformation and associated regulations. Česká spořitelna is well-prepared for this shift and can assist companies in financing their development plans through debt or capital markets while also providing ESG advisory services.

Structured, Trade, and Export Finance

In view of the gradual recovery and growing investment appetite in the market, the Bank recorded very good results in the structured transactions sector, exceeding initial expectations.

The Bank maintained the trend of previous years and successfully executed numerous deals for private and institutional clients in 2024. Thanks to its consistent and unrivalled role in the domestic market, as well as its transparency, credibility, and positive references from past projects, the Bank increased both the volume and number of structured deals in 2024.

Equally positive was the business activity in the field of export financing, where Spořitelna helped to implement several important projects through the financing it provided. Additional export buyer loans are in various stages of development and are likely to be successfully implemented in the coming years. Česká spořitelna supports Czech exporters in projects of significant scale, especially those that extend beyond purely commercial aspects.

The complexity of today's world and the heightened uncertainty in 2024 were also reflected in the demand for hedging instruments. The Bank provides its clients with high-quality services in arranging bank guarantees and letters of credit, a service highly valued by clients. This is evident not only in the transaction amounts but also in the number of executed transactions. The Bank continued to build comprehensive financing and financial service solutions within supplier-customer relationships.

The Public and Non-profit Sector

Česká spořitelna provides comprehensive banking services to a significant share of public and non-profit sector clients. In this important segment, ČS has long maintained a consistently high market share and an exceptionally high level of client satisfaction (NPS).

In 2024, Česká spořitelna continued to actively support its clients, helping them achieve strong returns on their deposit products, thanks to the high market interest rate environment. Public sector clients were also able to bridge critical financial periods with operating loans, and many non-profit organisations were able to maintain their services with the help of operating loans or overdraft facilities from Česká spořitelna.

At the same time, the Bank successfully completed a number of significant lending transactions, particularly in the areas of regional transport, housing, and regional and local infrastructure. Despite the highly competitive

environment, Spořitelna secured numerous new client acquisitions, primarily due to its client-oriented approach and its wide range of professional services for the public and non-profit sectors.

Real Estate Financing

Česká spořitelna has long been one of the leaders in senior financing of commercial properties in the Czech Republic. As in other segments, 2024 was marked by intensive communication with all existing clients. The financing of logistics and industrial parks remained highly active, benefiting from factors such as the growth of e-commerce and the diversification of supply chains and logistics routes. In the residential segment, the Bank successfully expanded its expertise into the new sub-segment of rental housing, both in the investment and development phases of these projects.

Loans granted continue to maintain the required granularity in terms of the types of real estate assets financed, with a strong dominance of income-generating properties, which account for 80% of the loan portfolio in this segment. The concentration profile of real estate financing has been successfully targeted at maintaining 20% of corporate loan exposure over the long term.

Trading in Financial Instruments for Corporate Clients

Česká spořitelna provides financial market services to international and local corporations, as well as small and medium-sized enterprises. Česká spořitelna has a high-qualityanalytical and business background and infrastructure, enabling it to provide clients with reliable execution of their orders, along with analysis and advisory services on structuring and timing hedging transactions. Česká spořitelna's strategic business model focuses on offering a wide range of tailor-made financial hedging instruments and currency conversion trading via electronic trading platforms. Every year, Spořitelna's clients rate this model as one of the best on the market, reflecting their long-term satisfaction with the services they receive.

Trading in Debt Securities and Equity Instruments

In 2024, Česká spořitelna further strengthened its position among securities dealers for institutional clients. The traded volumes together with the high quality of its services place Česká spořitelna in a leading position among banks providing asset management in the capital market.

Asset Management for Institutional Clients

Asset management for institutional clients is one of the most important products in Česká spořitelna's offering. The core solution consists of a diversified portfolio of investment instruments, where – given the predominantly conservative risk profile of clients – an important objective remains the preservation of the real value of assets under management, while also achieving a higher expected return compared to deposits in the interbank market. The foundation for long-term success for clients continues to be high-quality portfolio management, strong diversification, competitive asset appreciation, superior client service, and superior reporting. Česká spořitelna provides these pillars of asset management to all its institutional clients.

Financial Institutions, Depositary, and Custody Services

Česká spořitelna has long been developing and deepening its cooperation with insurance companies, pension funds, investment firms, payment institutions, banks, and other regulated and registered financial market entities.

The Bank continued to successfully sell products and services, to both existing and new clients, reaffirming its strong position in the financial institutions segment.

The strategy for serving financial institutions is increasingly focused on innovative payment solutions in the field of cash management, offering added value not only to clients in this segment but also to their end customers. This aligns closely with the development of new products in open banking, which is closely linked to the financial institutions sector. Additionally, financial market products and specialised services, such as depository and custody services, and the brokerage of security yield payments, are undergoing continuous innovation to meet growing client demands.

Česká spořitelna supported non-profit and social enterprises

Social Banking

Česká spořitelna also provides significant support to non-profit and social enterprises in the Czech market. For these clients, the Bank offers not only advisory services and education within the framework of Social Banking but also concessional financing, supported by the European Investment Fund.

Relations with Supporting Financial Institutions in the Czech Republic and in the EU

Česká spořitelna is a leading bank in financing energy projects, including renewable energy sources, export financing, and concessional financing in cooperation with the European Investment Bank (EIB) and the European Investment Fund (EIF), as well as national agencies such as the National Development Bank (NRB) and the Export Guarantee and Insurance Corporation (EGAP). In 2024, Česká spořitelna continued to develop its cooperation with domestic, foreign, and international financial institutions.

Selected Awards in 2024

In 2024, Česká spořitelna and its subsidiaries received many awards confirming the quality of the products and services provided:

International Awards

World Customer Centricity Awards 2024

- Česká spořitelna was named the absolute winner of the prestigious World Customer Centricity Awards CX competition. The competition was attended by 150 companies from 38 countries and Česká spořitelna nominated "Financial Health" as a strategy, digital solution and customer experience.

Qorus-Infosys Finacle Banking Innovation 2024

- Česká spořitelna received the top award for its strategic concept of financial health for clients, which is supported by the FIT zone in George mobile banking.

Qorus Reinvention Awards – Europe 2024

- Česká spořitelna ranked third in the ESG category.

Domestic Awards

Mastercard Bank of the Year 2024

- The 1st place in the main category Bank of the Year, as well as in Corporate Bank of the Year, Private Bank of the Year, and Mobile Application of the Year categories;
- The 2nd place in Developer Bank of the Year and Responsible Bank of the Year categories;
- The 3rd place in Customer Bank, Bank without Barriers, and Mortgage of the Year categories.

VISA Best Bank 2024

- The 1st place in the main category Best Bank;
- The 2nd place in the category Most Customer-Friendly Bank.

Golden Crown 2024

The Česká spořitelna Financial Group became the most successful financial group, winning a total of five Golden Crowns, three Silver Crowns, and two Bronze Crowns:

- Golden Crown: ČS Mortgage, Virtual George Card, George in Mobile, Money Alphabet, Buřinka's Loan for the Future;
- Silver Crown: Mortgage for the Future, Building Savings with Guaranteed Double Contribution, Pension Savings with Česká sporitelna;
- Bronze Crown**:** Business Academy, George in Mobile (in the Public Award category).

Top Employer 2024

- Česká spořitelna won the top award for the third time in a row and became the number one and first career choice of university students in the field of Banking and Investment. At the same time, the Bank was also the winner of the special Economist category, where the Employer of the Year is selected only by the students of economics faculties of universities with the best study results.

Finparada.cz Awards – Financial Product of 2024

- Česká spořitelna won the highest Product Company of the Year award thanks to the largest number of rated products;
- The 1st place was awarded to Česká spořitelna in the category of Building Savings and Pension Savings;
- TOP STOCKS fund won the public award.

Responsible Lending Index 2024

- ČS took second place in the overall ranking;
- In the comparison of microloans for CZK 20 thousand, Česká spořitelna won first place.

Top App Award

- George in Mobile ranked second in the category of best banking mobile apps in the Czech Republic.

Česká spořitelna Supports the the Long-term Sustainable Prosperity of Individuals, Communities, and Businesses

The year 2024 brought new challenges as well as prospects to strengthen Česká spořitelna's role in Czech society. Česká spořitelna fully recognises its responsibility to support long-term prosperity and stability, which is why it considers sustainability a cornerstone of its strategy. Through innovative solutions, a focus on inclusion, and community support, the Bank connects economic stability with respect for people and the environment.

In 2024, Česká spořitelna continued implementing its financial literacy programs, reaching over one million clients across all age groups. The Bank enhanced the accessibility of its services and products tailored to the needs of individuals with limited options. It also invested in the education of young people to better prepare them for the challenges of modern society. In response to extraordinary events, such as the 2024 floods, the Bank provided swift financial and practical assistance to tens of thousands of people while also supporting the recovery of affected areas.

Projects such as the construction of affordable housing for essential professions and the provision of community grants to support active citizens further strengthened social cohesion and collaboration among individuals, organisations, and communities. With this comprehensive approach, the Bank reaffirms its long-term commitment to building a sustainable environment and creating lasting values that positively impact people's lives and society as a whole.

Česká spořitelna Helps Improve Financial Health and Supports the Sustainable Development of Businesses

Česká spořitelna actively focuses on improving the financial health of its customers and addressing climate change as key areas of its activities. Further details on financial health initiatives are described in Chapter S4 of the Consolidated Sustainability Statement 2024, while efforts related to climate change are described in Chapter E1.

Česká spořitelna Invests in Quality Education to Prepare Young People for Future Challenges

Česká spořitelna invests in quality education to prepare young people for the challenges of the modern era. An ever-evolving educational ecosystem is the foundation of a successful society capable of facing today's challenges. In 2024, the Česká spořitelna Foundation, which focuses on innovations in education, invested a total of CZK 166 million in projects that promote financial literacy, critical thinking, collaboration, and other essential skills for young people.

Česká spořitelna Foundation supports the new educational platform "Skoala" based on modern methodologies and interactive instructional videos

One of the most impactful projects is the new platform "Skoala", which builds on the success of the "Abeceda peněz" ("The Money Alphabet") programme. This digital platform offers teachers modern methodologies, interactive instructional videos, and mini-games, transforming education into an engaging and effective experience. Over 300 schools and nearly 800 educators have already joined "Skoala".

Beyond "Skoala", the Foundation continues to support other educational initiatives, such as "Den pro školu" ("The Day for School"), which connects teaching with practical experiences shared by volunteers, and "Eduzměna" ("The Educhange"), which develops innovative approaches to education across regions. The project "Začít spolu" ("Begin Together") encouraging children's independence and active participation in their education, is also inspiring.

Since its establishment in 2002, the Česká spořitelna Foundation has invested over CZK 1 billion in educational and social projects. These investments have positively impacted thousands of schools, educators, and students across the Czech Republic, significantly contributing to the future of society as a whole.

Česká spořitelna Supports Communities and Helps Non-Profit Organisations Achieve Financial Independence

Česká spořitelna has long been dedicated to strengthening communities and improving the quality of life in neighbourhoods across the Czech Republic. Through its initiatives, the Bank supports active citizens engaged in local development, contributing to the enhancement of social capital and community resilience. Its unique programmes, grant schemes, and volunteer activities promote a responsible approach to the values of freedom and sustainable development while connecting

social impact with practical steps to strengthen local communities.

In the unique development programme “Silnější hybatelé” (“Stronger Initiators”), the Bank supports individuals addressing challenges in their communities. Many participants are empowered to transform their activities into sustainable, beneficial enterprises. In 2024, Česká spořitelna supported 21 initiators, and the “Silnější hybatelé” programme successfully expanded into additional regions.

As part of the “Dokážeme víc” (“We Can Do More”) grant programme, the Bank, in collaboration with the Via Foundation, supported 41 projects with a total value of CZK 2.9 million. The two-year “large grants” programme enabled six municipalities to revitalise public spaces. Local citizens alongside expert consultants, and architects co-decided the shape of these transformations. Through the active involvement of citizens, the programme successfully strengthened community spirit and mutual cooperation.

To commemorate the 35th anniversary of the Velvet Revolution, Česká spořitelna, again partnering with the Via Foundation and the Freedom Festival, announced a round of microgrants, distributing over CZK 0.5 million to support 29 additional projects.

Most participants in these programmes engage in community or public life alongside their professional activities, achieving tangible results, such as creating spaces for gatherings, sports, relaxation, or services that enhance the quality of life and relationships in their communities. These projects demonstrate that supporting initiators and investing in local initiatives play a crucial role in driving positive changes that impact the lives of many.

Česká spořitelna supports changemakers and neighbourhood projects by actively involving its employees, fostering a stronger society. In 2024, 2,130 Bank employees participated in the volunteer programme “Den jinak”, dedicating a total of 18,309 hours to helping those in need. Employees also contribute to financial literacy programmes like “Abeceda peněz” and “Den pro školu”, organised by the Česká spořitelna Foundation, which bring practical inspiration to Czech schools. Among the thousands of volunteers are 50 experts from the Bank across various fields, including banking, HR, and IT.

Česká spořitelna donated 18,309 hours to good causes

Česká spořitelna believes that by connecting active individuals, sharing experiences, leveraging local resources, and providing adequate support, local communities can grow and bring about lasting, positive changes for future generations.

In addition to community initiatives, Česká spořitelna supports the growth and development of social enterprises and non-profit organisations. In 2024, through its Social Banking programme, the Bank provided loans totalling over CZK 365 million, allowing clients to benefit from unique 80% loan guarantees through the European Investment Fund – an exclusive offering in the Czech Republic. Beyond financing, the Bank organises various workshops and webinars on fundraising, digital tools, and financial management. Social Banking not only strengthens the competencies, financial health, and independence of individual organisations but also fosters the development of entire communities and society as a whole.

Česká spořitelna Ensures Accessibility of Its Services for Everyone

Česká spořitelna is committed to creating an accessible environment that allows all clients, including those with various disabilities or limitations, to utilise its services. The Bank boasts one of the largest networks of barrier-free branches and ATMs in the market. Out of 337 branches, 176 are fully and 106 are partly barrier-free accessible, and 95 branches are equipped with orientation voice beacons to assist visually impaired clients in navigation.

In 2024, the Bank expanded its network of barrier-free ATMs. Of its 1,611 ATMs, 394 are fully or partially accessible, while 1,446 ATMs (90%) are equipped with headphone connections and audio guidance for visually impaired clients, facilitating their use.

At all branches, bankers can assist deaf clients using the DeafCom application, which enables effective communication through online transcription of spoken language or interpretation into sign language. Clients can also use other applications, such as the “Tichá linka” (“The Silent Line”) service during branch visits. These applications can also be used to contact the Bank's helpline, where a specially trained team at the Client Center serves deaf clients.

To further support clients with mobility impairments and hearing limitations, the Bank operates dedicated websites, such as www.bankabezbarier.cz, featuring online call transcription and remote consultation services. These platforms enable clients to address their needs remotely, comfortably, and without barriers.

Česká spořitelna believes that accessibility goes beyond legislative compliance; it is about fostering an inclusive environment where financial services are available to everyone. This commitment underscores the Bank's dedication to customer-centricity and the financial health of its clients, regardless of their individual abilities or limitations.

Strategic Objectives and Plans for the Future

Strategic Plans for the Future

Strategic Objectives

The history of Česká spořitelna began two hundred years ago with the main idea of supporting the prosperity and quality of life of individuals and, consequently, the entire society. Even though two centuries have passed, this value remains crucial for Česká spořitelna even today. However, the methods of supporting regional prosperity have developed significantly over the years. While 200 years ago, the main tool for a better future was the passbook, today Česká spořitelna offers its clients easy access to a wide range of personalised solutions aimed at improving the financial health of each individual.

Česká spořitelna proudly builds on its historical legacy, maintaining its core mission to build up a stronger and sustainable society made up of financially healthy, educated and confident citizens and companies. This mission remains relevant for the coming years. The Bank will continue to focus on providing high-quality and highly accessible financial advice for retail clients, entrepreneurs and companies. In recent years, besides focusing on advisory services provided by the branch network, the Bank has placed great emphasis on digitising its services so that they are quickly and easily accessible to all clients. As in previous years, Česká spořitelna plans to provide its services mainly in the domestic market. Within the corporate sector, there is an expected expansion into Central and Eastern Europe, where the Bank will continue to make full use of synergies within Erste Group Bank, of which it is a member.

Česká spořitelna's mission is to co-create a stronger and more sustainable society formed by financially healthy, educated and self-confident individuals and businesses

In 2025, Česká spořitelna will put emphasis on the quality of solutions that improve the financial health of its clients, whether retail or corporate. In addition to improving the quality of advice at branches, the Bank will continue to accelerate digitisation within the George and George Business platforms. The aim is to expand the availability of quality advice and solutions to address most financial needs from the comfort of home. Česká spořitelna will also focus heavily on the use of artificial intelligence, both in advising retail clients through Hey George, a new digital AI advisor, and in enhancing the Bank's own efficiency and internal processes. The crucial topic of sustainability, which permeates the entire organisation and Česká spořitelna, will continue to be emphasised in all its operations.

Sustainability

In 2025, Česká spořitelna plans to continue fulfilling its mission to support the long-term, sustainable prosperity of its clients and society, with a strong focus on environmental considerations. Sustainability is integrated into Česká spořitelna's core strategy, guiding its commitment to creating long-term positive impacts across all operations. The Bank focuses on climate responsibility by reducing its carbon footprint and on social responsibility by promoting a fairer and more educated society. This approach targets three main impact areas: impact on Česká spořitelna and its operations (#stronger bank), impact on clients and portfolio (#stronger clients), and impact on society as a whole (#stronger society).

- #stronger bank – This area includes the environmental impact of operations, employee well-being, team openness and diversity, an inclusive and fair work environment, process transparency, and adherence to ethical risk management.
- #stronger clients – This area covers the financial health of clients, businesses, and the Czech economy as a fundamental pillar of long-term sustainable development. Priorities include the sustainability of the loan portfolio with a focus on reducing the carbon footprint, as well as cybersecurity and financial crime prevention.
- #stronger society – This area focuses on society as a whole through social banking, affordable housing, corporate social responsibility activities, and enhancing financial literacy.

Česká spořitelna targets three main impact areas: #stronger bank, #stronger clients and #stronger society

Česká spořitelna's business model and value chain are structured to deliver lasting and, above all, long-term sustainable value to clients, investors, and a broader range

of stakeholders. In line with the goal of strengthening financial health, the Bank offers targeted financial products and advisory services that support the financial resilience of individuals and businesses. Tailored financing options enable clients to transition to sustainability, reduce energy costs, and increase property value through energy efficiency. These efforts improve financial literacy and stability, supporting long-term community development and strengthening client relationships.

In 2024, Česká spořitelna focused on expanding services and products for retail clients that not only enhance their financial resilience but also align with sustainability goals. This included offerings such as digital budgeting tools, personalised savings plans, and financial literacy programs, which scale up to empower individuals towards financial health. Sustainable financing options, including loans for renewable energy and incentives for energy-efficient housing, support the commitment to climate responsibility and make long-term sustainable decisions accessible to retail clients. The Bank plans to continue these activities in 2025. Česká spořitelna's sustainability strategy also emphasises expanding the availability of responsible financial products. In the retail market, tailored services have reached more diverse demographic groups, including new solutions for traditionally underserved clients, such as those with disabilities. The Accessibility Criteria initiative, anchored in the Accessibility Act, guides the development of products and services to ensure inclusive services at all client touchpoints.

In the corporate sector, Česká spořitelna has launched advisory services to help companies align with ESG regulations, focusing on sectors with significant environmental impact. New products, such as sustainability-linked loans and green bonds, offer corporate clients opportunities to invest in decarbonisation and renewable energy projects. The Bank has also introduced ESG risk assessment tools, enabling companies to make data-driven decisions aligned with their sustainability goals. These solutions strengthen the Bank's role as a trusted partner in the sustainable growth of the Czech economy. The Bank intends to continue in this direction in the upcoming years.

Česká spořitelna, in line with ESG principles and Erste Group Bank rules, is committed to sustainable and responsible financing. The Bank actively sets financing restrictions for industries associated with significant environmental and ethical risks, including fossil fuel extraction (coal, oil, and gas), chemical production, controversial weapons, or tobacco. In line with its sustainability strategy, the Bank has committed to gradually phasing out financing of the thermal coal sector by 2030.

The main task ahead for the Bank is the transition of high-emission sectors to low-carbon operations while maintaining financial stability. To address this goal, Česká spořitelna has set priorities for specific regions and sectors, focusing on financing this transformation. In 2024, it prepared a decarbonisation strategy for the financed heating and electricity sector. One of the key solutions is a set of tools for client interaction, enabling to assess the readiness of clients in high-emission sectors for transformation (especially clients within targeted decarbonisation sectors) and to align their financing strategies with sustainability goals.

As the parent company of all its subsidiaries, the Bank defines and coordinates the sustainability strategy for the entire Financial Group, ensuring a unified approach across all entities. While references in this chapter are made solely to the Bank, its sustainability initiatives are centrally managed by the Bank's Sustainability Office, a dedicated team responsible for their implementation and alignment throughout the Financial Group. In addition, the Bank's Capital Participation organisational unit is responsible for propagating Holding norms across relevant subsidiaries, while individual policy owners ensure the propagation of Group policies.

Macroeconomic Assumptions

During 2025, economic developments should gradually improve, and GDP growth is expected to accelerate, supported by both domestic and external demand. The labour market situation should remain favourable. Inflation could average close to the inflation target, as in 2024. However, uncertainty is likely to remain very high as a number of external factors will influence economic developments in the Czech Republic. Most notable among these factors are the possible introduction of trade tariffs between major economies, the war in Ukraine, the situation in the Middle East and economic developments in China.

For 2025, Česká spořitelna assumes the following key macroeconomic assumptions:

– Real GDP growth will reach 2.0%[19]. Compared to 2024, there should be a significant improvement in economic development, supported by both domestic and external demand. Growth is expected to be driven mainly by household consumption, which will be positively influenced by low inflation, real wage growth and improved household sentiment.

(19) Česká spořitelna, a.s., 28. 2. 2025, https://www.csas.cz/cs/research/analyza/cz/SR433200

Additionally, the economic recovery in Germany will positively impact foreign trade and private investment;

- Although inflation might remain volatile from month to month, on average it should be only slightly above the ČNB's inflation target. The recovery of the Czech economy, rising food prices and price developments in the services sector will contribute to higher inflation. Conversely, inflationary pressures will be mitigated by price developments in the euro area, a gradual decrease in ČNB's interest rates and relatively weak producer price growth in industry. The main uncertainty will lie in food, fuel, and energy prices, and a number of external factors will play a role. Average inflation is expected to be 2.5%[20] for the full year 2025;
- Labour market developments will be mixed but should remain favourable overall. On the one hand, real wages will continue to rise due to strong nominal wage growth and low inflation, while on the other hand, the unemployment rate may rise slightly due to the rise in the minimum wage and issues in the automotive sector. However, unemployment is expected to remain very low, with an average unemployment rate of 3.1%[21];
- The ČNB is expected to continue cutting rates gradually during 2025, primarily due to low inflation close to the inflation target and anticipated interest rate cuts by major central banks (especially the European Central Bank). However, compared to 2024, the overall decline in rates will not be as pronounced, as the ČNB will be more cautious due to potential inflation risks. Additionally, rates will already be very close to their neutral level, where the ČNB could end the current cycle of gradual rate cuts. Therefore, an average repo rate of 3.6%[22] is expected for 2025;
- The CZK exchange rate could appreciate only very slightly in 2025. This should be due to the expected economic recovery and only a gradual further reduction in ČNB rates. Risks will remain elevated, and higher volatility cannot be ruled out. In this respect, global economic developments, the geopolitical situation, developments in the US, and market sentiment related to these factors will be significant. For the end of 2025, the exchange rate is expected to be EUR/CZK 24.8[23].

Outline of Business Policy, Expected Economic and Financial Situation in 2025, and an Outlook for Upcoming Years

Retail Banking

In 2025, as in previous years, the Retail Division will continue to focus on fulfilling its advisory strategy, with Česká spořitelna aiming to look after its clients' financial health. Advisory services will be offered through both traditional physical branches and, increasingly, the digital world via the George digital banking platform. These channels complement each other effectively, creating a sophisticated advisory ecosystem.

In-person advisory services will continue to focus primarily on more complex products, where the added value of interaction between the client and an experienced banker is high. In addition to a broad network of branches with universal bankers, Česká spořitelna will continue to have a wide network of dedicated specialists in insurance, investment, and mortgage products. The importance of personal contact with clients is highlighted by the fact that in 2024, bankers met with clients in over 1.5 million meetings, and this number is expected to grow next year. Česká spořitelna places significant weight on the client experience, and therefore, in addition to improving advisory services, it continues to redesign its branches to align with modern advisory concepts. In 2024, 17 branches were renovated, and the Bank plans to continue at the same pace in 2025.

Digital interactions in George are, conversely, expected to deal with simpler situations and products. George already allows clients to handle a wide range of service tasks. Besides service operations, most retail products can already be obtained via digital channels. Clients are increasingly using George as a sales channel, as evidenced by the growing share of digital sales to total sales. Therefore, Česká spořitelna is ready to digitise additional solutions that were previously not available.

An increasingly important part of the George mobile banking app will be the advisory and financial health area, specifically the FIT zone, where clients can find indicators visualising their financial health and receive specific tips on how to improve it. Česká spořitelna also introduces a virtual AI advisor, Hey George, who will assist clients with functionalities within the mobile app, provide

(20) Česká spořitelna, a.s., 28. 2. 2025, https://www.csas.cz/cs/research/analyza/cz/SR433200
(21) Česká spořitelna, a.s., 28. 2. 2025, https://www.csas.cz/cs/research/analyza/cz/SR433200
(22) Česká spořitelna, a.s., 28. 2. 2025, https://www.csas.cz/cs/research/analyza/cz/SR433200
(23) Česká spořitelna, a.s., 28. 2. 2025, https://www.csas.cz/cs/research/analyza/cz/SR433200

information about Česká spořitelna's products, and answer questions about financial topics, the Bank, or Erste Group Bank. Hey George will also offer clients specific advice and recommendations on how to be financially healthier.

Česká spořitelna introduced the FIT zone, where clients can find indicators visualising their financial health and receive specific tips on how to improve it

Česká spořitelna recognises that, in the coming years, the primary place for client interaction and decision-making will be the mobile phone. Therefore, the Bank wants to be significantly present in this space without reducing the importance and quality of in-person advisory services.

From a product perspective, the Bank plans to focus on further improving, simplifying, and expanding the digital offering in George. Insurance will continue to be a crucial area, as it is an essential part of clients' financial health. Similarly, Česká spořitelna will place great emphasis on improving clients' awareness of investing, especially in times of declining market interest rates as investments provide clients with a long-term opportunity to better appreciate their financial assets. For clients who want to invest from the comfort of their homes, the new digital solution George Invest is available. For those who prefer personal experience, a network of specialised advisors will be available to help with the proper setup of insurance and investment products.

The above activities do not present the complete picture but illustrate how Česká spořitelna plans to keep fulfilling its strategy, which is considered successful – whether based on client reactions, growing product penetration, or positive market share results, with the Bank holding the number one position for most retail products. The Bank sees all these facts as confirmation that it is on the right track. Therefore, it plans to continue in this direction and strengthen its focus on digitalisation, advisory services across channels, and care for clients' financial health.

Corporate Banking

Česká spořitelna aims to be the first choice for small and medium-sized enterprises (SMEs), while remaining a key bank for large corporate and multinational companies. The Bank also intends to strengthen long-term partnerships with clients in the public and non-profit sectors. Just as in retail banking, Česká spořitelna positions itself as a partner in supporting the financial health and prosperity of its corporate clients. This strategy emphasises advisory services in areas such as financial health, sustainability, and transformation to higher added value (in the sense of "Transformation 2.0").

The Bank continues to optimise its service channels, with priority development areas focused on digitalisation and process automation in an intuitive and client-oriented environment. In 2025, the digitisation of services for a significant group of clients (especially the SME segment but also others) will continue within George Business, a new digital platform. The migration of clients into George Business, which began in 2024, will accelerate in 2025, bringing a completely new digital experience for companies and entrepreneurs. With further development and integration of advanced functionalities, George will gradually become the best choice even for clients with more complex needs. Digitisation will allow the Bank to invest more time into personal, highly individualised advisory with an emphasis on clients' financial health, resilience, and competitiveness.

In the SME segment, Česká spořitelna's main goal is to become the partner of first choice in all aspects of client interaction. The core theme will be clients' financial health and its comparison within relevant markets, ESG advisory (Green Transformation) and related opportunities to enhance clients' competitiveness, as well as the aforementioned advisory within Transformation 2.0 towards higher added value. This requires deepening the competencies of corporate bankers to become partners for both the client's daily operational needs and their future development and prosperity. Another major priority is the digitisation of processes, the building of an online platform for both advisory activities and financing, the enhancement of digital Financial Health Zone, and ESG advisory applications. The goal is to improve the customer experience, find optimal solutions for all client needs and become a stable partner in times of increasing market uncertainty, both domestically and abroad.

The priority areas for further development are digitisation and automation of operation in an intuitive and client-oriented environment

As one of the key banks for large corporate companies operating in the Czech Republic, Česká spořitelna will strive to be a long-term and reliable business partner for its corporate clients. In the area of financial health advisory,

the Bank aims to focus on an individualised approach and opportunities to enhance the competitiveness and stability of businesses, seeking ways to support the transformation of the Czech economy towards higher added value. Continued deepening of industry specialisation among bankers will contribute to a better understanding of client needs and a higher level of expertise. Česká spořitelna also recognises the importance of ESG topics and the necessity of reducing the carbon footprint. Therefore, it is prepared to assist its clients with green transformation and support projects aimed at decarbonisation. When serving multinational corporate companies, Česká spořitelna will provide banking products and financial services with the support of Erste Group Bank, enabling clients to manage their needs across the entire Central and Eastern European region.

In the area of structured financing, in 2025, Česká spořitelna will continue to provide its clients with a comprehensive range of services and tailor-made solutions. With the growing importance of sustainability, the Bank is ready to offer clients individualised solutions that meet their needs. Acquisition financing, often complemented by advisory services in mergers and acquisitions, remains one of the key product solutions where Česká spořitelna, thanks to its long-term experience and unique expertise, can offer its partners excellent service and predictability, which is essential for this type of transaction. The Bank also aims to maintain its ambition to be involved in all significant transactions in the area of structured financing on the Czech market and continue to play a leading role in supporting exporters through export and trade financing tools and products.

In the area of financing corporate real estate projects, Česká spořitelna has long been a key player in the market. Generally, it will continue its long-term strategy of maintaining a segmentally balanced portfolio, with an emphasis on income-generating properties. The Bank will continue to focus on deepening cooperation with colleagues from other segments, and Erste Group Bank, to leverage synergies across defined regional markets and segments. The business strategy increasingly prioritises qualitative issues related to the energy efficiency of financed buildings. The clear goal is to support projects for the revitalisation of existing buildings or the construction of new properties with minimal carbon footprints. In terms of the types of financed assets, Česká spořitelna will remain active in projects for logistics and light industry, which form the backbone of the Czech economy and aim to sustain jobs and increase the competitiveness of the Czech Republic. In the area of residential construction financing, the Bank has successfully established itself in the sub-segment of rental housing financing and anticipates further growth in assets in this area in the future. It also significantly supports the emergence of new projects in cooperative housing financing.

For clients in the public and non-profit sectors, Česká spořitelna is preparing a range of new products and initiatives focusing primarily on supporting digitalisation in public administration and local government. In addition to the successful implementation of the Bank Identity project and its further expansion, the Bank will focus on supporting its clients in the digitalisation of individual agendas and related financial transactions, with an emphasis on transforming citizen services into the digital environment. The Bank's priority remains environmental and social considerations when developing cooperation, which is reflected in the financing of public projects with a positive impact on the environment and society. Česká spořitelna is prepared to support projects in renewable energy, public transport, and waste management (according to EU taxonomy), through both advisory services and financing with favourable interest rates. The Bank will also place focus on actively supporting the financial health of clients in the public and non-profit sectors.

Česká spořitelna is the first bank in the Czech Republic to offer a Social Banking program, which supports non-profit organisations and social enterprises through education, advisory services, and financing. The goal is to empower these organisations to become self-sufficient, reducing reliance on grants and subsidies, and ensuring their long-term existence.

Financial Markets

In 2025, the goal of the Financial Markets (FM) and Financial Institutions (FI) Division will be to strengthen market share in all key areas and products of financial markets. The FM&FI Division will focus primarily on developing financial services for financial institutions and solidifying its position as a regional leader in currency, interest rate, and derivatives markets. In the capital markets, FM aims to remain the primary bank for underwriting and distributing new corporate bond issues and to confirm its position among the top three primary dealers of Czech government bonds.

Asset Management for institutional clients is a significant product in Česká spořitelna's comprehensive service offering. The core solution continues to be a diversified portfolio of investment instruments. Given the predominantly conservative risk profile of clients, a significant goal is to preserve the real value of managed assets while achieving higher expected returns compared to interbank market deposits. The foundation of long-term success for the client continues to be quality portfolio

management, quality diversification, competitive returns, exceptional client service, and superior reporting. These pillars are offered and provided to all institutional clients, and the Bank will continue to build on these in the future.

In 2025, the sale of financial market products will decisively concentrate on individual client needs

In 2025, the sale of financial market products will be decisively concentrated on individual client needs related to uncertainties and market volatility caused by geopolitical developments. Commercially, Česká spořitelna will focus on selling products that can hedge both medium-term and longer-term risks associated with foreign exchange rate and interest rate movements.

Expected Financial Outlook

The expected improvement in macroeconomic development in 2025 will also reflect positively on the financial performance of Česká spořitelna. Net interest income, as the main component of operating income, will benefit from the growth in loan and deposit volumes, and due to Česká spořitelna's balance sheet position, it will further benefit from a declining interest rate environment. However, the increase in mandatory minimum reserves will have a negative impact on net interest income. Operating income will be supported by net fee and commission income, particularly from investment products and insurance. The growth in operating expenses is expected to be higher than in 2024, mainly due to increased marketing costs associated with the 200th anniversary of Česká spořitelna. This implies a slight deterioration in the cost-to-income ratio, which should not exceed 45%.

Overall, Česká spořitelna's operating result in 2025 is expected to surpass that of 2024. The balance sheet of Česká spořitelna will continue to be dominated by client deposits and client loans, both of which are expected to grow in the mid-single digits. The quality of the loan portfolio in 2025 is expected to remain at very high levels. Furthermore, Česká spořitelna's capital position is expected to significantly exceed regulatory requirements.

Risk Management

Risk management processes are key elements of the Bank's management and control system. As a local systemically important bank, Česká spořitelna pays attention to risk management in line with the Bank's size, complexity and quantity of products, and business and other activities. Česká spořitelna has developed a risk management strategy, approved by the Bank's Board of Directors, incorporating risk management principles, including risk identification, monitoring and measurement processes, and setting of limits and restrictions. By adopting these principles, the Bank maintains its risk exposure at an acceptable level, ensuring effective management processes.

The following units participate in managing risk at Česká spořitelna:

- Strategic Risk Management, primarily responsible for credit risk, market risk, and liquidity risk. This includes consolidated risk management of the Internal Capital Adequacy Assessment Process (ICAAP) and stress testing for the entire Česká spořitelna Financial Group;
- Non-financial Risk Management responsible for managing operational risk and other non-financial (non-position) risks, fraud management and anti-money laundering measures;
- Compliance, responsible for compliance risk management;
- Corporate Banking Credit Risk Management and Retail Banking Credit Risk Management, primarily responsible for the credit risk strategies for corporate and retail banking, respectively, and the process of collecting non-performing loans;
- Financial Group Balance Sheet Management manages net interest rate risk within the banking book (investment portfolio), and operational liquidity risk in accordance with decisions made by the Assets and Liabilities Management Committee. This unit also oversees the management of capital resources allocated for risk coverage.

The activities of these risk management units are complemented by the efforts of other teams, such as IS/IT security and legal services.

The Board of Directors shares risk management decision making authority with the following committees:

- Assets and Liabilities Management Committee of the Board of Directors (ALCO);
- Credit Committee of the Board of Directors;
- Risk Management Committee as an advisory body to the Chief Risk Officer;
- ČS Financial Group Cyber Security Management Committee as an advisory body to the Chief Risk Officer;
- Risk Management Models Committee as an advisory body to the Chief Risk Officer.

Additionally, the following top management-level committees contribute to risk management:

- Financial Markets and Wholesale Products Risk Management Committee;
- Credit Risk Management Committee (CCO);
- Non-Financial Risk Management Committee;
- Operational Liquidity Committee (OLC);
- Industry Limits Committee;
- Assets and Liabilities Modelling Committee (ALMC).

Credit Risk

Česká spořitelna is exposed to credit risk, i.e., the risk that the counterparty will not be able to pay full amounts when due. In managing credit risk, Česká spořitelna Financial Group applies a standardised methodology adopted on a group-wide basis that sets out the applicable procedures, roles and authorities.

The credit management policy includes:

- Prudent lending process guidelines, including rules to prevent money laundering and fraud;
- General client segment acceptability guidelines based on their main activities, geographical location, maximum maturity period, the product and the purpose of the loan;
- Framework of the rating system and the setting and review of debtors' ratings;

- Principles of the system of limits and the structure of approval levels;
- Loan collateral management rules;
- Structure of product categories;
- Methodology for calculation of provisions and risk-weighted assets.

Collection of Necessary Risk Management Information

The Bank's credit risk management relies not only on its own portfolio data but also on the portfolio information of other members of the Česká spořitelna Financial Group. Additionally, the Bank leverages information from external sources, such as the Czech Banking Credit Bureau, the Central Credit Register and ratings provided by reputable rating agencies. This extensive database, used for credit risk management purposes, supports credit risk modelling, debt collection, debt valuation, and loss calculation.

Internal Rating Tools

Rating is considered one of the key tools in the Bank's risk management framework. The Bank uses client ratings to assess the counterparty's risk profile. The evaluation of debtors and the determination of internal ratings are integral to the loan approval process and any significant changes to lending terms and conditions. This assessment reflects both the client's financial position and non-financial characteristics. As part of its risk management practices, the Bank categorises its clients into two groups: "performing" and "non-performing".

All information necessary for these assessments is collected and stored centrally. The Bank performs regular internal rating reviews, at least once a year. In compliance with regulatory requirements, the methodology and tools for assigning internal ratings undergo regular validation by either a local independent validation team or an independent team from Erste Group Bank.

Structure of Approval Authorities

The structure of approval authorities is based on the principle of materiality of the potential impact of loan-related losses on the Bank's financial performance and the risk profile of the respective loan transaction. The Supervisory Board Risk Committee and the Board of Directors Credit Committee have the highest level of approval authority. Other approval authorities are delegated according to the seniority of staff within the credit risk management unit.

Determination of Risk Parameters

Česká spořitelna uses its own internal models to determine risk parameters, such as the probability of default (PD), loss given default (LGD) and credit conversion factors (CCF, i.e., coefficients used to transfer off-balance sheet exposures into on-balance sheet ones). All models comply with the principles of Basel III as well as the requirements set forth by the CRR and CRD.

Loss Allowance for Credit Losses

Česká spořitelna uses a methodology for creating loss allowances that complies with International Financial Reporting Standards (IFRS 9). Portfolio allowances are determined for portfolios of receivables in which no individual impairment has been identified. The amount of portfolio allowances is determined using models based on the Bank's historical experience. Allowances are calculated individually for receivables that have been determined to be impaired. Allowances for all receivables are reassessed on a daily basis. An annual back-testing of allowances is conducted, focusing on the adequacy of the created allowances by comparing them with actual loan portfolio losses.

Concentration Risk and Risk-weighted Assets

Česká spořitelna manages loan portfolio concentration risk through a system of large exposure limits. Large exposure limits are defined as the maximum exposure the Bank may accept in relation to an individual client or an economically related group of clients based on their credit rating and the provided collateral. This system is designed to prevent excessive concentration of risk among a small number of clients in the portfolio. In the area of credit risk capital requirement calculation, Česká spořitelna met the conditions for using the Internal Ratings-Based (IRB) approach. Since July 2007, risk-weighted assets and capital requirements have been based on internal ratings and the Bank's own estimates of PD, LGD, and CCF parameters. Risk-weighted assets are recalculated monthly.

Risk Appetite Statement

The maximum tolerated exposure of the Bank capital and operating profit to various types of risks is defined in the Risk Appetite Statement approved by the Bank's Board of Directors. The Risk Appetite Statement is formulated over a 5-year horizon to coincide with the Bank's planning period.

The Bank's Response to Extraordinary External Events

The Bank's risk management system includes monitoring extraordinary external events (e.g., COVID-19, the war in Ukraine, high inflation and energy prices), assessing their impact on the Bank's portfolio, and implementing timely measures to mitigate potential adverse effects.

As a reaction to extraordinary external events observed in past years the industry analysis has been integrated into credit risk management to account for the impact of specific events on individual sectors. The Bank has implemented early warning signals targeting specific risk factors, including rising interest rates, climate risks, geopolitical conditions, and more. Additionally, it has conducted a risk analysis of its portfolio, focusing on the sensitivity of receivables to deteriorating economic conditions. Portions of the portfolio that are expected to be adversely affected by the identified economic factors are classified under Stage 2. The extraordinary macroeconomic conditions and the uncertainty surrounding future development are also reflected in the FLI model, which the Bank uses to calculate portfolio allowances.

Market Risks

Market risk at Česká spořitelna relates mainly to financial market transactions conducted within both the trading and banking books, as well as interest rate risk associated with banking book assets and liabilities.

Trading book transactions in the capital, money, and derivative markets can be categorised into the following areas:

- Client price quotations and transactions and the execution of client orders;
- Interbank and derivative market price quotations (market making);
- Active trading on the interbank market;
- Distribution of financial market products to retail clients.

Česká spořitelna employs a Group Capital Markets holding business model for financial market trading. Risks from executed client transactions are transferred through back-to-back transactions to the portfolios of Erste Group Bank holding.

Banking book transactions in the capital, money and derivative markets may be categorised into the following areas:

- Bank investments in securities as part of its investment strategy;
- Execution of certain interbank and client deposits and loans;
- Issuance of own bonds;
- Management of interest income, hedging of banking book interest-rate risks and addressing mismatches between foreign-currency-denominated assets and liabilities.

Market risk limits are separately defined for the trading and banking books. The set of market limits must comply with the maximum risk exposure level specified in the Risk Appetite Statement (RAS) approved by the Bank's Board of Directors and further validated by the holding company, Erste Group Bank.

The Bank uses the Value at Risk (VaR) method to measure aggregated market risk across the trading and banking books. VaR calculations are supplemented by back-testing (both hypothetical and real), which is designed to verify model accuracy. Based on the Bank's model approved by the Czech National Bank, the market VaR method is also used to calculate capital requirements for foreign currency risk, general interest rate risk, general and specific equity risks, and risks associated with trading book option transactions. This method is also applied to calculate economic capital for market risks in the trading and banking books. Additionally, VaR calculations are used when assessing risks associated with the asset portfolios of funds of Erste Asset Management GmbH, Czech Republic branch, ČS – penzijní společnost and when assessing market risks in the banking book of Stavební spořitelna České spořitelny using special models to represent the Bank's financial position.

The Strategic Risk Management Unit monitors banking book bond investments using a warning system of indicators assessing the quality of the security issuer, country of origin, and performance of the respective economic sector. If these indicators deteriorate significantly, each investment is individually reassessed in terms of its future prospects, potential sale, or continued holding.

Information on the Bank's market risk exposure and compliance with established limits is reported daily to the Bank's responsible managers. A consolidated monthly report is submitted to the Financial Markets and Wholesale Products Risk Management Committee. The information on the Bank's exposure is reported on monthly basis to the responsible members of the Board of Directors via the Asset and Liability Management

Committee and the Risk Management Committee of the Chief Risk Officer.

Interest Rate Risk

The Bank's Board of Directors and Asset and Liability Management Committee are responsible for decisions concerning the exposure levels of banking book interest rate risk. The Strategic Risk Management Unit is responsible for monitoring banking book interest rate risk and models the non-contractual behaviour of products. The Financial Group Balance Sheet Management Unit is responsible for managing the banking book interest rate risk. The models are independently verified by a validation team within the Strategic Risk Management Unit.

Interest rate risk management methods capture all relevant risk types, i.e., revaluation risk, yield curve risk, basis risk, and option risk.

The Bank's current exposure to interest rate risk is assessed monthly by the Asset and Liability Management Committee. This assessment considers the overall development of financial markets, trends in the Czech banking sector, and structural changes in Česká spořitelna's financial position.

Between 2022 and 2024, the Bank's interest rate risk level was influenced by rising interest rates, higher volatility, and structural changes in client deposits (deposits shifting from current accounts to savings and term deposits). In response to these developments, product behaviour models were updated (e.g., the sight deposit and prepayment models, among others). Additionally, portfolio sensitivity analyses were conducted more frequently. The Bank adjusted its banking book investment strategy, to ensure constant adherence to internal limits on the Bank's balance sheet sensitivity to credit risk, even under adverse scenarios.

Liquidity Risk

Liquidity risk is defined as the risk that the Bank may lose its ability to meet financial obligations as they become due or may be unable to fund its assets. Liquidity is monitored and managed based on expected cash flows, with adjustments made to the structure of the financial position as necessary.

Every month, Česká spořitelna monitors the Survival Period Analysis (SPA) indicator and assesses two regulatory liquidity risk ratios introduced by the Regulation of the European Parliament and of the Council No. 575/2013 (CRD IV): The Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

Since September 2015, the Bank has also monitored and assessed the adjusted LCR in accordance with the European Commission Regulation No. 2015/61 (The LCR Delegated Act). The LCR is monitored both for the Bank's entire aggregate balance sheet and separately for major currencies, mainly CZK and EUR.

Short-term liquidity management and solvency assurance are conducted not only through a multi-day cash flow perspective but also via intraday cash flow monitoring.

For operational liquidity management, Česká spořitelna maintains a buffer of highly liquid assets (referred to as the Intraday Liquidity Buffer). The limit for the minimum volume of highly liquid assets is regularly reassessed based on transactions conducted on Česká spořitelna accounts with the ČNB. This buffer is designed to guarantee sufficient liquidity to cover outstanding intraday interbank transactions in a crisis situation.

To detect potential liquidity crises, Česká spořitelna uses a system of Early Warning Indicators. These indicators facilitate the timely detection of market and idiosyncratic liquidity crises or their combination. When a crisis is detected, the Bank activates its liquidity crisis emergency plan.

Operational Risks

Česká spořitelna defines operational risks in accordance with ČNB Decree No. 163/2014 Coll., on the Performance of the Activities of Banks, Credit Unions, and Investment Firms, as the risk of loss arising from inadequate or failed internal processes, human error, system failures, or external events, including legal risk. The Bank's management is regularly updated on the development and magnitude of operational risks.

The ČNB approved the use of advanced measurement approaches (AMA) for managing operational risk and calculating the capital requirement for operational risk on 1 July 2009. This approach, approved at the Erste Group Bank level, applies to all Group entities using AMA for operational risk. In preparation for the new regulatory approach to capital requirement calculations, effective from 1 January 2025, the Bank is also incorporating the changes into its outlook for future years.

Since 2002, the Bank has been using the EMUS software application to collect operational risk data. This data serves to quantify operational risks, calculate capital requirements, and support qualitative risk management. The application is continuously supplemented by additional modules, which are used, for example, to evaluate the magnitude of risks in individual parts of the

Bank in the form of a risk self-assessment, to monitor individual controls and their results or measures to mitigate risks taken.

An important tool for mitigating operational risk losses is the Bank's insurance programme that covers not only property damage but also risks from banking activities, and liability risks. Since 1 March 2004, Česká spořitelna has participated in Erste Group Bank's joint insurance programme, which has greatly expanded the Bank's insurance coverage, in particular for damages that could materially impact the Bank's profit or loss.

To manage business continuity, Česká spořitelna has introduced a methodology and procedures based on internationally recognised standards. Česká spořitelna systematically analyses key processes and threats, reflecting the process failure risk. This includes an evaluation of the efficiency of adopted measures and testing of existing emergency plans. Česká spořitelna also participates in the activities of the Financial Market Critical Infrastructure Committee, which involves key banks and is overseen by the ČNB.

Fraud prevention is a specific focus within operational risk management. Significant developments have occurred in transaction fraud prevention, where the Bank has invested significant resources in relevant processes, tools, and applications. Thanks to these investments, it has been successful in blocking suspicious transactions, greatly enhancing the protection of client funds. The Bank also continues to strengthen its preventive communication with clients.

The Bank has a system in place to manage outsourcing risks and has implemented a Group policy that complies with regulatory requirements (in particular, ČNB Decree No. 163/2014 Coll.). Regular risk analyses are performed and updated for material activities, with an annual outsourcing activity assessment reported to the Bank's Board of Directors. The Bank applies similar principles to IT service providers in line with the DORA (Digital Operational Resilience Act) requirements.

Security risks are evaluated at the operational level by the Security Department, with a particular focus on Cyber Security, Physical Security, and Business Continuity Management. The Cyber Security Incident Response Team (CSIRT) has been operational for several years. Major security risks are regularly reported and evaluated by the Cyber Security Committee led by the Chief Risk Officer (CRO).

Since 2022, a sustained trend of DDoS (Distributed Denial of Service) attacks has been observed. Additionally, there has been a significant rise in fraud attacks targeting the Bank's clients through social engineering techniques (e.g., fraudulent investment schemes, banker impersonation, fraudulent text messages seeking payment card details or log-in information, etc.). To address these threats, the Bank has introduced enhancements to its mobile and internet banking systems, along with additional control mechanisms for fraud detection and stopping suspicious transactions in time. The Bank also regularly reviews its communication and client education plans.

Climate Risks

Since 2023, the Bank's risk management system has been expanded to include climate risk management (both physical and transition risks). The Bank has included these risks in the list of risks monitored as part of the risk materiality assessment and regularly monitors exposure to both types of risks. The monitoring of exposure to physical risks is based on information about the locations of financed properties and customer premises, supplemented by an external database of potential physical risks at these locations. To assess the level of exposure to transition risks, the Bank uses the Erste Bank Group's carbon footprint model, with calculations conducted monthly. The assessment of climate risk exposure is included in reports to the Bank's senior management.

Stress Testing

Stress testing is an important component of the Bank's risk management system. A Comprehensive Stress Testing Report (i.e., a summary of all risk exposures) is submitted to the Bank's Board of Directors on a semi-annual basis. This report quantifies the impacts of negative scenarios on individual risks, based on projected effects of selected stressed situations in the real economy. In addition to overall stress testing, sensitivity analyses are conducted to evaluate specific segments of the portfolio. In 2024, the stress testing system was extended to include the monitoring of climate scenarios and their impact on the corporate loan portfolio.

Capital Management

Regarding the Internal Capital Adequacy Assessment Process (ICAAP), Česká spořitelna uses the Erste Group Bank methodology, while incorporating adjustments to reflect local differences required by local regulatory requirements or other specific circumstances.

All significant risks are quantified and covered by internal capital within the ICAAP framework. Economic capital is calculated for a one-year period with a confidence level of 99.9%. Market, operational, and liquidity risks

are quantified using complex advanced approaches based on the VaR methodology. Credit risk is calculated using the risk-weighted assets method with the IRB approach. Česká spořitelna has also developed models for other risks (business, strategic, reputational, and concentration risks). The overall risk of the Group is calculated as the sum of individual risks, without applying the diversification effect due to the preference for a more conservative approach. Total risk is then compared to capital funds derived from regulatory capital.

The Bank has implemented new procedures comprising the Recovery Plan in consideration of new regulatory requirements to be prepared for unexpected adverse market developments and, where the situation requires to do so, to adopt sufficient timely measures. In addition to the foregoing stress scenarios, the Recovery Plan includes indicators to initiate these procedures, a list of suitable measures to ensure a return to the pre-crisis situation, a description of the Bank's governance and strategy that incorporates a list of critical functions and other regulatory requirements in this area.

The Bank manages its capital to maintain strong capital adequacy, support its business activities, comply with all applicable regulatory requirements, and ensure stable returns for shareholders.

Capital Adequacy

The unconsolidated capital adequacy of Česká spořitelna continues to highly exceed the level required by the ČNB when reflecting all capital buffers in Pillar 1. Based on the ČNB calculation, Česká spořitelna was assessed as a systemically important bank and thus has to hold additional capital in the amount of 2% (as of 31 December 2024) above the basic requirement and the other applicable regulatory capital reserves.

Capital Adequacy[24]

2024	2023	2022	2021	2020
18.78%	18.82%	19.31%	22.98%	24.73%

(24) Data per ČNB methodology

Other Information for Shareholders

Pursuant in Particular to Section 118 of Act No. 256/2004 Coll. on Capital Market Undertakings, Subsection 4, Letters b) to j) and Subsection 5, Letters a) to k)

Česká spořitelna, a.s., with its registered office in Prague 4, Olbrachtova 1929/62, 140 00, ID 45244782 was registered as a joint stock company in the Czech Republic on 30 December 1991 in the Commercial Register maintained by the Municipal Court in Prague, Section B, Entry No. 1171. The Bank is a universal bank offering retail, corporate and investment banking services within the Czech Republic.

Section 118, Subsection 4, Letter d) and Subsection 5, Letters a) to e)

The structure of the consolidated and individual equity of Česká spořitelna is presented in the Consolidated and Separate Annual Financial Statements on page 108 and 246 of the Annual Report, respectively.

Shares of Česká spořitelna, a.s.

Class:	Ordinary shares
Type:	152,000,000 registered ordinary shares, i.e., 100% of share capital
Form:	Dematerialized
Number of shares:	152,000,000 pcs
Total volume of issues:	CZK 15,200,000,000
Nominal value per share:	CZK 100
Share marketability:	Shares are not traded on any public market

The Company's shares are issued as dematerialised securities. One vote is attached to each share. The total number of votes in the Company is 152,000,000. The Company may only issue shares with voting rights as dematerialised securities. The Company may issue bonds with the right to exchange them for the Company's shares (convertible bonds) or with a priority right to subscribe for shares (preference bonds), based on a resolution of the General Meeting. The issue of such bonds is related to a contingent increase in share capital unless the convertible bonds are exchanged for previously issued shares of the Company. In the resolution on the issue of convertible bonds or preference bonds, the General Meeting also lays down the rules for their issue and the rights attached to them.

Additional information on shareholders' rights is stated in the Declaration of Česká spořitelna, a.s. on the Degree of Compliance of its Governance with the Corporate Governance Code of the Czech Republic 2018, based on OECD Principles (see page 83 of the Annual Report).

Shareholder Structure of Česká spořitelna as of 31 December 2024

	Share in share capital	Share in voting rights
Erste Group Bank AG, Am Belvedere 1, Vienna, Austria	100%	100%

Section 118, Subsection 5, Letters g) and h)

The appointment and recall of a member of the Board of Directors is the responsibility of the Supervisory Board. The Supervisory Board has achieved a quorum if an absolute majority of its members are present. The Supervisory Board decides by resolution; adopting a resolution requires a majority vote of the members of the Supervisory Board. When votes are equal, the Chairman has a casting vote. The General Meeting decides on any changes to the Company's Statutes in compliance with the relevant provisions of Act No. 90/2012 Coll., on Business Corporations.

The Board of Directors is the statutory body that manages the activities of Česká spořitelna and acts on its behalf. The standard powers and responsibilities are set out in Article 13 of the Česká spořitelna Statutes. Members of the Board of Directors have no special powers within the meaning of Subsection 5, Letter h).

Section 118, Subsection 5, Letter i)

Česká spořitelna has not concluded significant agreements subject to Section 118, Subsection 5, Letter i).

Information arising from Section 118 of Act No. 256/2004 Coll, on Capital Market Undertakings, Subsection 4, Letters b), c), e) and l), is included in the Declaration of Česká spořitelna, a.s. on the Degree of Compliance of its Governance with the Corporate Governance Code of the Czech Republic 2018, based on OECD Principles (see page 83 of the Annual Report). Information arising from Section 118 of Act No. 256/2004 Coll, on Capital Market Undertakings, Subsection 4, Letter j), is included in the Consolidated Sustainability Statement for 2024, Chapter S1: Own Workforce.

Česká spořitelna has entered into no contracts, agreements or programmes within the meaning of Section 118 of Act No. 256/2004 Coll, on Capital Market Undertakings, Subsection 5, Letters f), j), and k).

Controlling Entity

Erste Group Bank AG is the sole shareholder of Česká spořitelna, a.s. Measures designed to prevent the controlling entity from misusing its control primarily include:

- A ban on the misuse of a voting majority in the Company;
- A ban on the abuse of a controlling entity's influence by forcing the adoption of a measure or execution of a contract that could cause damage to the property of a controlled entity, unless such damage is compensated by the end of the fiscal period in which the damage was incurred at the latest, or a contract is signed stipulating a reasonable period and method for the compensation to be paid by the controlling entity;
- An obligation on the part of the Company to prepare a Report on Relations between Related Parties (see page 361 of the Annual Report);
- An obligation of the controlling entity to pay damages to the controlled entity; and
- Guarantees provided by members of the statutory body of the controlling entity and the controlled entity.

Česká spořitelna is a universal bank and is not dependent on other Česká spořitelna Financial Group or Erste Group Bank entities.

Information on the Acquisition of Own Shares and Erste Group Bank Shares

In 2024, Česká spořitelna neither traded nor held any own shares. In 2024, under normal market conditions, Česká spořitelna purchased 1,559 thousand shares with an aggregate purchase price of CZK 1,753 million and sold 1,559 thousand shares with an aggregate selling price of CZK 1,753 million. In 2024, the minimum price for the purchase and sale of one share was CZK 900.20 and CZK 900.20, respectively. The maximum price for the purchase and sale of one share in 2024 was CZK 1,495.00 and CZK 1,494.00, respectively. Neither at the beginning nor at the end of 2024 did Česká spořitelna hold any shares. The average nominal value of one share of Erste Group Bank was EUR 2 at the end of 2024.

Information on the Guarantee Fund Contribution

Česká spořitelna, as a securities trader, contributes to the Guarantee Fund. The Guarantee Fund safeguards the guarantee system from which compensation is paid to the clients of securities traders unable to meet their client obligations. The calculation base for Česká spořitelna's Guarantee Fund contribution for 2024 was CZK 2,809.9 million. The contribution itself amounted to CZK 56.2 million.

Information on Research and Development Activities

Česká spořitelna is a leading financial services provider in the Czech Republic. Its extensive portfolio of services and efforts to maintain high quality are commensurate with the emphasis Česká spořitelna places on security regarding service reliability, the protection of clients' personal information, the secure use of digital banking, payment card security and the reliability, and proper functioning of information systems. Česká spořitelna conducts in-house research and development, in particular of proprietary software – architecture design, the development of ancillary tools (frameworks), and their implementation and integration. Česká spořitelna also develops mathematical, statistical and other empirical models designed to model risks, i.e. creating risk management systems, systems for the prevention and automated detection of fraud, as well as research and

development of empirical models designed to model retail market conditions.

Information on Obligatory Published Figures

Česká spořitelna publishes information pursuant to Regulation No. 163/2014 Coll., pursuant to Part Eight of Regulation (EU) No. 575/2013, and pursuant to Section 11b of Act No. 21/1992 Coll., as amended, in the form of downloadable open data files in xlsx format, in the Czech language, in the section "Povinné informace v souladu s Vyhláškou ČNB" ("Mandatory Information pursuant to ČNB Regulation") on its website at: https://www.csas.cz/cs/dokumenty-ke-stazeni#/7/Povinne-informace-v-souladu-s-Vyhlaskou-CNB.

Supplementary Information on Debt Securities Issued

Debt securities ISIN CZ0003707291 (senior non-preferred note) have been listed on the regulated market of the Prague Stock Exchange since their issue date. Issuances of debt securities ISINXS2930541698, ISIN XS2746647036, ISIN XS2852933329, ISIN XS2638560156 (non-preferred senior notes) and ISIN XS2676413235, ISIN AT0000A2STV4 (green non-preferred senior notes) have been listed on the Vienna Stock Exchange since their issue date. Issuances of debt securities ISIN CZ0003707291, ISIN AT0000A2STV4, ISIN XS2746647036, ISIN XS2852933329, ISIN XS2638560156 and ISIN XS2676413235 were assigned an issuance rating by the rating agencies Standard & Poor's ("BBB+") and Fitch ("A"). Issuance ISIN XS2930541698 was rated by Fitch ("A"). Except for the above-mentioned securities, other securities are not traded on any regulated market and the debt securities have not been assigned any rating. Issued debt securities are summarised in the separate financial statements.

Credit ratings are assigned to Česká spořitelna by the renowned credit rating agencies Fitch, Moody's and Standard & Poor's. All three credit rating agencies were registered in compliance with Commission Regulation (EC) No. 1060/2009 on Credit Rating Agencies, amended by Commission Regulation (EC) No. 462/2013 (the Regulation on Credit Rating Agencies). Česká spořitelna complied with the duty stipulated in Article 8d of the above Regulation. The market share of each of the above credit rating agencies calculated in compliance with Commission Regulation (EC) No. 1060/2009 exceeds 10% of the European Union market.

Dividend Policy

Česká spořitelna's approach to profit distribution is governed by an internal policy that takes into account all applicable laws and regulations of the Czech Republic and the European Union. Česká spořitelna aims to distribute a stable dividend over time in order to satisfy shareholder's expectations. Česká spořitelna aims to continuously operate above the minimum capital adequacy requirements, and additionally, it recognises the need to hold an internal capital buffer for both anticipated and unforeseen economic and/or regulatory developments. Therefore, when calculating the dividend to be paid out for a given accounting period, Česká spořitelna considers all relevant internal and external restrictions with the aim of providing sustainable profit pay-outs.

Fees Invoiced by the Audit Company PricewaterhouseCoopers Audit, s.r.o. and PwC Network in 2024

Section 118, Subsection 4, Letter k)

CZK million	Audit services	Other assurance services	Other services	Total
Česká spořitelna	29	10	8	47
Other consolidated companies	11	1	0	12
Total	**40**	**11**	**8**	**59**

Services in Addition to the Statutory Audit Provided by the Statutory Auditor and Its Network in 2024

PwC company	Recipient of the service	Service description
PricewaterhouseCoopers Audit, s.r.o.	Česká spořitelna, a.s.	Limited assurance over the Consolidated Sustainability Statement of Česká spořitelna, a.s. and its subsidiaries for the year 2024
PricewaterhouseCoopers Audit, s.r.o.	Česká spořitelna, a.s.	Review of the half-year consolidation package of Erste Group Bank AG as per requirements of the EGB group auditor
PricewaterhouseCoopers Audit, s.r.o.	Česká spořitelna, a.s.	Preparation of a report on the adequacy of measures taken to protect customer's assets (MiFID)
PricewaterhouseCoopers Audit, s.r.o.	Česká spořitelna, a.s.	Review of separate and consolidated annual and half-year financial statement for Czech regulatory purposes
PricewaterhouseCoopers Audit, s.r.o.	Česká spořitelna, a.s.	Preparation of a questionnaire for Austrian regulatory reporting purposes to the EGB group auditors
PricewaterhouseCoopers Audit, s.r.o.	Česká spořitelna, a.s.	Green bond allocation and impact reporting to the EGB group auditor
PricewaterhouseCoopers Audit, s.r.o.	Česká spořitelna, a.s.	Assurance on the contribution process for the PRIBOR rates
PricewaterhouseCoopers Audit, s.r.o.	Česká spořitelna, a.s.	Comfort letters preparation for EUR SNP issue on EU market (MREL)
ProcewaterhouseCoopers Audit, s.r.o.	Česká spořitelna, a.s.	Auditor's confirmations for insolvency proceedings
PricewaterhouseCoopers Česká republika, s.r.o.	Česká spořitelna, a.s.	CyberArk support & assessment for current capabilities vs. target operating model
PricewaterhouseCoopers Česká republika, s.r.o.	Česká spořitelna, a.s.	CESOP report review
PricewaterhouseCoopers Česká republika, s.r.o.	Česká spořitelna, a.s.	Attendance on open training courses and workshops
PricewaterhouseCoopers, Société coopérative, Luxembourg	Česká spořitelna, a.s.	Agreed-upon procedures in connection with a synthetic securitization as "Asset Auditor"
PricewaterhouseCoopers Česká republika, s.r.o.	ČS NHQ, s.r.o.	Tax review services
ProcewaterhouseCoopers Audit, s.r.o.	ČS NHQ, s.r.o.	Voluntary audit for the period of 9 months ended 31 December 2024
PricewaterhouseCoopers Audit, s.r.o.	BP Budějovická, s.r.o.	Voluntary audit for the year ended 31 December 2024
PricewaterhouseCoopers Audit, s.r.o.	BP Poláčkova, s.r.o.	Voluntary audit for the year ended 31 December 2024
PricewaterhouseCoopers Audit, s.r.o.	BP Olbrachtova, s.r.o.	Voluntary audit for the year ended 31 December 2024

During the accounting period from 1 January 2024 to 31 December 2024, PricewaterhouseCoopers Audit, s.r.o. and the PwC network did not provide any other non-audit services to the Česká spořitelna group, except as above and completing those that were contracted, started and the costs of which were already reported.

Principles of Remuneration of Managers and Members of the Supervisory Board, Section 118 (4) (f), (g), (h), (i)

Česká spořitelna's Bonus Pool

The overall Česká spořitelna's bonus pool is formed at the Bank level to reflect the Bank's financial results. A bonus constitutes a non-discretionary part of wage/remuneration and is disbursed upon compliance with all set conditions. The size of the overall bonus pool is based on Česká spořitelna's performance in the year concerned. A condition for the payment of the annual bonus is achieving the minimum target values of the indicators set for the relevant year (net profit after tax of the Česká spořitelna consolidated unit, compliance with capital adequacy requirements, fulfilment of liquidity indicators, and attainment of the Bank's strategy). The bonus pool is created based on a combination of all four criteria and is adjusted considering the likelihood of attaining profit in the next three-year period.

The initial volume of Česká spořitelna's bonus pool is calculated as the sum of the bonus potential of individual work positions. Each work position is assigned a bonus potential ranging from 8.33[25] to 100% of the fixed (annual) remuneration, depending on its rank in the catalogue of positions (which considers the position's significance and importance to the Bank). The aggregate volume of the bonus pool is adjusted at year-end, provided that the set performance indicators are met, using the so-called bonus multiplier. The multiplier's percentage value is determined by the level of fulfilment of strategic business and financial indicators, i.e., a comparison of results against planned figures. The business and financial indicators for 2024 included the operating result of the Česká spořitelna Financial Group (ČS Financial Group) reduced by risk costs, the Cost/Income ratio, and client satisfaction as measured by the CXI (Customer Experience Index) indicator.

Managers

Česká spořitelna's managers include the Chairman, Vice-Chairman, and other members of the Board of Directors (hereinafter referred to as the "Board"), which is a collective statutory body. By law, the Board is the statutory body responsible for the business management of the Company. The Bank's Board members, including the Chairman and Vice-Chairman, perform their duties with the requisite loyalty, expertise, and diligence, with due professional care and good faith, and in the best interest of the Company and its shareholders. They are experts in managing large corporations, possess international experience, and demonstrate an ability to work as a team. Their position requires continuous improvement, both in industry knowledge and in corporate management and governance practices, an active approach to the fulfilment of obligations, and the ability to contribute to the development of the Company's strategy. Additionally, loyalty to the Company is paramount. Board members adhere to high ethical standards and are responsible for ensuring that the Company complies with applicable legislation. They are personally liable for any damage that they may cause by a breach of their legal obligations and hold a functional liability to the Company as represented by shareholders.

Detailed curricula vitae of Board members, attesting to their competence, professional skills, and practical experience and describing their roles are published on page 20 of the Annual Report.

Remuneration of Managers

Board members are remunerated on the basis of an "Agreement on the Performance of the Position of a Member of the Board of Directors" concluded in line with the applicable provisions of Act No. 90/2012 Coll., on Business Corporations and Co-operatives (hereinafter referred to as the "Act on Business Corporations"). These agreements, like Česká spořitelna's overall remuneration policy, are subject to approval by the Česká spořitelna Supervisory Board.

The aggregate income of a Board member in a given year consists of basic income, variable income, and benefits/in-kind compensation.

On the basis of their management and professional knowledge and benefit for the Company, all Board members received a total of:[26]

(25) May vary based on exceptions given by banking regulation

(26) - Financial remuneration for members of the Board of Directors and members of the Supervisory Board, i.e., serving as the Chairman/Vice-Chairman/member of the Board of Directors or Supervisory Board. Remuneration for executive management of departments assigned to them is not included;
- Bonuses for managing a particular division (cash) – variable remuneration for executive management of assigned departments (divisions), cash part;
- Bonuses for managing a particular division (non-financial certificates) – variable remuneration for executive management of assigned departments (divisions), non-financial certificates maturing in cash;
- In-kind income for members of the Board of Directors and members of the Supervisory Board – for members of the Board of Directors, in-kind income is always regulated in agreements on the discharge of the duties of their office (approved by the Supervisory Board). The set-up of their provision and draw-down is based on rules for benefits which may be enjoyed by the Bank's employees, in line with the Bank's applicable internal regulations. In the case of members of the Board of Directors, these include: (1) company car with chauffeur; Board members are entitled to use company cars without the service of a chauffeur for private purposes, as well; (2) individual medical care in a contractual medical facility to an agreed extent; medical care may be provided to a Board member's family members, as well; (3) supplementary pension insurance contribution, in line with an internal regulation approved by the Supervisory Board (4) accident insurance, subject to conditions approved by the Supervisory Board. Members of the Supervisory Board are compensated solely for expenses incurred while attending Supervisory Board meetings (subject to approval by the Company's General Meeting).

- Financial remuneration for statutory body members of CZK 73.676 m;
- Bonuses for managing a division (cash part), of CZK 13.607 m;
- Bonuses for managing a division (non-financial part – certificates and phantom EGB shares), of CZK 19.933 m; and
- In-kind income for Board members of CZK 2.446 m.

All stated income is disbursed by Česká spořitelna; Board members do not receive any income from companies controlled by Česká spořitelna.

Neither Board members nor their family members own any Česká spořitelna stock or stock options (the ESOP programme).

Variable Remuneration of Managers

The variable remuneration component is calculated as: basic income × bonus potential (100%) × bonus multiplier. The value of the bonus multiplier is determined by evaluating the following indicators: the operating result of the Česká spořitelna Financial Group (ČS Financial Group) reduced by risk costs ("Operating Result – Risk Costs", weight 35%), Cost/Income ratio ("Cost/Income Ratio", weight 35%) and the CXI ("Customer Experience Index", weight 30%). Normally, the annual variable remuneration of Board members as managers accounts for less than 5% of the aggregate volume of variable remuneration in all of Česká spořitelna.

Performance criteria for individual Board members are set for a calendar year and are subject to approval and subsequent evaluation by the Supervisory Board. These criteria include expected/target value for each indicator and its weight in the overall performance evaluation, and hence also in the Board Member's annual bonus, if any. In formulating objectives for the Company's Board of Directors, relevant regulatory requirements, with which the resulting target structure must be compliant, are always taken into account. Performance criteria for individual board members also include performance indicators related to sustainability (ESG). ESG goals, which account for 10% of overall targets, include climate-related objectives and emission reduction targets. These goals are integrated into the individual targets of those Board members who have these goals explicitly defined. However, no specific percentage of remuneration is exclusively tied to these climate-related aspects. In evaluating performance, financial performance criteria are adjusted to account for related existing and future risks and costs.

Evaluation of the performance of Board members takes place at the end of a calendar year by the Top Executive Appraisal Committee (TEAC). TEAC is a group committee comprising members of the holding company's Management Board. It evaluates compliance with each Board member's individual key performance indicators (KPIs), of which the evaluation of ESG targets is an integral part. The overall evaluation is then based on the results achieved within the Board member's sphere of competence, encompassing financial, non-financial, strategic, and operational management outcomes. Inputs for TEAC evaluation include indicators evaluated by the Controlling and Strategy departments, each Board member's self-evaluation, and a qualitative assessment by the Chairman of the Board of Directors, which includes performance on KPIs in the preceding year and an evaluation of future potential. TEAC's outputs are then reviewed by the Remuneration Committee. The Supervisory Board determines the bonuses of Board members based on a proposal from the Remuneration Committee. Additional information about the Remuneration Committee is provided in the section "The Supervisory Board", below in this chapter.

For 2024, the Supervisory Board set and evaluated the following key performance indicators for Board Members:

- Chairman of the Board of Directors:
  a. Operational goals;
  b. Strategic goals;
  c. ESG goals (10%): achieving good ESG performance for Erste Group, as assessed by MSCI, ISS ESG, SUSTAINALYTICS, and CDP; this includes supporting the overall strategic sustainability agenda and climate strategy and targets of the banking group with special focus on advancing the net-zero portfolio transition, sustainable products in lending and investment business, transitioning to net-zero operations, integrating climate risks within the organisation, leading the ESG initiatives within the institution, and progress in achieving committed target;
  d. Local goals in strategy and project management;
  e. Leadership.
- Vice-Chairman of the Board of Directors responsible for Risk Management:
  a. Operational goals;
  b. Strategic and business-specific goals;

c. ESG goals (10%): achieving good ESG performance for Erste Group, as assessed by MSCI, ISS ESG, SUSTAINALYTICS, and CDP; implementing the ECB ESG action plan, advancing the net zero portfolio transition;

d. Local priorities in strategy and project management;

e. Leadership.

– Board member responsible for Financial Management:

a. Operational goals;

b. Strategic and business goals;

c. ESG goals (10%): achieving good ESG performance for Erste Group, as assessed by MSCI, ISS ESG, SUSTAINALYTICS, and CDP, contributing to Net Zero 2030 by increasing the zero-carbon electricity sourcing, advancing the net zero portfolio transition;

d. Local priorities in strategy and project management;

e. Leadership.

– Board member responsible for Retail Banking:

a. Operational goals;

b. Strategic and business goals;

c. ESG goals (10%): achieving good ESG performance for Erste Group, as assessed by MSCI, ISS ESG, SUSTAINALYTICS, and CDP, ensuring retail customer sustainability experience through Sustainable Mortgage, advancing the net zero portfolio transition;

d. Local priorities in strategy and project management;

e. Leadership.

– Board member responsible for Corporate Banking:

a. Operational goals;

b. Strategic and business goals;

c. ESG goals (10%): achieving good ESG performance for Erste Group, as assessed by MSCI, ISS ESG, SUSTAINALYTICS, and CDP; implementing taxonomy rules in the loan origination process and increasing sustainable investments in 2024, advancing the net zero portfolio transition;

d. Local priorities in strategy and project management;

e. Leadership.

– Board member responsible for Operations and IT:

a. Operational goals;

b. Strategic and business goals;

c. ESG goals (10%): achieving good ESG performance for Erste Group, as assessed by MSCI, ISS ESG, SUSTAINALYTICS, and CDP; ensuring system support for ESG Data Management and the Green Asset Screening implementation (delivering CST within the approved scope in time and within budget);

d. Local priorities in strategy and project management;

e. Leadership.

Each of the indicators specified above had a target value set to be achieved in 2024 with a defined weight in the overall evaluation.

Deferred Variable Remuneration and Payment Method

In granting the variable component of remuneration of Board Members, 60% of the variable component of remuneration is deferred. The deferral period is five years. The variable component of remuneration is granted as follows: 40% as an un-deferred part + 12% the first year of deferral + 12% the second year of deferral + 12% the third year of deferral + 12% the fourth year of deferral + 12% the fifth year of deferral. At least 50% of both the un-deferred and deferred portion must be in non-financial instruments. These non-financial instruments consist of 50% phantom Erste Group Bank AG shares and 50% ČS performance certificates. Both the deferred and the un-deferred parts – must be retained throughout the retention period.

Phantom Erste Group Bank AG ("EGB") Shares

Phantom EGB shares represent 50% of the non-financial variable remuneration. At the end of the reference period, the allocation of phantom shares is calculated as follows: 25% of the gross bonus amount is divided by the average daily weighted price of Erste Group Bank AG shares during the reference period (year n). The outcome is the total number of phantom shares.

The average daily weighted price is based on the official Datastream (Thomson Reuters Corp) information, using data published on the Vienna Stock Exchange (Wiener Börse).

At the end of the retention period, shares are transferred into cash by multiplying the average daily weighted price of the shares in the last closed year preceding the payout year and they are paid out in cash.

ČS Performance Certificates

The valuation of the ČS Financial Group is based on an annual impairment test which is conducted as part of EGB's (the parent company) financial statement activities. The methodology used is described in the "Impairment Bank Model of Erste Bank Group". The test is required by IAS 36 and the results of the impairment test are also audited by the relevant EGB group auditor during the statutory audit. A comparison of the outcome of the Company's value in individual years using this valuation model is used for determining the year-on-year change in the value of performance certificates. Aside from this methodology, the basis is a five-year plan prepared by ČS with the use of several modern parameters that support expected financial performance in the following 5 years. All regulatory requirements are deemed to constitute key deliverables of the five-year plan – in particular requirements concerning capital and liquidity. In the preparation of the plan, macroeconomic forecasts, present performance, expected growth, and compliance with the business strategy are considered.

The valuation model takes into account also the following parameters:

- Discount rate – based on the "cost of equity" approach (Capital Asset Pricing Model);
- Rate of growth in terminal value;
- Maintenance of profit and capital surplus.

The total variable remuneration – for the current and previous periods – is granted only if it aligns with the Company's overall financial sustainability and financial situation and is based on the performance of the Company, division, and individual. If any of these criteria are not met, up to 100% of the total variable remuneration may be subject to a malus or clawback of the variable remuneration component awarded or paid out.

Provisions Concerning Extra Premium and Clawback

The Company has established specific criteria for the application of malus and clawback mechanisms. These criteria apply, in particular, to situations where an individual:

1. Participated in or was responsible for intentional or grossly negligent misconduct or fraud resulting in material losses for the Company;
2. Failed to meet established standards of competence and conduct;
3. Provided misleading information, which had or could have had a proportionate impact on performance evaluation;
4. Was terminated without notice (immediate termination of employment) in line with applicable legislation.

In particular, in cases outlined in points 1 and 4, no variable remuneration shall be granted or paid out to the individual concerned, including any deferred or retained portions of the total variable remuneration. The clawback mechanism shall apply to the un-deferred portion of the total variable remuneration.

Ex-post adjustments to total variable remuneration should always be linked to performance or risk. They should respond to actual risk outcomes or risk changes related to the Company, division, or activities of employees.

The Company may request the return of any variable remuneration paid out within the last five years.

The Company is obliged to apply at least the originally used performance and risk criteria to ensure a link to the initial performance measurement. In addition to the criteria above, the Company should employ specific criteria, including:

1. Evidence of improper conduct or serious mistake by the individual (e.g., breaches of the code of conduct or other internal rules, particularly regarding risks);
2. A significant decline in the financial performance of the Company and/or the business unit (e.g., specific business indicators);
3. Serious failures in risk management by the Company and/or the business unit in which the individual works;

4. A major increase in the economic or regulatory capital base of the Company or business unit;
5. Any regulatory sanctions if attributable to the conduct of the individual concerned.

Decisions on the fulfilment of these criteria, the use of malus and clawback agreements, and payment restrictions are made by the Remuneration Committee.

If required, the use of malus and clawback mechanisms should result in a reduction of variable remuneration. Ex-post risk adjustment should never result in an increase in the originally granted variable remuneration or, if malus or clawback mechanisms were applied in the past, to an increase in previously reduced variable remuneration.

Supervisory Board

The Supervisory Board is the Company's control body that oversees the exercise of powers of the Board of Directors in managing the Company's business. The Supervisory Board ensures, above all, that the Board of Directors operates in compliance with legal regulations, the Company's Articles of Association and in line with the Company's interests, exercising due professional care. Supervisory Board members must perform their duties with due professional care. In order to duly serve in their positions, Supervisory Board members must demonstrate professional competence, loyalty to the Company, and confidentiality regarding sensitive information. Supervisory Board members are liable for any damages caused by breaches of their legal obligations and are functionally accountable to the Company as represented by shareholders.

Supervisory Board members are remunerated in line with the applicable provisions of the Business Corporations Act. The remuneration amounts are approved by the General Meeting.

For their work on the Supervisory Board of Česká spořitelna in 2024, all members of the Supervisory Board received a total of:[27]

- CZK 6.671 million in financial remuneration for serving as members of the Supervisory Board;
- CZK 6.066 million in financial income from their employment relationships (those that are employees of Česká spořitelna).

All stated income is paid out by Česká spořitelna; Supervisory Board members do not receive any income from companies controlled by Česká spořitelna.

The Supervisory Board has established a Remuneration Committee (hereinafter referred to as the "Committee") comprising Supervisory Board members (Štefan Máj, Stefan Dörfler, and Aleš Veverka) who do not hold executive positions within the Company. The Committee met four times in 2024. The Committee's responsibilities include, above all, preparing draft opinions concerning remuneration in the Company, including those affecting risks and risk management, for adoption by the Supervisory Board. In developing its recommendations, the Committee considers the long-term interests of shareholders, investors, and other entities with a capital interest in the Company. Among other things, the Committee presents to the Supervisory Board proposals concerning the remuneration of Board members, oversees the remuneration of directors of those departments that carry out internal control functions, and oversees fundamental principles of remuneration and their application. It has access to relevant information from the Supervisory Board, the Board of Directors, and internal control functions. In exercising its activities, it cooperates with the People & Culture unit and other relevant departments of the Bank. It fulfils obligations entrusted to it by the Supervisory Board in the sphere of remuneration. In its oversight of the fundamental principles of remuneration and their application, the Committee ensures the remuneration system accounts for all risks, liquidity, and capital and complies with the long-term prudential management of Česká spořitelna. Committee members receive a fixed remuneration per meeting and the Committee Chairman receives an additional regular monthly amount.

Agreements of Members of the Management and Supervisory Bodies

The Company has entered into Agreements on the Performance of the Position with each member of its management and supervisory bodies (hereinafter referred to as "Agreements"). Agreements on the Performance of the Position of Board Members as well as Agreements on the Performance of the Position of Supervisory Board Members have been concluded pursuant to Section 59 et seq. of the Act on Business Corporations and with appropriate application of Section 2430 et seq. of Act No. 89/2012 Coll., the Civil Code, and reflect Section 435 and Section 446 et seq. of the Act on Business Corporations and Act No. 21/1992 Coll., on Banks, as amended (hereinafter referred to as "Act on Banks").

An Agreement is concluded with each Board or Supervisory Board member for a term of 4 years unless otherwise specified in the Agreement. In the event of

a change in conditions during the term, either a new Agreement, an amendment, or an updated appendix are concluded. When a new Agreement is concluded, all provisions of the previous Agreement are terminated.

Each Agreement includes the following fundamental particulars:

- Parties to the Agreement;
- Object of the Agreement;
- Obligations of the member of a body;
- Obligations of the Company;
- Location of performance;
- Remuneration;
- Duration of the Agreement;
- Company car and expense reimbursements;
- Entitlement to vacation and income retention in case of illness;
- Pension insurance and healthcare, other insurance;
- Termination provisions;
- Confidentiality obligation;
- Compliance with regulations and handling of internal information;
- Acquisition and sale of shares;
- Non-competition commitment; and
- Final provisions.

For Board members, the Agreement specifies, in addition to the aforementioned details, the division for which the member is responsible, and all other financial and non-financial provisions are stated directly in the Agreement.

Detailed conditions for individual benefits and obligations specified in the Agreement are governed by the Company's internal regulations. If a Board member is recalled from their position, they are entitled to contractual severance pay equivalent to twelve months of fixed remuneration, subject to the Agreement's terms.

Agreements of Supervisory Board members are identical for members elected by the sole shareholder acting as the General Meeting and those elected by the Company's employees. Česká spořitelna declares that Supervisory Board members receive no benefits after their Agreements of memberships terminate.

Overview of the Terms of Office of Members of Management and Supervisory Bodies Specified in Agreements

Board of Directors	
Tomáš Salomon, Chairman	2. 1. 2023-1. 1. 2027
Pavel Kráčmar, member	2. 2. 2024-1. 2. 2028 renewed mandate
Karel Mourek, Vice-Chairman	1. 8. 2021-31. 7. 2025
Daniela Pešková, member	2. 2. 2024-1. 2. 2028 renewed mandate
Ivan Vondra, member	2. 8. 2021-1. 8. 2025
Martin Kobza, member	1. 11. 2024-31. 10. 2028 renewed mandate

Supervisory Board	
Peter Bosek, Chairman	27. 9. 2024-26. 9. 2028
Štefan Máj, Vice-Chairman	1. 11. 2023-31. 10. 2027
Stefan Dörfler, member	1. 11. 2023-31. 10. 2027
Maurizio Poletto, member	14. 6. 2021-13. 6. 2025
Zlata Kunešová, member	15. 1. 2023-14. 1. 2027
Marta Vrbová, member	15. 1. 2023-14. 1. 2027
Zlata Gröningerová, member	27. 4. 2021-26. 4. 2025
Attila Sánta, member	26. 6. 2024-23. 6. 2028
Aleš Veverka, member	15. 1. 2023-14. 1. 2027

Affidavit

The undersigned represent that, to the best of their knowledge, the Annual Report and consolidated and individual financial statements, which are part of the Annual Report, provide a true and fair view of the financial position, business activities and financial performance of Česká spořitelna and its consolidation group for the previous financial year and of the outlook for the future development of its financial position, business activities and financial performance. The Consolidated Sustainability Statement included in this Annual Report has been prepared in accordance with the Sustainability Reporting Standards adopted by the European Union and the requirements of Article 8 (4) of the Taxonomy Regulation.

In Prague, 31 March 2025

Tomáš Salomon
Chairman of the Board
of Directors

Ivan Vondra
Member of the Board
of Directors

Declaration of Česká spořitelna, a.s.

of the Degree of Compliance of its Governance with the Corporate Governance Code of the Czech Republic 2018 Based on OECD Principles (“the Code”)

In compliance with the statements made by Česká spořitelna, a.s., in its previous annual reports, the members of the Bank’s Board of Directors continuously strive to improve the Bank’s standards of corporate governance and ensure, to the extent outlined below, compliance with the Code. The Bank systematically supports, develops and enhances its corporate governance practices.

No major changes adversely affecting the Bank’s corporate governance standards occurred in 2024. Česká spořitelna complies with all key provisions, principles, and recommendations of the Code, which can be accessed on either the Česká spořitelna website (kodex-spravy-a-rizeni-spolecnosti-cr-2018.pdf (csas.cz)), or the Czech Ministry of Finance website (www.mfcr.cz/cs/o-ministerstvu/odborne-studie-a-vyzkumy/2019/kodex-spravy-a-rizeni-spolecnosti-cr-201-34812). The principles of the Bank’s governance standards are outlined below.

Following the "Guidelines on the Assessment of the Suitability of Members of the Management Body and Key Function Holders" issued by the European Banking Authority (EBA) and accepted by the Czech National Bank, Česká spořitelna prepared guidelines and procedures for assessing the suitability of management body members and key function holders in Česká spořitelna.

Česká spořitelna also follows the Erste Group Diversity and Inclusion Policy, which defines the basic principles and direction of applying the Diversity and Inclusion policy within the entire Bank. In addition to this policy, the Bank has set goals to have at least 30% of positions on both the Board of Directors and the Supervisory Board and 33% of top management positions (defined as B-1 Management i.e., managers who report directly to the Board of Directors), staffed by women by 2028. As of 31 December 2024, one of the six seats on the Board of Directors was held by a woman (what amounts to 16% of members, while Board of Directors Committees were staffed by its members only), and nine women were members of top management out of a total of 46 positions (level B-1). Additionally, a woman holds a management position within the subsidiaries of the Česká spořitelna Financial Group.

To ensure transparency and equal recruitment opportunities for all positions, including managerial positions, all available positions are offered via internal job offers.

As part of its succession planning, the Bank plans to implement a process in 2025 to ensure that suitable candidates are readily available in the event of a planned or unplanned change in the Board of Directors and at the B-1 managerial level. This process will enhance stability, accountability, and continuity in the performance of the position.

A common framework and criteria for evaluation in the succession process will provide clear perspectives for the individual development and career progression of proposed successors.

For top management positions at the B-1 level, a regularly updated list of potential suitable successors will be maintained. This list must always include women, with the minimum number of women among successors set at half of the total number of units in the given division. In selection processes, the principle of a gender-balanced selection committee will be applied. In areas where the Bank typically encounters a shortage of women, particularly in IT, it will emphasize that positions are suitable for both genders. The Bank will also conduct campaigns and educational activities on social media aimed at attracting more women.

The selection of candidates for membership in the Supervisory Board is in line with an approved concept. Candidates for membership in the Supervisory Board of

Česká spořitelna are chosen to ensure that their education, practical experience in domestic and international banking, overall economic, social, and political awareness, and personal qualities enable the Supervisory Board to function effectively and fulfil its responsibilities with high quality and accountability. The composition of the Supervisory Board is fully in accordance with Act No. 90/2012 Coll., on Business Companies and Cooperatives (abbreviated to the Business Corporations Act). The aim of the selection process is to establish a Supervisory Board that is highly diversified in terms of qualifications and experience ensuring that the collective expertise of its members encompasses the entire scope of the Bank's activities. When there is a change in the composition in the Management bodies of the Bank re-assessment of the Collective suitability of members of the management body is performed.

In accordance with the Erste Group Bank Group Policy, one of the key pillars of the long-term concept of the performance of the Supervisory Board's activities is ensuring the representation of women (in 2024, three of the nine Supervisory Board members were women - 33%, while Supervisory Board Committees were staffed by its members only) as well as employee representatives on the Board. These two elements bring fresh perspectives to the Supervisory Board's work, particularly regarding the Bank's activities, strategic direction, and risk management.

Česká spořitelna has long relied on continuous monitoring and improvement of employee engagement, which helps it better understand the needs of its employees and implement initiatives that support talent development, foster a culture of diversity, and enable employees to balance their work and personal lives. These initiatives include successful mentoring programmes such as Equilibrium and Satori. In 2024, around 80 participants took part in these programmes. Another initiative introduced in 2024 was the Sabbatical Programme, which allows executives to take extended leave and return to their original roles. For employees with children, the Bank continues to offer a childcare allowance. Supporting the health of its employees is also a top priority. As part of the "Zdravá Spořka" ("Healthy Spořitelna") programme, it ensures the availability of certain vaccinations, and the provision of services in the medical office incl. preventive care.

The Bank maintains contact with employees on maternity and parental leave through various initiatives, such as the "Spořka rodičům" ("Spořitelna for Parents") page. Česká spořitelna believes that these initiatives support the return of parents to work, achieving a return rate of 56% in 2024.

Česká spořitelna also focuses on ensuring equal conditions and opportunities for all employees, especially in the areas of remuneration, work-life balance, and career development. All employees can contact the Internal Ombudsman at any time for assistance with complaints, including those related to potential discrimination, etc.

In the area of remuneration, Česká spořitelna regularly analyses wages and benefits for all employees, both women and men, with the aim of further reducing the pay gap. While the Bank's pay gap has long been below the market average, efforts to narrow it further continue. The review of employee benefits has also prioritised diversity and the well-being of all employees. For example, the childcare allowance has been expanded to include all employees, a significant improvement from previous policies.

Organisation of the Bank

The Board of Directors of the Bank has 6 executive members, none of whom is representative of trade unions of Česká spořitelna, a.s. It serves as the Bank's statutory body, responsible for managing the Bank, acting on its behalf, and overseeing its long-term strategic direction and operational management. The scope of its powers is defined by the Bank's Articles of Association, internal regulations, and Czech legislation. The Board of Directors exercises its powers with due care and diligence. In performing its activities, it is accountable to the extent set out in the Czech legislation. All members of the Board are internationally experienced professionals and team players with expertise in managing large corporations and knowledge of both domestic and international banking. They strictly follow legal norms and uphold high ethical standards.

Pursuant to the Bank's Articles of Association, the Board of Directors must obtain the Supervisory Board's opinion or approval before performing certain actions. In specific instances, as determined by the Supervisory Board, the Board of Directors is also required to obtain a prior opinion from a committee established by the Supervisory Board. The Board of Directors regularly submits reports on the Bank's activities to the Supervisory Board and its committees. In compliance with the Banking Act, the Board of Directors is responsible for establishing, maintaining, and evaluating an efficient and effective internal management and control system for the Bank.

The Board of Directors is responsible for ensuring that the Bank and the Group identifies risks, impacts and opportunities. In practical terms, the Board of Directors validates the outcome of the double materiality assessment, carried out by the Bank's Sustainability Office, on the Bank and Group level and the selection of material

sustainability topics to be reported in the consolidated sustainability statement and to be addressed in the Bank's and the Group's strategy. By validating outcome of initial double materiality assessment, the Board of Directors addressed all identified material impacts, risks and opportunities.

The Board of Directors is further responsible for defining the sustainability strategy for the Bank and the Group, setting sustainability targets and ensuring that sustainability considerations are integrated into the Bank's decision-making processes and instituting governance and internal controls over the management of sustainability risks, impacts and opportunities and over sustainability reporting. The Board of Directors approves material sustainability topic owners based on recommendation of the Bank's Sustainability Office.

The Board of Directors approves all targets related to Material Sustainability Topics and is periodically informed by the Sustainability Office and by the Materiality topic owners on the current status and milestones achieved. Some targets are allocated to individual members of the Board of Directors and the divisions they manage. Some targets are allocated to all members of the Board of Directors.

The Bank's Sustainability Office is led by the Chief Sustainability Officer which reports to the Director of Strategy. The Chief Sustainability Officer has direct access to the CEO as well as to all other members of the Board of Directors and Supervisory Board. The Sustainability office oversees key ESG policies, defines the ESG strategy and governance framework, secures in-house experts on climate, environmental, social and governance objectives and oversees and ensures the alignment of all sustainability topics across the Bank and the Group, in close collaboration with relevant departments.

The Chief Sustainability Officer provides regular updates to the Board of Directors on the progress of the Group against the approved sustainability strategy and approved sustainability targets. In addition, the sustainability targets are part of key senior management reports provided to the Board of Directors and other members of Top management on monthly basis such as Risk report and Financial Health Company Performance Report. The monthly Financial Health Company Performance report contains performance against key sustainability targets as well as against financial performance targets. The monthly Risk Report contains performance against the decarbonisation target portfolio as well as performance against various risk metrics. Both reports are discussed monthly during meetings of the Board of Directors and quarterly during Supervisory Board meetings.

The Bank plans to establish Sustainability Steering Committee in 2025. The proposed Committee will be composed of senior executives and respective board members in relation to specific ESG agenda. The Sustainability Steering Committee will report directly to the Board of Directors and will be responsible for overseeing the Bank's ESG strategy, reviewing policies and targets, monitoring ESG risks and opportunities, managing and discussing relevant specific sustainability topics and ensuring alignment and compliance with relevant regulations and standards.

The Bank ensures effective oversight of sustainability by fostering relevant skills and expertise through trainings on sustainability topics for the Board of Directors, supported by internal and external experts. The Chief Sustainability Officer informs the Board of Directors on key issues and trends related to the identified material topics, enabling informed decisions and strong governance of the Bank's and the Group's sustainability agenda.

The Board of Directors approves consolidated sustainability statement, prepared in accordance with Articles 32(h), paragraphs 3-10, 32(i) and 32(k) of Act No. 563/1991 Coll. as amended, On Accounting which transposes requirements of the Corporate Sustainability Reporting Directive EU 2022/2464 (CSRD) and in accordance with European Sustainability Reporting Standards (ESRS) as required by Article 32(h), paragraph 9 of Act on Accounting, which forms part of the Group Annual report.

Board of Directors Decision-making Procedures

The work of the Board of Directors is guided by an activity plan, which it outlines in advance for every calendar quarter. The Board meets on an ad hoc basis but no less than twice a month. Nonetheless, regular weekly sessions have become common practice. In 2024, the Board of Directors held 43 regular meetings. Meetings are conducted in English or Czech, depending on the requirements of the attending members. A meeting is chaired by the Chairman, Vice-Chairman, or a Board member authorised by either of them. All Board members, the Bank's Secretary and invited guests take part in these meetings.

The Board of Directors achieves a quorum only if more than half of its members are present at a meeting. The Board of Directors adopts decisions in the form of resolutions, requiring a majority vote of the attending members. In the event of a tie, the Chairman of the Board has the casting vote. If all members agree, the Board may adopt a resolution through written votes or via remote

communication (e.g., all Board members voting per rollam, individually in writing, or via video or teleconferencing). In such cases, voting members are considered present. Material submitted in per rollam form is approved if a majority of all members of the Board agree. Voting on matters under discussion during meetings is conducted openly by acclamation, i.e., a show of hands.

All members of the Board of Directors possess the necessary character traits and professional experience required to fulfil their roles. Members of the Board of Directors are appointed and removed by the Supervisory Board. In compliance with the Banking Act, nominees for Board membership at Česká spořitelna are discussed in advance with the Czech National Bank, which assesses the nominees' professional qualifications, credibility, and experience. The term of office for a Board member is a maximum of four years, and members may be re-elected. Detailed professional biographies of the Board of Directors members attesting to their qualifications, professional abilities and practical experience are published on page 20 of the Annual Report.

The Supervisory Board of Česká spořitelna has nine members, all of whom are non-executive, with four of the nine deemed independent (44%). Three members of the Supervisory Board of Česká spořitelna were elected directly by the Bank's employees, two of whom are currently representatives of trade unions of Česká spořitelna, a.s. Details about composition and diversity changes in the composition of the Supervisory Board are listed in the Supervisory Board Report on page 95 of the Annual Report. The term of office for a Supervisory Board member is four years, with the possibility of re-election. A full list of Supervisory Board members, including their professional biographies, is published on page 27 of the Annual Report. The Bank has adopted a structured approach to address the composition and performance of the Supervisory Board. All Board members are experienced professionals, who guarantee the high-quality functioning of the Supervisory Board and possess the requisite personal and professional qualifications for their roles. Board members perform their roles with due care, demonstrating professional expertise, loyalty to the Bank and upholding confidentiality regarding sensitive information and facts. Two-thirds of the Supervisory Board members, including two independent members, are elected by the Sole Shareholder acting as the General Meeting, while one-third are elected by the Bank's employees.

The Supervisory Board oversees the exercise of the Board of Directors' powers and monitors the performance of the Bank's business activities. In addition to its statutory duties and authorisations, the Supervisory Board, in accordance with the Bank's Articles of Association, has the right to provide early opinions on specific actions that impact the Bank's assets (including, inter alia, real estate capital expenditures, plans (projects) to acquire tangible and intangible assets for the Bank exceeding a designated limit, the transfer of title to Bank assets, and the Bank's equity investments). The Supervisory Board also provides early opinions on the Bank's strategic plans, development activities, planning tools, and reviews Individual and Consolidated financial statements. The Supervisory Board takes note of the consolidated sustainability statement presented as part of the Group's Annual report. The Supervisory Board oversees the implementation of the Sustainability strategy. The Supervisory Board is also regularly informed about key strategic initiatives including any initiatives related to sustainability matters. The Supervisory Board was presented with the detail of decarbonization strategies of the Bank and acknowledged all other identified material impacts, risks and opportunities.

Additionally, the Supervisory Board provides its early opinion on proposals for the appointment and removal of Directors of Internal Audit, Compliance and Strategic Risk Management, as well as the selection of an external auditor. The Supervisory Board may establish Supervisory Board Committees to support its work.

In 2024, the Supervisory Board held four meetings.

Supervisory Board Decision-making Procedures

The work of the Supervisory Board is guided by an activity plan, which it outlines annually in advance. The Board meets on an ad hoc basis, usually in accordance with the activity plan, but no less than four times a year. Meetings are conducted in Czech or English, as required by the attending members. A meeting is chaired by the Chairman or, if authorised in advance, the Vice-Chairman. If the Vice-Chairman has not been authorised, the senior Vice-Chairman, another authorised member of the Supervisory Board, or, in their absence, the oldest member of the Supervisory Board in attendance chairs the meeting.

The Supervisory Board achieves a quorum only if more than half of its members are present at a meeting. The Supervisory Board adopts decisions in the form of resolutions, requiring a majority vote of the attending members. In the event of a tie, the Chairman has the casting vote. If all members agree, the Board may adopt a resolution through written votes or via remote communication (e.g., all Board members voting per rollam, individually in writing, or via video or teleconferencing). In such cases, voting members are considered present.

Voting on matters under discussion during meetings is conducted openly by acclamation, i.e., a show of hands.

The Audit Committee is a body of the Bank tasked with performing duties assigned to it by law or the Bank's Articles of Association within its remit. The Audit Committee is mainly responsible for monitoring the preparation of Individual financial statements and Consolidated financial statements and the consolidated sustainability statement of Česká spořitelna prepared in accordance with Articles 32(h), paragraphs 3-10, 32(i) and 32(k) of Act No. 563/1991 Coll. as amended, On Accounting which transposes requirements of the Corporate Sustainability Reporting Directive EU 2022/2464 (CSRD) and in accordance with European Sustainability Reporting Standards (ESRS) as required by Article 32(h), paragraph 9 of Act on Accounting. The Committee evaluates the effectiveness of the Bank's internal controls, internal audit function, and risk management systems in place, overseeing the statutory audit process of the separate and consolidated financial statements and the limited assurance process for the consolidated sustainability statement, assessing the independence of the statutory auditor, the audit company, and the sustainability assurance provider, particularly concerning the provision of ancillary services to the audited entity, and recommending the appointment of an auditor and a sustainability assurance provider. A full list of Audit Committee members, along with their professional biographies, is published on page 34 of the Annual Report.

Audit Committee Decision-making Procedures

The work of the Audit Committee is governed by its Rules of Procedure and activity plan. The Audit Committee met four times in 2024. A meeting is chaired by the Chairman, Vice-Chairman, or an authorised member of the Audit Committee. Voting on matters under discussion during meetings is conducted openly by acclamation, i.e., a show of hands. The Audit Committee achieves a quorum only if more than half of its members are present. The Audit Committee adopts decisions in the form of resolutions, requiring a majority vote of the attending members. In the event of a tie, the Chairman has the casting vote. If all Audit Committee members agree, the Audit Committee may adopt a resolution through written votes or via remote communication. In such cases, voting members are considered present.

The Bank consistently ensures that members of the Board of Directors, Supervisory Board and Audit Committee are always kept up to date. A highly developed and well-administered system supports the execution of corporate governance. Newly elected members of the bodies are granted immediate access to all information regarding the Bank's corporate governance principles and rules upon their election.

Members of the elected bodies perform their duties with care and loyalty towards society, always taking into account the legitimate interests of stakeholders and the sustainable development of society as such. The members of the bodies are regularly introduced to and trained on sustainability topics and the Corporate Sustainability Reporting Directive (CSRD), both at regular meetings and through tailored sessions based on individual needs.

The Bank's management bodies – the Board of Directors, Supervisory Board, and Audit Committee – have adopted binding Rules of Procedure. These rules detail administrative and procedural matters related to the activity of each body, including the technical processes for convening and voting at meetings, preparing minutes, conducting activities outside meetings, and addressing potential biases of members. Members of the Board of Directors take part in Supervisory Board meetings. All members of the Board of Directors and the Bank's Secretary attend Board of Directors meetings, as do authors of materials being presented, and, when necessary, other invited guests. Representatives of the internal and external auditors, members of the Board of Directors and Supervisory Board, and, occasionally, other guests, attend Audit Committee meetings. Members of the Board of Directors, Supervisory Board and Audit Committee may request legal opinions from the Bank's Legal Services Unit or engage independent advisors on specific topics under discussion. The Bank Office organises long-term training in corporate governance and legislation for the members of administrative bodies to continually develop and enhance their knowledge and skills.

The position of the Bank's **Secretary** has long been established within the Bank. The Secretary manages administrative and organisational matters for the Board of Directors, Supervisory Board and Audit Committee, including the organisation of the Sole Shareholder acting as the General Meeting. The Secretary familiarises new members of administrative bodies with the activities of those bodies and with the Bank's corporate governance processes. The Bank's Secretary ensures effective cooperation among the Bank's bodies and is responsible for due and timely distribution of invitations and materials for meetings of the Bank's Board of Directors, Supervisory Board and Audit Committee. The Bank has instituted binding regulations governing the submission of materials for discussion at meetings of the Supervisory Board, Board of Directors, and Audit Committee, which establish the basic rules for the preparation and submission of materials, procedures for making comments prior to

the submission of materials and conditions for their archiving. The Secretary records minutes for all meetings of the Board of Directors, Supervisory Board, and Audit Committee. The Bank maintains an electronic database of all minutes from meetings of its bodies; these are available to authorised persons through the Bank's internal archiving system.

Bank's Relations with Shareholders

The Bank diligently ensures compliance with all legal rights of shareholders and adheres to the principle of equitable treatment for all shareholders.

In the autumn of 2018, the Bank underwent a change in its ownership structure. Since 6 November 2018, Erste Group Bank AG has been the sole shareholder of Česká spořitelna.

The Bank's shares are held in book-entry form. A list of shareholders is maintained by the Central Securities Depository. Currently, the Bank issues only common shares. The Bank complies with all legal obligations to inform its shareholders and other stakeholders, providing updates throughout the year via the media and the Bank's website. The Bank posts information on its current financial results, shareholder structure, planned events, and more on a dedicated web page designed specifically for shareholders and investors (www.csas.cz/en/about-us/for-shareholders-and-investors). Press releases covering important information about the Bank are regularly issued. All material information published on the Bank's website is available in both Czech and English.

Information Disclosure and Transparency

The Bank has established a Compliance Unit that ensures that the Bank's activities and internal rules comply with regulatory requirements. The Compliance Unit ensures that all employees of the Bank are informed about the implemented rules of conduct and regulatory requirements by means of thematic training sessions. These sessions take the form of mandatory e-learning modules for all employees or specialised sessions (including face-to-face training) tailored for specific groups of employees. The Compliance Unit also monitors whether individual departments of the Bank adhere to regulatory requirements and regularly updates these departments on recent developments and changes in regulatory rules affecting the Bank's activities.

Ensuring compliance with regulatory rules is not solely the responsibility of the Compliance Unit but a shared responsibility of every manager, every employee, and the Bank as a whole. Compliance with regulatory and internal rules is subject to a three-line control framework. The first line is represented by employees and managers themselves, who are required to diligently follow internal rules in the performance of their everyday duties. The second line is primarily represented by the Non-Financial Risk Management and Compliance Units which perform controls in areas identified as the most critical in terms of consumer protection, reputational risk, and conflict-of-interest management. The third line of controls is represented by the Internal Audit.

In addition to these activities, the Compliance Unit monitors and manages conflicts of interest involving employees and managers. Such conflicts may arise from their employment relationships or access to sensitive data encountered during their daily duties. The Compliance Unit seeks to prevent potential conflicts of interest by identifying and addressing existing or potential conflicts of interest. It advises on implementing measures to eliminate, mitigate, manage, or prevent these conflicts.

The Bank places significant importance on managing sensitive information in compliance with regulatory requirements. To this end, it has implemented measures to prevent itself, its employees, and individuals with special relationships to the Bank from using such information for their own benefit. Employees and other persons with access to sensitive information are regularly informed about applicable rules governing its management. These rules are based on both regulatory requirements and the Bank's internal rules.

The Compliance Unit also provides mechanisms for reporting suspicions of illegal or prohibited conduct related to the Bank. Reports can be submitted either in person or anonymously (whistleblowing) by current or former employees, including part-time employees, or Bank suppliers. Whistleblowers are protected under Act No. 171/2023 Coll., on the Protection of Whistleblowers. The Bank has also appointed an **Ethics Manager** to address reports of unethical workplace conduct submitted via internal notification channels.

The Compliance Unit submits regular reports to the Board of Directors and the Supervisory Board. These reports cover its activities, the results of controls performed, measures taken, identified shortcomings (compliance incidents), and updates on regulatory changes.

One of the main objectives of the Compliance Unit is monitoring existing, updated, and new regulatory texts, and overseeing the responsibilities of individual departments within the Bank to ensure their implementation. The Compliance Unit provides support to

these departments in meeting regulatory requirements and in their day-to-day operations. These activities will remain a substantial part of the Compliance Unit's work in the following period.

The Bank must also fulfil its obligations in the areas of preventing money laundering and financing of terrorism, and ensuring the Bank's compliance with applicable sanction regimes adopted by the Czech Republic, the EU, the UN, and OFAC. The AML and International Sanctions Unit, operating within the Non-Financial Risk Unit, is responsible for ensuring the Bank's compliance with these legal requirements and sanction regimes.

The Bank diligently fulfils and complies with all legal regulations of the Czech Republic, the principles of the Corporate Governance Code of the Czech Republic of 2018 and the EU Commission's recommendations on corporate governance. It also provides the shareholder and investors with all material information regarding its business activities, the Bank's financial and operating results, non-financial reports (ESG reporting), ownership structure, and other significant events. All information is prepared and disclosed in compliance with the highest standards of financial reporting and non-financial reporting. Moreover, the Bank discloses more information than is legally required. To disclose this information, the Bank primarily uses its website, where the information is published in Czech and English.

The Bank regularly publishes annual and semi-annual reports, including information on sustainability matters. The annual report, in particular, includes the audited financial statements, audited consolidated financial statements, and the consolidated sustainability statement subject to limited assurance procedures. The report provides a true and fair view of the Group's financial position, business activities, financial results, and material sustainability matters. The annual report also provides information on the remuneration policy for members of the Board of Directors and the Supervisory Board, in compliance with relevant legislation. The Bank does not offer an option scheme for the remuneration of members of the Board of Directors or the Supervisory Board.

Committees of Bank Statutory Bodies

The Bank has established committees under the Board of Directors and the Supervisory Board to support the Bank's activities and to ensure the internal management and accountability of these bodies. The individual committees' Rules of Procedure define the scope of their powers and include a precise description of applicable rules, tasks, and decision-making procedures.

Committees of the Supervisory Board

Risk Committee

The Risk Committee has an advisory function regarding the Bank's overall current and future approach to risks, its risk strategy, and acceptable risk levels, as well as the establishment of credit policy and the credit portfolio. The Committee also oversees the implementation of risk management strategies. The Committee has the authority to review whether the valuation of assets, liabilities, and off-balance sheet items reflected in client offers fully align with the Bank's business model and risk strategy. Additionally, it has the authority to ensure that the Bank's remuneration rules reflect risks, capital, liquidity, and the likelihood and timing of the anticipated profit. In specific credit-related cases, the Committee also has an approval function. The members of the Risk Committee are Štefan Máj, Stefan Dörfler, and Zlata Gröningerová.

Remuneration Committee

The Remuneration Committee provides support to the Supervisory Board in formulating the basic principles of compensation. Its responsibilities include submitting proposals for the remuneration of the members of the Board of Directors to the Supervisory Board, overseeing the remuneration of unit directors responsible for internal controls, and supervising the application of the Bank's compensation principles. The Committee focuses in particular on ensuring that the remuneration system takes into account all risks, liquidity, and capital considerations and aligns with the Bank's long-term prudent management goals. The members of the Remuneration Committee are Štefan Máj, Stefan Dörfler, and Aleš Veverka.

Nomination Committee

The Nomination Committee primarily assesses the suitability of nominated and appointed members of the Bank's Management Bodies (the Board of Directors and the Supervisory Board). It also reviews the performance of individual members and the Management Bodies as a whole. The Committee prepares descriptions of roles and required capabilities for specific appointments, assesses the expected time commitment, sets the target for the representation of the underrepresented gender in the Management Bodies, and prepares a policy on how to increase their representation to meet that target. Periodically, and at least annually, the Committee assess the structure, size, composition, and performance of the Management Bodies. The members of the Nomination Committee are Štefan Máj, Peter Bosek, and Zlata Gröningerová.

Committees of the Board of Directors

The Board of Directors Committees are advisory bodies established by resolution of the Board of Directors. The purpose of these Committees is to create and present expert recommendations to the Board of Directors. The Committees are composed of selected members of the Board of Directors. All Committees are accountable to the Board of Directors and are required to submit a report on their activities at least once a year.

Credit Committee

The Credit Committee assesses and approves credit transactions. It also assesses and approves business policy principles, the credit risk measurement and management system, and the structure levels of Česká spořitelna's credit portfolio.

Asset and Liability Management Committee

The Asset and Liability Management Committee adopts decisions to actively manage the balance sheet structure of the ČS Financial Group (including off-balance sheet items). Its aim is to achieve planned interest income while optimising incurred risks, in particular those related to interest rates, liquidity, and foreign exchange.

Products and Pricing Committee

The Products and Pricing Committee assesses and approves the launch, innovation, or discontinuation of high-profile products and services in retail, corporate banking, and financial markets. It also oversees and implements Česká spořitelna's pricing policy and strategies, and evaluates and approves product and service pricing in this area.

Bank's Stakeholder Policy

Information on this topic is available in the section Report of the Board of Directors (see page 40).

Principles of Internal Control and Rules for Accepting Risk in the Financial Reporting Process

The Česká spořitelna Financial Group complies with all statutory and subordinate legislative requirements for maintaining its accounting records and preparing its financial statements. Procedures related to accounting documents and their circulation have been established as required by the Act on Accounting. These procedures are subject to regular reviews at least biannually, though often more frequently.

The production of manual accounting entries requires the application of the "four-eyes" verification principle, which helps eliminate the possibility of unauthorised accounting transactions by defining the individuals authorised to produce and approve manual accounting entries. Any corrections to accounting entries are subject to the same level of verification and validation as the original manual accounting entries.

A high volume of accounting entries is generated automatically by the general ledger and subledger systems, i.e., the Group's product transactional systems. Verification and validation checks are performed daily to ensure the accuracy of inputs into the product transactional systems. In addition, a daily reconciliation is conducted between the subledger accounting data and general ledger balances.

Accounting documents are archived both automatically by the systems and manually, and are designed to comply with statutory requirements (the Act on Accounting and the Archiving and Records Management Act).

Česká spořitelna conducts physical stock-takes of its fixed assets, inventories, cash balances and physical securities at intervals required by the Act on Accounting.

Česká spořitelna sets its asset valuation requirements in accordance with both Czech and European legislation. Asset valuation is primarily governed by the International Financial Reporting Standards as adopted by the European Union. Česká spořitelna recognises credit loss allowances based on the fundamental principles stipulated by IFRS 9 – Financial Instruments.

In addition, Česká spořitelna has several internal policies in this area that comply with statutory requirements and principally address the setting of asset input prices (i.e., their valuation under legal requirements), changes in their valuation (in particular allowances), asset depreciation and amortisation, disposals, stock-taking, and the related tax aspects of these transactions. The applied regulations and accounting policies are described in the individual and consolidated financial statements.

The accounting procedures are further supported by internal policies that, in addition to the above, reflect the needs of reporting and controlling units (e.g., internal audit, reporting, and controlling) concerning the functionalities of their supporting systems. The methodology for accounting for the creation and release of credit loss allowances in the Bank is concentrated into a single unit, which is advantageous, particularly in

conducting logic, operational and reconciliation controls. These controls are performed on an almost daily basis following accounting activities. Given the impact of credit loss allowances on financial results, their total creation is monitored not only as a separate item in the financial statements but also in a broader context.

Statutory and legislative regulations do not separately address management accounting except for defining basic requirements, such as the clarity requirement. Česká spořitelna has developed its management accounting framework based on historical practices while respecting current requirements for accounting and cost control within the Bank. Management accounting is primarily maintained in the form of analytical accounts, the contents of which are subject to regular review. Accounting operations recorded on analytical accounts are continuously checked for accuracy.

Aggregated consolidated and separate financial statements are submitted to the Bank's statutory body on a monthly basis. The Bank's Supervisory Board reviews the aggregated consolidated and separate financial statements at every meeting.

The process of preparation for the Bank's consolidated and separate financial statements is irregularly tested by the internal audit. The Audit Committee monitors the preparation process, assesses the effectiveness of internal controls at the Bank, and oversees the statutory audit process for the consolidated and separate financial statements. These are subject to a standard annual external audit, which includes interim work focusing on testing processes and identified controls, and a final audit verifying published balances, and the information contained in the financial statements. An external auditor conducts an annual audit of the consolidated and separate financial statements and a review of the Bank's annual report for consistency with the audited consolidated and separate financial statements.

Principles of Internal Control and Rules for Accepting Risk in the Sustainability Reporting Process

The main risks in the sustainability reporting procedures include errors in reporting (such as inaccuracies in both quantitative and qualitative data), reporting on irrelevant information (including non-material information that does not significantly impact stakeholders) as well as omitting relevant information (failing to disclose material information that is important for stakeholders). These risks are also valid for value chain data, as well as qualitative or quantitative information provided in the sustainability statement that would materially deviate from the correct figures or circumstances, i.e. whenever, alone or in aggregate, they could influence the decisions made by the users of the consolidated sustainability statement.

The Česká spořitelna Financial Group is required to ensure the integrity of its sustainability reporting. To achieve this and to mitigate the risks of misstatements, the Group has designed internal control processes and plans to further strengthen these controls in the future through standardisation and automation.

The Group's sustainability reporting is subject to a segregation of duties similar to that applied in financial reporting.

The Accounting Unit is responsible for preparing the annual consolidated sustainability statement and ensuring its compliance with the requirements of the Corporate Sustainability Reporting Directive (EU) 2022/2464, as implemented in Accounting Act No. 563/1991 Coll., Section 32h. The Group's Sustainability Office, business units and risk management units are responsible for managing the Group's sustainability matters.

The Bank's Sustainability Office is responsible for conducting the double materiality assessment, which determines the scope of sustainability reporting. The Sustainability Office assigns ownership of each material sustainability topic to individual organisational units across the Group's business, risk, and finance divisions as appropriate. B-1 level managers in these respective business units are responsible for implementing relevant action plans, policies, and resources for addressing material sustainability topics, and managing sustainability impacts, risks and opportunities. With respect to the consolidated sustainability statement, they are responsible for ensuring that the information included in the consolidated sustainability statement is accurate and complete.

The Group has designed and implemented the following sets of internal controls over sustainability reporting.

Input Data Quality Controls

A set of controls over specific input data for sustainability reporting is implemented within the relevant business units responsible for the material sustainability topics to which the metrics pertain.

A specialised unit dedicated to data quality is actively involved in the preparation of the consolidated

sustainability statement and is responsible for ensuring the logical integrity of data through controls.

Reconciliation Controls

The Bank has implemented internal reconciliation controls to ensure consistency and interconnectivity between the information presented in its consolidated sustainability statement and its consolidated financial statements.

Management Review Controls

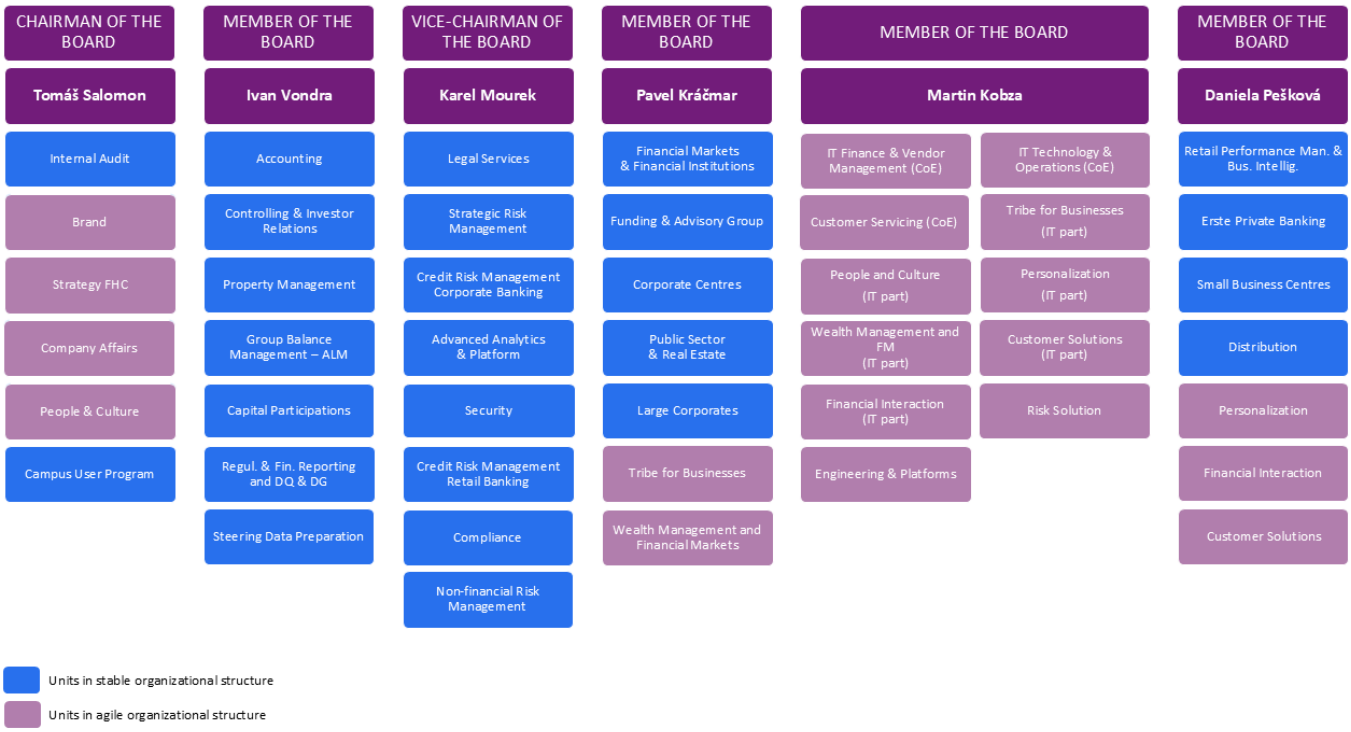
Each material sustainability matter reported in the consolidated sustainability statement has an assigned B-1 manager, acting as the topic owner, who is responsible for the information included in the relevant sections of the consolidated sustainability statement. The consolidated sustainability statement is further subject to multiple internal reviews by the Sustainability Office, the Strategic Risk Unit and other relevant contributing units within the Bank.

The consolidated sustainability statement is submitted annually to the Bank's statutory body as part of the annual report and is subsequently presented to the Bank's Supervisory Board. The consolidated sustainability statement will also be subject to irregular testing by the internal audit. The preparation process for the consolidated sustainability statement is monitored by the Audit Committee, which also assesses the effectiveness of the Bank's internal controls. In addition, the Audit Committee monitors the process of limited assurance for the consolidated sustainability statement, which is conducted annually by an external assurance provider.

Organizational Structure

Organizational Structure

as at 31 December 2024



Supervisory Board Report

In 2024, the Supervisory Board supervised the discharge of the Board of Directors' powers and the operations of Česká spořitelna, a.s. in accordance with the Articles of Association and applicable legal provisions.

The Supervisory Board, among other matters, approved the 2024 financial statements and the proposal for the distribution of the 2024 profit. It regularly discussed the financial and business results of the Česká spořitelna Financial Group, the macroeconomic development in the Czech Republic, the development of the loan portfolio, the Group's strategy, and assets under management. Furthermore, the Supervisory Board regularly discussed the concept of a Financial Health Company, the security strategy, the risk strategy, approved principles of remuneration, and the 2025 budget. The Supervisory Board worked extensively on sustainability and ESG strategies, completing training regarding reporting of consolidated sustainability statement. Last but not least, it also regularly discussed the project for the Company's new headquarters.

The Supervisory Board worked closely with the Board of Directors, continuously monitoring the exercise of the Board of Directors' authority over the Bank's business activities, as well as the Board's decisions and the implementation of the Bank's strategy. The Board of Directors provided the Supervisory Board with the documentation and information necessary for the discharge of its functions in accordance with the Articles of Association and legal provisions. The Supervisory Board confirms that, in 2024, the Board of Directors duly fulfilled its responsibilities as defined by law, the Articles of Association, the decisions of the Supervisory Board and the decisions of the sole shareholder acting as the General Meeting. In 2024, the Supervisory Board held four regular meetings. During 2024, the Supervisory Board discussed the activities of the individual committees: the Risk Committee, the Remuneration Committee and the Nomination Committee. The Supervisory Board also received regular updates on the activities of the Audit Committee, an independent body of the Bank. In 2024, there were changes in the composition of the Supervisory Board. In May, the term of office of the Supervisory Board member Maximilian Hardegg ended, and in July, Willibald Cernko resigned as a member and Chairman of the Supervisory Board. In June, Attila Sánta was elected as a member of the Supervisory Board by the decision of the sole shareholder acting as the General Meeting. In September, Peter Bosek was elected as a member and Chairman of the Supervisory Board.

In accordance with legal provisions and based on the Audit Committee's recommendation, the Supervisory Board reviewed the separate and consolidated financial statements as of 31 December 2024 and came to the conclusion that the books and accounting records were kept in a transparent manner in accordance with applicable accounting standards and regulations, and that the separate and consolidated financial statements give a true and fair view of the financial position of Česká spořitelna, a.s. and the Česká spořitelna Financial Group as of 31 December 2024. The audit of the year-end financial statements was performed by PricewaterhouseCoopers Audit, s.r.o. which confirmed that, in their opinion, the financial statements give a true and fair view of the financial position of Česká spořitelna, a.s. and its subsidiaries ("the Group") as of 31 December 2024, as well as their financial performance and cash flows for the year ended 31 December 2024 in accordance with the International Financial Reporting Standards as adopted by the European Union (EU). The Supervisory Board considered the auditor's opinion in its review.

The Supervisory Board also reviewed the Report on Relations between Related Parties and, in accordance with Section 83 (1) of the Act on Business Corporations, acknowledges the Report without additional comments.

Peter Bosek
Chairman of the Supervisory Board

Report of the Audit Committee

In 2024, the Audit Committee of Česká spořitelna, a.s. operated as an independent body of the Bank. In 2024, the Audit Committee held four regular meetings and one separate meeting with an external auditor.

In compliance with Act No. 93/2009 Coll., on Auditors and the Articles of Association of Česká spořitelna, a.s., the Audit Committee monitored the procedures applied in the preparation of the separate and consolidated financial statements and consolidated sustainability statement. The Audit Committee recommended PricewaterhouseCoopers Audit, s.r.o., to perform the audit of the annual financial statements and limited assurance of the annual consolidated sustainability statement for 2024, assessed the auditor's independence and approved the non-audit services provided by the auditor. The Audit Committee also monitored the procedures and scope of the statutory audit and the limited assurance of the consolidated sustainability statement.

In accordance with regulatory requirements, the Audit Committee evaluated the functionality and effectiveness of the Bank's internal control system. At its regular meetings in 2024, the Audit Committee discussed the internal audit plan and any modifications to it, as well as the updated internal audit strategy, which ensures the independent performance of internal audit. The Audit Committee also monitored the fulfilment of annual internal audit objectives and the implementation of recommendations from the external assessment of compliance with international auditing standards.

The Audit Committee also discussed regular reports on the activities of the internal audit function, including the fulfilment of the audit plan, and information on the actions taken by the Bank's management following audits and controls conducted by the ČNB. The Audit Committee also focused on the risk management system, the activities of the Compliance Department, the Bank's fraud prevention measures, anti-money laundering efforts, international sanctions compliance, conflict of interest rules, anti-bribery and anti-corruption policies, the implementation of risk management models, and the IS/IT security strategy. Additionally, the Audit Committee was regularly informed regarding the preparation of initial Consolidated Sustainability Statement for 2024, according to CSRD regulation and completed training of consolidated sustainability statement reporting.

In 2024, there were changes in the composition of the Audit Committee. In May, Maximilian Hardegg resigned from his position as a member of the Committee. In September, Attila Sánta and David Bichler were elected as members of the Audit Committee by the decision of the sole shareholder acting as the General Meeting.

Štefan Máj
Chairman of the Audit Committee

Financial Section

Independent Auditor's Report

To the shareholder of Česká spořitelna, a.s.

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion:

- the consolidated financial statements give a true and fair view of the consolidated financial position of Česká spořitelna, a.s., with its registered office at Olbrachtova 1929/62, Praha 4 (the "Bank") and its subsidiaries (together the "Group") as at 31 December 2024, and of the Group's consolidated financial performance and consolidated cash flows for the year ended 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the European Union, and
- the separate financial statements give a true and fair view of the separate financial position of the Bank as at 31 December 2024, and of the Bank's separate financial performance and separate cash flows for the year ended 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the European Union.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of income for the year ended 31 December 2024;
- the consolidated statement of comprehensive income for the year ended 31 December 2024;
- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of changes in equity for the year ended 31 December 2024;
- the consolidated statement of cash flows for the year ended 31 December 2024; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

The Bank's separate financial statements comprise:

- the separate statement of income for the year ended 31 December 2024;
- the separate statement of comprehensive income for the year ended 31 December 2024;
- the separate statement of financial position as at 31 December 2024;
- the separate statement of changes in equity for the year ended 31 December 2024;
- the separate statement of cash flows for the year ended 31 December 2024; and
- the notes to the separate financial statements, comprising material accounting policy information and other explanatory information.

PricewaterhouseCoopers Audit, s.r.o., Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic
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PricewaterhouseCoopers Audit, s.r.o., registered seat Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Licence No. 021.

Basis for opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and of the Council (the "EU Regulation") and Standards on Auditing of the Chamber of Auditors of the Czech Republic (together the "Audit regulations"). These standards consist of International Standards on Auditing as supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

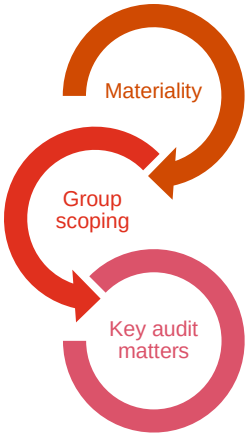
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by the Chamber of Auditors of the Czech Republic, with the Act on Auditors and with the EU Regulation. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, the Act on Auditors and the EU Regulation.

Our audit approach

Overview



Materiality	The overall materiality for the Group and the Bank is determined as 5% of the profit before tax in the separate financial statements, which represents CZK 1,530 million.
Group scoping	Our audit covered 96.8% of the total assets and 94.0% of the net profit of the Group. We applied analytical and other procedures to further 2.9% of the total assets and 5.8% of the net profit of the Group at the level of smaller subsidiaries.
Key audit matters	Calculation of credit risk in loans and advances to customers with a focus on changes in the risk parameters as a result of the harmonization of the Internal ratings-based (IRB) and IFRS 9 models.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements (together the "financial statements"). In particular, we considered where management made subjective judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance as to whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for each set of financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate, on each set of financial statements as a whole.

Overall Group and Bank materiality	CZK 1,530 million
How we determined it	Materiality for the Group and the Bank was determined as 5% of the profit before tax in the separate financial statements.
Rationale for the materiality benchmark applied	We chose the profit before tax in the separate financial statements, as the goal of the Group and the Bank is to achieve profits and the users of the financial statements focus on this performance measure. The level of 5% used as a benchmark reflects the best practice for materiality for public interest entities. Considering the minimal difference between the benchmark as per consolidated and separate financial statements, we used the same level of materiality in both cases.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of each set of financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Calculation of credit risk in loans and advances to customers with a focus on changes in the risk parameters as a result of the harmonization of the IRB and IFRS 9 models	
In the consolidated statement of financial position as at 31 December 2024 and in Note 13 of the consolidated financial statements, the Group presents its customer loan portfolio at the gross carrying amount of CZK 1,096,151 million, of which CZK 1,013,872 million (92%) is held by the Bank (Note 13 of the separate financial statements). For this customer loan portfolio, measured	When assessing credit risk and credit-impaired status of loans, we specifically focused on changes in the model assumptions, local design choices and impact analyses provided by the Group/Bank as a result of the harmonisation of the IRB and IFRS 9 models. We also assessed the accuracy of the estimated risk parameters, and whether they reflect significant uncertainties related

at amortised cost, the Group has recognised the expected credit loss allowances of CZK 19,909 million as at 31 December 2024, of which CZK 17,901 million has been recognised by the Bank.

The risk of loan irrecoverability is an inherent part of banking activities and the quantification of the expected credit loss allowances is the largest estimate that has a direct and significant impact on profits. Management approach for determination of assumptions that have the highest impact on the appropriate valuation estimate of valuation of the loans to customers is described in Notes 29-38 of the consolidated financial statements and in Notes 29-37 of the separate financial statements.

Key parameters for quantification of the expected credit losses, in terms of IFRS 9, Financial Instruments (IFRS 9) are probabilities of default, loss given defaults, including assessment of collateral quality and the identification of significant increase in credit risk ("SICR") since the initial recognition of loans and advances. Forward-looking information ("FLI") and future development scenarios derived from it also play a significant role.

In 2024 the methodologies and segmentation for IFRS 9 parameters estimation were harmonized with methodologies and segmentation for the IRB regulatory parameters, specifically the probabilities of default ("PD") and loss given defaults ("LGD") models were redesigned. The impact was mainly on retail segment as a result of the segmentation changes.

In addition to that, the performance of Group's/Bank's loan portfolio and related credit risk costs were influenced by gradual recovery of the Czech economy in 2024: moderate GDP growth, steadily decreasing interest rates and price growth, which after two years of high inflation slowed and inflation returned to the values closer to the long-term target of the Czech National Bank.

to the present and future environment and how this impacts the valuation of the loan portfolio and the quantification of the expected credit loss allowances.

Our approach was based on validation of the control system that the Group/Bank implemented in this area and on detailed testing of financial information reported by the Group and the Bank in the financial statements.

Firstly, we have assessed the methodological documents and policies for creation of expected credit loss allowances, including the procedures for collateral valuation in respect of their compliance with the requirements of IFRS 9 and with their execution in accordance with the internal control system.

We continued with verification of the model calculation logic used for the estimation of PD and LGD parameters and assessed their compliance with the methodological documents and policies. Our credit risk modelling experts recalculated risk parameters, on a sample basis, for the most significant models and evaluated whether the key components of the calculation of expected credit losses were correctly incorporated in the models and entered into the calculation engine.

Our credit risk modelling experts were involved in assessment of the IFRS 9 validations and results of the back-testing of the most significant models together with assessment of the IRB validations for rating models and appropriateness of their use for the purpose of IFRS 9 expected credit losses.

In relation to the FLI estimation model, we compared the underlying macro-economic forecasts with the information available from external sources and also assessed the individual weights attributed to scenarios, taking into account the regulatory recommendations and best practices. Our credit risk modelling experts verified the model calculation logic used for the estimation of the FLI PD model recalibration and assessed their alignment with the methodological documents and policies.

The Group/Bank responded mainly by: - adjusting the macro-shift models to reflect the expected effects of these events in the credit risk parameters; and - updating the criteria for loan classification into the stages relevant for measuring expected credit losses.	We also assessed on a sample basis the approach applied to: - the classification of borrowers based on the applicable Group's/Bank's policies considering risk assessment of the borrower's industry; - the credit risk rating process and the identification of SICR since initial recognition. We also familiarized ourselves with the authorisation procedures over using external collateral valuators and monitoring procedures over quality of their work. Considering the key role of the banking systems and internal control systems in the process of SICR identification and quantification of the expected credit losses, we also used our information technology specialists to verify access rights, accuracy of data inputs, data processing and automated calculations within the key systems, including the system for monitoring the number of days overdue and the expected credit loss allowances calculation. For a selected sample of loans, we tested the rating allocation, loan classification into the three stages defined by IFRS 9 and appropriate application of the Group's and the Bank's internal policies and procedures to specific credit loss allowances on these loans. We also assessed the identification of SICR and calculation of probability of default, exposure at default and loss given default, including the identification of industries and borrowers at risk, and application of the expected development scenarios and forward-looking information. We also assessed the adequacy of disclosures that are required by IFRS Accounting Standards as adopted by the European Union.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on each set of financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, the share of individual subsidiaries on the Group financial position and performance and specifics of the industry in which the Group operates.

For the audit of the consolidated financial statements, we performed full scope audits of the Bank and Stavební spořitelna České spořitelny, a.s. These banks generate 94.0% of the Group's net profit. Additionally, we applied analytical and other procedures to the financial information of other Group companies, thus increasing our coverage of the Group's total assets to 99.7% and of the Group's net profit to 99.8%. This approach allowed us to reasonably exclude material misrepresentations of the Group results.

Other information

The board of directors is responsible for the other information. As defined in Section 2(b) of the Act on Auditors, the other information comprises the annual report but does not include both of the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Group and the Bank obtained in the audit or otherwise appears to be materially misstated. In addition, we assessed whether the other information, excluding the consolidated sustainability statement included in section Consolidated Sustainability Statement on which a separate assurance report has been issued by us today, has been prepared, in all material respects, in accordance with applicable legal requirements, i.e. whether the other information, excluding the consolidated sustainability statement, complies with the legal requirements both in terms of formal requisites and the procedure for preparing the other information in the context of materiality.

Based on the procedures performed in the course of our audit, to the extent we are able to assess it, in our opinion:

- the other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information, excluding the consolidated sustainability statement, has been prepared in accordance with the applicable legal requirements.

In addition, in the light of the knowledge and understanding of the Group and the Bank and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the other information. We have nothing to report in this regard.

Responsibilities of the board of directors, supervisory board and audit committee of the Bank for the financial statements

The board of directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the Group and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or the Bank or to cease operations, or has no realistic alternative but to do so.

The supervisory board of the Bank is responsible for overseeing the financial reporting process.

The audit committee of the Bank is responsible for monitoring the financial statements' preparation process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Audit regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Audit regulations, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicate with the board of directors, supervisory board and audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement showing that we have complied with relevant ethical requirements regarding independence, and we communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the supervisory board and audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Information required by the EU Regulation

In compliance with Article 10(2) of the EU Regulation, we provide the following information, which is required in addition to the requirements of International Standards on Auditing:

Consistency of the audit opinion with the additional report to the audit committee

We confirm that the audit opinion expressed herein is consistent with the additional report to the audit committee of the Bank, which we issued today in accordance with Article 11 of the EU Regulation.

Appointment of auditor and period of engagement

We were appointed as the auditors of the Group and the Bank for year 2024 by the general meeting of shareholders of the Bank on 17 April 2024. Our uninterrupted engagement as auditors of the Group and the Bank has lasted for 8 years.

Provided non-audit services

We declare that no services prohibited under Article 5 (1) of the EU Regulation, as amended by the Czech law following Article 5 (3) of the EU Regulation, have been provided.

The non-audit services that we have provided to the Bank and its subsidiaries in the period from 1 January 2024 to 31 December 2024 are disclosed in Section "Other Information for Shareholders" of the annual report.

Report on the compliance of the format of the consolidated financial statements with the requirements of the European Single Electronic Format ("ESEF") Regulation

We have been engaged based on our agreement by the board of directors of the Bank to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the electronic reporting format of the consolidated financial statements included in the annual report of the Group for the year ended 31 December 2024 (the "electronic reporting format of the consolidated financial statements").

Description of a subject matter and applicable criteria

The electronic reporting format of the consolidated financial statements has been applied by the board of directors of the Bank to voluntarily comply with the requirements of art. 3 - 6 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation").

Appropriate criteria are given in the ESEF Regulation and consist mainly of requirements in respect of:

- preparation the annual report that includes consolidated financial statements in XHTML format;
- markups of consolidated financial statements as described in article 4 of the ESEF Regulation;
- voluntary markups of disclosures presented in the consolidated financial statements in addition to the minimum requirements falling under the markups as described in article 4 and of disclosures outside of the consolidated financial statements as described in article 5 of the ESEF Regulation; and

- use of iXBRL specifications and XHTML format for markups made in accordance with Articles 4 and 5 of the ESEF Regulation.

The requirements described above determine the basis for application of the electronic reporting format of the consolidated financial statements included in the annual report and, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the board of directors and the supervisory board

The board of directors of the Bank is responsible for the application of the electronic reporting format of the consolidated financial statements that complies with the requirements of the ESEF Regulation.

This responsibility includes the selection and application of appropriate markups in iXBRL using ESEF taxonomy and designing, implementing and maintaining internal controls relevant for the preparation of the electronic reporting format of the consolidated financial statements which is free from material non-compliance with the requirements of the ESEF Regulation.

The supervisory board is responsible for overseeing the financial reporting process, which should also be understood as the preparation of the consolidated financial statements in accordance with the format resulting from the ESEF Regulation.

Our responsibility

Our responsibility was to express a reasonable assurance conclusion whether the electronic reporting format of the consolidated financial statements complies with the ESEF Regulation.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (ISAE 3000 (R)). This standard requires that we comply with ethical requirements and for reasonable assurance engagements involves planning and performing procedures to obtain reasonable assurance whether the electronic reporting format of the consolidated financial statements is prepared, in all material aspects, in accordance with the applicable requirements.

Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE 3000 (R) will always detect the possible material misstatement (significant non-compliance with the requirements).

Quality control requirements

We apply International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants as adopted by the Chamber of Auditors of the Czech Republic, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the electronic reporting format of the consolidated financial statements was applied, in all material respects, in accordance with the applicable requirements and such application is free from material errors or omissions.

Our procedures included in particular:

- Obtaining an understanding of the internal control system and processes relevant to the application of the electronic reporting format of the consolidated financial statements, including the preparation of the XHTML format and marking up the consolidated financial statements.
- Evaluating the completeness of marking up the consolidated financial statements using the iXBRL markup language according to the requirements of the implementation of electronic format as described in the ESEF Regulation.
- Evaluating the appropriateness of the Group's' use of iXBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified.
- Evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed, the electronic reporting format of the consolidated financial statements complies, in all material respects, with the ESEF Regulation.

The engagement partner on the audit resulting in this independent auditor's report is Eva Loulová.

31 March 2025

PricewaterhouseCoopers Audit, s.r.o.
represented by Partner

Eva Loulová
Statutory Auditor, Licence No. 1981

This document is a copy of the independent auditor's report issued on 31 March 2025 on the statutory consolidated annual report of Česká spořitelna, a.s. as prepared in accordance with the provisions of the ESEF Regulation. The attached copy of the consolidated annual report is not prepared in accordance with the ESEF Regulation and therefore does not constitute a statutory consolidated annual report and like this copy of the auditor's report, is not a statutory binding document. The original of the statutory consolidated annual report including our audit report is published in the Central Storage of Regulated Information on the website of the Czech National Bank.

Consolidated Financial Statements

Consolidated statement of income

for the year ended 31 December 2024

in CZK million	Notes	2024	2023
Net interest income	2	39,811	34,583
Interest income		90,771	89,090
Other similar income		9,747	10,750
Interest expenses		(50,159)	(50,971)
Other similar expenses		(10,548)	(14,286)
Net fee and commission income	3	12,778	10,894
Fee and commission income		14,350	12,339
Fee and commission expense		(1,572)	(1,445)
Dividend income		59	42
Net trading result	4	3,413	4,178
Gains/losses from financial instruments measured at fair value through profit or loss	5	(48)	(1,764)
Net result from equity method investments		241	208
Rental income from investment properties & other operating leases		232	224
Personnel expenses	6	(13,232)	(12,685)
Other administrative expenses	6	(8,300)	(7,675)
Depreciation and amortisation	6	(2,772)	(2,784)
Gains/losses from derecognition of financial assets measured at amortised cost	7	(843)	(272)
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss		(7)	(2)
Impairment result from financial instruments	8	261	(825)
Other operating result	9	247	(1,706)
Pre-tax result from continuing operations		**31,840**	**22,416**
Taxes on income	10	(5,602)	(3,736)
Net result for the period		**26,238**	**18,680**
Net result attributable to non-controlling interests		76	66
Net result attributable to owners of the parent		**26,162**	**18,614**

Consolidated statement of comprehensive income

for the year ended 31 December 2024

in CZK million	Notes	2024	2023
Net result for the period		**26,238**	**18,680**
Other comprehensive income			
Items that may not be reclassified to profit or loss		**(6)**	**(81)**
Own credit risk reserve	10	(6)	(81)
Items that may be reclassified to profit or loss		**43**	**5,487**
Fair Value reserve of debt instruments	10	(110)	2,082
Gain/(loss) during the period		(146)	2,079
Reclassification adjustments		36	-
Credit loss allowances	8	-	3
Cash flow hedge reserve		159	4,763
Gain during the period	10, 22	1,531	9,042
Reclassification adjustments		(1,372)	(4,279)
Currency reserve		2	(48)
Gain/(loss) during the period		2	(96)
Net investment hedge gain/(loss) during the period		-	48
Deferred taxes relating to items that may be reclassified	10	(8)	(1,310)
Loss during the period		(289)	(2,114)
Reclassification adjustments		281	804
Total other comprehensive income	10	**37**	**5,406**
Total comprehensive income		**26,275**	**24,086**
Total comprehensive income attributable to non-controlling interests		76	66
Total comprehensive income attributable to owners of the parent		**26,199**	**24,020**

For a detailed split of income tax items within other comprehensive income please refer to Note 10 Taxes on income.

Consolidated statement of financial position

as at 31 December 2024

in CZK million	Notes	2024	2023
Assets			
Cash and cash equivalents	12	22,958	27,918
Financial assets held for trading		12,911	16,662
Derivatives	18	12,852	16,643
Other financial assets held for trading		59	19
Non-trading financial assets at fair value through profit or loss	19	2,895	3,798
Equity instruments		1,422	2,109
Debt securities		773	819
Loans and advances to banks		691	856
Loans and advances to customers		9	14
Financial assets at fair value through other comprehensive income		52,258	53,432
Equity instruments		-	22
Debt securities	16	52,258	53,410
Financial assets at amortised cost	13	1,892,087	1,653,124
thereof pledged as collateral	25	117,657	123,076
Debt securities		372,456	352,299
Loans and advances to banks		443,389	304,007
Loans and advances to customers		1,076,242	996,818
Finance lease receivables	45	1,501	1,467
Hedge accounting derivatives	22	2,930	3,241
Fair value changes of the hedged items in portfolio hedge of interest rate risk		(8)	(9)
Property, equipment and right-of-use asset	42	13,153	12,159
Investment property	42	1,449	1,748
Intangible assets	43	6,600	6,407
Investments in associates	53	1,895	1,649
Current tax assets	10	5	545
Deferred tax assets	10	1,296	1,839
Assets held for sale	58	3,587	10
Trade and other receivables	14	13,206	12,292
Other assets	44	1,353	1,538
Total assets		**2,030,076**	**1,797,820**

in CZK million	Notes	2024	2023
Liabilities and equity			
Financial liabilities held for trading	18	12,034	16,716
Derivatives		12,034	16,716
Financial liabilities at fair value through profit or loss	20	1,309	13,283
Deposits from customers		1,309	13,283
Financial liabilities at amortised cost	15	1,844,773	1,604,624
Deposits from banks		275,456	122,287
Deposits from customers		1,481,865	1,352,755
Debt securities issued		81,509	121,451
Other financial liabilities		5,943	8,131
Lease liabilities	46	3,363	3,259
Hedge accounting derivatives	22	3,693	4,534
Provisions	48	3,465	3,468
Current tax liabilities	10	713	115
Deferred tax liabilities	10	6	19
Liabilities associated with assets held for sale	58	167	-
Other liabilities	47	5,787	7,301
Total equity	50	**154,766**	**144,501**
Equity attributable to non-controlling interests		622	546
Equity attributable to owners of the parent		154,144	143,955
Share capital		15,200	15,200
Additional paid-in capital		12	12
Additional equity instruments		9,040	9,040
Retained earnings and other reserves		129,892	119,703
Total liabilities and equity		**2,030,076**	**1,797,820**

The accompanying notes are an integral part of these consolidated financial statements.

These consolidated financial statements were prepared by the Group and authorized for issue by the Board of Directors on 17 March 2025 and are subject to approval at the Supervisory Board and by the sole shareholder.

Tomáš Salomon
Chairman of the Board of Directors

Ivan Vondra
Member of the Board of Directors,
Chief Financial Officer

Consolidated statement of changes in equity

for the year ended 31 December 2024

in CZK million	Share capital	Additional paid-in capital	Retained earnings	Additional equity instruments	Statutory reserve	Cash flow hedge reserve	Fair value reserve	Own credit risk reserve	Currency reserve	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
As of 1 January 2023	**15,200**	**12**	**118,221**	**9,040**	**387**	**(4,277)**	**(1,393)**	**89**	**(47)**	**137,232**	**479**	**137,711**
Dividends paid/AT1 distribution (Note 11)	-	-	(17,314)	-	-	-	-	-	-	(17,314)	-	(17,314)
Other changes	-	-	17	-	-	-	-	-	-	17	1	18
Total comprehensive income	-	-	18,614	-	-	3,897	1,686	(81)	(96)	24,020	66	24,086
Net result for the period	-	-	18,614	-	-	-	-	-	-	18,614	66	18,680
Other comprehensive income	-	-	-	-	-	3,897	1,686	(81)	(96)	5,406	-	5,406
Change in fair value reserve	-	-	-	-	-	-	2,082	-	-	2,082	-	2,082
Changes in tax	-	-	-	-	-	(914)	(396)	-	-	(1,310)	-	(1,310)
Change in cash flow hedge reserve	-	-	-	-	-	4,763	-	-	-	4,763	-	4,763
Change in currency reserve	-	-	-	-	-	48	-	-	(96)	(48)	-	(48)
Change in own credit risk reserve	-	-	-	-	-	-	-	(81)	-	(81)	-	(81)
As of 31 December 2023	**15,200**	**12**	**119,538**	**9,040**	**387**	**(380)**	**293**	**8**	**(143)**	**143,955**	**546**	**144,501**

in CZK million	Share capital	Additional paid-in capital	Retained earnings	Additional equity instruments	Statutory reserve	Cash flow hedge reserve	Fair value reserve	Own credit risk reserve	Currency reserve	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
As of 1 January 2024	**15,200**	**12**	**119,538**	**9,040**	**387**	**(380)**	**293**	**8**	**(143)**	**143,955**	**546**	**144,501**
Dividends paid/AT1 distribution (Note 11)	-	-	(16,080)	-	-	-	-	-	-	(16,080)	-	(16,080)
Other changes	-	-	70	-	-	-	-	-	-	70	-	70
Total comprehensive income	-	-	26,162	-	-	135	(94)	(6)	2	26,199	76	26,275
Net result for the period	-	-	26,162	-	-	-	-	-	-	26,162	76	26,238
Other comprehensive income	-	-	-	-	-	135	(94)	(6)	2	37	-	37
Change in fair value reserve	-	-	-	-	-	-	(110)	-	-	(110)	-	(110)
Changes in tax	-	-	-	-	-	(24)	16	-	-	(8)	-	(8)
Change in cash flow hedge reserve	-	-	-	-	-	159	-	-	-	159	-	159
Change in currency reserve	-	-	-	-	-	-	-	-	2	2	-	2
Change in own credit risk reserve	-	-	-	-	-	-	-	(6)	-	(6)	-	(6)
As of 31 December 2024	**15,200**	**12**	**129,690**	**9,040**	**387**	**(245)**	**199**	**2**	**(141)**	**154,144**	**622**	**154,766**

Consolidated statement of cash flows

for the year ended 31 December 2024

in CZK million	Notes	2024	2023
Pre-tax result from continuing operations		**31,840**	**22,416**
Non-cash adjustments for items in net profit/loss for the year			
Depreciation, amortisation and net impairment of non-financial assets		2,938	3,566
Net allocation to provisions (including risk provisions)		(442)	1,086
Gains/(losses) from the measurement and derecognition of financial assets and financial liabilities		(694)	1,260
Gains/(losses) from the sale of non-financial assets		(727)	(18)
Change in fair values of derivatives		(933)	(1,622)
Interest income	2	(100,518)	(99,840)
Interest expense	2	60,707	65,257
Other adjustments		463	226
Changes in assets and liabilities from operating activities after adjustment for non-cash components			
Financial assets held for trading		(47)	49
Non-trading financial assets at fair value through profit or loss			
Equity instruments		687	(1,106)
Debt securities		46	107
Loans and advances to customers		170	532
Financial assets - at fair value through other comprehensive income: debt instruments		1,139	(2,741)
Financial assets at amortised cost			
Debt securities		(18,588)	(23,341)
Loans and advances to banks		(139,363)	(37,235)
Loans and advances to customers		(75,094)	(93,560)
Finance lease receivables		(20)	2
Hedge accounting derivatives		(371)	1,958
Other assets from operating activities		(497)	(434)
Financial liabilities at amortised cost			
Deposits from banks		152,397	7,982
Deposits from customers		126,413	124,990
Financial liabilities at fair value through profit or loss		(12,182)	(19,615)
Other liabilities from operating activities		(2,685)	467
Other operating cash flows			
Interest paid		(59,098)	(61,148)
Interest received		98,675	97,986
Payments for taxes on income		(4,288)	(3,894)
Cash flow from operating activities		**59,928**	**(16,670)**
Financial assets - at fair value through other comprehensive income: equity instruments		22	(22)
Proceeds of disposal of property, equipment and intangible assets		274	140
Acquisition of property and equipment, intangible assets and investment properties		(7,061)	(3,152)
Disposal of subsidiaries		812	-
Acquisition of joint ventures and associates		(246)	(212)
Cash flow from investing activities		**(6,199)**	**(3,246)**
Dividends paid/AT1 distribution	11	(16,080)	(17,314)
Other financing activities		(1)	(8)
Payments of lease liability	60	(690)	(667)
Repayments of bonds in issue	60	(41,193)	-
Proceeds from bonds issued	60	-	43,460
Changes in non-controlling interest	51	76	67
Cash flow from financing activities		**(57,888)**	**25,538**

in CZK million	Notes	2024	2023
Cash and cash equivalents at beginning of period	12	**27,918**	**21,870**
Cash flow from operating activities		59,928	(16,670)
Cash flow from investing activities		(6,199)	(3,246)
Cash flow from financing activities		(57,888)	25,538
Effect of currency translation		(801)	426
Cash and cash equivalents at end of period	12	**22,958**	**27,918**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to consolidated financial statements

for the year ended 31 December 2024

GENERAL INFORMATION

Česká spořitelna, a.s. ('the Bank'), having its registered office address at Olbrachtova 1929/62, Prague 4, 140 00, Corporate ID 45244782, is the legal successor of the Czech State Savings Bank and was founded as a joint stock company in the Czech Republic on 30 December 1991. The Bank is a universal bank offering retail, corporate and investment banking services within the Czech Republic.

The Bank's sole shareholder is Erste Group Bank AG ('Erste Group Bank'), having its registered office address at Am Belvedere 1, 1100, Vienna, which is the ultimate parent. Information on the ultimate parent company's shareholder structure is published in the financial statements of Erste Group Bank for the year 2024 or the actual information on the Erste Group Bank homepage.

The Bank together with subsidiaries forms the Group. The Group is subject to the regulatory requirements of the Czech National Bank ('ČNB'), the Banking Act and EU guidelines/regulations. These regulations include those pertaining to minimum capital adequacy requirements, categorization of exposures and off-balance sheet commitments, credit risk connected with clients of the Group, liquidity, interest rate risk, foreign currency positions, operational and other risk.

In addition to the banking entities, other Group companies are subject to regulatory requirements, specifically in relation to pension insurance and collective investment.

The Group offers a complete range of banking and other financial services, such as savings and current accounts, asset management, consumer credit and mortgage lending, investment banking, securities and derivatives trading, portfolio management, project finance, foreign trade financing, corporate finance, capital and money market services and foreign exchange trading.

MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

The consolidated financial statements of the Group for the financial year ending 31 December 2024 and related comparative information were prepared in compliance with applicable IFRS® Accounting Standards as adopted by the European Union ('IFRS Accounting Standards') on the basis of IAS Regulation (EC) No. 1606/2002 under the historical cost convention, as modified by the initial recognition of financial instruments at fair value, and by the revaluation of financial instruments categorised at fair value through profit or loss ('FVPL') and at fair value through other comprehensive income ('FVOCI'). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below or in individual Notes to which they relate. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The consolidated financial statements have been prepared on a going concern basis.

In the following notes, the Statement of financial position may be referred to as 'balance sheet' and the Statement of Income may be referred to as 'income statement'.

The Group is subject to regulatory restrictions on capital distributions stemming from the EU-wide capital requirements regulations applicable to all credit institutions based in the EU. The Group does not have any other significant restrictions on its ability to access or use the assets and settle the liabilities of the Group. Also, the owners of non-controlling interests in Group subsidiaries do not have rights that can restrict the Group's ability to access or use the assets and settle the liabilities of the Group.

Except as otherwise indicated, all amounts are stated in millions of Czech koruna ('CZK'). The tables in this report may contain rounding differences.

The financial statements have been prepared in Czech and English.

In all matters of interpretation of information, views or opinions, the Czech version of the financial statements takes precedence over the English version.

Foreign currency translation

The consolidated financial statements are presented in Czech koruna, which is the functional currency of Česká spořitelna, a.s., the parent company of Česká spořitelna group.

The functional currency is the currency of the primary business environment in which an entity operates. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

For foreign currency translation, spot exchange rates quoted by the Czech National Bank are used. For Group entities using the Euro as functional currency, these are the European Central Bank ('ECB') reference rates.

i. Transactions and balances in foreign currency

Transactions in foreign currencies are initially recorded at the functional currency exchange rate effective as of the date of transaction. Subsequently, monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate as of the balance sheet date. All resulting exchange differences that arise are recognised in the income statement under the line item 'Net trading result'. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions, i.e. they do not give rise to exchange differences. Non–monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

ii. Translation of the statements of Group companies

Assets and liabilities of foreign operations (foreign subsidiaries and branches) are translated into Group's presentation currency, the Czech koruna, at the rate of exchange as of the balance sheet date (closing rate). Their consolidated statements of income and consolidated statements of comprehensive income are translated at average exchange rates calculated on the basis of daily rates. Goodwill, intangible assets and fair value adjustments to the carrying amounts of assets and liabilities recognised on acquisition of foreign subsidiaries are treated as assets and liabilities of the foreign subsidiaries and are translated at the closing rate. Exchange differences arising on translation are recognised in OCI in the line 'Currency reserve' of the statement of comprehensive income. The accumulated OCI is presented in equity, specifically under 'Currency reserve' in the statement of changes in equity. On disposal of a foreign subsidiary, the cumulative amount of translation differences recognised in other comprehensive income is recognised in the income statement in the line item 'Other operating result'.

Material accounting judgements, assumptions and estimates

The consolidated financial statements contain amounts that have been determined on the basis of judgements and by the use of estimates and assumptions. The estimates and assumptions used are based on historical experience and other factors, such as planning as well as expectations and forecasts of future events that are currently deemed to be reasonable. As a consequence of the uncertainty associated with these assumptions and estimates, actual results could in future periods lead to adjustments in the carrying amounts of the related assets or liabilities. The most significant uses of judgements, assumptions and estimates are described in the notes of the respective assets and liabilities and relate in particular to:

- SPPI assessment of financial instruments (Chapter FINANCIAL INSTRUMENTS – MATERIAL ACCOUNTING POLICY INFORMATION)
- Business model assessment of financial instruments (Chapter FINANCIAL INSTRUMENTS – MATERIAL ACCOUNTING POLICY INFORMATION)

- Fair value of financial instruments (Note 21 Fair value of financial instruments)
- Impairment of financial instruments (Chapter FINANCIAL INSTRUMENTS – MATERIAL ACCOUNTING POLICY INFORMATION, Note 32 Measurement of expected credit loss) and Note 35 Scenarios used in forward looking information)
- Provisions (Note 48 Provisions)
- Impairment of non-financial assets (Chapter NON-CURRENT ASSETS AND OTHER INVESTMENTS)

Application of amended and new IFRS accounting standards

The accounting policies adopted are consistent with those used in the previous financial year except for standards and interpretations that became effective for financial years beginning after 1 January 2024. As regards new standards and interpretations and their amendments, only those that are relevant for the business of the Group are listed below.

Effective standards and interpretations

No standards and interpretations or their amendments with relevance for the Group have become mandatory for the financial year 2024.

Standards and interpretations not yet effective

The standards and amendments shown below were issued by the IASB but are not yet effective. The amendments to IAS 21 have been endorsed by the EU.

- **IFRS 18 Presentation and Disclosure in Financial Statements**. IFRS 18 was issued in April 2024 and become effective for annual periods beginning on or after 1 January 2027. The standard replaces IAS 1. It sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.
  Application of IFRS 18 will result in adjustments in the structure of the consolidated statement of income of the Group driven by a new mandatory subtotal 'Operating profit or loss'. New disclosures in the area of management-defined performance measures will be provided.
- **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.** The amendments to IAS 21 were issued in August 2023 and become effective for annual periods beginning on or after 1 January 2025. The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Application of these amendments is not expected to have a significant impact on the Group's financial statements.
- **Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.** The amendments to IFRS 7 and IFRS 9 were issued in May 2024 and become effective for annual periods beginning on or after 1 January 2026. The Group intends to early apply these amendments in 2025.
  The amendments to IFRS 9 permit an entity to deem a financial liability that will be settled using an electronic payment system to be discharged before the settlement date. Further, they bring clarifications for classification of financial assets in the areas of contractual terms which are consistent with a basic lending agreement, assets with non-recourse features and contractually linked instruments. The amendments to IFRS 7 bring new disclosure requirements for investment in equity instruments measured at fair value through other comprehensive income and for contractual terms that could change the timing or amount of contractual cash flows.
  The amendments to IFRS 9 will result in a different SPPI assessment of financial assets whose interest is adjusted based on meeting certain ESG-linked targets by the borrowers. The Group will no longer assess them based on whether the effect of adjustments is de-minimis but whether the adjusted cash flows could be significantly different from the contractual cash flows without such a contingent feature. The new assessment is not expected to change the measurement of the affected financial assets. Other amendments to IFRS 9 are not expected to have a significant impact on the Group's financial statements. Amendments to IFRS 7 will result in new disclosures.

– **Annual Improvements Volume 11**. In July 2024 the IASB issued a set of amendments to various standards. The amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 are effective for annual periods beginning on or after 1 January 2026. Application of these amendments is not expected to have a significant impact on the Group's financial statements.

The standards and amendments shown below were issued by the IASB but are not yet effective and have not yet been endorsed by the EU.

– **Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity.** The amendments to IFRS 7 and IFRS 9 were issued in December 2024 and are effective from 1 January 2026. The amendments were issued to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). The amendments include: (a) clarifying the application of the 'own-use' requirements; (b) relaxing certain hedge accounting requirements if these contracts are used as hedging instruments; and (c) adding new disclosure requirements to enable investors to understand the effect of these contracts on financial performance and cash flows

– **IFRS 19 Subsidiaries without Public Accountability: Disclosures.** IFRS 19 was issued in May 2024 and become effective for annual periods beginning on or after 1 January 2027. IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. Subsidiaries using IFRS Accounting Standards for their own financial statements provide disclosures that maybe disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by:

  – enabling subsidiaries to keep only one set of accounting records – to meet the needs of both their parent company and the users of their financial statements;

  – reducing disclosure requirements – IFRS 19 permits reduced disclosure better suited to the needs of the users of their financial statements.

The Group is currently assessing the impact of the amendments on its financial statements.

PERFORMANCE / RETURN

1 Segment reporting

The Group's segment reporting is compliant with IFRS 8 Operating Segments, which adopts the management approach. Segment information is prepared on the basis of internal management reporting that is regularly reviewed by the management board of the Bank to assess the performance of the segments and make decisions regarding the allocation of resources.

Structure of business segments

The segment reporting comprises four operating segments reflecting the Group's management structure.

Retail

Retail segment comprises the business activities which are in the responsibility of account managers in the Retail network. Targeted customers are mainly private individuals, micros business and free professionals. This business is mainly operated in cooperation with subsidiaries such as leasing and asset management companies with the focus on simple products ranged from loans, investment products, current accounts and savings products to credit cards and cross selling products such as leasing, insurance and building society products.

Corporates

Corporates segment comprises the business activities done with corporate customers of different turnover size (small and medium- sized enterprises and Large Corporate customers) as well as commercial real estate and public sector business including activities provided via subsidiaries.

Asset and Liability Management & Local Corporate Center (ALM & LCC)

Asset Liability Management (ALM) comprises the management of the Group assets and liabilities in the light of uncertainty of cash flows, cost of funds and return on investments in order to determine the optimal trade-off between risk, return and liquidity. Furthermore it comprises funding transactions, hedging activities, investments into securities other than held for trading purpose, management of own issues and FX positions.

Local Corporate Center (LCC) comprises all non-core banking business activities (including activities of subsidiaries) such as non-profit servicing units (e.g. procurement, property management), intragroup eliminations within the Group, dividends, refinancing costs of participations, all non-banking balance sheet positions (e.g. fixed assets, intangible assets) which cannot be allocated to other business segments as well as the profit and loss positions resulting from these balance sheet items. Apart from that the Corporate Center includes Free Capital of the Group defined as the difference of the total equity and the economical equity allocated to all operating segments.

Group Markets

Group Markets segment comprises trading and markets services as well as business with financial institutions.

Trading and market services includes all activities related to active risk taking and managing in CRR regulatory trading books of the Group, additional to that the execution of trades against the market using the trading books of the Group for market making and short-term liquidity management.

In addition, it comprises business connected with serving financial institutions as clients including custody, depository services, commercial business (loans, cash management, trade & export finance) and capital markets business.

Measurement

The Income statement of the segment report is based on the measures reported to the Bank's Board of Directors for the purpose of allocating resources to the segments and assessing their performance.

Management reporting as well as the segment report of the Group are based on IFRS Accounting Standards. Accounting standards and methods as well as measurements used in segment reporting are the same as for the consolidated financial statements.

Interest income is not reported separately from interest expenses for each reportable segment. Those measures are reported on the net basis within the position 'Net interest income' as interest income and interest expenses are neither included into the measurement of segment profit or loss reviewed by the chief operating decision maker nor otherwise regularly provided to him. Management board relies solely on net interest income to assess the performance of the segments and makes decisions about resources to be allocated to the segments. Net fee and commission income and Other operating result are reported on a net basis according to the regular reporting to the management board.

Capital consumption per segment is regularly reviewed by the management of the Group to assess the performance of the segments. The average allocated capital is determined by the credit risk, market risk and operational risk and business strategic risk. According to the regular internal reporting to the Group's Board of Directors, total assets and total liabilities as well as risk weighted assets and allocated capital are disclosed per segment. Total average allocated capital for the Group equals average total equity of the Group.

For measuring and assessing the profitability of segments within the Group, such key measures as return on allocated capital and cost/income ratio are used. Return on allocated capital is defined as net result for the period in relation to the average allocated capital of the respective segment. Cost/income ratio is defined as operating expenses (general

administrative expenses) in relation to operating income (total of net interest income, net fee and commission income, dividend income, net trading result, gains/losses from financial instruments measured at fair value through profit or loss, net result from equity method investments, rental income from investment properties and other operating lease).

Business segments

	Retail		Corporates		ALM&LCC		Group Markets		Total Group	
in CZK million	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Net interest income	24,298	23,253	10,950	11,191	3,128	(1,033)	1,435	1,172	39,811	34,583
Net fee and commission income	9,141	7,755	1,737	1,806	(268)	(519)	2,167	1,851	12,778	10,894
Dividend income	-	-	-	-	59	42	-	-	59	42
Net trading result	2,003	1,840	831	717	151	776	429	845	3,413	4,178
Gains/losses from financial instruments at FVPL	-	15	(62)	(45)	14	(1,734)	-	-	(48)	(1,764)
Net result from equity method investments	103	8	85	200	50	-	3	-	241	208
Rental income from investment properties & other operating leases	-	-	-	188	232	35	-	-	232	224
General administrative expenses	(19,103)	(17,485)	(3,492)	(3,563)	(993)	(1,409)	(717)	(687)	(24,304)	(23,144)
thereof: depreciation and amortisation	(2,635)	(2,589)	(200)	(263)	106	117	(43)	(49)	(2,772)	(2,784)
Gains/losses from derecognition of financial assets at AC	-	-	-	-	(843)	(272)	-	-	(843)	(272)
Other gains/losses from derecognition of financial instruments not at FVPL	-	-	-	-	(7)	(2)	-	-	(7)	(2)
Impairment result from financial instruments	800	(899)	(636)	(60)	82	23	15	112	261	(825)
Other operating result	188	(268)	(168)	(331)	352	(799)	(124)	(309)	247	(1,706)
Pre-tax result from continuing operations	**17,430**	**14,218**	**9,245**	**10,105**	**1,956**	**(4,891)**	**3,208**	**2,984**	**31,840**	**22,416**
Taxes on income	(3,660)	(2,698)	(1,951)	(1,915)	683	1,444	(674)	(567)	(5,602)	(3,736)
Net result for the period	**13,770**	**11,521**	**7,294**	**8,190**	**2,640**	**(3,447)**	**2,534**	**2,417**	**26,238**	**18,680**
Net result attributable to non-controlling interests	-	-	-	(67)	(76)	-	-	-	(76)	(67)
Net result attributable to owners of the parent	**13,770**	**11,521**	**7,294**	**8,123**	**2,564**	**(3,447)**	**2,534**	**2,417**	**26,162**	**18,614**
Operating income	35,545	32,871	13,541	14,058	3,366	(2,432)	4,035	3,868	56,486	48,365

	Retail		Corporates		ALM&LCC		Group Markets		Total Group	
in CZK million	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Operating expenses	(19,103)	(17,485)	(3,492)	(3,563)	(993)	(1,409)	(717)	(687)	(24,304)	(23,144)
Operating result	**16,442**	**15,386**	**10,050**	**10,495**	**2,373**	**(3,841)**	**3,317**	**3,182**	**32,182**	**25,222**
Risk-weighted assets (credit risk, eop)	241,974	213,446	388,202	344,099	38,262	41,077	9,776	7,985	678,215	606,607
Average allocated capital	29,805	25,832	34,880	31,008	82,126	81,386	2,140	2,074	148,951	140,299
Cost/income ratio	53.7%	53.2%	25.8%	25.3%	29.5%	-57.9%	17.8%	17.8%	43.0%	47.9%
Return on allocated capital	46.2%	44.6%	20.9%	26.2%	3.1%	-4.2%	118.4%	116.5%	17.6%	13.3%
Total assets (eop)	716,249	667,996	403,182	383,147	887,278	720,503	23,368	26,175	2,030,076	1,797,820
Total liabilities excluding equity (eop)	1,026,585	989,224	319,425	282,065	176,194	107,748	353,107	274,282	1,875,310	1,653,319

The majority of revenue from external customers is generated in the Czech Republic and the Group has no revenues from the customer that would exceed 10% of total revenues of the Group.

2 Net interest income

Net interest income is broken down into line items of interest income, other similar income, interest expenses and other similar expenses. The distinguishing factor is whether the EIR ('effective interest rate') method is mandatorily applied for recognition of interest income or expense in accordance with IFRS 9.

'Interest income' relates to interest revenue from financial assets measured at amortised cost and at fair value through other comprehensive income. It is calculated using the EIR method as discussed in chapter 'FINANCIAL INSTRUMENTS – MATERIAL ACCOUNTING POLICY INFORMATION', subchapter 'Accounting and measurement methods of financial instruments', part 'i. Amortised cost and effective interest rate'.

'Other similar income' captures interest-like sources of income resulting from non-derivative financial assets measured at fair value through profit or loss, held-for-trading derivatives, hedge accounting derivatives, finance lease receivables and negative interest on financial liabilities.

'Interest expenses' relate to interest expense from financial liabilities measured at amortised cost calculated using EIR as discussed in chapter 'FINANCIAL INSTRUMENTS – MATERIAL ACCOUNTING POLICY INFORMATION', subchapter 'Accounting and measurement methods of financial instruments', part 'i. Amortised cost and effective interest rate'.

'Other similar expenses' capture interest-like sources of expense resulting from non-derivative financial liabilities measured at fair value through profit or loss, held-for-trading derivatives, hedge accounting derivatives, negative interest on financial assets and lease liabilities.

As regards types of financial instruments, interest income and other similar income include interest income on loans and advances to banks and customers, on cash balances, and on debt securities in all measurement categories of financial assets. Interest expenses and other similar expenses include interest paid on deposits from customers, deposits from banks, debt securities issued and other financial liabilities in all measurement categories of financial liabilities.

The unamortised balance of the origination fees/transaction costs upon derecognition of assets in Stage 1 and 2 considered in the effective interest rate is presented as interest income at the derecognition date.

in CZK million	2024	2023
Interest and other similar income		
Financial assets at fair value through other comprehensive income	2,579	2,914
Financial assets at amortised costs	88,192	86,176
Interest income	**90,771**	**89,090**
Financial assets held for trading	10,624	13,783
Derivatives - Hedge accounting, interest rate risk	(951)	(3,088)
Other assets	74	55
Other similar income	**9,747**	**10,750**
Total interest and other similar income	**100,518**	**99,840**
Interest and other similar expenses		
Financial liabilities measured at amortised cost	(50,159)	(50,971)
Interest expenses	**(50,159)**	**(50,971)**
Financial liabilities at fair value through profit or loss	(204)	(62)
Financial liabilities held for trading	(9,585)	(13,257)
Derivatives - Hedge accounting, interest rate risk	(659)	(860)
Other liabilities	(97)	(105)
Negative Interest from financial assets	(3)	(2)
Other similar expenses	**(10,548)**	**(14,286)**
Total interest and other similar expenses	**(60,707)**	**(65,257)**
Net interest income	**39,811**	**34,583**

Interest income on impaired financial assets amounted to CZK 1,117 million (2023: CZK 1,111 million). No modification gains or losses were accounted for in the year 2024 and 2023. The amounts disclosed in the line item 'Negative interest from financial assets' relate to the interbank business, deposits and refinancing with central banks only.

3 Net fee and commission income

The Group earns fee and commission income from a diverse range of services that it provides to its customers. The determination of the timing and amount of income recognition follows the five step model of IFRS 15.

Fee and commission income is measured based on the consideration specified in the contract with a customer. The Group recognises revenue when it transfers control over a service to a customer.

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commitment fees, premiums received for financial guarantees and other fees from lending business, commission income from asset management, custody and other management and advisory fees as well as intermediary fees from insurance brokerage, building society brokerage and foreign exchange transactions. Payment services partly include fees for services satisfied over a period of time like periodic card fees.

Fee income earned from providing transaction services, such as arranging the acquisition and sale of shares or other securities on behalf of customers or foreign exchange transactions, as well as commission income earned from services such as the sale of collective investments and insurance products, are recognised upon completion of the underlying transaction. Payment services partly include transaction based fees like withdrawal fees.

Fees and commission income that are integral to the effective interest rate of a financial instrument are in the scope of IFRS 9 and are included in the net interest income.

	2024		2023	
in CZK million	**Income**	**Expenses**	**Income**	**Expenses**
Securities	1,310	(141)	757	(105)
Clearing and settlement	-	(7)	-	(5)
Asset management	2,538	(54)	1,992	(57)
Custody	170	(64)	140	(60)
Payment services	4,193	(549)	4,107	(789)
Customer resources distributed but not managed	3,896	-	3,225	-
Collective investment	1,790	-	1,406	-
Insurance products	2,106	-	1,819	-
Servicing fees from securitization activities	-	-	-	(11)
Lending business	1,479	(291)	1,403	(123)
Other	764	(466)	716	(295)
Total fee and commission income and expenses	**14,350**	**(1,572)**	**12,339**	**(1,445)**
Net Fee and commission income	**12,778**		**10,894**	

The fee and commission income and expense, which are presented in this table, are not capitalized as an integral part of the effective interest rate.

Asset management, custody and fiduciary transactions fees relate to fees earned by the Group on trust and other fiduciary activities in which the Group holds or invests assets on behalf of its customers. The assets hold by the Group on behalf of its customers amount to CZK 2,366 billion as at 31 December 2024 (2023: CZK 2,076 billion).

Net fee and commission income above include income of CZK 4,248 million (2023: CZK 3,999 million) relating to financial assets and financial liabilities not measured at FVPL.

4 Net trading result

Results arising from trading activities include all gains and losses from changes in the fair value (clean price) of financial assets and financial liabilities classified as held for trading, including all derivatives not designated as hedging instruments. Further, the net trading result includes any ineffective portions recorded in fair value and cash flow hedge transactions. Also, foreign exchange gains and losses on all monetary assets and liabilities and from spot currency conversions are included here.

The accounting policy for recognition of foreign exchange gains and losses is described in the chapter MATERIAL ACCOUNTING POLICY INFORMATION, subchapter Foreign currency translations, i. Transactions and balances in foreign currency. Detailed information relating to hedge accounting can be found in Note 22 Hedge accounting.

in CZK million	**2024**	**2023**
Securities and derivatives trading	403	902
Foreign exchange transactions	2,910	3,192
Ineffectiveness of hedge accounting	100	84
Net trading result	**3,413**	**4,178**

In 2008, the Bank transferred its financial markets trading to make use of Erste Group Bank's business model. The market risk arising from the sales activities of the Financial Markets Division (i.e., transactions with retail and corporate clients), with the exception of equity risk and transactions for the Erste Group Bank's liquidity management purposes (money market), was transferred to Erste Group Bank using back-to-back transactions. Trading gains (i.e. from the Erste Group Bank's market positions) are distributed according to approved rules to the relevant banks within the Erste Group Bank and reported in the 'Net trading result'.

The basic principle underlying these rules involves Erste Group Bank absorbing potential loss in individual classes of assets in exchange for the risk premium derived from the Value at Risk ('VaR') indicator. The remaining positive result after deducting expenses (calculated using the Cost Income Ratio) is reallocated to individual participants in the model based on the results from the sale of assets of individual asset groups.

The portion of trading gains resulting from trading assets transferred to Erste Group Bank and reported within 'Net trading result' is as follows:

in CZK million	2024	2023
Realised and unrealised gains on trading assets	371	489
Foreign exchange trading	321	367
Total	**692**	**856**

5 Gains/losses from financial instruments measured at fair value through profit or loss

Under this line item changes in fair value (clean price) of non-trading financial assets at fair value through profit or loss, including gains and losses on their derecognition, are presented. This concerns both non-trading financial assets designated and those mandatorily measured at FVPL. Further, gains and losses (clean price) of financial liabilities designated at FVPL, including gains and losses on their derecognition, are presented under this line item. However, the fair value changes resulting from own credit risk of the financial liabilities designated at FVPL are recognised in OCI. The Group has applied fair value option to premium deposits where the return is a function of the embedded derivative.

in CZK million	2024	2023
Result from measurement/sale of financial liabilities designated at fair value through profit or loss	(156)	(1,534)
Result from measurement/repurchase of financial assets mandatorily at fair value through profit or loss	108	(230)
Gains/losses from financial instruments measured at fair value through profit or loss	**(48)**	**(1,764)**

6 General administrative expenses

Personnel expenses

Personnel expenses include wages and salaries, bonuses, statutory and voluntary social security contributions, staff-related taxes and levies. They also include service cost for severance payment. Furthermore, restructuring provision expenses are part of personnel expenses.

The other personnel expenses include mainly employee benefits for pensions, employee benefit programmes, jubilee benefits and share-based payment liability revaluation.

Other administrative expenses

Other administrative expenses include information technology expenses, expenses for office space, office operating expenses, advertising and marketing, expenditures for legal and other consultants as well as sundry other administrative expenses. Furthermore the line item contains deposit insurance contributions expenses according to Act 21/1992 Coll.

Depreciation and amortisation

This line item comprises depreciation of property and equipment and right-of-use asset, depreciation of investment property and amortisation of intangible assets.

in CZK million	2024	2023
Personnel expenses	**(13,232)**	**(12,685)**
Wages and salaries	(9,322)	(8,858)
Compulsory social security	(3,010)	(2,759)
Other personnel expenses	(900)	(1,068)
Other administrative expenses	**(8,300)**	**(7,675)**
Deposit insurance contribution	(407)	(470)
IT expenses	(4,016)	(3,464)
Expenses for office space	(984)	(977)
Office operating expenses	(673)	(749)
Advertising / marketing	(1,311)	(1,133)
Legal and consulting costs	(245)	(227)
Sundry administrative expenses	(664)	(655)
Depreciation and amortisation	**(2,772)**	**(2,784)**
Software and other intangible assets	(1,056)	(1,094)
Owner occupied real estate	(579)	(592)
Investment property	(39)	(51)
Office furniture and equipment and sundry property and equipment	(447)	(427)
Right of use asset	(651)	(620)
General administrative expenses	**(24,304)**	**(23,144)**

Personnel expenses include expenses of CZK 1,868 million (2023: CZK 1,720 million) for the statutory defined contribution scheme.

The Group has no legal or constructive obligation to make pension or similar benefit payments beyond the payments to the statutory defined contribution scheme for health, social and pension purposes.

Board of Directors and Supervisory Board remuneration

in CZK million	2024	2023
Remuneration	122	106

Remuneration to the members of the Board of Directors and Supervisory Board is accounted for as short-term employee benefits, and part of variable remuneration as long-term benefit. The description of remuneration model is described in more detail in Note 56 Share-based payments.

Average headcount of full time employees per reporting date

in CZK million	2024	2023
Staff	9,653	9,975

7 Gains/losses from derecognition of financial assets measured at amortised cost

This line item includes selling and other derecognition gains or losses on financial assets measured at amortised cost. However, if such gains/ losses relate to derecognition of financial assets in Stage 3, they are included in the line item ‘Impairment result from financial instruments’.

in CZK million	2024	2023
Losses from sale of financial assets at amortised cost	(843)	(272)
Gains/losses from derecognition of financial assets measured at amortised cost	**(843)**	**(272)**

Due to the sale of debt securities during 2024 the Group realized a loss in the amount of CZK 843 million (2023: CZK 272 million). Any derecognition of financial assets measured at AC does not breach the business ‘Hold to collect‘ model.

8 Impairment result from financial instruments

Impairment result from financial instruments comprise impairment losses and reversals of impairment on all kinds of financial instruments, to which the IFRS 9 expected credit loss impairment model applies (i.e. financial assets as well as financial loan commitments and guarantees).

The impairment result also includes recoveries on written-off financial assets. Modification gains and losses recognised on financial assets in Stage 2 and Stage 3 and POCI assets are also included in this line item. Moreover, gains/losses from derecognition of financial assets in Stage 3 and direct write-offs are presented as part of the impairment result. When financial assets are written off the Group is not further enforcing any activity to recover those amount. Therefore the Group does not have any such items.

in CZK million	2024	2023
Financial assets at fair value through other comprehensive income	(36)	(3)
Financial assets at amortised cost	422	(1,064)
Net allocation to credit loss allowances	142	(1,355)
Direct write-offs	-	(13)
Recoveries recorded directly to the income statement	280	304
Finance lease receivables	14	(5)
Net allocation to credit loss allowances	14	(5)
Net allocation of provisions for commitments and guarantees given	(139)	247
Impairment result from financial instruments	**261**	**(825)**

Development of risk provision was driven by release in 2024 (CZK 142 million) in comparison with creation in 2023 (CZK 1,355 million) which is mainly attributable to decomissioning some of the SICR collective assessment (see Note 35 - section ‘Collective assessment’ and ‘Effect on expected credit loss’), updates of forward-looking information (see Note 35 - section ‘Effect on expected credit loss’) and harmonisation of IFRS 9 parameters estimation with methodologies and segmentation for the IRB regulatory parameters (see Note 32).

In the following table, the change of the credit loss allowance recognised in balance sheet is compared to the impairment result from financial instruments.

Reconciliation of the annual movement in credit loss allowances against the impairment result from financial instruments for the year 2024 and 2023

	Changes of credit loss allowances			
in CZK million	Impairment result of financial instruments	Other changes through profit or loss	Changes not affecting profit or loss	Total
Opening balance of CLA (total) as at 1 January 2023				**(22,117)**
Net impairment loss for the period	(1,134)			(1,134)
(Increase) due to passage of time (unwinding correction)		(395)		(395)
CLA decreases due to sales			220	220
CLA decreases due to write-offs			1,256	1,256
CLA changes due to foreign exchange differences		(1)		(1)
Other CLA changes		(296)		(296)
Closing balance of CLA (total) as at 31 December 2023				**(22,466)**
Impairment gain/(loss) from POCI without CLA	18			
Direct write-offs	(13)			
Recoveries of written-off amounts	304			
Net impairment gain/(loss) for the period as at 31 December 2023	**(825)**			

Opening balance of CLA (total) as at 1 January 2024				**(22,466)**
Net impairment loss for the period	(17)			(17)
(Increase) due to passage of time (unwinding correction)		(481)		(481)
CLA decreases due to sales			219	219
CLA decreases due to write-offs			1,019	1,019
CLA changes due to foreign exchange differences		-		-
Other CLA changes		(75)		(75)
Closing balance of CLA (total) as at 31 December 2024				**(21,801)**
Impairment gain/(loss) from POCI without CLA	(2)			
Direct write-offs	-			
Recoveries of written-off amounts	280			
Net impairment gain/(loss) for the period as at 31 December 2024	**261**			

Table shows movements in CLA during the year. From the total movement in CLA (decrease of CZK 665 million, 2023: increase of CZK 349 million) loss of CZK 17 million (2023: loss of CZK 1,134 million) was reported in Net impairment result in Profit and Loss (NIR). Other movement (decrease) in amount of CZK 682 million (2023: CZK 784 million) represents impact of changes due to sales, write-offs or unwinding correction recognised in other items in Profit and Loss (e.g. net interest income) or outside Profit and Loss. Beside the CLA movements the NIR was incerased by another CZK 278 million (2023: CZK 309 million) consisting of impairment loss from POCI in amount of CZK 2 millon (2023: gain of CZK 18 million), direct write-offs in amount of CZK 0 million (2023: CZK 13 million) and increased by recoveries of written-offs in amount of 280 CZK million (2023: CZK 304 million).

9 Other operating result

The other operating result reflects all other income and expenses not directly attributable to the Group's ordinary activities. The other operating result includes impairment losses or any reversal of impairment losses of non-financial assets as well as results of their sale. Here are also included any impairment losses on goodwill.

In addition, the other operating result encompasses the following: expenses for other taxes; income from the release of and expenses for allocations to provisions; impairment losses (and their reversal if any) as well as selling gains and losses on equity investments accounted for using the equity method; and gains or losses from derecognition of subsidiaries. Furthermore the line item contains contributions to the Resolution Fund according to Act 374/2015 Coll.

in CZK million	2024	2023
Other operating expenses	**(563)**	**(1,208)**
Allocation to other provision	(60)	(431)
Other taxes	(4)	(16)
Recovery and resolution fund contributions	(499)	(761)
Other operating income	**26**	**377**
Release of other provision	26	377
Result from properties/movables/other intangible assets other than goodwill	**221**	**(803)**
Result from other operating expenses/income	**563**	**(73)**
Other operating result	**247**	**(1,706)**

In 2024 the Group created the impairment related to software of CZK 319 million (2023: CZK 786 million) and released impairment of CZK 99 million related to buildings (2023: created the impairment of CZK 313 million). The Group realised a gain of CZK 176 million (2023: CZK 20 million) as a result of the sale of own buildings (these items are reported within the line 'Result from properties/movables/other intangible assets other than goodwill').

Based on the EU Directive and the related binding Delegated Act and their transposition in Czech law, the Group contributes to the Single Resolution Mechanism (SRM) since 1 January 2016. In 2024 the final annual contributions paid to Resolution Fund of CZK 499 million (2023: CZK 761 million) was reported within the line 'Recovery and resolution fund contributions'.

The Group realised a gain of CZK 705 million on the sale of the subsidiary REICO investiční společnost České spořitelny, a.s., which is included in the line 'Result from other operating expenses/income'. The following table provides details on the sale.

In CZK million	Book value as of the disposal date
Selling price/cash inflow from the sale	812
Assets of the subsidiary	203
Liabilities of the subsidiary	96
Gain from the sale of the subsidiary	705

10 Taxes on income

Following Act No. 416/2023 Coll. on top-up taxes for large multinational enterprise groups and large domestic groups implementing European Directive No. 2022/2523 of 14 December 2022 the Group is considered a taxpayer of the top-up tax on the Act's effective date. The Group has made an assessment of its potential exposure to the top-up tax and does not expect any tax liability in connection with Pillar 2. This assessment is based on the most recent information available regarding the financial performance of the constituent entities in the Group. From a top-up tax perspective, the Group is part of Erste Group, the ultimate parent company of which is Erste Group Bank.

At 31 December 2024 the Group applied the temporary exception to the requirements of IAS 12 under which a company does not recognise or disclose information about deferred tax assets and liabilities related to the enacted OECD/G20 BEPS Pillar Two model rules.

As of 1 January 2024 the corporate income tax rate in the Czech Republic increased from 19% to 21%. Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period. However, they are recognised in other comprehensive income or directly in equity if they arise from a transaction or event which itself is recognised in OCI or equity.

Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. For this purpose a planning period of 5 years is used.

Taxes on income are made up of current taxes on income calculated in each of the Group companies based on the results reported for tax purposes, corrections to taxes on income for previous years, and the change in deferred taxes.

in CZK million	2024	2023
Current tax expense / income	(5,063)	(3,964)
current period	(5,236)	(4,134)
prior period	173	170
Deferred tax expense (-) / income (+)	(539)	228
current period	(539)	228
Total taxes on income	**(5,602)**	**(3,736)**

The following table reconciles the income taxes reported in the income statement to the pre-tax profit/loss multiplied by the nominal tax rate.

in CZK million	2024	2023
Pre-tax profit/loss	31,840	22,416
Income tax expense for the financial year at the domestic statutory tax rate (21%) (2023: 19%)	(6,686)	(4,259)
Non-taxable income	2,773	1,734
Non-deductible expenses	(1,843)	(1,471)
Other	3	(97)
Prior period over/(under) accrual	152	356
Total	**(5,602)**	**(3,736)**
Effective tax rate	**17.59%**	**16.67%**

Tax effects relating to each component of other comprehensive income:

	2024			2023		
in CZK million	Pre-tax amount	Tax benefit/ (expense)	Net-of-tax amount	Pre-tax amount	Tax benefit/ (expense)	Net-of-tax amount
Fair value reserve on debt instrument	(110)	16	(94)	2,082	(396)	1,686
Own credit risk reserve	(6)	-	(6)	(81)	-	(81)
Cash flow hedge reserve	159	(24)	135	4,763	(905)	3,858
Currency translation	2	-	2	(96)	-	(96)
Net investment hedge	-	-	-	48	(9)	39
Other comprehensive income	**45**	**(8)**	**37**	**6,716**	**(1,310)**	**5,406**

Major components of deferred tax assets and deferred tax liabilities:

	Tax assets		Tax liabilities		Net variance 2024			
in CZK million	As of Dec 2024	As of Jan 2024	As of Dec 2024	As of Jan 2024	Total	Through P/L	Through OCI	Other changes
Temporary differences related to the following items:								
Financial assets and liabilities HfT and non-trading financial assets at FVPL	27	10	(83)	(121)	55	55	-	-
Financial assets at FVOCI	21	23	(54)	(72)	16	-	16	-
Financial assets at AC	1,139	1,618	(7)	-	(486)	(486)	-	-
Property and equipment (useful life in tax law different)	279	311	(14)	(22)	(24)	(40)	-	16
Intangible assets other than goodwill	-	-	(528)	(526)	(2)	(2)	-	-
Other provisions	1	-	-	-	1	1	-	-
Hedge accounting derivatives	101	209	(36)	(120)	(24)	-	(24)	-
Other assets and liabilities	447	511	(4)	-	(68)	(68)	-	-
Recognised deferred tax position from accumulated tax loss carried forward, after recoverability considerations	1	-	-	-	1	1	-	-
Effect of netting according IAS 12.71	(720)	(842)	720	842	-	-	-	-
Total deferred taxes	**1,296**	**1,839**	**(6)**	**(19)**	**(531)**	**(539)**	**(8)**	**16**
Current taxes	**5**	**545**	**(713)**	**(115)**	**(1,138)**			
Total taxes	**1,301**	**2,384**	**(719)**	**(134)**	**(1,668)**			

	Tax assets		Tax liabilities		Net variance 2023			
in CZK million	As of Dec 2023	As of Jan 2023	As of Dec 2023	As of Jan 2023	Total	Through P/L	Through OCI	Other changes
Temporary differences related to the following items:								
Financial assets and liabilities HfT and non-trading financial assets at FVPL	10	1	(121)	(116)	9	9	-	-
Financial assets at FVOCI	23	346	(72)	-	(395)	-	(395)	-
Financial assets at AC	1,618	1,409	-	-	209	209	-	-
Property and equipment (useful life in tax law different)	311	216	(22)	(11)	84	84	-	-
Intangible assets other than goodwill	-	-	(526)	(440)	(86)	(86)	-	-
Other provisions	-	19	-	-	(19)	(19)	-	-
Hedge accounting derivatives	209	1,012	(120)	(18)	(905)	9	(914)	-
Other assets and liabilities	511	483	-	-	28	28	-	-
Effect of netting according IAS 12.71	(842)	(569)	842	569	-	-	-	-
Total deferred taxes	**1,839**	**2,918**	**(19)**	**(16)**	**(1,081)**	**228**	**(1,310)**	**-**
Current taxes	**545**	**445**	**(115)**	**(144)**	**128**			
Total taxes	**2,384**	**3,363**	**(134)**	**(160)**	**(952)**			

Deferred tax is calculated on all temporary differences under the liability method using a principal tax rate of 21% (2023: 21%), depending on the year in which the relevant asset/liability will be realised/settled.

Out of the total net deferred tax variance of CZK (531) million (2023: CZK (1,081) million) an amount of CZK 539 million is reflected as net deferred tax expense (2023: income CZK 228 million) in the Group's income statement for the year 2024, whilst an expense amount of CZK 8 million (2023: expense CZK 1,310 million) represents the impact in the Group's other comprehensive income for the year.

The Group's net deferred tax asset position in amount of CZK 1,290 million as of 31 December 2024 (2023: CZK 1,821 million) is expected to be recoverable in the foreseeable future. These expectations result from year-end recoverability assessments undertaken by the Group.

Such assessments are comparing net temporary deductible differences and available fiscal losses at year-end - after offsetting with deferred tax liabilities.

As of 31 December 2024, no deferred tax assets were recognised for tax loss carry-forward and deductible temporary differences as they are not expected to be realized in the foreseeable future.

11 Appropriation of profit

In the reporting period, the Group posted a post-tax profit of CZK 26,238 million under the Czech law, which increased its distributable capital accordingly (2023: CZK 18,680 million).

The equity increased accordingly.

The sole shareholder of the Group has approved the distribution of profit of 2023 in the total volume of CZK 16,080 million, out of which the dividend was CZK 15,519 million and the AT1 coupon CZK 561 million (2023: the distribution of profit of 2022 in the total volume of CZK 17,314 million, out of which the dividend was CZK 16,902 million and the AT1 coupon CZK 412 million). Dividend per share was CZK 102.10 (2023: CZK 111.20).

A decision on the distribution of 2024 profit has thus not been taken before the date of issue of these financial statements.

FINANCIAL INSTRUMENTS – MATERIAL ACCOUNTING POLICY INFORMATION

Accounting and measurement methods of financial instruments

Regular way (spot) purchases and sales of financial assets are recognised at the settlement date, which is the date that an asset is delivered.

Measurement of financial assets and financial liabilities is subject to two primary measurement methods: at amortised cost and at fair value.

i. Amortised cost and effective interest rate

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount. For financial assets the amount is adjusted for any loss allowance.

The effective interest rate (‘EIR’) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset (i.e. its amortised cost before adjusting for any loss allowance) or to the amortised cost of the financial liability. The estimated cash flows consider all contractual terms of the financial instrument but disregard the expected credit losses. The calculation includes transaction costs, origination fees that are an integral part of the EIR and all other premiums and discounts to the par amount.

ii. Fair value

Details on valuation techniques applied for fair value measurement and on the fair value hierarchy are disclosed in Note 21 Fair value of financial instruments.

'Day 1' profit

Where the transaction price differs from the fair value derived from other observable transactions for the identical instrument in active market or derived using valuation technique that has all significant inputs based on observable markets data, the Group immediately recognises the difference between the transaction price and the fair value as a gain or loss (also referred to as 'Day 1 gain or loss').

In all other cases, the difference between the fair value at initial recognition and the transaction price is recognised in the carrying amount of the instrument, but the recognition of gains / losses is deferred. After initial recognition, an entity recognises this deferred difference as a gain / loss only if it results from a change in certain factors (including time) that market participants would consider in determining the price of the instrument. In other words, a deferred difference would only be recognised if the underlying factors are observable and can be confirmed by the market.

Classification and subsequent measurement of financial assets

In accordance with IFRS 9, the classification and subsequent measurement of financial assets depend on the following two criteria:

- The business model for managing the financial assets; and
- The cash flow characteristics of the financial assets.

For further details refer to part 'Material accounting judgements, assumptions and estimates' in this chapter.

Application of these criteria leads to classification of financial assets into three measurement categories described in the respective note.

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income
- Financial assets at fair value through profit or loss

Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at amortised cost unless they are measured at fair value through profit or loss. Interest expense is calculated by applying the EIR to the amortised cost of a financial liability. Further details on financial liabilities at amortised cost and financial liabilities at FVPL are in the respective notes: Note 15 Financial liabilities at amortised cost and Note 20 Financial liabilities at fair value through profit or loss.

Impairment of financial instruments

The Group recognises loss allowances for impairment on its debt instrument financial assets, other than those measured at FVPL, its cash and cash equivalents, its finance lease receivables, its trade and other receivables, its lease receivables and its off-balance credit risk exposures arising from financial guarantees and certain loan commitments.

The amount of the impairment loss is recognised as a loss allowance or provision. For the purpose of the measurement of the amount of expected credit loss and recognition of interest income the Group distinguishes between three stages of impairment.

Stage 1 relates to financial instruments for which no significant increase in credit risk has been recorded since their initial recognition or which are subject to the 'low credit risk exemption' allowed by IFRS 9. The impairment is measured in the amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Interest income is recognised by EIR applied to the gross carrying amount of the financial asset.

Financial instruments in Stage 2 are subject to significant increase in credit risk since their initial recognition (and the 'low credit risk exemption' does not apply). Stage 2 also includes trade receivables without significant financing component to which the 'simplified approach' is applied mandatorily based on IFRS 9 requirements. The impairment is measured in the amount of the lifetime expected credit loss. Interest income is recognised by EIR applied to the gross carrying amount of the financial asset (as for Stage 1). In the case of drawings by non-defaulted customers on previously committed credit lines, the whole exposure (on-balance and off-balance) is categorised as either Stage 1 or Stage 2, depending on the development of credit risk between the commitment date and the drawing date. Interest income is calculated by EIR applied to the gross carrying amount of the financial asset.

Financial assets in Stage 3 are credit-impaired. In respect of applying the 'credit-impaired' concept of IFRS 9, the Group adopted the approach of aligning it with the regulatory concept of 'default' (i.e. CRR concept) in accordance with guidelines of the European Banking Authority EBA/GL/2016/07 and Commission Delegated Regulation (EU) 2018/171. The Group generally applies a customer view for the default definition, which leads to Stage 3 classification of all transactions with the customer even if the customer defaults only on one of several transactions ('pulling effect'). On the other hand, an upgrade to a non-defaulted rating grade implies that all the transactions with the customer cease to be impaired. The impairment of financial instruments in Stage 3 is measured in the amount of the lifetime expected credit loss. Interest income is calculated by EIR applied to the amortised cost (i.e. the net carrying amount) of the financial asset. From a balance sheet perspective, interest is accrued based on the financial assets' gross carrying amount. The difference between the interest accrued on the assets and the interest income recognised is reflected through the allowance account (without impacting the impairment loss).

For financial assets that are credit-impaired at initial recognition (purchased or originated credit-impaired financial assets 'POCI') lifetime expected credit losses are initially reflected in the credit-adjusted EIR. As a result, no loss allowance is recognised at inception. Subsequently, only adverse changes in lifetime expected credit losses after the initial recognition are recognised as loss allowance, whilst favourable changes are recognised as impairment gains increasing the gross carrying amount of the POCI financial assets. No impairment stages are distinguished for the POCI financial assets.

Measurement of expected credit losses reflects cash flows expected from collateral and those financial guarantees held by the Group which are considered as integral to the contractual terms of financial assets whose risk is guaranteed. The Group considers as integral those guarantees which are entered into at or close to the inception of the guaranteed financial assets. If the Group has in a loan contract an option to require provision of a guarantee, it is also considered as integral. Premiums paid for integral financial guarantees and other credit enhancements are considered in the EIR of the related financial assets.

Reimbursement assets from financial guarantees which are not considered integral are recognised under 'Other assets' in the balance sheet. In the statement of income they reduce the impairment loss incurred on guaranteed financial assets under 'Impairment result from financial instruments'. A precondition for this treatment is that it must be virtually certain that the guarantee would reimburse the bank for the loss. Premiums paid for non-integral financial guarantees are presented in the statement of income under the line item 'Fee and commission expense' under 'Net fee and commission income'.

More detailed information about identification of significant increases in credit risk including collective assessment, estimation techniques used to measure 12-month and lifetime expected credit losses and definition of default is provided in Note 29 Credit risk: credit risk review and monitoring, Note 30 Credit risk exposure and Note 35 Scenarios used in forward looking information. For further information on the definition of default refer to Note 32 Measurement of expected credit loss.

For financial assets measured at amortised cost, the net carrying amount of the financial asset presented on balance sheet is the difference between the gross carrying amount and the cumulative loss allowance. However, for financial assets measured at FVOCI the loss allowance is recognised in the accumulated OCI, specifically under 'Fair value reserve' in the statement of changes in equity. Loss allowances for loan commitments and financial guarantees are presented under the statement of financial position line item 'Provisions'.

Information about the development of the expected credit loss of the respective financial instruments is provided in Note 32 Measurement of expected credit loss.

In the statement of income, impairment losses and their reversals (gains) on all kinds of financial instruments not measured at FVPL are presented in the line item 'Impairment result from financial instruments'.

Derecognition of financial instruments including treatment of contractual modifications

i. Derecognition of financial assets

The difference between the carrying amount of the derecognised asset and the consideration received is presented in the statement of income in the line 'Gains/losses from derecognition of financial assets measured at amortised cost' or, for financial assets at FVOCI, in the line 'Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss'. For financial assets measured at FVPL the derecognition gains or losses are recognised together with the measurement result in the lines 'Net trading result' or 'Gains/losses from financial instruments measured at fair value through profit or loss'.

ii. Derecognition criteria with respect to contractual modifications of financial assets

In the normal course of running its lending business and in agreement with the respective debtors, the Group may renegotiate or otherwise modify some terms or conditions of the underlying contracts. This can involve either market-driven commercial renegotiations or contractual changes aimed at alleviating or preventing borrower's financial difficulty. For the purpose of capturing the economic substance and financial effect of such contractual modifications, the Group has developed a set of criteria to assess whether or not the modified terms are substantially different from the original terms and thus the financial asset should be derecognised.

Commercial interest rate adjustments fulfilling specific conditions do not trigger the modification significance assessment. Instead, they result in a recalculation of the EIR of related loans. Such interest rate adjustments relate to performing non-forborne financial assets for which a prepayment/early termination option and a sufficiently competitive refinancing market exist. Furthermore, the costs that the debtor would incur in case of prepayment/early termination would have to be assessed as low. Such conditions introduce an implicit floating rate element to the contract. This kind of interest rate adjustments rarely applies to loan assets in Stage 2.

Substantial modifications lead to derecognition of the original financial asset and initial recognition of the modified financial asset as a new financial instrument. They include following events:

- change of the contractual counterparty (unless this is a formal change such as changes in legal name);
- change in the currency of the contract (unless the change results from exercising an embedded option in the original contract with pre-agreed conditions of the change, or if the new currency is pegged to the original currency);
- introduction of a non-SPPI contractual feature (unless it is intended to improve recoveries from debtors by granting concessions supporting them to recover from financial difficulties); or
- removal of a non-SPPI contractual feature.

Some derecognition criteria distinguish whether contractual modifications are applied to debtors facing financial difficulties. Application of certain modifications to debtors in financial difficulties is not considered as substantial since they are aimed at improving the prospects of the bank to recover the claims by tailoring the repayment schedules to specific financial conditions of those debtors. On the other hand, such contractual modifications applied to performing debtors may be considered as substantial enough to warrant the derecognition, as further detailed below.

From this perspective, the following criteria lead to derecognition unless they are considered as forbearance measures or they are applied to customers in default or they trigger default (i.e. the derecognition occurs if the modification does not relate to financial difficulties):

- repayment schedule changed in a way that the weighted remaining maturity of the assets is modified by more than 100% and at least two years compared to the original asset;

- change in timing/amount of contractual cash flows resulting in the present value of the modified cash flows (discounted at pre-modification effective interest rate) being different by more than 10% of the gross carrying amount of the asset immediately before the modification (cumulative assessment considering all modifications occurring over the last twelve months); or
- altering a floating interest rate into a fixed interest rate or vice versa for the entire remaining life of the financial asset.

If contractual modifications that qualify as forbearance measures or they are applied to customers in default or they trigger default (i.e. they relate to customers in financial difficulties) are so significant that they are qualitatively assessed as an extinguishment of original contractual rights, they result in derecognition. Examples of such modifications are:

- a new agreement with materially different terms signed up as part of distressed restructuring following a standstill agreement suspending the rights of the original assets;
- consolidation of multiple original loans into one with substantially different terms; or
- transformation of a revolving loan into non-revolving.

Contractual modifications leading to derecognition of the related original assets result in the initial recognition of new financial assets. If the debtor is in default or the significant modification leads to the default, then the new asset will be treated as POCI. The difference between the carrying amount of the derecognised asset and initial fair value of the new POCI asset is presented in the statement of income in the line 'Impairment result from financial instruments'.

If the debtor is not in default or the significant modification does not lead to default, the new asset recognised after derecognition of the original asset will be in Stage 1. For loans measured at amortised cost, the unamortised balance of the origination fees/transaction costs considered in the effective interest rate is presented in the line item 'Interest income' under 'Net interest income' at the derecognition date. The release of the credit loss allowance attached to the original asset at the date of that significant modification as well as the credit loss allowance recognised for the new asset are presented in the line 'Impairment result from financial instruments'. The remaining difference is presented in the line 'Gains/losses from derecognition of financial assets measured at amortised cost'.

For financial assets measured at FVPL, irrespective of whether they are in default, the derecognition gains and losses are included in the same line items of the statement of income as their measurement result, i.e. in 'Gains/losses from financial instruments measured at fair value through profit or loss'.

For debt instrument assets not measured at FVPL that are subject to contractual modifications that do not result in derecognition, the gross carrying amount of the asset is adjusted against recognising a modification gain or loss in profit or loss. The modification gain or loss equals the difference between the gross carrying amount before the modification and the present value of the cash flows based on the modified terms discounted with the original EIR. In the statement of income, the modification gain or loss is presented in the line 'Interest income' under 'Net interest income' if the modification relates to financial assets in Stage 1. For financial assets in Stage 2 and 3 and POCI financial assets, the modification gain or loss is presented in the line 'Impairment result from financial instruments'. However, to the extent that the contractual modification involves the bank giving up its rights of collecting cash flows in respect of an outstanding amount of the asset, such as waiving (part of) principal or accrued interest amount, it is treated as a write-off.

iii. Write-offs

The Group writes off a financial asset or a part of it when it has no reasonable expectations of recovering the respective cash flows. When performing the write-off, the gross carrying amount of the asset is reduced simultaneously with the related loss allowance balance.

The Group has specified criteria for writing off the unrecoverable balances in its loan business. Write-off can result from forbearance measures whereby the Bank contractually waives part of the existing balance in order to help the customers overcome financial difficulties and thus improve the prospects of recovering the remaining loan balance (normally this relates to going concern scenarios for corporate customers). For more information on Forbearance please refer to Note 36 Restructuring, renegotiation and forbearance.

In gone concern scenarios with corporate customers, write-offs of the unrecoverable exposure parts are triggered by enforcement activities such as filing or termination of legal proceedings (bankruptcy, liquidation, court case). Other write-off triggers may result from decisions about no enforcement due to worthlessness of the claim/collateral or generally from assessment that the receivable is economically lost. For retail customers, the non-recoverability and the timing and amounts of write-off crystallise during the collection process when it becomes evident that the amount due cannot be collected, e.g. due to ongoing bankruptcy proceedings. Residual uncollectable balances are written off after the collection process.

Write-offs are generally recorded after all reasonable restructuring or collection activities have taken place and the possibility of further recovery is considered remote. The loan is written-off against the related account ´Impairment result from financial instruments´ in the income statement. If the reason for provisioning is no longer deemed appropriate, the redundant impairment charge is released into income. The relevant amount and recoveries of loans and advances previously written-off are also reflected in the income statement through 'Impairment result from financial instruments'.

iv. Derecognition of financial liabilities

In the statement of income, the difference between the carrying amount of the derecognised financial liability and the consideration paid is presented in the line 'Other gains/losses from financial instruments not measured at fair value through profit or loss', 'Gains/losses from financial instruments measured at fair value through profit or loss' and 'Net trading result' depending on the measurement category of the derecognised financial liability.

Material accounting judgements, assumptions and estimates

i. SPPI assessment

The assessment of whether the contractual cash flows of financial assets give rise to cash flows that are solely payments of principal and interest (SPPI) is subject to the application of significant judgements which rely on the guidance in IFRS 9. These judgements are crucial in the IFRS 9 classification and measurement process as they determine whether the asset has to be measured at FVPL or, depending on the business model assessment, at amortised cost or at FVOCI. When taking into consideration specific features of loans in the business of the Group, significant areas of judgement are prepayment fees, project financing loans and interest rate adjustments based on the fulfilment of certain ESG-related targets. The benchmark test for loans with interest mismatches features does not represent area of SPPI judgement since the Group does not provide such products to its customers. Assets failing the SPPI test are classified as mandatorily at FVPL. The Group has no loan failing SPPI test as of 31 December 2024 and 2023.

The assessment whether the prepayment fees applied to loans can be considered as a reasonable compensation for early terminations or prepayments is based on comparing the level of the fees with the economic costs incurred by the Group upon the early termination. For these purposes, the Group uses a quantitative test where the costs relate to the lost interest margin and the lost interest differential due to a potential decrease in the interest rates upon early termination or prepayment. The adequacy of the fees can also be defended on a qualitative basis such as common market practice regarding the level of prepayment fees and their acceptance by authorities.

For project financing loans the Group assesses whether they represent basic loan agreements rather than investments in the financed projects. In this respect credit rating, level of collateralisation, existing sponsor guarantees and the extent of equity funding of the financed projects are considered.

In the last years financial assets whose interest is adjusted based on meeting certain ESG-linked targets by the borrowers (e.g. meeting specified CO2 emission targets) became part of the Group's business. No specific guidance currently exists in IFRS 9 for assessing the SPPI compliance of such features. the Group has concluded that ESG-related interest adjustments have a de minimis effect on the contractual cash flows of the existing loan portfolio. As a result, they do not affect the SPPI assessment.

ii. Business model assessment

For each SPPI-compliant financial asset at initial recognition, the Group has to assess whether it is part of a business model where the assets are held in order to collect contractual cash flows, to both collect the contractual cash flows and sell the assets, or they are held in other business models. As a consequence, the critical aspect in distinguishing the business models is frequency and significance of sales of assets in the respective business model. Since the asset allocation to business models is based on the initial assessment, it may happen that in subsequent periods cash flows are realised differently than originally expected and a different measurement method may seem to be appropriate. In accordance with IFRS 9 such subsequent changes do not generally lead to reclassifications or prior period error corrections in respect of existing financial assets.

The new information on how cash flows are realised may, however, indicate that the business model, and thus the measurement method changes for newly acquired or newly originated financial assets.

At the Group, certain sales and other derecognition events are considered as non contradicting the held to collect contractual cash flows business model. Examples are sales due to increases in credit risk, sales close to assets' maturity, infrequent sales triggered by a non-recurring event (such as changes in regulatory or tax environment, major internal reorganisation or a business combination, severe liquidity crisis, etc.) or derecognition resulting from replacements of bonds based on an issuer's offer. Other kinds of sales carried out in the 'held to collect' business model are assessed retrospectively and if they exceed certain quantitative thresholds, or whenever it is considered necessary with regard to new expectations, the Group performs a prospective test. If the outcome is that the carrying amount of assets expected to be sold over the expected life of the current business model portfolio, for reasons other than the cases above described, exceeds 10% of the carrying amount of the portfolio, any new acquisitions or originations of assets in the portfolio would be classified in a different business model.

iii. Impairment of financial instruments

The expected credit loss impairment model is inherently based on judgement since it requires assessment of significant increases in credit risk and measurement of expected credit losses without providing detailed guidance. In respect of significant increases in credit risk, the Group has determined specific assessment rules consisting of qualitative information and quantitative thresholds. Another area of complexity relates to establishing groups of similar assets when credit risk deterioration has to be assessed on a col- lective basis before specific information is available at individual instrument level. Measurement of expected credit losses involves complex models relying on historical statistic of probabilities of default and loss rates in case of defaults, their extrapolations in case of insufficient observations, individual estimates of credit-adjusted cash flows and probabilities of different scenarios including forward-looking information. In addition, the life of the instruments has to be modelled in respect of behavioural life mainly in the case of revolving credit facilities.

Detailed disclosures about identification of significant increases in credit risk including collective assessment, estimation techniques used to measure 12-month and lifetime expected credit losses and definition of default are provided in Note 29 Credit risk: credit risk review and monitoring, Note 30 Credit risk exposure and Note 35 Scenarios used in forward looking information. The development of loan loss provisions is described in Note 34 Development of credit loss allowances and Note 48 Provisions.

FINANCIAL INSTRUMENTS AT AMORTISED COST

On the balance sheet, these assets are carried at amortised cost, i.e. the gross carrying amount net of the credit loss allowance. They are presented under the line 'Financial assets at amortised cost', 'Trade and other receivables', 'Finance lease receivables' and 'Cash and cash equivalents'.

Interest income on these assets is calculated by effective interest method and is included under the line 'Net interest income' (sub-item 'Interest income') in the income statement. Impairment gains or losses are included in the line 'Impairment result from financial instruments'. Gains and losses from derecognition (such as infrequent or insignificant sales) of the assets are reported under the line item 'Gains/losses from derecognition of financial assets measured at amortised cost'.

At the Group, financial assets at amortised cost constitute the largest measurement category which includes the vast majority of loan business to customers (except for certain loans measured at fair value through profit or loss, if any), interbank lending business (including reverse repo transactions), deposits with central banks, investments in debt securities, amounts in the course of settlement, trade and other receivables.

For description of financial liabilities at measured amortised cost refer to Note 15 Financial liabilities at amortised cost.

12 Cash and cash equivalents

Cash and cash equivalents include only claims (deposits) against central banks and credit institutions that are repayable on demand. Repayable on demand means that they may be withdrawn at any time or with a term of notice of only one business day or 24 hours.

A part of 'Cash balances at central banks' represents the mandatory minimum reserve requirement deposits which amounted to CZK 7,294 million (2023: CZK 11,963 million) at the reporting date. The mandatory minimum reserve requirement is calculated from defined balance sheet items and has to be fulfilled in average through an extended period of time. Therefore, the mandatory minimum reserve requirement deposits are not subject to restraints.

in CZK million	2024	2023
Cash on hand	14,411	14,134
Cash balances at central banks	7,953	12,047
Other deposits on demand	594	1,737
Cash and cash equivalents	**22,958**	**27,918**

Other demand deposits consist of current accounts and overnight deposits with credit institutions.

13 Financial assets at amortised cost

The line item 'Financial Assets at amortised cost' is further broken down into 'Debt securities', 'Loans and advances to banks' and 'Loans and Advances to Customers'. For details regarding the development of credit loss allowances please refer to Note 34 Development of credit loss allowances.

Debt securities

Investments in debt securities measured at amortised cost may be acquired with different business objectives (such as fulfilling internal/ external liquidity risk requirements and efficient placement of the structural liquidity surplus, strategic positions decided by the Board of Directors, initiation and fostering of client relationship, substitution of loan business or other yield generating activities). Their common attribute is that significant and/or frequent sales of such securities are not expected. For a description of what sales are considered as compliant with the held to collect contractual cash flows business model see the paragraph 'Business model assessment' in chapter FINANCIAL INSTRUMENTS – MATERIAL ACCOUNTING POLICY INFORMATION.

The analysis of the gross carrying amount (GCA) and of related credit loss allowance (CLA) of the Group's debt securities at amortised cost (AC) per impairment buckets as of 31 December 2024 and 2023 is provided in the table below:

Gross carrying amounts (GCA) and credit loss allowances (CLA) per impairment buckets

	GCA				CLA				Carrying
in CZK million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	amount
2024									
General governments	348,451	-	-	348,451	(16)	-	-	(16)	348,435
Credit institutions	20,923	-	-	20,923	(5)	-	-	(5)	20,918
Other financial corporations	100	166	-	266	-	(4)	-	(4)	262
Non-financial corporations	2,737	106	-	2,843	(1)	(1)	-	(2)	2,841
Total	**372,211**	**272**	**-**	**372,483**	**(22)**	**(5)**	**-**	**(27)**	**372,456**
2023									
General governments	332,719	-	-	332,719	(15)	-	-	(15)	332,704
Credit institutions	18,042	249	-	18,291	(5)	-	-	(5)	18,286
Other financial corporations	760	204	-	965	(1)	(7)	-	(8)	957
Non-financial corporations	349	3	-	352	-	-	-	-	352
Total	**351,870**	**457**	**-**	**352,327**	**(21)**	**(7)**	**-**	**(28)**	**352,299**

For information about development of credit loss allowances refer to Note 34 Development of credit loss allowances, part 'Financial instruments held at amortised cost': table 'Movement in credit loss allowances – debt securities'.

Loans and advances to banks

The analysis of the GCA and of related CLA of the Group's loans and advances at AC to banks per impairment buckets as of 31 December 2024 and 2023 is provided in the table below:

Gross carrying amounts (GCA) and credit loss allowances (CLA) per impairment buckets

	GCA				CLA				Carrying
in CZK million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	amount
2024									
Central banks	440,098	-	-	440,098	(2)	-	-	(2)	440,096
Credit institutions	3,294	-	-	3,294	(1)	-	-	(1)	3,293
Total	**443,392**	**-**	**-**	**443,392**	**(3)**	**-**	**-**	**(3)**	**443,389**
2023									
Central banks	302,039	-	-	302,039	(1)	-	-	(1)	302,038
Credit institutions	1,970	-	-	1,970	(1)	-	-	(1)	1,969
Total	**304,009**	**-**	**-**	**304,009**	**(2)**	**-**	**-**	**(2)**	**304,007**

For information about development of credit loss allowances refer to Note 34 Development of credit loss allowances, part 'Financial instruments held at amortised cost': table 'Movement in credit loss allowances – loans and advances to banks'.

Loans and advances to customers

The analysis of the GCA and of related CLA of the Group's loans and advances to customers at AC per impairment buckets as of 31 December 2024 and 2023 is provided in the table below:

Gross carrying amounts (GCA) and credit loss allowances (CLA) per impairment buckets

	GCA					CLA					Carrying
in CZK million	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	amount
2024											
General governments	17,519	9,584	439	368	27,910	(8)	(167)	(64)	(3)	(242)	27,668
Other financial corporations	33,033	5,925	238	-	39,196	(50)	(133)	(237)	-	(420)	38,776
Non-financial corporations	292,876	66,897	8,619	1,249	369,641	(851)	(3,106)	(5,015)	(518)	(9,490)	360,151
Households	581,883	68,133	8,668	720	659,404	(1,048)	(2,754)	(5,831)	(124)	(9,757)	649,647
Total	**925,311**	**150,539**	**17,964**	**2,337**	**1,096,151**	**(1,957)**	**(6,160)**	**(11,147)**	**(645)**	**(19,909)**	**1,076,242**
2023											
General governments	24,346	824	473	213	25,856	(10)	(15)	(109)	(5)	(139)	25,717
Other financial corporations	26,637	1,387	23	-	28,048	(38)	(24)	(21)	-	(83)	27,965
Non-financial corporations	255,740	84,360	8,262	1,207	349,569	(861)	(4,001)	(4,966)	(364)	(10,191)	339,378
Households	543,559	61,371	8,138	764	613,831	(1,265)	(3,207)	(5,411)	(191)	(10,073)	603,757
Total	**850,283**	**147,943**	**16,896**	**2,183**	**1,017,305**	**(2,175)**	**(7,246)**	**(10,506)**	**(560)**	**(20,487)**	**996,818**

For information about development of credit loss allowances refer to Note 34 Development of credit loss allowances, part ‘Financial instruments held at amortised cost’: table ‘Movement in credit loss allowances – loans and advances to customers’.

As at 31 December 2024, the total GCA of the Group's debt instruments (primarily loans and advances to customers) measured at AC, which were impacted by non-significant contractual modifications while they were assigned to Stage 2 or 3 and re-assigned to Stage 1 during the year 2024 amounted to CZK 1,006 million (2023: CZK 1,355 million).

14 Trade and other receivables

Gross carrying amounts (GCA) and credit loss allowances (CLA) per impairment buckets

	GCA				CLA				Carrying
in CZK million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	amount
2024									
General governments	241	-	-	241	(1)	-	-	(1)	240
Credit institutions	453	-	-	453	-	-	-	-	453
Other financial corporations	850	1	-	851	(1)	(1)	-	(2)	849
Non-financial corporations	11,150	505	111	11,766	(149)	(22)	(32)	(203)	11,563
Households	93	97	82	272	(3)	(89)	(79)	(171)	101
Total	**12,787**	**603**	**193**	**13,583**	**(154)**	**(112)**	**(111)**	**(377)**	**13,206**
2023									
General governments	318	15	-	332	(2)	(1)	-	(2)	330
Credit institutions	12	-	-	13	-	-	-	-	12
Other financial corporations	136	3	-	139	(1)	(1)	-	(2)	137
Non-financial corporations	10,182	1,614	373	12,168	(144)	(21)	(297)	(462)	11,707
Households	104	102	67	273	(5)	(95)	(66)	(167)	106
Total	**10,751**	**1,734**	**440**	**12,925**	**(151)**	**(118)**	**(363)**	**(632)**	**12,292**

For information about development of credit loss allowances refer to Note34 Development of credit loss allowances, part 'Financial instruments held at amortised cost': table 'Movement in credit loss allowances – trade and other receivables'.

15 Financial liabilities at amortised cost

The line item 'Financial liabilities at amortised cost' is further broken down into 'Deposits from banks', 'Deposits from customers', 'Debt securities issued' and 'Other financial liabilities'.

Other items consist mainly of payables to card associations in amount of CZK 1,831 million (2023: CZK 2,529 million), unbilled supplies in amount of CZK 913 million (2023: CZK 984 million) and received margin for futures of CZK 625 million (2023: CZK 1,123 million) and other financial liabilities of CZK 563 million (2023: CZK 500 milion).

in CZK million	2024	2023
Deposits	**1,757,321**	**1,475,042**
Deposits from banks	275,456	122,287
Deposits from customers	1,481,865	1,352,755
Debt securities issued	**81,509**	**121,451**
Bonds	81,509	121,451
Other financial liabilities	**5,943**	**8,131**
Financial liabilities measured at amortised costs	**1,844,773**	**1,604,624**

Deposits from banks

in CZK million	2024	2023
Overnight deposits	2,936	4,876
Term deposits	30,165	23,547
Repurchase agreements	242,355	93,864
Deposits from banks	**275,456**	**122,287**

Deposits from customers

in CZK million	2024	2023
Deposits from customers	**1,481,865**	**1,352,755**
Current accounts/Overnight deposits	1,067,931	963,349
General governments	113,127	73,081
Other financial corporations	23,894	19,476
Non-financial corporations	147,483	134,232
Households	783,427	736,560
Term deposits	325,517	316,230
General governments	18,059	20,516
Other financial corporations	36,269	49,901
Non-financial corporations	77,256	61,197
Households	193,933	184,616
Repurchase agreements	88,417	73,175
General governments	34,240	19,082
Other financial corporations	54,177	53,693
Non-financial corporations	-	400
Deposits from customers	**1,481,865**	**1,352,755**
General governments	165,426	112,679
Other financial corporations	114,340	123,070
Non financial corporations	224,739	195,829
Households	977,360	921,176

All deposits are from customers and entities realized within the Czech Republic.

In repurchase agreements, the Group uses securities that are recognised in the statement of financial position as well as assets received by the Group as collateral not shown in the statement of financial position.

Debt securities issued – bonds

in CZK million	ISIN	Date of issue	Maturity	Call Redemption Date	Interest rate	2024	2023
SNP	XS2555412001	November 2022	November 2025	November 2024	6.693%	-	12,453
Mortgage bonds	CZ0002009160	December 2023	January 2024		6.75%	-	60,095
SNP	AT0000A2STV4	September 2021	September 2028	September 2027	0.5%	11,784	11,174
SNP	CZ0003707291	July 2022	July 2027	July 2026	7.41%	6,209	6,209
Bonds-subordinated	CZ0003708315	June 2023	June 2029	June 2028	6.75%	6,252	6,259
SNP	XS2638560156	June 2023	June 2027	June 2026	5.943%	12,956	12,707
SNP	XS2676413235	September 2023	March 2028	March 2027	5.737%	13,160	12,553
SNP	XS2746647036	January 2024	January 2030	January 2029	4.824%	13,144	-
Bonds-subordinated	CZ0003708679	March 2024	March 2034	March 2029	5.55%	2,044	-
Bonds-subordinated	CZ0003708687	March 2024	March 2034	March 2029	5.55%	1,816	-
SNP	XS2852933329	July 2024	July 2031	July 2030	4.57%	13,169	-
SNP	XS2930541698	November 2024	November 2027	November 2026	5.45%	975	-
Bonds issued						**81,509**	**121,451**

SNP debt securities which are traded on the official regulated market are registered in the Prague Stock Exchange ('PSE'), Vienna Stock Exchange. Subordinated bonds are not publicly traded.

Assets in cover pools used for mortgage bond issuance amounted to CZK 317,528 million in 2023.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

16 Financial assets at fair value through other comprehensive income - debt instruments

Debt instrument financial assets are measured at fair value through other comprehensive income (FVOCI) if their contractual cash flows are SPPI-compliant and they are held within a business model whose objective is achieved by both to collect contractual cash flows and sell the assets. On the balance sheet, they are included as 'Debt securities' under the line 'Financial assets at fair value through other comprehensive income'.

Interest income on these assets is calculated using the effective interest method and is included under the line 'Net interest income' (sub-item 'Interest income') in the income statement. Impairment gains and losses are recognised in profit or loss in the line 'Impairment result from financial instruments' with opposite entry in OCI rather than against the asset value.

The difference between the fair value at which the assets are carried in the statement of financial position and the amortised cost component is recognised as accumulated OCI in equity specifically under 'Fair value reserve' in the statement of changes in equity. The change for the period is reported as OCI in the statement of comprehensive income in the line 'Fair value reserve of debt instruments', which also includes the loss allowance OCI entry. When the financial asset is derecognised the amount previously accumulated in OCI is reclassified to profit or loss and reported under the line 'Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss'.

The Group classifies investments in debt securities as measured at FVOCI, i.e. no loan business is included in this measurement category. Similarly to investments in debt securities measured at amortised cost, they relate to various business objectives such as fulfilling internal/external liquidity risk requirements and efficient placement of the structural liquidity surplus, strategic positions decided by the board of directors, initiation and fostering of client relationships, substitution of loan business or other yield-enhancement activities. The common attribute for investments in debt instruments at FVOCI is that an active yield optimisation via sales is integral to achieving the objectives. The sales are carried out in order to optimise the liquidity position or to realise fair value gains or losses. As a result, the business objectives are achieved through both collecting contractual cash flows and sales of the securities.

Debt instruments

The analysis of gross carrying amounts (GCA) and of related credit loss allowances (CLA) of the Group's debt securities at FVOCI per impairment buckets as of 31 December 2024 and 2023 is provided below:

in CZK million	GCA Stage 1	GCA Stage 2	GCA Stage 3	GCA Total	CLA Stage 1	CLA Stage 2	CLA Stage 3	CLA Total	Accumulated Amortised cost	Accumulated fair value changes	Fair value
2024											
Debt securities											
General governments	38,300	-	-	38,300	(2)	-	-	(2)	38,298	243	38,541
Credit institutions	3,733	-	-	3,733	(1)	-	-	(1)	3,732	(58)	3,674
Other financial corporations	968	820	-	1,788	-	(6)	-	(6)	1,782	5	1,787
Non-financial corporations	4,882	3,495	-	8,377	(2)	(181)	-	(183)	8,194	62	8,256
Total	**47,883**	**4,315**	**-**	**52,198**	**(5)**	**(187)**	**-**	**(192)**	**52,006**	**252**	**52,258**
2023											
Debt securities											
General governments	38,461	-	-	38,461	(2)	-	-	(2)	38,460	544	39,004
Credit institutions	3,687	-	-	3,687	(1)	-	-	(1)	3,686	(115)	3,571
Other financial corporations	2,927	-	-	2,927	(2)	-	-	(2)	2,924	(10)	2,914
Non-financial corporations	3,903	4,226	-	8,129	(1)	(151)	-	(152)	7,978	(56)	7,921
Total	**48,978**	**4,226**	**-**	**53,204**	**(6)**	**(151)**	-	**(156)**	**53,048**	**363**	**53,410**

For information about development of credit loss allowances refer to Note 34 Development of credit loss allowances, part 'Financial assets at fair value through other comprehensive income – debt instruments': table ' Movement in the credit loss allowances - debt instrument financial assets'.

17 Financial assets at fair value through other comprehensive income - equity instruments

For certain investments in equity instruments which are not held for trading, the Group makes use of the option to measure them at FVOCI. This election is applied to strategic, significant banking business relationship investments (except for insurance business). The fair value gains or losses for the period are reported as OCI in the line 'Fair value reserve of equity instruments' of the statement of comprehensive income. The cumulative gains or losses are included under 'Fair value reserve' in the statement of changes in equity. The amount recognised in OCI is never reclassified to profit or loss. However, upon derecognition of the investments in equity instruments at FVOCI the amount accumulated in OCI is transferred to retained earnings. Dividends received on these investments are reported under the line 'Dividend income' of the income statement. In the statement of financial position, financial assets measured at fair value through OCI are included as 'Equity instruments' under the line 'Financial asset at fair value through other comprehensive income'.

FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

There are various reasons for assigning the fair value through profit or loss (FVPL) measurement category to debt instruments financial assets.

FVPL measurement relates to financial assets that are part of residual business models, i.e. they are neither held to collect contractual cash flows nor held to either collect contractual cash flows or sell the assets. These financial assets are generally expected to be sold before their maturity or they are managed and their performance is evaluated on a fair value basis. In the business of the Group, such business models are typical of assets that are held for trading (i.e. financial assets held by the trading function of the bank), of assets whose value is expected to be primarily realised through sales, such as loan syndications when the loan is offered for sale on the market. Further subject to FVPL measurement are financial assets held by funds consolidated by the Group since they are managed and their performance is evaluated on a fair value

basis. Another reason for the FVPL measurement are financial assets whose contractual cash flows are not considered as SPPI. At the Group, this concerns certain debt securities and loans to customers.

The Group also makes use of the option to designate some financial assets as measured at FVPL at initial recognition. Such classification is used if it eliminates or significantly reduces an accounting mismatch between the financial asset, which in the absence of such a classification would be measured at amortised cost or at FVOCI, and the related derivative measured at FVPL.

On the balance sheet, debt instrument financial assets measured at FVPL are presented as 'Financial assets held for trading', sub-item 'Other financial assets held for trading' and 'Non-trading financial assets at fair value through profit or loss', (sub-items 'Debt securities'). Non-trading financial assets at FVPL consist of two sub-categories disclosed in Note 19 Non-trading financial assets at fair value through profit or loss which are 'mandatorily at fair value through profit or loss' and 'designated at fair value through profit or loss'. Financial assets are valued mandatorily measured at fair value through profit or loss either because they are held as part of residual business models that are other than held for trading or their contractual cash flows are not SPPI.

Investments in equity instruments which are held for trading (i.e. financial assets held by the trading function of the bank) are measured at FVPL. They are included in the statement of financial position under the line 'Financial assets held for trading', sub-item 'Other financial assets held for trading'. Investments in equity instruments which are not held for trading are also measured at FVPL (unless they are designated at FVOCI). They are presented in the statement of financial position under 'Non-trading financial assets at fair value through profit or loss', sub-item 'Equity instruments', sub-category 'mandatorily at fair value through profit or loss' in Note 19 Non-trading financial assets at fair value through profit or loss .

From IFRS 9 perspective all derivatives which are not designated as hedging instruments are considered as held for trading. As a result, they are measured at FVPL. They are described more detail in the Note 18 Derivative financial instruments.

In the income statement, the profit or loss effects of non-derivative financial assets measured at FVPL are split into interest income or dividend income and fair value gains and losses. The interest income on debt instruments is presented in the line 'Net interest income' (sub-item 'Other similar income') and is calculated by applying the EIR to the amortised cost component of the financial assets. The dividend income on equity instruments is presented in the line 'Dividend income'. The fair value gains or losses are calculated net of the interest or dividend income, and they also include the transaction and origination fees. They are reported in the line 'Net trading result' for financial assets held for trading and in the line 'Gains/losses from financial instruments measured at fair value through profit or loss' in case of non-trading financial assets at FVPL. For investments in funds, which are not consolidated by the Group, the interest or dividend component is not separated from the fair value gains or losses.

Financial liabilities at FVPL consist of financial liabilities held for trading and financial liabilities designated at FVPL.

On the balance sheet, financial liabilities at FVPL are presented as 'Financial liabilities held for trading', sub-items 'Derivatives' and 'Other financial liabilities held for trading' and as 'Financial liabilities at fair value through profit or loss' which are further broken down into 'Deposits from customers', 'Debt securities issued' and 'Other financial liabilities'. Accounting policy related to financial liabilities at FVPL can be found in Note 18 Derivative financial instruments and Note 20 Financial liabilities at fair value through profit or loss.

18 Derivative financial instruments

Derivatives financial instruments are used by the Group to manage exposures to interest rates, foreign currencies and other market price risks. Derivatives used by the Group include mainly interest rate swaps, currency futures, forward rate agreements, interest rate options, currency swaps and currency options.

For presentation purposes, derivatives are split into:

– Derivatives – held for trading; and

– Derivatives – hedge accounting.

Hedge accounting derivatives are discussed in Note 22 Hedge accounting.

Derivative financial instruments are carried at fair value (dirty price) on the balance sheet. Derivatives are carried as assets if their fair value is positive and as liabilities if their fair value is negative.

Derivatives – held for trading are those which are not designated as hedging instruments for hedge accounting. They are presented in the line item 'Derivatives' under the heading 'Financial assets / financial liabilities – held for trading'. All kinds of non-hedging derivatives without regard to their internal regulatory classification, i.e. both derivatives held in the trading book and banking book according to CRR are presented in this line item.

Changes in fair value (clean price) of derivatives – held for trading are reported in the statement of income in the line item 'Net trading result'. Interest income/expense related to held for trading derivatives is presented in the income statement in the line item 'Net interest income' (sub-items 'Other similar income' or 'Other similar expenses'). Interest income/expense recognition is based on EIR-like accruals in respect of the derivative notional amount and includes amortisation of the inception value of the derivative (e.g. upfront fees, if any).

Embedded derivatives

The Group issues certain financial liabilities which contain structured features. Structured features mean that a derivative is embedded in non-derivative host instruments.

Embedded derivatives that meet prescribed criteria are separated are accounted for as stand-alone derivatives and presented on the balance sheet under the line item 'Derivatives' in 'Financial assets held for trading' or 'Financial liabilities held for trading'. At the Group, these relate to bonds and deposits whose payments are linked to equity prices or FX rates.

In the business of the Group, the majority of embedded derivatives which would otherwise be separated relates to bonds issued for which fair value option has been applied. As a result, these embedded derivatives are part of the measurement of the entire hybrid instrument at FVPL.

Derivatives held for trading

	2024			2023		
in CZK million	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Derivatives held in the trading book	**782,333**	**12,066**	**(11,486)**	**804,462**	**16,489**	**(15,557)**
Interest rate	367,832	8,091	(7,608)	402,619	10,482	(9,945)
Foreign exchange	414,501	3,975	(3,878)	401,843	6,007	(5,612)
Derivatives held in the banking book	**49,776**	**786**	**(548)**	**44,937**	**154**	**(1,160)**
Interest rate	24,828	1	(313)	26,429	-	(915)
Foreign exchange	24,948	785	(235)	18,508	154	(245)
Total	**832,109**	**12,852**	**(12,034)**	**849,399**	**16,643**	**(16,716)**

All derivatives not designated as hedging instruments are classified as held for trading, including those held in the banking book for regulatory purposes (economic hedges).

19 Non-trading financial assets at fair value through profit or loss

	2024		2023	
in CZK million	**Designated**	**Mandatorily**	**Designated**	**Mandatorily**
Equity instruments	-	1,422	-	2,109
Debt securities	-	773	-	819
Other financial corporations	-	773	-	819
Loans and advances to banks	-	691	-	856
Loans and advances to customers	-	9	-	14
Non-financial corporations	-	9	-	14
Financial assets designated and mandatorily at fair value through profit or loss	**-**	**2,895**	**-**	**3,798**
Non-trading financial assets at fair value through profit or loss	**2,895**		**3,798**	

Designated financial assets eliminate or significantly reduce an accounting mismatch. More details are described in 'Classification and subsequent measurement of financial assets' in section 'FINANCIAL INSTRUMENTS – MATERIAL ACCOUNTING POLICY INFORMATION'.

20 Financial liabilities at fair value through profit or loss

The Group makes use of the option to designate some financial liabilities as measured at FVPL at initial recognition (referred to as fair value option) if:

- such classification eliminates or significantly reduces an accounting mismatch between fixed interest rate financial liabilities otherwise measured at amortised cost and related derivatives measured at FVPL. The Group assesses quantitatively that the designation actually eliminates or significantly reduces the accounting mismatch in respect of fair value changes attributable to interest rate risk; or
- the entire hybrid contract contains a non-closely related embedded derivative.

Financial liabilities designated at FVPL are reported on the balance sheet under the line item 'Financial liabilities at fair value through profit or loss' and are further broken down into 'Deposits from customers', 'Debt securities issued' and 'Other financial liabilities'. Other financial liabilities relate to fund units issued by funds consolidated by the Group. Interest incurred is calculated by applying the EIR to the amortised cost of the financial liability and is reported in the statement of income under in line item 'Other similar expenses' under 'Net interest income'. Gains and losses resulting from changes in fair value are recognised net of the interest expense under the line item 'Gains/losses from financial instruments measured at fair value through profit or loss'.

The amount of the fair value change resulting from the credit risk of the financial liability for the period is presented as OCI in the statement of comprehensive income in the line 'Own credit risk reserve'. The cumulative amount is recognised as accumulated OCI, specifically under 'Own credit risk reserve' in the statement of changes in equity. The amount recognised in OCI is never reclassified to profit or loss. However, upon derecognition (mainly repurchases) of the financial liabilities designated at FVPL the amount accumulated in OCI is transferred to retained earnings.

The cumulative amount of the credit risk recognised as accumulated OCI is calculated as the difference between the present value of the liability determined by using the original credit spread and the fair value of the liability. The amount of fair value change attributable to changes in credit risk of the liability for the period which is recognised in OCI is the difference between the cumulative amount of the credit risk at the end of the period and at the beginning of the period. When calculating the present value of the liability by using the original credit spread, the rate used for discounting is the sum of the observed interest rate (swap yield curve) and the original credit spread. The original credit spread is determined at initial recognition of the liability and it equals the difference between the total yield of the liability and the observed interest rate (swap yield curve) at that time.

Delta between carrying amount and amount repayable for financial liabilities at FVPL

	Carrying amount		Amount repayable		Delta between carrying amount and amount repayable	
in CZK million	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Deposits	1,309	13,283	1,305	12,827	4	456
Financial liabilities at FVPL	**1,309**	**13,283**	**1,305**	**12,827**	**4**	**456**

Deposits designated as 'Financial liabilities at fair value through profit and loss' represent hybrid instruments i.e. contain one or more not closely related embedded derivatives, which are not separated from those host instruments.

Fair value changes that are attributable to changes in own credit risk

	For reporting period		Cumulative amount	
in CZK million	**2024**	**2023**	**2024**	**2023**
Deposits from customers	-	81	(2)	(8)
Financial liabilities at FVPL	**-**	**81**	**(2)**	**(8)**

The change in the fair value arising from the changes in the credit profile of the issuer (the Group) is determined as equal to the difference between the fair values of the liabilities as at the previous and current reporting dates, net of the effect of the change in fair value due to the change in the risk-free interest rate.

FINANCIAL INSTRUMENTS – OTHER DISCLOSURE MATTERS

21 Fair value of financial instruments

The measurement of fair value at the Group is based primarily on external sources of data (stock market prices or broker quotes in highly liquid market segments). Financial instruments for which the fair value is determined on the basis of quoted market prices are mainly listed securities and derivatives as well as liquid OTC bonds.

All financial instruments at fair value are measured at fair value on recurring basis. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial instruments carried at fair value

Description of valuation models and parameters

The Group uses valuation models that have been tested internally and for which the valuation parameters (such as interest rates, exchange rates, volatilities and credit spreads) have been determined independently.

Loans. Not SPPI (solely payments of principal and interest) compliant loans are to be valued at fair value. The methodology to compute fair value of these assets corresponds to the basic present value technique. The credit risk is recognised by adjusting contractual cash flows to come to expected cash flows accounting for customer's probability of default and loss given default. These adjusted cash flows are then discounted by a yield curve which consists of a risk free rate and a funding spread for senior unsecured issues. For a limited number of profit-participating loans, the expected cash flows are discounted using a risk-adjusted discount rate. This risk-adjusted rate is determined applying the Capital Assets Pricing Model (CAPM) on the basis of comparable listed entities.

Securities. For plain vanilla (fixed and floating) debt securities the fair value is calculated by discounting the future cash-flows using a discounting curve depending on the interest rate for the respective issuance currency and a spread adjustment. The spread adjustment is usually derived from the credit spread curve of the issuer. If no issuer curve is available the spread is derived from a proxy instrument and adjusted for differences in the risk profile of the instruments. If no close proxy is available, the spread adjustment is estimated using other information, including estimation of the credit spread based on internal ratings and PDs or management judgment. For more complex debt securities (e.g.

including option- like features such as callable, cap/floor, index-linked) the fair value is determined using combinations of discounted cash flow models and more sophisticated modelling techniques including methods described for OTC-derivatives.

Equity instruments. Non-trading equity instruments which have quoted market prices in an active market are valued by using the quoted market price. For other investments in non-trading equity instruments the fair value is determined by standard valuation models using also unobservable input parameters. These models include the adjusted net asset value method, the simplified income approach, the dividend discount model and the comparable company multiple method.

The adjusted net asset method requires an investor to measure the fair value of the individual assets and liabilities recognised in an investee's statement of financial position as well as the fair value of any unrecognised assets and liabilities at the measurement date. The resulting fair values of the recognised and unrecognised assets and liabilities should therefore represent the fair value of the investee's equity.

The dividend discount model assumes that the price of equity instruments issued by an entity equals the present value of all its expected future dividends in perpetuity. Similar to the dividend discount model, the simplified income approach estimates the fair value based on the future income. However, it can be used also when only one year planned income is available. The simplified income approach and the dividend discount model discount future income and dividends using the cost of equity. The cost of equity is dependent on the risk-free rate, the market risk premium, the levered beta and the country risk premium. The levered beta is derived from the industry classification which is published and maintained by Damodaran.

In rare cases, techniques for non-trading equity instruments may also include comparable company multiple methods. These are valuation techniques that use prices and other relevant information generated by market transactions involving comparable company peers of an investee to derive a valuation multiple from which the indicated fair value of the investee's equity or enterprise value can be inferred.

Liabilities. The fair value of financial liabilities designated at fair value through profit or loss under the fair value option is determined based on quoted prices in active markets, if available. For issued securities where the fair value cannot be retrieved from quoted market prices, the fair value is calculated by discounting the future cash flows. Significant input factors for the spread adjustment of Erste Group's own credit risk for the respective seniority class are credit spreads derived from liquid benchmark bonds and additional indications from external investments banks, which are provided on a regular basis. The applied spreads are validated on a regular basis from an independent Risk Management unit. In case of issued securities with structured features, optionality is taken into account as well when calculating the fair value.

Non-trading equity instruments which have quoted market prices in an active market are valued by using the quoted market price (bid for long position, ask for short position). For other investments in non-trading equity instruments the fair value is determined by standard valuation models using also unobservable input parameters.

OTC-derivative financial instruments. Derivative instruments traded in OTC markets (e.g. interest rate swaps and options, foreign exchange forward and options, options on listed securities and indices) are valued by using standard valuation models. These models include discounting cash flow models, option models of the Black-Scholes. Models are calibrated on quoted market data (including implied volatilities). Valuation models for more complex instruments also use Monte-Carlo-techniques. For instruments in less liquid markets, data obtained from less frequent transactions or extrapolation techniques are used.

The Group values derivatives at mid-market levels. The derivatives position value is adjusted of close-out adjustment to take into account impact of bid/ask spread to the valuation. Parameters are reviewed on a regular basis or in case of significant market moves.

Credit value adjustments (CVA) for counterparty risk and debit value adjustments (DVA) for own default credit risk are applied to OTC derivatives. For the CVA the adjustment is driven by the expected positive exposure of the derivative and the probability of default of the counterparty. The DVA is driven by the expected negative exposure of the derivative and the Group's probability of default. The modeling of the expected exposure is based on option replication strategies or Monte-Carlo simulation techniques.

According to the described methodology the accumulated CVA-adjustments amounted to CZK 115 million (2023: CZK 96 million) and the total DVA-adjustment amounted to CZK 43 million (2023: CZK 64 million).

Based on an analysis carried out by the Group it was decided that for the valuation of OTC derivatives no Funding Value Adjustment (FVA) would be considered.

Validation and control

The responsibility for valuation of financial instruments measured at fair value is independent from the trading units. In addition, The Group has implemented an independent validation function in order to ensure separation between units responsible for model development, fair value measurement and validation. The aim of independent model validation is to evaluate model risks arising from the models' theoretical foundation, the appropriateness of input data (market data) and model calibration.

Fair value hierarchy

Financial assets and financial liabilities measured at fair value are categorized under the three levels of the fair value hierarchy.

Level 1 of the fair value hierarchy

Level 1 measurements include exchange traded derivatives (options), shares, government bonds as well as other bonds and funds, which are traded in highly liquid and active markets.

Level 2 of the fair value hierarchy

In case a market quote is used for valuation but due to restricted liquidity the market does not qualify as active (derived from available market liquidity indicators) the instrument is classified as Level 2. If no market prices are available the fair value is measured by using valuation models which are based on observable market data. If all the significant inputs in the valuation model are observable the instrument is classified as Level 2 of the fair value hierarchy. For Level 2 valuations typically yield curves, credit spreads and implied volatilities are used as observable market parameters.

Level 2 measurements include OTC derivatives, less liquid shares, bonds and funds as well as own issues.

Level 3 of the fair value hierarchy

If any unobservable input in the valuation model is significant or the price quote used is updated infrequently the instrument is classified as Level 3 of the fair value hierarchy. Typically credit spreads derived from internally calculated historical probability of default (PD) and loss given default (LGD) measures are used as unobservable parameters. Furthermore, internally calculated cost of equity and adjustments made on the equity (in the adjusted net asset value method) are unobservable parameters for the valuation of non-trading equity instruments.

The volume of Level 3 financial assets can be allocated to the following categories:

- Derivatives where the credit value adjustment (CVA) has a material impact and is calculated based on unobservable parameters (i.e. internal estimates of PDs and LGDs).
- Illiquid bonds, shares, participations and funds not quoted in an active market where either valuation models with non-observable parameters have been used (e.g. credit spreads) or broker quotes have been used that cannot be allocated to Level 1 or Level 2.
- Loans which do not comply with the contractual cash flow criteria.
- Fund units issued by investment funds fully consolidated by Erste Group, given that one fund constituent was assigned to
  Level 3.
- Own issues, if price updates are not provided on a regular basis.

The allocation of the appropriate level of positions is determined at the end of the reporting period.

A reclassification from Level 1 into Level 2 or Level 3 as well as vice versa will be performed if the financial instrument does no longer meet the criteria described above for the respective level.

Classification of financial instruments carried at fair value by levels of the fair value hierarchy

	2024				2023			
in CZK million	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
ASSETS								
Financial assets - held for trading	57	12,852	2	12,911	7	16,653	2	16,662
Derivatives	-	12,850	2	12,852	-	16,641	2	16,643
Other trading assets	57	2	-	59	7	13	-	20
Non-trading financial assets - FVPL	74	-	2,821	2,895	85	-	3,713	3,798
Equity instruments	-	-	1,422	1,422	-	-	2,109	2,109
Debt securities	74	-	699	773	85	-	734	819
Loans and advances	-	-	700	700	-	-	870	870
Financial assets - FVOCI	45,151	4,358	2,749	52,258	45,439	5,623	2,370	53,432
Debt securities	45,151	4,358	2,749	52,258	45,439	5,623	2,348	53,410
Derivatives Hedge Accounting	-	2,930	-	2,930	-	3,241	-	3,241
Total assets	**45,282**	**20,140**	**5,572**	**70,994**	**45,531**	**25,517**	**6,086**	**77,134**
LIABILITIES								
Financial liabilities held for trading	-	11,903	131	12,034	-	16,716	-	16,716
Derivatives	-	11,903	131	12,034	-	16,716	-	16,716
Financial liabilities designated at fair value through profit or loss	-	1,309	-	1,309	-	13,283	-	13,283
Deposits from customers	-	1,309	-	1,309	-	13,283	-	13,283
Derivatives Hedge Accounting	-	3,693	-	3,693	-	4,534	-	4,534
Total liabilities	**-**	**16,905**	**131**	**17,036**	**-**	**34,534**	**-**	**34,534**

Changes and reclassifications in volumes of Level 1 and Level 2

This paragraph describes the changes in Volumes of Level 1 and Level 2 of financial instruments measured at fair value in the statement of financial position.

Reclassification between Level 1 and Level 2 based on balance sheet positions and instruments

	2024		2023	
in CZK million	**Level 1**	**Level 2**	**Level 1**	**Level 2**
Securities				
Net transfer from Level 2	93	-	-	-
Purchases/sales/expiries	(342)	(1,275)	5,524	191
Changes in derivatives	-	(4,102)	-	(10,902)
Total year-to-date change	**(249)**	**(5,377)**	**5,524**	**(10,711)**

Movements in Level 3

Development of fair value of financial instruments in Level 3

The following tables show the development of fair value of securities for which valuation models are based on non-observable inputs:

in CZK million		Gains/ losess profit or loss	Gains/ losess OCI	Purchases	Sales/ Settlements	Transfer into Level 3	Transfer out of Level 3	
	Jan 2024							**Dec 2024**
Assets								
Financial assets HfT	3	-	-	-	(1)	-	-	2
Derivatives	3	-	-	-	(1)	-	-	2
Non-trading financial assets at FVPL	3,713	762	-	104	(1,153)	5	(608)	2,821
Equity instruments	2,109	(151)	-	64	(2)	5	(603)	1,422
Debt securities	734	220	-	40	(295)	-	-	699
Loans and advances	870	693	-	-	(856)	-	(5)	700
Financial assets at FVOCI	2,370	(31)	(154)	-	(22)	2,934	(2,348)	2,749
Equity instruments	22	-	-	-	(22)	-	-	-
Debt securities	2,348	(31)	(154)	-	-	2,934	(2,348)	2,749
Total assets	**6,086**	**731**	**(154)**	**104**	**(1,176)**	**2,939**	**(2,956)**	**5,572**
Liabilities								
Financial liabilities - held for trading	-	131	-	-	-	-	-	131
Derivatives	-	131	-	-	-	-	-	131
Total liabilities	**-**	**131**	**-**	**-**	**-**	**-**	**-**	**131**

	Jan 2023							**Dec 2023**
Assets								
Financial assets HfT	329	-	-	2	(1)	-	(328)	3
Derivatives	329	-	-	2	-	-	(328)	3
Other financial assets held for trading	1	-	-	-	(1)	-	-	-
Non-trading financial assets at FVPL	3,235	682	-	1,298	(1,502)	19	(19)	3,713
Equity instruments	1,003	(12)	-	1,118	-	-	-	2,109
Debt securities	830	(188)	-	181	(87)	-	-	734
Loans and advances	1,402	882	-	-	(1,414)	19	(19)	870
Financial assets at FVOCI	3,126	-	68	22	(30)	1,335	(2,150)	2,370
Equity instruments	-	-	-	22	-	-	-	22
Debt securities	3,126	-	68	-	(30)	1,335	(2,150)	2,348
Hedge accounting derivatives	84	-	-	-	-	-	(84)	-
Total assets	**6,774**	**683**	**68**	**1,323**	**(1,534)**	**1,354**	**(2,582)**	**6,086**

Transfers into and out of Level 3 are mainly due to changes in the market activity and consequently in the observability of valuation parameters.

A part of the OTC derivatives was categorized as Level 3 / was recategorized into Level 3 because credit valuation adjustment (CVA) has a material impact on the market value for these derivatives and is calculated based on unobservable parameters (i.e. internal estimates of PDs and LGDs). Part of Level 3 derivatives was recategorized into Level 2 because CVA has not a material impact on the market value of these derivatives any more. FVOCI (equities and bonds) for which valuation models are based on non-observable inputs were transferred into Level 3.

The gains or losses of Level 3 financial instruments classified as 'Non-trading financial assets at fair value through profit or loss' and 'Hedge accounting derivatives' is disclosed in the income statement line item 'Net trading result'. Gains or losses from derecognition of 'Financial assets at fair value through other comprehensive income' is shown in the income statement line item 'Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss'. Impairment of 'Financial assets at fair value through other comprehensive income' is disclosed in the line

item ‘Impairment result from financial instruments’. Level 3 gains or losses in other comprehensive income disclosed in the balance sheet line item ‘Financial assets at fair value through other comprehensive income’ are reported directly in equity under ‘Change in fair value reserve’.

The reclassification of securities out of Level 3 was caused by an increase in market liquidity.

Gains or losses in profit or loss on Level 3 instruments held at the end of the reporting period

in CZK million	2024	2023
Assets		
Financial assets - held for trading	-	2
Derivatives	-	2
Non-trading financial assets at fair value through profit or loss	762	633
Equity instruments	(151)	(12)
Debt securities	222	(185)
Loans and advances	691	830
Financial assets at fair value through other comprehensive income	(31)	-
Debt securities	(31)	-
Total	**731**	**635**
Liabilities		
Financial liabilities - held for trading	(131)	-
Derivatives	(131)	-
Total	**(131)**	**-**

Unobservable inputs and sensitivity analysis for Level 3 measurements

Sensitivity analysis for Level 3 measurements

The following table shows the sensitivity analysis using reasonably possible alternatives per product type:

	2024		2023	
	Fair value changes		Fair value changes	
in CZK million	Positive	Negative	Positive	Negative
Derivatives	5	(6)	-	-
Income statement	5	(6)	-	-
Debt securities	28	(37)	29	(38)
Other comprehensive income	28	(37)	29	(38)
Equity instruments	64	(127)	68	(136)
Income statement	64	(127)	68	(136)
Total	**97**	**(170)**	**96**	**(174)**
Income statement	**69**	**(133)**	**68**	**(136)**
Other comprehensive income	**28**	**(37)**	**29**	**(38)**

In estimating these impacts, mainly changes in credit spreads (for bonds), PDs, LGDs (for CVA of derivatives) and market values of comparable equities were considered. An increase (decrease) of spreads, PDs and LGDs result in a decrease (increase) of the corresponding market values.

Following ranges of reasonably possible alternatives of the unobservable inputs were considered in the sensitivity analysis table:

- for debt securities range of credit spreads between +100 basis points and – 75 basis points;
- for equity related instruments the price range between -10% and +5%;
- for CVA on derivatives PDs rating upgrade/downgrade by one notch, the range for LGD between -5% and +10%.

Fair value of financial instruments not recognised at fair value

The following table shows fair values and fair value hierarchy of financial instruments whose fair value is disclosed in the notes for the year-end 2024 and for the year-end 2023. For assets without contractual maturities (e.g. cash and cash equivalents), the carrying amount approximates their fair value.

in CZK million	Carrying amount	Fair value	Level 1	Level 2	Level 3
2024					
ASSETS					
Cash and cash equivalents	22,958	22,958	14,411	8,547	-
Financial assets at amortised costs	1,892,087	1,863,899	344,244	6,288	1,513,367
Loans and advances to banks	443,389	443,935	-	-	443,935
Loans and advances to customers	1,076,242	1,069,432	-	-	1,069,432
Debt securities	372,456	350,532	344,244	6,288	-
Finance lease receivables	1,501	1,507	-	-	1,507
Trade and other receivables	13,206	13,211	-	-	13,211
LIABILITIES					
Financial liabilities measured at amortised costs	1,844,773	1,841,361	-	73,381	1,767,980
Deposits from banks	275,456	275,332	-	-	275,332
Deposits from customers	1,481,865	1,475,977	-	-	1,475,977
Debt securities issued	81,509	84,109	-	73,381	10,728
Other financial liabilities	5,943	5,943	-	-	5,943
FINANCIAL GUARANTEES AND COMMITMENTS					
Financial guarantees	n/a	16	-	-	16
Loan commitments	n/a	2,835	-	-	2,835
2023					
ASSETS					
Cash and cash equivalents	27,918	27,918	14,134	13,784	-
Financial assets at amortised costs	1,653,123	1,588,647	320,041	5,629	1,262,977
Loans and advances to banks	304,007	303,970	-	-	303,970
Loans and advances to customers	996,818	958,392	-	-	958,392
Debt securities	352,299	326,285	320,041	5,629	615
Finance lease receivables	1,467	1,467	-	-	1,467
Trade and other receivables	12,292	12,269	-	-	12,269
LIABILITIES					
Financial liabilities measured at amortised costs	1,604,624	1,595,581	-	109,650	1,485,931
Deposits from banks	122,287	121,530	-	-	121,530
Deposits from customers	1,352,754	1,343,212	-	-	1,343,212
Debt securities issued	121,451	122,704	-	109,650	13,054
Other financial liabilities	8,131	8,135	-	-	8,135
FINANCIAL GUARANTEES AND COMMITMENTS					
Financial guarantees	n/a	74	-	-	74
Loan commitments	n/a	1,763	-	-	1,763

In the table above, positive fair values of financial guarantees and commitments are shown with a positive sign whereas negative fair values are shown with a negative sign. The calculation of fair values of financial guarantees and commitments is based on the coefficient, which is calculated by the Market risk using the Erste Group Bank algorithms.

The fair value of loans and advances to customers and credit institutions, finance lease receivables and trade and other receivables has been calculated by discounting future cash flows while taking into consideration interest and credit spread effects. The interest rate impact is based on the movements of market rates, while credit spread changes are derived from PDs and LGDs used for internal risk calculations. For the calculation of fair value loans and advances were grouped into homogeneous portfolios based on rating method, rating grade, maturity and the country where they were granted. The fair values of financial assets at amortised cost – debt securities are either taken directly from the market or they are determined by directly observable input parameters (i.e. yield curves).

The fair value of deposits and other liabilities, measured at amortised cost, is estimated by taking into account the current interest rate environment, as well as the own credit spreads. For liabilities without contractual maturities (e.g. demand deposits), the carrying amount represents the minimum of their fair value.

The fair value of issued securities and subordinated liabilities measured at amortised cost is based on market prices or on observable market parameters, if these are available. For issued securities where the fair value cannot be retrieved from quoted market prices, the fair value is calculated by discounting the future cash flows.

Regarding off-balance sheet liabilities (i.e. financial guarantees and unused loan commitments) the fair value of unused loan commitments is estimated using regulatory credit conversion factors. The resulting loan equivalents are treated like other on-balance sheet assets. The difference between the calculated total fair value and the notional amount of the hypothetical loan equivalents represents the fair value of the unused loan commitments. In case of the total fair value being higher than the notional amount of the hypothetical loan equivalents the unused loan commitments have a positive fair value. The fair value of financial guarantees is estimated in analogy to credit default swaps. The fair value of the guarantee is the sum of the present value of the protection leg and the present value of the premium leg. The value of the protection leg is estimated using the PDs and LGDs of the respective customers, whereas the value of the premium leg is estimated by the present value of the future fee payments to be received. If the protection leg is higher than the premium leg, financial guarantees have a negative fair value.

22 Hedge accounting

The Group applies hedge accounting to hedge exposures to interest rate risk and foreign currency risk. As permitted by the transitional provisions of IFRS 9, the Group has elected to continue to apply the hedge accounting requirements of IAS 39.

On the balance sheet, derivatives designated as hedging instruments are carried at fair value (dirty price). They are presented in the line item ‘Hedge accounting derivatives’ on the asset or liability side depending on whether their fair value is positive or negative.

i. Fair value hedges

For qualifying and designated fair value hedges, the change in the fair value (clean price) of a hedging instrument is recognised in the income statement under the line item ‘Net trading result’. Interest income and expenses on hedging derivatives are reported under the line item ‘Net interest income’ (sub-items ‘Other similar income’ or ‘Other similar expenses’). The change in the fair value of the hedged item attributable to the hedged risk is also recognised in the income statement under the line item ‘Net trading result’ and adjusts the carrying amount of the hedged item.

The Group also applies portfolio fair value hedges of interest rate risk as regulated by IAS 39.AG114-AG132. For this purpose, the Group makes use of the relaxation provided by the EU-carve out for so called bottom layer amount. The change in the fair value of the hedged items attributable to the hedged interest risk in portfolio fair value hedges is presented on the balance sheet under the line item ‘Fair value changes of hedged items in portfolio hedge of interest rate risk’.

Fair value hedges are employed to reduce interest rate risk of issued bonds, purchased securities, loans or deposits on the Group statement of financial position. In general, the Group policy is to swap substantial fixed or structured issued bonds to floating items to manage the targeted interest rate risk profile by other statement of financial position items. Interest rate swaps are the most common instruments used for fair value hedges.

For terminated hedges the fair value adjustment of the hedged item is amortised until maturity of the financial instrument. In the statement of income the amortisation is presented under 'Net interest income' in the line item 'Interest income' if the hedged item was a financial asset or in the line item 'Interest expenses' if the hedged item was a financial liability.

ii. Cash flow hedges

For designated and qualifying cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised in OCI and reported under the 'Cash flow hedge reserve'. The ineffective portion of the gain or loss on the hedging instrument is recognised in the income statement under the line item 'Net trading result'. For determination of the effective and ineffective portions, the derivative is considered at its dirty price, i.e. including the interest component. If the hedged cash flow affects the income statement, the gain or loss on the hedging instrument is reclassified from other comprehensive income in the corresponding income or expense line item in the income statement (mainly 'Net interest income'; sub-items 'Other similar income' or 'Other similar expenses'). As far as accounting for hedged items in cash flow hedges is concerned there is no change compared to the situation when no hedging is applied.

For terminated hedges the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income remains separate in 'Cash flow hedge reserve' until the transaction occurs.

The interest rate and FX risk of the banking book is managed by the Group's ALM department. Preference in managing interest rate risk is given to using bonds, loans or derivatives, with hedge accounting for derivatives applied in accordance with IAS 39. The main guideline for interest rate risk positioning is the Group Interest Rate Risk Strategy that is approved by the Group ALCO for the relevant time period.

Cash flow hedges are used to eliminate uncertainty in future cash flows in order to stabilize Net interest income. Interest rate swaps are the most common derivatives used to hedge variable cash flows of floating assets. By using cross currency interest rate swaps, the Group hedges currency risk of its foreign currency assets. Floors or caps are used to secure the targeted level of interest income in a changing interest rate.

As at 31 December 2024, the gain on hedging derivatives used for fair value hedging was CZK 1,388 million (2023: loss CZK 691 million); the loss due to changes in the fair value of hedged items was CZK 1,337 million (2023: gain CZK 741 million).

Fair values of hedging instruments are disclosed in the following table:

	2024			2023		
in CZK million	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Fair value hedges	**74,419**	**626**	**(2,553)**	**41,450**	**18**	**(3,099)**
Interest rate	74,419	626	(2,553)	41,450	18	(3,099)
Cash flow hedge	**100,461**	**2,304**	**(1,140)**	**99,517**	**3,223**	**(1,435)**
Interest rate	54,700	1,169	(298)	50,900	1,149	(1,000)
Foreign exchange	45,761	1,135	(842)	48,617	2,074	(436)
Total	**174,880**	**2,930**	**(3,693)**	**140,967**	**3,241**	**(4,534)**

Notional amount of hedged items

in CZK million	Type of hedged items	2024 Notional amount	2023 Notional amount
Fair value hedges			
Assets	Portfolios of client loans	100	100
Assets	Bonds at AC	47,875	27,751
Liabilities	Issued bonds	25,185	12,363
Liabilities	Other liabilities - loans	1,259	1,236
Cash flow hedges (interest)			
Assets	Interbank loans / repos	14,200	16,400
Assets	Client loans (single and portfolio)	40,500	34,500
Cash flow hedges (fx)			
Assets	Client loans (single and portfolio)	7,757	11,327
Assets	Forecast cash flows in foreign currency	4,533	5,088
Assets	Corporate/government bonds	33,470	32,201

Quantitative disclosures

In the tables below, detailed information related to hedging instruments and hedged items in fair value and cash flow hedges as of 31 December 2024 are reported. The indicated values for fair value hedges include single hedges as well as portfolio hedges, which due to immateriality are not shown separately.

Hedging instruments

	Carrying amount		Change in FV for the period used for calculating hedge		Timing of the nominal amounts of the instruments			
in CZK million	Assets	Liabilities	ineffectivness	Notional	≤ 3 m	> 3 m and ≤ 1 y	> 1 y and ≤ 5 y	> 5 y
2024								
Fair value hedges								
Interest rate risk	626	2,553	1,388	74,419	-	-	15,753	58,666
Cash flow hedges								
Interest rate risk	1,169	299	1,202	54,700	7,000	5,000	22,700	20,000
Foreign exchange risk	1,135	842	(264)	45,761	925	4,629	25,953	14,254
Total	**2,930**	**3,693**	**2,326**	**174,880**	**7,925**	**9,629**	**64,407**	**92,920**
2023								
Fair value hedges								
Interest rate risk	18	3,099	(691)	41,450	-	-	12,560	28,889
Cash flow hedges								
Interest rate risk	1,149	1,000	7,678	50,900	-	2,000	48,900	-
Foreign exchange risk	2,074	436	1,791	48,617	4,053	933	31,716	11,915
Total	**3,241**	**4,534**	**8,778**	**140,967**	**4,053**	**2,933**	**93,176**	**40,805**

The hedging instruments are presented in the line 'Hedge accounting derivatives' in the balance sheet.

Hedged items in fair value hedges

in CZK million	Carrying amount	Hedge adjustments		
		included in the carrying amount of assets/liabilities	Thereof: for the period used for recognition of hedge ineffectiveness	Remaining adjustments for terminated hedges
2024				
Financial assets at AC				
Interest rate risk	48,822	940	(577)	-
Financial liabilities at AC				
Interest rate risk	26,334	(111)	(760)	-
2023				
Financial assets at AC				
Interest rate risk	29,322	1,515	1,554	-
Financial liabilities at AC				
Interest rate risk	13,293	(215)	(813)	-

Hedged items in cash flow hedges

in CZK million	Change in FV for the period used for calculating hedge ineffectiveness	Cash flow hedge reserve for continuing hedges	Cash flow hedge reserve for terminated hedges
2024			
Interest rate risk	1,202	314	522
Foreign exchange risk	(264)	(526)	-
Total	**938**	**(212)**	**522**
2023			
Interest rate risk	7,678	314	681
Foreign exchange risk	1,791	(526)	-
Total	**9,469**	**(212)**	**681**

Effects of hedge accounting in profit or loss and other comprehensive income

in CZK million	Hedge ineffectiveness recognised in P&L	Hedging gains/losses recognised in OCI	Hedging reserve reclassified to profit or loss because	
			the hedged item has affected profit or loss	the hedged future cash flows are no longer expected to occur
2024				
Fair value hedges				
Interest rate risk	51	-	-	-
Cash flow hedges				
Interest rate risk	34	1,641	(604)	-
Foreign exchange risk	15	(110)	(768)	-
Total	**100**	**1,531**	**(1,372)**	**-**
2023				
Fair value hedges				
Interest rate risk	50	-	-	-
Cash flow hedges				
Interest rate risk	1	7,253	(3,219)	-
Foreign exchange risk	33	1,789	(1,061)	-
Total	**84**	**9,042**	**(4,280)**	**-**

Ineffectiveness from both fair value and cash flow hedges is presented under 'Net trading result' in the statement of income. The amounts reclassified from the cash flow hedge reserve are presented in the line 'Other similar income' under 'Net interest income' for hedges of interest rate risk and 'Net trading result' for hedges of foreign exchange risk.

23 Offsetting of financial instruments

The following table shows netting effects on the balance sheet of the Group as well as the impacts of offsetting financial instruments which are subject to offsetting agreements.

Financial assets subject to offsetting and potential offsetting agreements

in CZK million	Gross amounts in balance sheet	Net amounts in balance sheet	Potential effects of netting agreements not qualifying for balance sheet offsetting			Net amount after potential offsetting
			Financial instruments	Cash collateral received	Non-cash financial collateral received	
2024						
Derivatives (Note 18 and 22)	15,782	15,782	9,097	2,125	-	4,560
Reverse repurchase agreements (Note 13)	440,550	440,550	-	-	436,595	3,955
Total	**456,332**	**456,332**	**9,097**	**2,125**	**436,595**	**8,515**
2023						
Derivatives (Note 18 and 22)	19,884	19,884	11,050	2,913	-	5,921
Reverse repurchase agreements (Note 13)	284,716	284,716	-	-	283,813	902
Total	**304,599**	**304,599**	**11,050**	**2,913**	**283,813**	**6,823**

Financial liabilities subject to offsetting and potential offsetting agreements

in CZK million	Gross amounts in balance sheet	Net amounts in balance sheet	Potential effects of netting agreements not qualifying for balance sheet offsetting			Net amount after potential offsetting
			Financial instruments	Cash collateral pledged	Non-cash financial collateral pledged	
2024						
Derivatives (Note 18)	15,727	15,727	9,098	1,570	-	5,059
Repurchase agreements (Note 15)	330,773	330,773	-	-	330,773	-
Total	**346,500**	**346,500**	**9,098**	**1,570**	**330,773**	**5,059**
2023						
Derivatives (Note 18)	21,250	21,250	11,050	907	-	9,293
Repurchase agreements (Note 15)	167,039	167,039	-	-	167,039	-
Total	**188,289**	**188,289**	**11,050**	**907**	**167,039**	**9,293**

The Group uses repurchase agreements and master netting agreements as a means of reducing credit risk of derivative and financing transactions. They qualify as potential offsetting agreements.

Master netting agreements are relevant for counterparties with multiple derivative contracts. They provide for the net settlement of all contracts in the event of default of any counterparty. For derivative transactions the amount of assets and liabilities which would be set off as a result of master netting agreements is presented in the column 'Financial instruments'. If the net position is further secured by cash collateral the effect is disclosed in the respective columns 'Cash collateral received/pledged'.

Repurchase agreements are primarily financing transactions. They are structured as a sale and subsequent repurchase of securities at a pre-agreed price and time. This ensures that the securities stay in hands of lender as collateral in case that borrower defaults in fulfilling any of its obligations. Offsetting effects from repurchase agreements are disclosed in the column 'Non-cash financial collateral received / pledged'. Collateral is presented at fair value of the transferred securities. However, if fair value of collateral exceeds the carrying amount of the receivable/liability from the repo transaction the value is capped at the level of the carrying amount. Remaining position may be secured by cash collateral. Cash and non-cash financial collateral involved in these transactions is restricted from use by the transferor during the time of the pledge.

24 Transfer of financial assets – repurchase transactions and securities lending

Repurchase and reverse repurchase agreements

Transactions where securities are sold under an agreement to repurchase at a specified future date are also known as 'repos' or 'sale and repurchase agreements'. Securities sold are not derecognised from the statement of financial position, as the Group retains substantially all the risks and rewards of ownership because the securities are repurchased at a fixed price when the repo transaction ends. Furthermore, the Group is the beneficiary of all the coupons and other income payments received on the transferred assets over the period of the repo transactions. These payments are remitted to the Group or are reflected in the repurchase price.

The corresponding cash received is recognised in the statement of financial position with a corresponding obligation to return it as a liability under the line item 'Financial liabilities measured at amortised cost', sub-items 'Deposits from banks' or 'Deposits from customers' reflecting the transaction's economic substance as a loan to the Group. The difference between the sale and repurchase prices is treated as interest expense and recorded in the income statement under the line item 'Net interest income' (sub-item 'Interest expenses'). Financial assets transferred out by the Group under repurchase agreements remain on the Group's statement of financial position and are measured according to the rules applicable to

the respective statement of financial position item. Moreover, they are presented in 'thereof pledged as collateral' positions under the respective balance sheet items.

Conversely, securities purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. Such transactions are also known as 'reverse repos'. The consideration paid is recorded in the statement of financial position under the respective line items 'Loans and advances to banks' or 'Loans and advances to customers', reflecting the transaction's economic substance as a loan by the Group. The difference between the purchase and resale prices is treated as interest income and is accrued over the life of the agreement and recorded in the income statement under the line item 'Net interest income' (sub-item 'Interest income').

Securities lending and borrowing

In securities lending transactions, the lender transfers ownership of securities to the borrower on the condition that the borrower will retransfer, at the end of the agreed loan term, ownership of instruments of the same type, quality and quantity and will pay a fee determined by the duration of the lending. The transfer of the securities to counterparties via securities lending does not result in derecognition. Substantially all the risks and rewards of ownership are retained by the Group as a lender because the securities are received at the end of the securities lending transaction. Furthermore, the Group is the beneficiary of all the coupons and other income payments received on the transferred assets over the period of the securities lendings. The securities lent are presented in 'thereof pledged as collateral' positions under the respective balance sheet items.

Securities borrowed are not recognised in the statement of financial position unless they are then sold to third parties. In this case, the obligation to return the securities is recorded as a short sale within 'Other financial liabilities'.

	2024		2023	
in CZK million	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Repurchase agreements				
Financial assets at AC	61,237	51,890	51,898	42,573
Total - repurchase agreements	**61,237**	**51,890**	**51,898**	**42,573**
Securities lendings				
Financial assets at AC	56,420	-	71,178	-
Total - securities lendings	**56,420**	**-**	**71,178**	**-**
Total	**117,657**	**51,890**	**123,076**	**42,573**

The transferred financial instruments consist of bonds and other interest-bearing securities.

The total amount of CZK 61,237 million (2023: CZK 51,898 million) represents the carrying amount of financial assets under the respective statement of financial position items for which the transferee has a right to sell or repledge.

Liabilities from repo transactions in the amount of CZK 51,890 million (2023: CZK 42,573 million), which are measured at amortised cost, represent an obligation to repay the borrowed funds.

The following table shows the fair values of the transferred assets and associated liabilities that have recourse only to the transferred assets. In case of the Group, these assets and liabilities relate to repo transactions.

	2024			2023		
in CZK million	Fair value of transferred assets	Fair value of associated liabilities	Net position	Fair value of transferred assets	Fair value of associated liabilities	Net position
Financial assets at AC	57,416	51,924	5,492	48,262	42,803	5,459
Total	**57,416**	**51,924**	**5,492**	**48,262**	**42,803**	**5,459**

25 Financial assets pledged as collaterals

Carrying amount of financial assets pledged as collaterals

in CZK million	2024	2023
Financial assets at AC	126,611	183,171
Financial assets at FVOCI	9,144	-
Total	**135,755**	**183,171**

The financial assets pledged as collateral consist of loans and advances to customers, bonds and other interest-bearing securities. Collaterals were pledged as a result of repurchase transactions, refinancing transactions with the respective National Bank, loans backing issued mortgage bonds and other collateral arrangements.

The fair value of collateral received which may be repledged or resold even without the collateral provider's default was CZK 216,828 million (2023: CZK 175,158 million).

26 Securities

	2024					2023				
			Financial assets					Financial assets		
in CZK million	At AC	Trading assets	Mandatorily at FVPL	Designated at FVPL	At FVOCI	At AC	Trading assets	Mandatorily at FVPL	Designated at FVPL	At FVOCI
Bonds and other interest-bearing securities	**372,456**	**59**	**773**	**-**	**52,258**	**352,299**	**20**	**819**	**-**	**53,410**
Listed	372,453	57	-	-	52,258	345,712	7	85	-	45,439
Unlisted	3	2	773	-	-	6,587	13	734	-	7,971
Equity-related securities	**-**	**-**	**1,422**	**-**	**-**	**-**	**-**	**2,109**	**-**	**22**
Unlisted	-	-	1,422	-	-	-	-	2,109	-	22
Total	**372,456**	**59**	**2,195**	**-**	**52,258**	**352,299**	**20**	**2,928**	**-**	**53,432**

RISK AND CAPITAL MANAGEMENT

27 Financial risk management

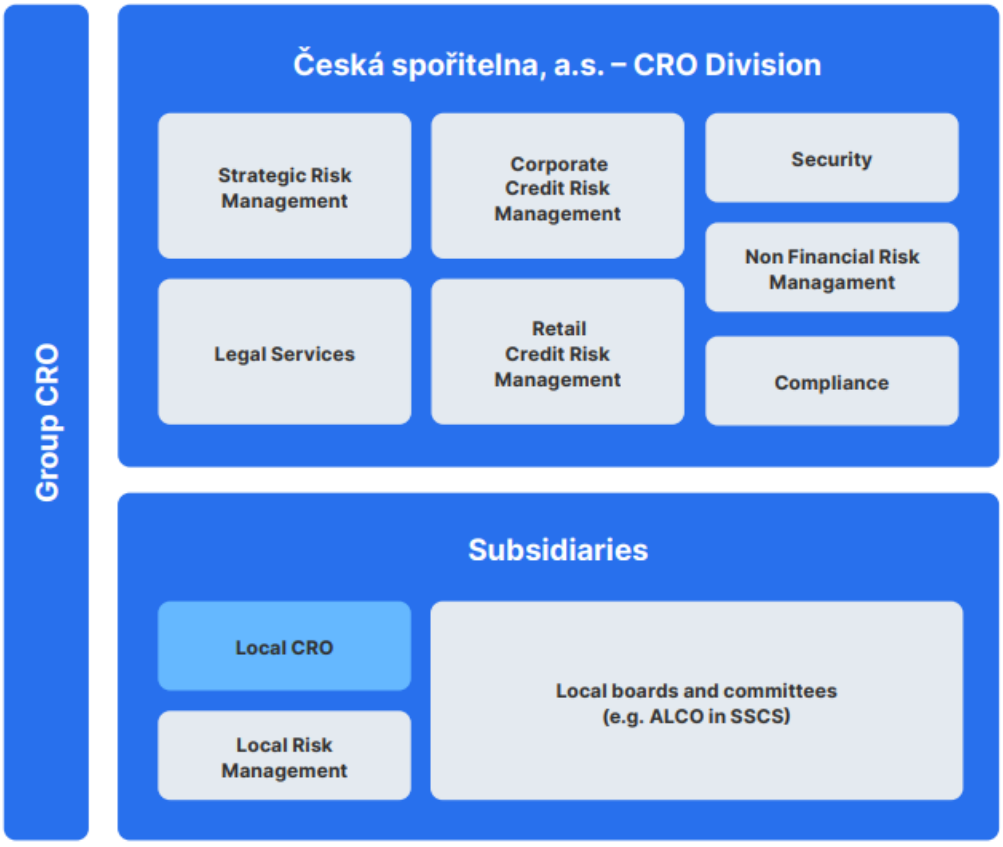
Risk policy and strategy

The Group has developed a risk management framework that is forward-looking and tailored to its business and risk profile. This framework is based on a clear risk strategy that sets out general principles according to which risk taking must be performed across the Group. The risk strategy is consistent with the business strategy and incorporates the expected impact of external environment on the planned business and risk development.

The risk strategy describes the current risk profile, defines risk management principles, strategic goals and initiatives for the main risk types as well as sets strategic limits for the significant financial and non-financial risk types as defined in the Risk Materiality Assessment. The risk strategy is executed within a clearly defined governance structure. This structure also applies to monitoring risk appetite, additional metrics, as well as to the escalation of limit breaches.

The Group is publishing online its disclosures under Article 434 of the Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation – CRR) and Regulation (EU) No. 876/2019 amending Regulation (EU) No. 575/2013. Details are available on the website of the Bank at https://www.csas.cz/cs/dokumenty-ke-stazeni#/7/Povinne-informace-v-souladu-s-Vyhlaskou-CNB.

Risk management organization



Risk monitoring and control is achieved through a clear organisational structure with defined roles and responsibilities, delegated authorities and risk limits.

The management board and in particular the Bank's Chief Risk Officer (Group CRO) perform the oversight function within the Group's risk management structure. Risk control and risk steering within the Group are performed based on the business strategy and risk appetite approved by the management board. The Group CRO, working together with the chief risk officers of the subsidiaries, is responsible for the implementation and adherence to the risk control and risk management strategies across all risk types and business lines.

The management board and, in particular the Group CRO, ensure the availability of appropriate infrastructure and staff as well as methods, standards and processes to that effect; the actual identification, measurement, assessment, approval, monitoring, steering and limit setting for the relevant risks are performed on the operating entity level within the Group.

At Group level, the management board is supported by several divisions established to perform operating risk control functions and exercise strategic risk management responsibilities. The following risk management functions report directly to the Group CRO:

- Strategic Risk Management;
- Corporate Credit Risk Management;
- Retail Credit Risk Management;
- Legal Services;
- Security;
- Non-Financial Risk Management
- Compliance;
- Local Chief Risk Officers.

Local Chief Risk Officers

Each subsidiary has separate risk control and management units with responsibilities tailored to the local requirements, which are headed by the respective chief risk officer (CRO).

Group coordination of risk management activities

The management board regularly deals with risk issues of all risk types in its regular board meetings. Actions are discussed and taken when needed.

Furthermore, certain cross-divisional committees were established with the purpose of carrying out risk management activities in the Group:

- Risk Committee;
- Risk Management Model Committee (RMMC);
- Credit Committee;
- Asset Liability Committee (ALCO);
- Product and Pricing Committee;
- Operational Liquidity Committee;
- Financial Markets Risk Management Committee (FMFMC); and
- Compliance, Operational Risk and Security Committee.

The **Risk Committee** has an escalation function for approval in all cases in which loans and exposures reach an amount exceeding the approval authority of the Credit Committee of the management board according to the credit risk approval guidelines.

The **Risk Management Model Committee** (RMMC) is the steering and control body for IRB approach and Pillar 2 model development, validation and monitoring. All new or changed models and model related aspects (e.g. risk parameters, group-wide methodology standards) are reviewed by the RMMC and require its approval.

The **Credit Committee** is the highest approval body according to the credit risk approval guidelines. It is also responsible for approval of credit risk management strategy.

The **Asset Liability Committee** (ALCO) manages the consolidated Group balance sheet, focusing on trade-offs between all affected consolidated balance sheet risks (interest rate, exchange rate and liquidity risks). In addition, it approves policies and strategies for controlling liquidity risk as well as interest rate risk (net interest income) and examines proposals, statements and opinions of ALM, risk management, controlling and accounting functions. The approved investment strategy complies with the guidelines agreed with Risk Management.

The **Products and Pricing Committee** is responsible for assessment and approval of new products and their innovation in area retail and corporate banking as well as in area of the financial market products. It manages the pricing policy in the Group.

The **Operational Liquidity Committee** (OLC) is responsible for the day-to-day management of the global liquidity position of the Group. It analyses the liquidity situation of the Group on a regular basis and reports directly to the ALCO.

The **Financial Markets Risk Management Committee** is the main steering body for market risk and trading book related issues of the Group. It approves group-wide market risk limits and elaborates on the current market situation. Furthermore, it approves market risk methodologies and models, model changes, and related validation results.

The **Compliance, Operational Risk and Security Committee** is decision body in the area of operational risk, compliance and security in the Group.

Group-wide risk and capital management

Enterprise wide Risk Management (ERM) includes as its fundamental component the Internal Capital Adequacy Assessment Process (ICAAP) as required under Pillar 2 of the Basel framework and regulatory guides (e.g., ECB Guide to ICAAP).

The ERM framework is designed to support the Group's management in managing the risk portfolios as well as the coverage potential to ensure that the Group and the Bank hold adequate capital for the nature and magnitude of its risk profile at all times. The framework is tailored to the Group's business and risk profile and reflects the strategic goal of protecting shareholders and senior debt holders while ensuring the sustainability of the organisation.

ERM framework is a modular and comprehensive management and steering system within the Group as well as an essential part of the overall steering and management instruments. The ERM components necessary to ensure all aspects, in particular to fulfil regulatory requirements and to provide an effective internal steering tool, can be clustered as follows:

- Risk Appetite Statement (RAS), limits and risk strategy;
- portfolio and risk analytics including Risk Materiality Assessment (RMA), concentration risk management, and stress testing;
- Risk-bearing Capacity Calculation (RCC);
- capital allocation and performance management;
- planning of key risk indicators;

– recovery and resolution planning.

In addition to the ICAAP's ultimate goal of assuring capital adequacy and sustainability at all times, the ERM components serve to support the Group's and Bank's management in pursuing its strategy.

Risk appetite

Risk appetite defines the maximum level of risk the Group is willing to accept in pursuing its business goals. The overall approach includes a risk appetite statement, risk limits, and the roles and responsibilities of those overseeing the implementation and monitoring of the risk appetite framework. Limit framework (i.e. risk appetite framework) of the Group includes risk limits set in Risk Appetite Statement and Risk Strategy, industry limits, maximum lending limits and operational limits.

The Group Risk Appetite Statement (Group RAS) represents a strategic statement that expresses the maximum level of risk it is willing to accept in order to deliver its business objectives. The Group RAS acts as a binding constraint to the Group's business activities within its overall risk appetite via triggers and limits approved by the management board. It is integrated and embedded into the Group's structural processes; including business and risk strategy, budget process, capital and liquidity planning, recovery plan, stress testing and remuneration framework. The Group RAS consists of a set of core risk metrics (capital, liquidity, risk/earnings) providing quantitative direction for overall risk-return steering and qualitative statements in the form of key risk principles that are part of the guidelines for managing risks.

The core risk metrics are set as ultimate boundaries for the Group risk-return target setting. They are also a key part of the annual strategic planning / budgeting process and give an overall picture of capital, liquidity and risk-return trade-offs. The key objective of the RAS is to:

– ensure that the Group has sufficient resources to support its business at any given point in time and absorb stress events;
– set boundaries for the Group's risk target setting;
– support the Group's financial strength and the robustness of its systems and controls.

To foster risk-return steering and ensure proactive management of the risk profile, the Group creates its RAS on a forward-looking basis. External constraints such as regulatory requirements create the floor and ceiling for the RAS and therefore the amount of risk the Group is willing to accept. To ensure that the Group remains within the targeted risk profile, a traffic light system was established and assigned to the core metrics. This approach allows a timely delivery of information to the respective governance and the implementation of effective remediation measures. The RAS traffic light system is defined as follows:

– RAS is green: The target risk profile is within the specified boundaries.
– RAS is amber: The undershooting or overshooting of a pre-defined threshold leads to an escalation to the designated governance and the discussion of potential remediation actions.
– RAS is red: The undershooting or overshooting of a pre-defined limit initiates an immediate escalation to the designated governance and a prompt implementation of remediation actions.

Moreover, stress indicators are defined for selected core metrics and integrated into the assessment of the stress test results. They are reported as early warning signals to the management board to support proactive management of the risk and capital profile.

In addition, supporting-metrics and principles are defined by material risk type in the Group Risk Strategy based on Group RAS. These support implementation of the mid- to long-term strategy. Risk management governance ensures full oversight of risk decisions and sound execution of the Group risk strategy. Mitigating actions are undertaken as part of the regular risk management process to ensure that the Group remains within its RAS.

Group RAS is approved by the management board and acknowledged by the risk committee of supervisory board and supervisory board.

The Group further developed an aggregated and consolidated risk appetite dashboard (Risk report) illustrating the group risk profile developments by comparing the risk exposure and risk limits. The Risk report is regularly presented to the management board and to the supervisory board to support its review, oversight, and monitoring of the group risk profile.

ESG risk drivers are embedded in the Risk Appetite Statement and in the risk strategy and are also part of the Group's Risk Materiality Assessments. They are integrated into the Group's risk taxonomy as general or transversal risks drivers, impacting primary risk types, such as credit, market, liquidity, non-financial and other risks. The Group's definition of ESG risk drivers is part of the Group ICAAP Policy and covers a wide range of environmental, social and governance factors.

Portfolio and risk analytics

The Group uses dedicated infrastructure, systems and processes to actively identify, measure, control, report and manage risks within its portfolio. Portfolio and risk analytics processes are designed to quantify, qualify and discuss risks in order to raise awareness to management in a timely manner.

Risk materiality assessment

The Risk Materiality Assessment (RMA) is a regular process for risk identification and assessment of potential impact of those risks on the risk profile of the Group. It serves as a steering tool for the management in deciding on the necessity to allocate economic capital (EC) in Pillar 2/ICAAP or liquidity buffers in ILAAP (Internal Liquidity Adequacy Assessment Process), as well as for defining other risk steering measures. Risk steering and mitigation techniques are customized to the specific characteristics of each individual risk, with general requirements based on the materiality grade.

Moreover, RMA is a crucial input for various risk management activities, such as defining priorities and strategic initiatives for the Group's risk strategy, setting limits within the risk appetite framework, and scenario design for comprehensive- and reverse stress tests.

Risk concentration analysis

The Group has implemented a process to identify measure, control and manage risk concentrations. This process is important to ensure the long-term viability of the Group, especially in times of an adverse business environment and stressed economic conditions.

The risk concentration analysis at the Group is performed on an annual basis covering credit risk, market risk, operational risk, liquidity risk and inter-risk concentrations. Identified risk concentrations are considered in the scenario design of the comprehensive stress test and measured under stressed conditions. The output of the risk concentration analysis additionally contributes to the identification of material risks within the RMA and to the setting/calibration of the Group's limit system.

Stress testing

Modelling sensitivities of the group's assets, liabilities and profit or loss provide management steering information and help to optimise the Group's risk-return profile. Stress tests help to factor in severe but plausible scenarios providing further robustness to measurement, steering and management. Risk modelling and stress testing are vital forward-looking elements of the ICAAP. Finally, sensitivities and stress scenarios are considered within the group's planning process.

The Group's most complex stress testing activities are scenario stress tests that take a comprehensive account of the impact of various economic scenarios, including second-round effects on all risk types (credit, market, liquidity and operational) and effects on the associated volumes of assets and liabilities as well as on profit and loss sensitivities. In addition to the standard scenario-driven stress testing exercises, reverse stress tests are performed to identify a scenario or a combination of scenarios in which viability of the current business model can be questioned.

The Group has developed specific tools to translate macroeconomic variables (e.g. GDP or unemployment rate) into risk parameters in order to support the stress testing process.

Results from internal stress tests are analysed in order to decide on appropriate measures. The internal comprehensive stress tests performed in 2024 indicated that the Group remains within the stressed RAS (early warning threshold was triggered for Tier 1 and Solvency ratios in the first year of the scenario calculation).

Risk-bearing capacity calculation

The Risk-bearing Capacity Calculation (RCC) describes the methodology of Pillar 2 capital adequacy calculation. In contrast to the normative (regulatory) view of Pillar 1, referring to the Group's ability to fulfil all of its capital-related regulatory and supervisory requirements and demands, the RCC is based on an economic view of Pillar 1+ approach, assuming continuation of the Group as expected by the ECB Guide to ICAAP. The RCC determines whether the Group has sufficient internal capital for covering all (regulatory and economic) risks it is exposed to. Economic and normative perspectives at the Group are set in a way to mutually inform each other and are integrated into all material business steering activities and decisions. In addition, with applied Pillar 1+ approach the Group increases efficiency and ensures comparability with the Pillar 1 calculation. Based on the results of the RMA, the economic capital is considered for relevant risk types as approved by the management board. The economic capital requirement is then compared to internally available capital (coverage potential) to cover the Group's risks in Pillar 2. Both economic capital and coverage potential are computed on the CRR scope of consolidation of the Group based on IFRS Accounting Standards.

Besides the Pillar 1 risk types (credit, market in trading book, FX in banking book and operational risks), concentration risk, interest rate risk in the banking book, credit spread risk in the banking book as well as business risk are explicitly considered within the economic capital calculated over a horizon of one year and at a confidence level of 99.9%. For the calculation of the economic capital, the Group uses, where possible, more risk sensitive/advanced methodologies tailored to its individual risk profile and specificities of the Group's individual risk exposures. Diversification effects between risks (inter-risk diversification) are not considered, reflecting the Group's prudent approach to maintain sufficient internal capital in times when correlations between risks may change dramatically (like in times of stress). The largest portion of economic capital requirements is coming from credit risk, which accounts for 61.2% of total economic capital requirements at the end of 2024 (2023: 58.9%).

The calculation of internal capital or coverage potential required to cover Pillar 2 risks/unexpected losses is based on Pillar 1+ approach. Namely, the regulatory own funds are adjusted by internal capital components, i.e. Pillar 2 adjustments, necessary to come to the internally available capital deemed as risk-bearing and loss absorbing from the economic view (e.g. exclusion of Additional Tier 1 and Tier 2 capital instruments, Pillar 2 IRB expected loss excess/shortfall add-on, year-to-date profit, if it is not already considered in Pillar 1 capital, etc.).

The coverage potential must be sufficient to absorb Pillar 2 risks/unexpected losses resulting from the Group's operations at any point in time (normal and stressed), as reflected in the Group's Risk Appetite through the limits set for Group economic capital adequacy and stressed capital adequacy utilisation. At the end of 2024, the economic capital adequacy was at 66.9%, fully in line with group RAS (2023: 60.1%).

Risk planning

Group Risk Planning framework is essential for the capital allocation and overall financial planning processes and supports the adequate reflection of risks within the strategy, steering and management processes of the Group.

Methods and instruments applied

Key risk indicators covered by the Risk Planning framework include indicators that provide an overview of incurred or potential risks, with respect to both portfolio and economic environment developments. Indicators include RWA (and related indicators), portfolio quality indicators (impairments, NPL/NPE and relevant performance indicators etc.), as well as indicators required by the regulatory authorities under the responsibility of the Risk division.

Planning activities are performed in close cooperation with all stakeholders in the Group´s overall process and follow a clear governance structure to ensure sound risk planning process.

Capital allocation

An important task integral to the risk planning process is the allocation of capital to entities, business lines and segments. This is done with close cooperation between Risk Management and Controlling. Methodology for allocation reflects risk and controlling processes in order to allocate capital with risk-return considerations.

The Group's aggregate capital requirements by risk type

The following table presents the composition of the economic capital requirements according to type of risk:

Economic capital allocation in %	2024	2023
Credit risk	61.20%	58.86%
Market risk	28.09%	28.60%
Operational risk	5.05%	4.85%
Other risks	5.66%	7.69%

Other risks include business risk and liquidity risk.

Recovery and resolution plans

In compliance with the Czech Banking Recovery and Resolution Act (No. 374/2015 'Zákon o ozdravných postupech a řešení krize na finančním trhu'), the Group submits an updated Group Recovery Plan to the ČNB at least annually.

The Group Recovery Plan identifies options for restoring financial strength and viability in case the Group comes under severe stress (measured by a comprehensive set of indicators). The plan specifies potential options for the replenishment of capital and liquidity of the bank in order to cope with a range of scenarios including both idiosyncratic and market-wide stress. Governance/escalation procedures described in the plan ensure a timely identification of, and proper reaction to such situations. The plan also serves to demonstrate that in stress, the bank has sufficient recovery capacity, i.e. is able to restore capital adequacy and liquidity on its own. Furthermore, the assessment of the Group Recovery Plan is part of the Supervisory Review and Evaluation Process (SREP).

The Group also collaborates with the resolution authorities in the drawing up of resolution plans based on the relevant legislation. Erste Group Bank is subject to the Multiple Point of Entry (MPE) resolution strategy, meaning that the Group would be resolved separately from Erste Group Bank.

Under the Recovery and Resolution Act, transposing the Bank Recovery and Resolution Directive (BRRD), the Group is also subject to a Minimum Requirement for own funds and Eligible Liabilities (MREL). As of 31 December 2024, the MREL target prescribed by the resolution authority is set at 20.0% RWA (before considering the combined buffer requirement).

28 Own funds and capital requirements

Statement of capital for the Group's capital adequacy calculation as reported to the regulator in accordance with applicable rules[27] as of 31 December 2024 and 2023:

in CZK million	2024	2023
Tier 1 capital	127,221	123,631
Tier 1 + Tier 2 capital	139,672	132,749
Exposure to credit risk	684,438	612,648
Exposure to market risk	4,889	2,956
Exposure to operational risk	62,236	60,732
Total risk exposure	**751,563**	**676,336**
Capital adequacy ratio for the year (Tier 1 ratio)	**16.9%**	**18.3%**
Capital adequacy ratio for the year (Tier 1+Tier 2 ratio)	**18.6%**	**19.6%**

(27) Reported figures are based on the methodology, where the Group has used the possibility stated in the Article 26/2 of the CRR to include in the Common Equity Tier 1 capital credit risk adjustments.

The Group meets all capital adequacy requirements as requested by regulators as of 31 December 2024 and 2023. More details related to capital requirements are described in APPENDIX: OWN FUNDS AND CAPITAL REQUIREMENTS.

29 Credit risk: credit risk review and monitoring

ESG risk management

The Group integrates ESG factors in its risk management and industry strategy framework. The ESG Factor Heatmap is used as a screening instrument to identify certain industry segments (out of the existing sub-industries) that may be exposed to ESG risk factors and determine those industries which are more vulnerable to ESG risks. The Group establishes industry strategies and lending standards to support the steering of the portfolio under considerations of ESG risks; both are the basis for decisions, which determine which clients and transactions fit into the Group's portfolio.

Secondly, the Group has established an ESG risk framework for the assessment of material ESG factors, related risks, and appropriateness of the mitigating strategies in the credit and rating processes. In this manner, the Group takes ESG risk criteria into account when making credit decisions.

For large corporate, commercial real estate and commercial residential real estate transactions, the Group conducts a systemic ESG analysis via an internal digital ESG assessment questionnaire. The questionnaire is a mandatory prerequisite in the loan origination and monitoring process. By providing a comprehensive ESG risk assessment, the Group is able to determine how certain ESG factors may have a positive or negative impact on the financial performance of clients. The questionnaire enables the group to identify clients' ESG risks or opportunities.

Particular questions in the questionnaire may also require an in-depth assessment in order to understand the nature and severity of the ESG risks to which the client is exposed. The questionnaire forms an integral part of the credit application and is updated at least annually, allowing the Group to understand the client's business model in the context of carbon transition. In order to support achieving the Group's decarbonization targets, additional lending guidance has been introduced for large corporates, depending on their communicated strategy to align with climate science recommendations.

Furthermore, ESG relevant data is collected for certain types of collateral, as defined in the Group Collateral Management Policy for real estate collateral valuations, documentation and reporting purposes. Environmental aspects which affect the value of the collateral have to be included in the real estate valuations, which can lead to a higher or lower valuation result. Moreover, any risks arising from social (e.g., location and transportation, mass urbanisation – being indicators for easy accessibility for people) and governance factors (such as improper business practices such as tax fraud or bribery of the financed company being the owner of the building serving as collateral) have to be considered as well. For commercial real estate assets, the questionnaire additionally includes an assessment of the building's environmental footprint, including information on land consumption, space efficiency, and the existence of a sustainable building certificate. Similarly to large corporate lending, the Group has introduced additional lending guidance for commercial real estate financing, tied to the carbon footprint of the financed asset.

With regards to credit risk measurement and internal models a respective project to define and collect relevant climate risk drivers for all rating systems has started in 2022 to ensure the explicit consideration of climate risks in future model development initiatives. In 2024, ESG factors are considered in the soft facts assessment in the corporate rating models. In case of sovereigns and banks, the rating is overridden based on the ESG score derived from available sources World Bank / OECD and Bloomberg respectively. Moreover, if it is concluded that calculated model rating does not reflect the ESG risk properly, then rating can be overridden manually based on ESG assessment questionnaire. For the LGD models, climate risk is indirectly reflected via the collateral value. Additionally, within each new model development, testing of the ESG drivers is obligatory and where it is deemed relevant, the respective information needs to be integrated via model into ECL measurement. As of 31 December 2024 (31 December 2023) no overlays are deemed necessary.

For the assessment and management of physical risks, the Erste Group uses Munich Re's Location Risk Intelligence. Over the last year, the Erste Group has conducted a physical risks materiality assessment together with the University of Graz in order to identify key hazards and climate change scenarios relevant for its collateral portfolio. The results of the assessment, highlighting the importance of river flood, fire weather stress, drought stress, sea level rise and heat stress,

are integrated into the collateral management, incorporating an intermediate climate change scenario of 2-3C by 2100 (Representative Concentration Pathway 4.5 / Shared Socioeconomic Pathway 2, developed by the Intergovernmental Panel on Climate Change) as a reasonable assumption. The Group is going to roll out Erste Group's risk materiality assessment of physical risks during 2025. For the Group the most significant physical risk is considered river flood. Possible negative impact on the collateral value is evaluated according to FLATZONE (partner of INTERMAP).

Among the industries presented in the table 'Credit risk exposure by industry and risk category' below in this chapter, the Group identified, as part of the strategic climate initiative for the Net Zero Banking Alliance, certain carbon-intensive sectors as important levers for setting interim emission targets for 2030, thereby supporting the migration of 'Transition Risk' in the Group financed portfolio. Targets are set for the following sectors: housing mortgages, commercial real estate, electricity production, heat and steam production, auto manufacturing, iron, and steel.

During 2024 the Group conducted climate scenario analysis. The Group developed methodology to assess the impact of NGFS (the Network for Greening the Financial System) forward looking scenarios: Net zero 2050, Delayed Transition, and Current policies. The scenarios provide a set of plausible climate change pathways and the Bank evaluates the impact on corporate portfolio.

Methods of credit risk management

Credit risk arises from the Group's traditional lending and investment businesses.

Operative credit decisions are made by the credit risk management units in each subsidiary locally and by Corporate Risk Management at the Group level.

Credit risk related to retail and SME loan portfolios is managed at the Group and at local entity level with a common interest to ensure regulatory compliant risk management practices and to provide customers with manageable loan facilities that are within their financial capacities and supported by underlying profitability.

Internal rating system

The Group has business and risk strategies in place that govern policies for lending and credit approval processes. These policies are reviewed at a minimum on an annual basis and adjusted if necessary. They cover the entire lending business, considering the nature, scope and risk level of the transactions and the counterparties involved. Credit approval considers individual information on the creditworthiness of the customer, the type of credit, collateral, covenant package and other risk mitigation factors involved.

The assessment of credit default risk within the Group is based on the customer's probability of default (PD). For each credit exposure and lending decision, the Group assigns an internal rating, which is a unique measure of the credit default risk. The internal rating of each customer is updated event-specific, however, at least once a year (annual rating review). Ratings of workout customers are reviewed more frequently.

The main purpose of the internal ratings is to support the decision-making for lending and for the terms of credit facilities. Internal ratings also determine the level of credit approval authority within the Group and the monitoring procedures for existing exposures. At a quantitative level, internal ratings influence the level of required risk pricing, loss allowances and, where applicable, risk-weighted assets under Pillar 1 or 2.

For entities of the Group that use the internal ratings-based (IRB) approach, internal ratings are key input for the risk-weighted assets calculation. They are also used in the Group's assessment of the economic capital requirements according to Pillar 2 and in other relevant model use areas. For these purposes, a distinct PD value is assigned to each rating grade for its IRB portfolios within a calibration process that is performed individually for each rating method and each portfolio. PD values reflect a 12-month probability of default based on long-term average default rates per rating grade. The Bank assigns margins of conservatism to the calculated PDs.

Internal ratings take into account all available significant information for the assessment of counterparty default risk. For non-retail borrowers, internal ratings take into account the financial strength of the counterparty, the possibility of external support, flexibility in corporate financing, general company information and external credit history information,

where available. For retail clients, internal ratings are based mainly on payment behaviour versus the Group and, where applicable, credit bureau information, supplemented with information provided by the respective client and general demographic information. Rating ceiling rules on credit quality are applied based on membership in a group of economically related entities and the country of main economic activity (applicable to cross-border financing facilities).

Internal specialist teams develop and improve internal rating models and risk parameters in cooperation with risk managers. All Pillar 1 and 2, as well as IFRS9 models are subject of an annual review of their estimates, considering the inclusion of most recent data in the estimation of risk parameters, as well as a regular cycle of full model review. Model development follows an internal group-wide methodological standard and utilizes relevant data covering the respective market. In this way, the Group ensures the availability of rating models with the best possible prediction across its core regions.

The central Model Validation department is responsible for defining the validation methodologies and standards to be applied to all credit risk models within the Group as well as for conducting the validation activities across the whole the Group. All Pillar 1, material Pillar 2 and IFRS 9 models are subject to an annual validation, while for non-material Pillar 2 and IFRS 9 models a regular validation cycle is implemented. Model Validation employs qualitative as well as quantitative validation methods to challenge conceptual soundness, performance and model use aspects. The validation outcomes are approved by the respective model committees and, in case of IRB models, shared with the regulatory bodies. In addition to the validation process, the Group applies a regular monitoring process on the performance of IRB models, reflecting developments in new defaults and early delinquencies.

Approvals of all new models, model changes, changes to risk parameters, changes in group-wide methodological standards and other model-related aspects are following a dual approval process within the Group – corresponding Holding and local model committee structures reflect joint responsibilities for decisions on Pillar 1 IRB and Pillar 2 credit risk models as well as on methodologies related to IFRS 9 parameters. Responsibilities are assigned depending on model perimeter (group-wide or locally developed model). In this context, the following committees are established: Strategic Risk Executive Committee and Strategic Risk Management Committee on the Holding level and Risk Management Model Committee on the local level. Ultimate responsibility for all models used within the Group (at consolidated level) lies with the Group CRO.

Credit risk classification

For the disclosure of asset quality the Group assigns each customer to one of the following four risk categories:

Low risk. Typically, regional customers with well-established and rather long-standing relationships with the Group or large internationally recognised customers. Very good to satisfactory financial position and low likelihood of financial difficulties relative to the respective market in which the customers operate. Retail clients having long relationships with the Group, or clients with a wide product pool use. No relevant late payments currently or in the most recent 12 months. New business is generally done with clients in this risk category.

Management attention. Vulnerable non-retail clients, who may have overdue payments or defaults in their credit history or may encounter debt repayment difficulties in the medium term. Retail clients with possible payment problems in the past triggering early collection reminders. These clients typically have a good recent payment history.

Substandard. The borrower is vulnerable to short-term negative financial and economic developments and shows an elevated probability of failure. In some cases, restructuring measures are possible or already in place. As a rule, such loans are managed in specialised risk management departments.

Non-performing. One or more of the default criteria under Article 178 of the CRR are met, which include full repayment unlikely, interest or principal payments on a material exposure more than 90 days past due, restructuring resulting in a loss to the lender, realisation of a loan loss, or initiation of bankruptcy proceedings. The Group applies the customer view for all customer segments, including retail clients; if an obligor defaults on one deal then the customer's performing transactions are classified as non-performing as well. All non-performing exposures are also defaulted.

The materiality of 90 days past due credit obligation is applied for on-balance exposure at client level and assessed daily against the group-wide defined materiality threshold (except the local regulator has defined different thresholds) for the:

- retail exposure: as an absolute limit on client level of 100 EUR and relative 1% on client level;
- non-retail exposure: as an absolute limit on client level of 500 EUR and relative 1% on client level.

Based on the calibration of internal PDs (probabilities of default) for regulatory purposes to the default rates published by rating agencies, the equivalent external customer rating was used for the assignment to risk categories. For the agency ratings, average one- year default rates resulting from long-term time series were applied.

Credit risk review and monitoring

Enterprisewide Risk Management conducts periodical reviews of the loan portfolio for each entity to ensure an adequate portfolio quality and to monitor the compliance of local portfolios with the principles and parameters as stipulated by credit risk policies.

All credit limits and the transactions booked within the limits are reviewed at least once a year. Counterparty credit risk limits are monitored daily in an internal limit management system with remedial actions taken in case limits are exceeded.

A group-wide standardized early warning monitoring process is implemented to proactively identify negative developments. The early warning signals are monitored by Corporate and Retail Credit Risk Management for respective segments. When early warning signals are identified and validated, the overall client exposure and creditworthiness is reviewed and adequate risk mitigating actions are taken if deemed necessary. Watch list meetings are held on a regular basis to monitor customers with a poor credit standing and to discuss pre-emptive measures. For smaller enterprises (micro) and retail customers, the monitoring and credit review are based on an automated early warning system. In retail risk management, the early warning signals for adverse portfolio developments include, for instance, quality deterioration in new business or a decreasing collections effectiveness and require appropriate countermeasures. Additionally, the monitoring is performed for clients where early warning signals have been identified, even if they are still fulfilling their contractual repayment obligations.

Adverse portfolio developments regarding the non-performing and substandard loans portfolio of the Group are monitored, discussed and reported. In case of further negative developments clients are managed in specialized workout units aiming to maximise recoveries.

30 Credit risk exposure

Credit risk exposure relates to the sum of the following balance sheet items:

- cash and cash equivalents – demand deposits to credit institutions;
- debt instruments held for trading;
- non-trading debt instruments at fair value through profit or loss (FVPL);
- debt instruments at fair value through other comprehensive income (FVOCI);
- debt instruments at amortised cost (AC), other than trade and other receivables;
- trade and other receivables (for disclosure purposes in the tabular summaries below, any contract assets are also included in this category);
- finance lease receivables;
- debt instruments held for sale in disposal groups;
- positive fair value of derivatives;

– off-balance sheet credit risks (primarily financial guarantees and undrawn irrevocable credit commitments).

The credit risk exposure equates the gross carrying amount (or nominal value in the case of off-balance sheet positions) excluding:

– credit loss allowances for financial assets;
– credit loss allowances for loan commitments and financial guarantees;
– provisions for other commitments;
– any collateral held (including risk transfer to guarantors);
– netting effects;
– other credit enhancements;
– credit risk mitigating transactions.

Between 31 December 2023 and 31 December 2024, the credit risk exposure increased from CZK 2,027 billion to CZK 2,280 billion. This is an increase of 12.5% or CZK 253 billion.

Reconciliation between the gross carrying amount and the carrying amount of the credit risk exposure components

in CZK million	Credit risk exposure	Credit loss allowances	Adjustments	Net carrying amount
2024				
Cash and cash equivalents - demand deposits to credit institutions	594	-	-	594
Debt instruments held for trading	12,911	-	-	12,911
Non-trading debt instruments at FVPL	1,473	-	-	1,473
Debt securities	773	-	-	773
Loans and advances to banks	691	-	-	691
Loans and advances to customers	9	-	-	9
Debt instruments at FVOCI	52,198	(192)	252	52,258
Debt securities	52,198	(192)	252	52,258
Debt instruments at AC	1,912,025	(19,938)	-	1,892,087
Debt securities	372,482	(26)	-	372,456
Loans and advances to banks	443,392	(3)	-	443,389
Loans and advances to customers	1,096,151	(19,909)	-	1,076,242
Trade and other receivables	13,583	(377)	-	13,206
Finance lease receivables	1,550	(49)	-	1,501
Positive fair value of hedge accounting derivatives	2,930	-	-	2,930
Off balance-sheet exposures	283,008	(1,323)	-	-
Financial guarantees	6,062	(180)	-	-
Loan commitments	171,182	(1,065)	-	-
Other commitments	105,764	(78)	-	-
Total	**2,280,272**	**(21,879)**	**252**	**1,976,960**
2023				
Cash and cash equivalents - demand deposits to credit institutions	1,737	(1)	-	1,737
Debt instruments held for trading	16,662	-	-	16,662
Non-trading debt instruments at FVPL	1,689	-	-	1,689
Debt securities	819	-	-	819
Loans and advances to banks	856	-	-	856
Loans and advances to customers	14	-	-	14
Debt instruments at FVOCI	53,204	(156)	363	53,410
Debt securities	53,204	(156)	363	53,410
Debt instruments at AC	1,673,641	(20,517)	-	1,653,123
Debt securities	352,327	(28)	-	352,299
Loans and advances to banks	304,009	(2)	-	304,007
Loans and advances to customers	1,017,305	(20,487)	-	996,818
Trade and other receivables	12,925	(632)	-	12,292
Finance lease receivables	1,532	(65)	-	1,467
Positive fair value of hedge accounting derivatives	3,241	-	-	3,241
Off balance-sheet exposures	262,451	(1,152)	-	-
Financial guarantees	8,384	(229)	-	-
Loan commitments	158,368	(865)	-	-
Other commitments	95,699	(57)	-	-
Total	**2,027,082**	**(22,523)**	**363**	**1,743,622**

‘Cash and cash equivalents’ - ‘Cash balances at central banks’ (see Note 12) represent balances with the Czech National Bank and therefore the credit risk corresponds to the credit risk of the Czech Republic.

Credit risk allowances comprise impairments for financial assets measured at amortised cost (including finance lease and trade and other receivables) and at fair value through other comprehensive income (FVOCI), as well as provisions

for off-balance sheet exposures. Adjustments refer to the fair value changes of the carrying amount for financial assets at FVOCI.

The gross carrying amount of contingent liabilities refers to the nominal value, while credit risk provisions refer to provisions for guarantees. A carrying amount is not presented in the case of contingent liabilities.

Breakdown of credit risk exposure

On the following pages the credit risk exposure is presented according to different segmentation criteria.

Credit risk exposure by industry and risk category

in CZK million	Low risk	Management attention	Substandard	Non-performing	Total
2024					
Natural Resources & Commodities	45,167	22,067	5,281	2,538	75,053
Energy	48,143	9,884	5,577	428	64,032
Construction and building materials	42,862	24,179	2,328	1,202	70,571
Automotive	27,873	11,431	1,340	363	41,008
Cyclical Consumer Products	23,162	14,768	3,559	1,589	43,077
Non-Cyclical Consumer Products	27,698	16,829	1,280	450	46,258
Machinery	18,122	11,690	920	1,565	32,297
Transportation	30,329	11,480	1,674	280	43,763
TMT; Telecommunications, Media, Technology and Paper & Packaging	19,122	6,031	451	190	25,793
Healthcare & Services	17,350	6,778	1,424	576	26,127
Hotels & Leisure Industry	19,486	4,244	1,319	674	25,723
Real Estate	118,598	5,058	3,784	1,831	129,271
Public Sector	863,982	3,089	38	806	867,916
Financial Institutions	83,240	5,229	856	35	89,360
Private Households	579,414	103,005	9,035	8,568	700,022
Other	1	-	-	-	1
Total	**1,964,549**	**255,762**	**38,866**	**21,095**	**2,280,272**
2023					
Natural Resources & Commodities	50,317	13,555	3,897	3,047	70,817
Energy	54,596	5,377	5,817	387	66,178
Construction and building materials	45,745	15,620	3,052	929	65,346
Automotive	31,363	5,857	1,377	379	38,976
Cyclical Consumer Products	26,228	12,811	2,619	1,299	42,957
Non-Cyclical Consumer Products	30,370	10,980	1,614	418	43,382
Machinery	17,871	6,809	1,003	1,514	27,197
Transportation	27,553	5,182	671	412	33,818
TMT; Telecommunications, Media, Technology and Paper & Packaging	20,533	2,870	579	876	24,858
Healthcare & Services	17,948	4,161	1,788	434	24,331
Hotels & Leisure Industry	20,572	2,988	1,486	958	26,004
Real Estate	100,805	9,679	5,657	1,427	117,568
Public Sector	711,984	847	31	818	713,680
Financial Institutions	75,348	3,029	1,290	32	79,699
Private Households	547,507	88,030	8,578	8,148	652,263
Other	1	8	-	-	9
Total	**1,778,742**	**187,803**	**39,458**	**21,079**	**2,027,082**

The ‘Low risk exposure’ has the highest proportion in total credit risk exposure, with 86.15% (2023: 87.75%), while ‘Management attention’ represents 11.22% (2023: 9.26%), The ‘Substandard’ exposure represents 1.70% (2023: 1.95%) and the ‘Non-performing’ 0.93% (2023: 1.04%).

From industry and financial instrument point of view, the highest exposure is represented by public sector exposure of CZK 868 billion (2023: CZK 714 billion) and private households exposure of CZK 700 billion (2023: CZK 652 billion), representing 68.8% (2023: 67.4%) from total. The increase in exposure under ‘management attention’ is partly due to upgrades from nonperforming part and partly due to the implementation of new corporate rating methods, which are slightly more conservative.

Credit risk exposure by business segment and risk category

The segment reporting is based on the business segments as described in Note 1.

in CZK million	Low risk	Management attention	Substandard	Non-performing	Total
2024					
Retail	617,487	119,337	18,914	11,158	766,896
Corporates	448,351	134,197	18,724	9,849	611,121
Group Markets	45,300	1,645	102	-	47,047
ALM & LCC	853,411	583	1,126	88	855,208
Total	**1,964,549**	**255,762**	**38,866**	**21,095**	**2,280,272**
2023					
Retail	579,956	100,074	19,159	10,017	709,206
Corporates	460,850	85,542	18,747	10,973	576,113
Group Markets	46,032	1,669	238	-	47,939
ALM & LCC	691,904	517	1,314	89	693,824
Total	**1,778,742**	**187,803**	**39,458**	**21,079**	**2,027,082**

31 Use of collateral

Recognition of credit collateral

The Collateral Management department is a staff unit within the Strategic Risk Management Department. The Group's Collateral Management Policy Part 1 Credit Collateral defines, among other topics, uniform valuation standards for credit collateral across the Group. It ensures that the credit risk decision processes are standardised with respect to accepted collateral values.

All collateral types acceptable within the Group are contained in the Group's Collateral Catalogue. Locally permitted collateral is defined in accordance with applicable Czech legal provisions. The valuation and revaluation of collateral is done according to the principles defined in the Group's Collateral Catalogue broken down by collateral type and based on the internal work instructions in accordance with the individual supervisory requirements. Whether a type of collateral or a specific collateral asset is accepted for credit risk mitigation is decided by relevant Credit Risk Management unit after determining if the applicable regulatory requirements are met. Relevant back office unit monitor adherence to the standard work processes stipulated for assigning the acceptable collateral assets to the categories available.

Main types of credit collateral

The following types of credit collateral are accepted:

- real estate: residential and commercial real estate;
- financial collateral: securities, cash deposits and life insurance policies;
- guarantees: given by sovereigns, public sector entities, financial institutes, companies and individuals. All guarantors must have a minimum credit rating, which is reviewed annually;
- movables: equipment, investment goods, machinery and motor vehicles;
- claims and rights: trade account receivables, leasehold rights and shares in a company's capital.

Collateral valuation and management

Collateral valuation is based on current market prices while taking into account an amount that can be recovered within a reasonable period. The valuation processes are defined and their IT-supported technical application is performed by Collateral Management unit and by authorised staff with the assistance of software applications. The allocated collateral values are capped by the amount of the secured transaction. Therefore, imputed excess collateral values are not possible.

Only independent appraisers not involved in the lending decision process are permitted to conduct real estate valuations, and the valuation methods to be applied are defined by the Group. For quality assurance purposes, the real estate evaluation mechanism and real estate valuations are validated on an ongoing basis for all segment of financing.

The methods and discounts used for valuations are based on empirical data representing past experience of the workout departments and on the collected data on recoveries from realising collateral. The valuation methods are adjusted regularly – at least once a year – to reflect current recoveries. Mechanism for regular update is described in Collateral Management Policy.

The revaluation of collateral is done periodically and is automated as far as possible. The maximum periods for the revaluation of individual collateral assets are predefined and compliance is monitored by risk management using software application COLMAN. Apart from periodic revaluations, collateral is assessed when information becomes available that indicates a decrease in the value of the collateral for exceptional reasons.

Concentration risks resulting from credit risk mitigation techniques may affect a single customer, but also a portfolio defined by region, industry, or type of collateral. The Bank is a retail bank, and, due to its customer structure and the markets in which it operates, it does not have any concentrations with respect to collateral from customers. All guarantee liabilities and loans of a corporate guarantee provider are taken into consideration in the credit application process in order to prevent possible concentrations. Guarantees provided by sovereigns, a public sector entity or financial institutions have to lie within the approved limit of the guarantor. Concerning other areas of a potentially detrimental correlation of risks, the collateral portfolios are analysed using statistical evaluations for, among other things, regional or industry-specific concentrations within the scope of portfolio monitoring. The response to those risks identified includes, above all, the adjustment of volume targets, setting of corresponding limits and modification of the staff's discretionary limits for lending.

Collateral obtained in foreclosure proceedings is made available for sale in an orderly manner, with the proceeds used to reduce or repay the outstanding claim.

Treasury collateral

The department Financial Markets Risk Management is responsible for treasury collateral. The Group Collateral Management Policy Part 2 defines, among other things, uniform valuation standards for treasury collateral across the entire Group.

Under the framework of treasury collateral, netting agreements (international framework agreements for derivatives of the International Swap and Derivatives Association (ISDA), Czech framework agreements, framework agreements for securities lending transactions and repurchase deals) as well as collateral agreements (e.g. ISDA Credit Support Annex) are used for reducing the credit risk from derivatives.

Netting agreements make it possible to net all amounts due or payable for each individual transaction under a framework agreement in the case of a credit default, with the result that only the net receivables vis-à-vis the business partner are of relevance for credit risk. Within the scope of these collateral agreements, the portfolio with the respective counterparty is revalued periodically, usually daily, and in case of insufficient coverage additional collateral is requested. The policy restrictions on collateral types ensure that collateral received predominantly consists of cash or securities of investment grade quality. In the case of securities used as collateral, an additional valuation discount (haircut) depending on credit quality and residual maturity is applied.

Credit risk exposure by financial instrument and collateral

in CZK million	Total credit risk exposure	Collateral total	Collateralised by: Guarantees	Real estate	Other	Credit risk exposure net of collateral	Impairment IFRS 9: Neither past due nor credit impaired	Past due but not credit impaired	Credit impaired
2024									
Cash and cash equivalents - demand deposits to credit institutions	594	-	-	-	-	594	594	-	-
Debt instruments held for trading	12,911	-	-	-	-	12,911	-	-	-
Non-trading debt instruments at FVPL	1,473	-	-	-	-	1,473	-	-	-
Debt instruments at FVOCI	52,198	-	-	-	-	52,198	52,198	-	-
Debt instrumentsat AC	1,912,025	1,034,153	23,925	565,163	445,065	877,873	1,886,258	6,039	19,728
Debt securities	372,482	3,111	3,111	-	-	369,372	372,482	-	-
Loans and advances to banks	443,392	436,885	376	-	436,509	6,507	443,392	-	-
Loans and advances to customers	1,096,151	594,157	20,438	565,163	8,556	501,994	1,070,384	6,039	19,728
Trade and other receivables	13,583	5,075	5,075	-	-	8,508	12,150	1,240	193
Finance lease receivables	1,550	-	-	-	-	1,550	1,453	70	27
Positive fair value of hedge accounting derivatives	2,930	-	-	-	-	2,930	-	-	-
Off balance-sheet exposures	283,008	25,477	543	8,563	16,371	257,531	176,769	-	475
Total	**2,280,272**	**1,064,705**	**29,543**	**573,726**	**461,436**	**1,215,567**	**2,129,422**	**7,349**	**20,423**
2023									
Cash and cash equivalents - demand deposits to credit institutions	1,737	-	-	-	-	1,737	1,737	-	-
Debt instruments held for trading	16,662	-	-	-	-	16,662	-	-	-
Non-trading debt instruments at FVPL	1,689	-	-	-	-	1,689	-	-	-
Debt instruments at FVOCI	53,204	-	-	-	-	53,204	53,204	-	-
Debt instruments at AC	1,673,641	837,974	25,776	519,845	292,354	835,667	1,647,460	7,587	18,594
Debt securities	352,327	2,954	2,954	-	-	349,373	352,327	-	-
Loans and advances to banks	304,009	285,342	369	-	284,974	18,667	304,009	-	-
Loans and advances to customers	1,017,305	549,678	22,453	519,845	7,380	467,627	991,124	7,587	18,594

in CZK million	Total credit risk exposure	Collateral total	Collateralised by: Guarantees	Collateralised by: Real estate	Collateralised by: Other	Credit risk exposure net of collateral	Impairment IFRS 9: Neither past due nor credit impaired	Impairment IFRS 9: Past due but not credit impaired	Impairment IFRS 9: Credit impaired
Trade and other receivables	12,925	4,817	4,817	-	-	8,108	11,141	1,343	440
Finance lease receivables	1,532	-	-	-	-	1,532	1,481	16	35
Positive fair value of hedge accounting derivatives	3,241	-	-	-	-	3,241	-	-	-
Off balance-sheet exposures	262,451	19,020	773	8,470	9,777	243,431	165,626	-	1,127
Total	**2,027,082**	**861,812**	**31,366**	**528,315**	**302,131**	**1,165,270**	**1,880,649**	**8,946**	**20,196**

The collateral attributable to exposures that are credit-impaired at 31 December 2024 amounts to CZK 6,899 million (2023: 6,830 million).

32 Measurement of expected credit loss

The general principles and standards for credit loss allowances are governed by internal policies. According to IFRS 9, credit loss allowances are calculated for all components of credit risk exposures which are measured at amortised cost (AC) or at fair value through other comprehensive income. They include debt securities, loans and advances, demand deposits on nostro accounts with commercial banks as well as finance lease and trade receivables. In addition, credit loss allowances are calculated for loan commitments and financial guarantees if they meet the applicable IFRS 9 definitions.

Classification into stages and definition of credit-impaired financial instruments

There are three main stages outlined for expected credit loss (ECL) determination. The stages approach applies to financial instruments within the scope of the impairment requirements of IFRS 9 and those that are not categorised as purchased or originated credit impaired financial assets (POCI), which form a category of their own. Depending on the impairment status and the assessment of the development of credit risk, these financial instruments are assigned to one of the three stages, as described in the chapter 'FINANCIAL INSTRUMENTS – MATERIAL ACCOUNTING POLICY INFORMATION', in the section 'Impairment of financial instruments'.

Significant increase in credit risk determination

Assessment of significant increase in credit risk (SICR) of financial instruments as at the reporting date since initial recognition is one of the key drivers affecting the amount of the ECL recognised based on IFRS 9 requirements. In this respect, across portfolios and product types, quantitative and qualitative indicators are defined for assessing SICR, including the indicator of 30 days-past-due (DPD).

The Group methodology allows introduction of the cure periods for migrations back to Stage 1 from Stage 2 in addition to those already established in general credit risk practices (forbearance, watch lists, default). However, for migration back to Stage 1 there are no additional cure periods applied for quantitative criteria other than those already established in general credit risk practice (e.g. for rating improvement).

Quantitative criteria. Quantitative SICR indicators include adverse changes in lifetime probability of default with significance being assessed by comparison to the thresholds. The Group has established thresholds for significant increases in credit risk based on both a percentage (relative) and absolute change in PD compared to initial recognition.SICR occurs for a particular financial instrument, when both the relative and the absolute thresholds are breached.

The relative measure is calculated as a ratio between current annualised LT PD and annualised LT PD value on initial recognition, considering remaining maturity of the instrument. The breach means that such ratio has reached or is higher

than the established threshold. These relative thresholds for SICR assessment are established at PD segment level or client rating level, as necessary, and are subject to initial and on-going validation.

The relative thresholds

	2024		2023	
Threshold interval	**Min**	**Max**	**Min**	**Max**
Retail	101%	500%	101%	330%
Corporate	133%	359%	133%	359%
Banks	124%	128%	124%	128%
Public sector	219%	240%	219%	240%
Governments	113%	134%	113%	134%
Institutions	219%	240%	219%	240%

The relative thresholds can vary from 101% to 500% according to PD segment and rating level. In general, the maximal thresholds are applied in case of clients with higher credit quality and minimal in case of clients with lower credit quality.

There are certain portfolios where SICR quantitative criteria are assessed based on the ratings rather than PDs. The main rule in those cases is that downgrading of the ratings would lead to a positive conclusion on SICR. These rules are applied primarily to leasing and factoring business receivables.

The relative thresholds in place since the IFRS 9 implementation were kept stable as one of the most significant estimates in ECL measurement. In the fourth quarter of 2022, the process of splitting the corporate portfolio into Group (large) Corporates and Local Corporates was initiated and it triggered in 2023 thresholds' recalibration for these portfolios.

The absolute threshold refers to difference of LT PD on initial recognition and current LT PD. It is set to a maximum of 50 bps and serves as a back-stop for migrations between the best ratings (LT PDs considered for remaining maturity). In such cases, relative thresholds may be breached, however overall LT PD is very low, and therefore SICR is not triggered.

Qualitative criteria. Qualitative SICR indicators include forbearance-type flags (identification of regulatory forbearance), information from the early-warning system and fraud indicators. The assignment of some of the qualitative indicators inherently relies on experienced credit risk judgment being exercised adequately and in a timely manner. The related group-wide and entity-level credit risk controlling policies and procedures (adapted as necessary in the light of transition to IFRS 9) ensure the necessary governance framework. These indicators are used internally for identification of insolvency or increased probability that a borrower will enter bankruptcy and there is increased risk of default in the foreseeable future.

Besides the qualitative indicators defined on a client level, the assessment of a significant increase in credit risk is performed on a portfolio level if the increase in credit risk on individual instruments or at a client level is available only with a certain time lag or is observable exclusively on a portfolio level.

The Group has introduced additional portfolio level SICR assessment criteria stemming from multiple geopolitical conflicts (implemented with the start of the war in Ukraine in 2022) and related macroeconomic impacts. For more details refer to ‘Collective assessment’ in the chapter 35 Scenarios used in forward looking information.

Backstop. A backstop is applied and the financial instruments are considered to have experienced a SICR if the borrower is more than 30 days past due on contractual payments. As observed during validation, this does not represent a major trigger for Stage 2 classification.

Low credit risk exemption. The ‘Low credit risk exemption’ allowed by IFRS 9 for ‘Investment grade’ assets or other assets deemed ‘Low risk’ (and resulting in 12 months expected credit losses being calculated irrespective of SICR quantitative measures) has been implemented with limitations in the Group. Thus, the potential activation of this exemption is limited to particular types of debt instruments and counterparty categories, and only if supported by sufficient ‘low risk’ evidence. On this basis, the ‘Low risk exemption’ is applied only to debt security exposures (reverse

repo excluded). The Group considered that low credit risk is still appropriate since potential increase of riskiness is already incorporated in 1Y PD due to FLI.

As of 31 December 2024, in the Group, the corresponding exposure amounted to CZK 419,7 billion (2023: CZK 395.7 billion) with 1Y PDs up to 0.5%. The rest of the securities exposure (reverse repo excluded) of CZK 4,6 billion (2023: CZK 4.5 billion) with 1Y PD higher than 0.5% does not qualify for low credit risk exemption.

Measuring ECL – explanation of inputs and measurement

Credit loss allowances are calculated individually or collectively.

The individual calculation approach is applied in case of exposures to significant defaulted customers in Stage 3 or POCI. It consists in the individual assessment of the difference between the gross carrying amount and the present value of the expected cash flows, which are estimated by workout or risk managers. The discounting of the cash flows is based on the effective interest rate (POCI: credit-adjusted effective interest rate). However, the discount rate for financial guarantees shall reflect the current market assessment of the time value of money and the risks that are specific to the cash flows which in the Group's implementation means using a risk free rate as a proxy.

A defaulted customer is classified as individually significant if the total on- and off-balance exposure exceeds a predefined materiality limit CZK 5 million. Otherwise, the customer is considered insignificant and a rule-based (collective) approach is used for the calculation of the related credit loss allowance as the product of gross carrying amount and LGD, where the LGD depends on characteristics such as time in default or the stage of the workout process.

For exposures to non-defaulted customers (i.e. in Stage 1 and Stage 2), collective allowances are calculated according to a rule-based approach irrespective of the significance of the customer. The calculation of collective allowances requires grouping the related exposures into homogenous clusters on the basis of shared risk characteristics. The grouping criteria may differ based on the customer segment (retail, corporate) and include product type, collateral type, repayment type, loan to value band. There are credit listed groups for calculation of collective allowance: MSE by product type, Private Individual by product type, in case of PI Mortgages the group is split according to LTV (<20%, 20-60%, 60-80%, >80%, LTV is missing). Recovery curves depends also on repayments type (cooperative versus noncooperative client).

The calculation of credit loss allowances is done on a daily basis on a single exposure level and in the contractual currency of the exposure. To compute the collective credit loss allowance, the Group applies an expected credit loss(ECL) model based on a three-stage approach that leads to either a 12-month ECL or to a lifetime ECL. ECL is the discounted product of exposure at default (EAD) that also includes a credit conversion factor in the case of off-balance sheet exposures, probability of default (PD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of a borrower defaulting on its financial obligation (per definition of default below), either over next 12 months (1Y PD) for Stage 1 exposures or over the remaining lifetime (LT PD) for Stage 2 and 3 and POCI exposures.
- EAD is based on the amounts Group expects to be owed at the time of default, over next 12 months (1Y EAD) for Stage 1 exposures, or over the remaining lifetime (LT EAD) for Stage 2 and 3 and POCI exposures. The estimation includes current balance, expected repayments and expected drawings up to the current contractual limit by the time of default.
- LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit exposure at the time of default (EAD).

In 2024 the methodologies and segmentation for IFRS 9 parameters estimation was harmonized with methodologies and segmentation for the IRB regulatory parameters, resulting (together with regular recalibration process) in an ECL decrease of CZK 714 million in 2024. The impact was mainly on Retail segment related with segmentation changes when the loan portfolio was newly divided to secured and unsecured loans.

Life-time parameters

The LT PD is developed through observation of historical defaults over an available history. The calculated LT PDs are extrapolated, e.g., via matrix multiplication, to ensure that the final lifetime PD covers the lifetime of the loans from initial recognition. It is assumed to be the same across all assets in the same portfolio, rating band; and the country of risk which is an additional relevant PD characteristic considered via forward looking information in case of central models for Group (Large) Corporate.

The 1Y and LT EADs are determined based on the expected payment profiles, which vary by product type. The LT EAD calculation utilises repayment schedule or repayment type (annuity, linear, bullet). In the case of undrawn commitments, credit conversion factor is estimated for reflecting the expected credit exposure in the EAD.

The LGD is estimated as a lifetime curve for any point in time, based on historical loss observations.

The risk parameters used in the ECL calculation consider available information at the reporting date about past events, current conditions and forecasts on future economic trends. Generally, the risk parameters applied in the calculation of collective allowances differ from the risk parameters compliant with capital requirement regulations, calculated on a through-the-cycle basis, if the characteristics of the respective portfolio in combination with IFRS Accounting Standards necessitate this.

33 Credit risk exposure by IFRS 9 Stage and ECL

Credit risk exposure by business segment and IFRS 9 treatment

	Credit risk exposure					Credit loss allowances				NPE coverage ratio		
in CZK million	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Stage 1	Stage 2	Stage 3	POCI	Stage 2	Stage 3	POCI
2024												
Retail	668,162	87,144	10,601	879	110	(1,311)	(3,674)	(6,816)	(149)	4.2%	64.3%	16.9%
Corporates	421,361	94,430	7,953	1,488	85,889	(970)	(3,428)	(4,626)	(497)	3.6%	58.2%	33.4%
Group Markets	15,399	41	-	-	31,607	(7)	-	-	-	1.1%	100.0%	
ALM & LCC	849,549	98	88	-	5,473	(147)	(91)	(86)	-	92.9%	97.2%	
Total	**1,954,471**	**181,713**	**18,642**	**2,367**	**123,079**	**(2,435)**	**(7,193)**	**(11,528)**	**(646)**	**4.0%**	**61.8%**	**27.3%**
2023												
Retail	613,874	84,968	9,288	945	131	(1,499)	(4,992)	(5,887)	(212)	5.9%	63.4%	22.4%
Corporates	402,003	87,889	9,087	1,281	75,853	(1,006)	(2,729)	(5,447)	(343)	3.1%	59.9%	26.8%
Group Markets	11,710	238	-	-	35,991	(122)	(3)	-	-	1.4%	86.8%	100.0%
ALM & LCC	688,066	354	81	8	5,315	(40)	(98)	(80)	(7)	27.6%	98.5%	94.2%
Total	**1,715,653**	**173,449**	**18,455**	**2,234**	**117,291**	**(2,668)**	**(7,822)**	**(11,413)**	**(563)**	**4.5%**	**61.8%**	**25.2%**

Stage 1 and Stage 2 comprise not impaired credit risks exposure while Stage 3 includes impaired credit risks exposure. POCI (purchased or originated credit impaired) consists of credit risks exposure already impaired when purchased or originated.

Column ‘Not subject to IFRS 9 impairment‘ represents exposures measured at fair values and revocable other commitments.

The defaulted part of POCI amounted to CZK 1,781 million (2023: CZK 1,741 million), the non-defaulted part to CZK 587 million (2023: CZK 493 million).

34 Development of credit loss allowances

The following tables give an overview over the development of credit loss allowances (CLA) per balance sheet line item.

In column 'Additions' increases of CLA due to the initial recognition of financial instruments during the current reporting period are disclosed. Releases of CLA following the derecognition of the related financial instrument are reported in column 'Derecognitions'.

In column 'Transfers between stages' CLA net changes due to changes in credit risk that triggered re-assignments of the related financial instrument from Stage 1 (at 1 January 2024 or initial recognition date) to Stages 2 or 3 at 31 December 2024 or vice-versa are reported. The effects of transfers from Stage 1 to Stages 2 or 3 on the related CLAs are adverse and presented in lines attributable to Stages 2 or 3. The effects of transfers from Stages 2 or 3 to Stage 1 on the related CLAs are favourable and presented in line 'Stage 1'. The P&L-neutral effect from cross-stage transferring of the related CLA amounts recognised prior to stage re-assignments are presented above in column 'Other changes in credit risk (net)'.

Any other changes in credit risk which do not trigger a transfer between Stage 1 and Stage 2 or 3 or vice-versa are disclosed in column 'Other changes in credit risk (net)'.

Financial instruments held at amortised cost

Movement in credit loss allowances - debt securities

in CZK million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Other	As of
	Jan 2024						Dec 2024
Stage 1	(21)	(3)	2	4	(4)	-	(22)
Stage 2	(7)	-	-	(2)	4	-	(5)
Total	**(28)**	**(3)**	**2**	**2**	**-**	**-**	**(27)**

	Jan 2023						Dec 2023
Stage 1	(28)	(13)	10	7	4	-	(21)
Stage 2	(6)	-	12	-	(12)	-	(7)
Total	**(34)**	**(13)**	**21**	**7**	**(9)**	**-**	**(28)**

The year-end total GCAs of AC debt securities that were initially recognised (purchased) during the year 2024 and not sold by 31 December 2024 amounts to CZK 51,000 million (2023: CZK 45,761 million). The GCA of AC debt securities that were held at 1 January 2024 and derecognised (matured/sold) during the year 2024 amounts to CZK 24,176 million (2023: CZK 11,100 million).

Movement in credit loss allowances - loans and advances to banks

in CZK million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	As of
	Jan 2024					Dec 2024
Stage 1	(2)	(87)	80	-	6	(3)
Stage 2	-	-	-	-	-	-
Total	**(2)**	**(87)**	**80**	**-**	**6**	**(3)**

	Jan 2023					Dec 2023
Stage 1	(4)	(142)	141	1	3	(2)
Stage 2	-	(1)	-	-	1	-
Total	**(4)**	**(143)**	**141**	**1**	**4**	**(2)**

The year-end total GCA of AC loans and advances to banks that were initially recognised during the year 2024 and not fully derecognised by 31 December 2024 amounts to CZK 454,930 million (2023: CZK 308,676 million). The GCA of AC loans and advances to banks that were held at 1 January 2024 and fully derecognised (matured) during the year 2024 amounts to CZK 307,974 million (2023: CZK 262,824 million).

Movement in credit loss allowances - loans and advances to customers

in CZK million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	Other	As of
	Jan 2024							Dec 2024
Stage 1	**(2,175)**	**(1,889)**	**488**	**3,398**	**(1,774)**	**-**	**(6)**	**(1,957)**
General governments	(10)	(7)	-	4	5	-	-	(8)
Other financial corporations	(38)	(35)	29	330	(335)	-	(1)	(50)
Non-financial corporations	(861)	(1,090)	184	1,405	(484)	-	(5)	(851)
Households	(1,265)	(758)	275	1,660	(960)	-	-	(1,048)
Stage 2	**(7,246)**	**(579)**	**893**	**(3,559)**	**4,352**	**3**	**(24)**	**(6,160)**
General governments	(15)	(1)	-	(149)	(1)	-	(1)	(167)
Other financial corporations	(24)	(359)	5	(103)	349	-	(1)	(133)
Non-financial corporations	(4,001)	(109)	594	(1,331)	1,763	-	(22)	(3,106)
Households	(3,207)	(110)	294	(1,975)	2,241	3	-	(2,754)
Stage 3	**(10,506)**	**(142)**	**1,153**	**(803)**	**(1,628)**	**814**	**(36)**	**(11,147)**
General governments	(109)	-	-	-	45	-	-	(64)
Other financial corporations	(21)	-	-	(207)	(9)	1	(1)	(237)
Non-financial corporations	(4,966)	(90)	671	(185)	(586)	175	(35)	(5,015)
Households	(5,411)	(52)	482	(410)	(1,078)	638	-	(5,831)
POCI	**(560)**	**-**	**81**	**-**	**(361)**	**199**	**(4)**	**(645)**
General governments	(5)	-	-	-	2	-	-	(3)

in CZK million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	Other	As of
Non-financial corporations	(364)	-	14	-	(185)	20	(4)	(518)
Households	(191)	-	67	-	(178)	179	-	(124)
Total	**(20,487)**	**(2,610)**	**2,615**	**(963)**	**590**	**1,016**	**(70)**	**(19,909)**

	Jan 2023							Dec 2023
Stage 1	**(1,817)**	**(2,422)**	**507**	**2,383**	**(824)**	**-**	**(1)**	**(2,175)**
General governments	(8)	(3)	-	3	(2)	-	-	(10)
Other financial corporations	(24)	(19)	10	69	(78)	-	4	(38)
Non-financial corporations	(751)	(1,352)	205	681	361	1	(5)	(861)
Households	(1,034)	(1,049)	292	1,630	(1,105)	-	-	(1,265)
Stage 2	**(7,226)**	**(551)**	**757**	**(3,663)**	**3,464**	**5**	**(32)**	**(7,246)**
General governments	(148)	-	-	(3)	135	-	-	(15)
Other financial corporations	(36)	(38)	3	(19)	66	-	-	(24)
Non-financial corporations	(3,266)	(363)	397	(1,523)	785	-	(31)	(4,001)
Households	(3,776)	(150)	357	(2,119)	2,477	4	-	(3,207)
Stage 3	**(10,597)**	**(110)**	**1,318**	**(640)**	**(1,488)**	**1,051**	**(41)**	**(10,506)**
General governments	-	-	-	-	(106)	-	(3)	(109)
Other financial corporations	(1)	-	-	-	(19)	-	-	(21)
Non-financial corporations	(5,515)	(58)	882	(303)	(114)	179	(38)	(4,966)
Households	(5,080)	(52)	436	(338)	(1,249)	872	-	(5,411)
POCI	**(474)**	**-**	**100**	**-**	**(380)**	**197**	**(3)**	**(560)**
General governments	-	-	-	-	(5)	-	-	(5)
Non-financial corporations	(449)	-	88	-	(196)	196	(3)	(364)
Households	(25)	-	12	-	(179)	1	-	(191)
Total	**(20,113)**	**(3,084)**	**2,682**	**(1,920)**	**773**	**1,253**	**(78)**	**(20,487)**

In column ‘Additions’ increases of CLA due to the initial recognition of loans and advances to customers at AC during the current reporting period are disclosed. CLAs recognised against drawings from non-revolving loan commitments are deemed as additions for the purpose of presenting current period’s movement in CLA. Therefore, additions in Stages 2 and 3 reflect transfers from Stage 1 having occurred between commitment and drawing dates of related credit facilities. Releases of CLA following the derecognition of the related loans and advances to customers at AC are reported in column ‘Derecognition’.

In the column ‘Transfers between stages’ CLA net changes due to changes in credit risk that triggered re-assignments of the related AC loans and advances to customers from Stage 1 at 1 January 2024 (or initial recognition date, if later) to Stages 2 or 3 at 31 December 2024 or vice-versa are reported. The effects of transfers from Stage 1 to Stages 2 or 3 on the related CLAs are adverse (incremental year-on-year allocations) and presented in lines attributable to Stages 2 or 3. The effects of transfers from Stages 2 or 3 to Stage 1 on the related CLAs are favourable (incremental year-on-year releases) and presented in the line ‘Stage 1’. The P&L-neutral effect from cross-stage transferring of the related CLA amounts recognised prior to stage re-assignments are presented above in the column ‘Other changes in credit risk (net)’.

Any other changes in credit risk which do not trigger a transfer between Stage 1 and Stage 2 or 3 or vice-versa are disclosed in column 'Other changes in credit risk (net)'. This column also captures the passage-of-time adverse effect ('unwinding correction') over the lifetime expected cash shortfalls of AC loans and advances to customers that were assigned to Stage 3 for any period throughout the year, as well as of any POCI loans and advances to customers. This adverse effect amounted to CZK 481 million cumulatively for the year 2024 (2023: CZK 395 million), which also reflects the unrecognised interest income out of the related AC loans and advances to customers throughout the year.

The use of CLA triggered by full or partial write-offs of AC loans and advances to customers is reported in column 'Write-offs'.

One significant driver of the CLA movements for the year has been the transfer of the related instruments across different impairment stages. The year-end GCA of AC loans and advances to customers that were assigned at 31 December to a different stage compared to 1 January (or to the initial recognition date, if originated during the year) are summarized below:

Transfer between stages - loans and advances to customers

	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3		POCI	
in CZK million	To Stage 2 from Stage 1	To Stage 1 from Stage 2	To Stage 3 from Stage 2	To Stage 2 from Stage 3	To Stage 3 from Stage 1	To Stage 1 from Stage 3	To Defaulted from Non-Defaulted	To Non-Defaulted from Defaulted
2024								
General governments	8,923	121	-	-	-	-	-	-
Other financial corporations	4,698	3,755	-	-	212	-	-	-
Non-financial corporations	35,223	36,967	2,210	243	1,174	123	32	180
Households	41,380	26,241	1,713	625	1,719	559	3	52
Total	**90,224**	**67,084**	**3,923**	**868**	**3,105**	**682**	**35**	**232**
2023								
General governments	274	285	473	-	-	-	-	-
Other financial corporations	1,283	3,471	-	-	-	-	-	-
Non-financial corporations	33,285	46,740	1,859	514	1,591	372	-	224
Households	28,070	32,019	1,784	640	1,757	279	3	90
Total	**62,913**	**82,515**	**4,116**	**1,154**	**3,348**	**651**	**3**	**315**

The year-end total GCA of the AC loans and advances to customers that were initially recognised during the year 2024 and not fully derecognised by 31 December 2024 amounts to CZK 267,657 million (2023: CZK 231,143 million). The GCA of the AC loans and advances to customers that were held at 1 January 2024 and fully derecognised during the year 2024 amounts to CZK 120,283 million (2023: CZK 96,156 million).

The undiscounted amount of the lifetime expected credit losses considered in the initial measurement of the AC loans and advances to customers initially recognised and identified as POCI during the year 2024 amounted to CZK 666 million (2023: CZK 683 million).

Movement in credit loss allowances - trade and other receivables

in CZK million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	Other	As of
	Jan 2024							Dec 2024
Stage 1	(151)	(59)	24	-	33	-	(1)	(154)
Stage 2	(118)	-	6	(6)	5	1	-	(112)
Stage 3	(363)	-	18	(8)	244	3	(5)	(111)
Total	**(632)**	**(59)**	**48**	**(14)**	**282**	**4**	**(6)**	**(377)**

	Jan 2023							Dec 2023
Stage 1	(92)	(84)	41	4	(19)	-	(1)	(151)
Stage 2	(164)	-	29	(6)	21	2	-	(118)
Stage 3	(359)	-	28	-	(31)	1	(2)	(363)
Total	**(616)**	**(84)**	**97**	**(2)**	**(29)**	**3**	**(3)**	**(632)**

Financial assets at fair value through other comprehensive income - debt instruments

Movement in credit loss allowances - debt instrument financial assets

in CZK million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	As of
	Jan 2024					Dec 2024
Stage 1	(6)	-	-	-	1	(5)
Stage 2	(151)	(2)	3	(3)	(34)	(187)
Total	**(156)**	**(2)**	**3**	**(3)**	**(33)**	**(192)**

	Jan 2023					Dec 2023
Stage 1	(8)	-	1	7	(5)	(6)
Stage 2	(145)	-	3	-	(9)	(151)
Total	**(153)**	**-**	**4**	**7**	**(14)**	**(156)**

The year-end GCAs of FVOCI debt securities that were assigned at 31 December to a different stage compared to 1 January (or to the initial recognition date, if purchased during the year) are summarized in the table below:

Transfer between stages - debt instrument financial assets

in CZK million	2024	2023
Transfers between Stage 1 and Stage 2		
To Stage 2 from Stage 1	820	-
To Stage 1 from Stage 2	-	2,563

Finance lease receivables

Movement in credit loss allowances - finance lease receivables

in CZK million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	As of
	Jan 2024					Dec 2024
Stage 1	(40)	(2)	1	-	12	(29)
Stage 2	(2)	-	-	(1)	1	(2)
Stage 3	(22)	-	2	-	2	(18)
Total	**(65)**	**(2)**	**3**	**(1)**	**15**	**(49)**
	Jan 2023					Dec 2023
Stage 1	(32)	(1)	-	2	(10)	(40)
Stage 2	(13)	-	-	(1)	11	(2)
Stage 3	(36)	-	8	(3)	9	(22)
Total	**(81)**	**(1)**	**7**	**(1)**	**10**	**(65)**

The year-end GCA of finance lease receivables that were assigned at 31 December to a different stage compared to 1 January (or to the initial recognition date, if originated during the year) are summarized below:

Transfer between stages - finance lease receivables

in CZK million	2024	2023
Transfers between Stage 1 and Stage 2		
To Stage 2 from Stage 1	19	8
To Stage 1 from Stage 2	17	55
Transfers between Stage 2 and Stage 3		
To Stage 3 from Stage 2	-	1
To Stage 2 from Stage 3	1	-
Transfers between Stage 1 and Stage 3		
To Stage 3 from Stage 1	2	1
To Stage 1 from Stage 3	-	4

The year-end total GCA of the finance lease receivables that were initially recognised during the year 2024 and not fully derecognised by 31 December 2024 amounts to CZK 357 million (2023: CZK 893 million). The GCA of the finance lease receivables that were held at 1 January 2024 and fully derecognised during the year 2024 amounts to CZK 119 million (2023: CZK 99 million).

Loan commitment and financial guarantees

Movement in credit loss allowances - loan commitment and financial guarantees

in CZK million	As of Jan 2024	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Other	As of Dec 2024
Stage 1	272	150	(135)	(204)	181	1	265
Stage 2	298	-	(227)	660	(6)	3	727
Stage 3	522	-	(41)	5	(235)	1	252
POCI	3	-	(1)	-	(1)	-	1
Total	**1,094**	**150**	**(404)**	**461**	**(61)**	**5**	**1,245**

	Jan 2023						Dec 2023
Stage 1	395	586	(356)	(345)	(10)	2	272
Stage 2	460	-	(280)	230	(115)	3	298
Stage 3	258	-	(289)	20	317	217	522
POCI	1	-	(4)	-	5	-	3
Total	**1,114**	**586**	**(929)**	**(94)**	**196**	**221**	**1,094**

One significant driver of the CLA movements for the year has been the transfer of the related instruments across different stages. The year-end volumes of loan commitments and financial guarantees that were assigned at 31 December to a different stage compared to 1 January (or to the initial recognition date, if originated during the year) are summarized below:

Transfer between stages - loan commitments and financial guarantees

in CZK million	2024	2023
Transfers between Stage 1 and Stage 2		
To Stage 2 from Stage 1	23,619	10,429
To Stage 1 from Stage 2	18,394	7,378
Transfers between Stage 2 and Stage 3		
To Stage 3 from Stage 2	159	369
To Stage 2 from Stage 3	169	61
Transfers between Stage 1 and Stage 3		
To Stage 3 from Stage 1	187	50
To Stage 1 from Stage 3	121	2

The year-end nominal amounts of unused off-balance commitments and financial guarantees that were initially recognised during 2024 and not fully derecognised by 31 December 2024 amounts to CZK 88,223 million (2023: CZK 119,817 million). The nominal amounts of unused off-balance commitments or financial guarantees that were held at 1 January 2024 and fully derecognised during the year 2024 amounts to CZK 41,177 million (2023: CZK 45,989 million).

35 Scenarios used in forward looking information

Overview on scenarios used in forward-looking information

Incorporation of forward-looking information

Parameters are determined to reflect the risk as a 'point-in-time' measure and with consideration of forward-looking information (FLI). This results in using a baseline forecast and a several alternative scenarios for selected macroeconomic variables. The alternative scenarios are derived, together with their probabilities of occurrence, as a deviation from baseline forecasts, where the baseline forecasts are, with a few exceptions, internally determined by the Group's research

department. Given multiple scenarios, the ‘neutral‘ PDs (and partly included in LGDs) are adjusted using macro models that link relevant macroeconomic variables with risk drivers. The same macro-shift models as for external and internal stress test are used. Forward-looking information is incorporated for first three years of ECL measurement. Measurement of the parameters for the remaining lifetime returns back to through- the-cycle observations immediately in year four.

Thus, the unbiased scenario weighted ECL considering FLI is derived using the weights representing the outcome of each macroeconomic scenario. Typical macroeconomic variables may include real gross domestic product, unemployment rate, inflation rate, production index as well as market interest rates. The selection of variables also depends on the availability of reliable forecasts for the given local market. The main indicator of the estimated economic development and basis for alternative scenario derivation is the GDP. In addition, economic effects of the ongoing war in Ukraine and the emerging conflicts in the middle east came along with the increases of the inflation and/or the interest rates. The Group adjusted macro-shift models to reflect expected effects of those into credit risk parameters.

Macro-shift FLI models are recalibrated regularly to reflect the most relevant macro-variables. The recalibration is performed by the local entities (except for the central models for Group (Large) Corporate) and variables with the highest statistical relevance are included.

In case of central model for Group (Large) Corporates, the Erste Group (dedicated central units) is responsible for the PD review including a FLI model which is based on the country of risk distinguishing the macro development in the different countries.

The Group reviewed the FLI in the fourth quarter of 2024 according to the disclosed forecasts for baseline, downside, and upside scenarios. Based on the assessment of conditions (exit triggers) for applying in-model adjustments in FLI models (incorporation of comprehensive stress test (CST) scenario into the downside scenario and expertly set up weights for the downside and upside scenarios), the Group decided:

– to keep unchanged the approach of including the CST scenario, updated according to the assumptions considered in comprehensive stress test 2024, into the downside scenario modelling;
– to apply the modelled weights for downside and upside scenarios instead of expertly set weights. Model weights are applied since December 2023.

The Group is disclosing sensitivity of the staging and ECL on macro scenarios in the ‘Collective assessment‘ section below.

Baseline scenario

The Group expects the Eurozone economy to gradually recover in 2025. The main factor supporting the constructive baseline outlook for the Eurozone in 2025 is the ongoing real wage growth which should support private consumption. In addition, further rate cuts by the ECB as the year 2025 progresses should lead to a gradual recovery of investment activity, which in turn should support industrial production.

Due to further easing of inflationary pressures, especially from services, the Group expects the ECB to deliver four more rate cuts (25 bp each) in 2025. This should bring the deposit rate down to 2.0% by year end 2025.

The Czech economy is undergoing a gradual recovery, expected to strengthen. In addition to continued favourable consumption trends, this will be supported by a gradual improvement in foreign demand and the stabilization of current inventory declines. The labour market outlook remains positive. Although the unemployment rate may rise slightly, it will remain very low overall, and real wages, which returned to growth this year, are expected to continue rising over the next two years. Inflation is expected to stay close to the inflation target. The CNB will continue its gradual rate cuts.

Risks to the baseline scenario and comprehensive stress test scenario as considerations added to downside scenario

The ongoing war in Ukraine, including emerging conflicts in the middle east, remains significant risk factor.

In addition, the uncertainty with regard to the trade policy of the new US administration under the President Trump is a further risk factor for the outlook. Substantially raises of tariffs on all imports (the current tariff level is around 2%) would harm global trade and growth to a larger degree than anticipated in our base line scenario. Thus, in particular export and investment growth in the Eurozone would be much slower in 2025 and 2026 than currently forecasted by the Group.

Security of energy supplies remains an issue for the EU, considering the ongoing war between Russia and Ukraine. The EU is relying to a rising degree on supplies of liquefied natural gas (LNG) from exporters which are geographically further away such as the USA or Middle Eastern countries. Any disruptions in the global LNG trade could have severe consequences on all energy prices in the EU. Fast rising energy prices, triggered by any kind of supply disruptions, could force the ECB to tighten monetary policy aggressively (affecting the entire yield curve) to keep inflation under control.

In addition, the fast rise of green energy investments adds volatility and instability to an European power grid. Temporary pressure on the power grid from large swings in energy supply from green energy could result in temporary price spikes for electricity which could harm industrial activity and the consumers purchasing power.

The fast rise of interest rates is a threat for the investment activity of companies and consumers. It could lead to lower investments than currently anticipated for our base case scenario. In general, higher Harmonized Index of Consumer Prices (HICP), especially electricity/gas bills, reduces disposable income and contracts consumption. Given the high debt inherited from the pandemic, increasing military spending and expansive fiscal policies (especially in France) could lead investors to question debt sustainability in some countries.

Upside risk to the baseline scenario

In case the global industry recovers faster and stronger, than it is expected in baseline scenario, supported by lower or no additional trade measures from the new US administration, it would certainly have an immediate positive impact on the German economy, which has been in recession for two years now. In light of the tight interconnections between Germany and other major countries of the Eurozone, a stronger and faster recovery of German industry would also have an immediate positive impact on the entire industry of the Eurozone. A faster and stronger recovery of European industry would give certainly a positive boost to GDP growth in 2025 and 2026, as the recovery of investment activity would take hold faster and stronger than currently expected in our baseline scenario. We would expect in this scenario that the consumer sentiment would also be impacted positively.

Therefore private consumption would have a bigger contribution to growth in 2025 and 2026, when comparing to our baseline scenario. The services sector of the economy would benefit from a better and higher consumer sentiment as well. However, a further gradual easing of inflationary pressure (especially in the services sector) is mandatory in this scenario in order not to endanger expected rate cuts by the ČNB and ECB in 2025.

Overview of Baseline, Upside and Downside scenarios

Below we are summarizing expected development of the GDP, all scenarios and scenario weights, as main indicator of the macro-economic situation.

Additionally, we are disclosing the most relevant variables for the macro-shift model.

Macro-shift models are calibrated for the three main sub-portfolios: private individuals, micro enterprises, and another corporate business. Models' calibration and variables disclosed below are incorporated into expected credit loss measurement as of 31 December 2024. The baseline and weighted scenario outcome for the major variables is disclosed in the tabular format for the years 2025-2027.

Baseline, upside and downside scenarios of GDP growth

	Scenario	Probability weights 2025-2027	GDP growth in % 2025	2026	2027
2024					
Czech Republic	Upside	22%	4.6	4.7	4.6
	Baseline	50%	2.6	2.7	2.6
	Downside	28%	(3.9)	(2.1)	0.1

2023		**2024-2026**	**2024**	**2025**	**2026**
Czech Republic	Upside	21%	3.8	5.3	4.8
	Baseline	50%	1.8	3.3	2.8
	Downside	29%	(2.5)	(0.9)	0.3

	Baseline scenario			Scenario weighted outcome		
	2025	**2026**	**2027**	**2025**	**2026**	**2027**
2024						
Unemployment rate	3.4	3.5	3.5	3.7	4.0	4.0
Inflation (PPI)	147.8	151.0	154.1	148.2	151.5	154.6

2023	**2024**	**2025**	**2026**	**2024**	**2025**	**2026**
Unemployment rate	3.7	4.0	4.0	3.7	4.3	4.4
Inflation (PPI)	141.8	144.3	147.2	142.2	144.7	147.6

Collective assessment

In addition to standard SICR assessment, the Group applied collective SICR assessment, i.e., transfer into Stage 2 based on pre-defined portfolio characteristics, due to emerging risks not covered by standard models. This approach is aligned with all affected entities and business lines and approved by the respective governance bodies of the Group. It requires, after the assessment of the outliers from the common portfolio characteristics, to have exemptions from the collective SICR assessment, if properly documented why they would behave differently than the rest of the portfolio.

In December 2024, the Group applied collective staging assessment for specific industries. The collective staging assessment in case of cyclical industries applied in December 2023, identified based on the correlation to economic downturn in case of selected industries from energy sector (production & distribution of energy and heating), including energy intensive industries (Metals and Chemicals), were removed (energy stage overlays) or transformed (cyclical stage overlays):

- the energy stage overlays due to the distortions in the energy market with implications on gas/energy availability and price. In June 2024, energy stage overlays were decommissioned based on the regular evaluation of the conditions (exit triggers) for applying of collective SICR assessment. It was concluded that the risk was mitigated in case of energy sector/energy intensive industries (sufficient gas reserves in Europe, stabilized energy prices).
- the cyclical stage overlays due to the war in Ukraine as a combination of industries with correlation to economic downturn (cyclical industries) and one-year IFRS PD. Persistent high inflation and dilution of disposable income continues to dampen private consumption, while the high global uncertainty and high refinancing conditions have adverse effects on investment and industrial activity. While some industries developed better in 2023, confirmed by rating reviewed in 2024, others are still facing high inventories, continuing supply chain issues and cost inflation and additionally lower demand. The latter is not yet reflected in clients' financials, and still a ratings' downshifts are expected. Therefore, in November 2024, the cyclical stage overlays were transformed/re-assessed to ensure the better connection of overlays with internal risk management processes. The new overlays (industry stage overlays) connect collective SICR assessment with industry strategy, that reflects risks and changes in the risk assessment which our portfolio is exposed to, instead of general definition of cyclical industries used before. The industry strategy framework covers all twelve Corporate industries and their subsegments. Industries are systematically assessed in line with the Group risk management framework (industry strategies and main risks); however, potential risks might not yet be

spread or crystallized at client level, translated into client financials or rating. Therefore, PD threshold (250 bp), defined by one-year IFRS PD, differentiate between clients who could be potentially impacted, reflecting that better rating (consequently PD) reflects credit strength on the customer level.

Moreover, from September 2022 the additional stage overlay was introduced also for Retail. Increasing interest rates together with unprecedented increase of inflation posed a threat to clients in segment private individuals. Analysis of mortgages and unsecured portfolio indicated that some clients may be at risk due to inflation affecting their expenses and increased interest rates affecting their debt payments. If a client is identified as having expenses, together with repayments, in excess of household income, the client 's accounts are transferred to Stage 2.

In September 2024, because of floods, new SICR collective assessment rules were introduced to cover the physical risk. Clients with address in area affected by floods in 2024 or with real estate collateral with address in affected area were transferred into stage 2.

Effect on expected credit loss

The analysis tables below present the effects of the collective SICR assessment and FLI on both exposure migration to Stage 2 and the resulting increase of ECL. Additional sensitivities to the baseline, upside and downside scenarios are simulated.

In December 2024, the exposure in Stage 2 due to the application of the rules for collective SICR assessment (industry stage overlays) stood at CZK 15,395 million (2023: 34,357 million due to cyclical industries and CZK 28,579 million due to energy industries), with additional ECL allocated in the amount of CZK 413 million (2023: CZK 979 million due to cyclical industries and CZK 207 million due to energy industries).

The exposure in Stage 2 due to high inflation rate and increased interest rates collective SICR assessment stood for private individuals at CZK 24,885 million (2023: CZK 30,263 million), with additional ECL allocated in the amount of CZK 359 million (2023: CZK 349 million).

The exposure in Stage 2 due to floods collective SICR assessment stood at CZK 39,964 million, with additional ECL in the amount of CZK 375 million.

As described above, the FLI were reassessed based on the latest macro-scenarios in the fourth quarter of 2024. Considering the review of in-model adjustments (application of modelled weights assigned to upside and downside scenarios for all models and to apply CST scenario in downside scenario modelling), the Stage 2 exposure triggered by FLI decreased to CZK 14,664 million as of December 2024 (2023: CZK 15,348 million). The decrease of the Stage 2 exposure and PD levels affected the level of ECL allocated in Stage 2 due to FLI: CZK 1,296 million (2023: CZK 2,469 million).

In 2024 two post-model adjustments were valid in the FLI macro-shift models to update and reflect the expected effects of the number of external factors in 2024:

- In 2022 the Group decided to adjust the FLI shifts produced by the macroeconomic model for the retail portfolio. The reasons for this was the fact that the macroeconomic model for forecasting of PDs for retail did not include inflation, strongly increasing energy prices and increased interest rates at that time and hence the produced forecasted PDs from the model were deemed as unrealistically low and did not reflect all future risks. Technically the adjustment of the beta_0 (intercept) and beta_1 (dummy variable distinguishes secured / unsecured part of PI portfolio and WBMEG - bytová družstva for MSE) coefficients for the average PD predicted for the year 2022 was done. However, this post-model adjustment has been reduced during 2024 in connection with the decline of inflation.
- As the current macroeconomic PD model was calibrated on macroeconomic data 2008 – 2019, the Group concluded in 2024, that the considered time series may not fully reflect the impact of the recent rapidly changing macroeconomic environment and overall heightened volatility. There is a lagged effect of the deterioration in the macroeconomic environment on the estimated PD shifts in the current model. This time lag may no longer accurately reflect the current economic dynamics. The assumptions underpinning these shifts may have been valid in a more stable

economic context but require reassessment to ensure they align with present conditions. As a result, the Group has introduced post-model adjustment which prevents high volatility and unjustified release of FLI portfolio provisions.

Scenario simulation presents sensitivity analyses taking into consideration only changes due to the different values of PDs, if baseline, upside or downside FLI scenarios had 100% weight. Sensitivities of these scenarios are calculated in comparison to current production - weighted scenarios FLI shifted - PDs (weights and scenarios are disclosed in the 'Incorporation of forward-looking information' section above). Both staging and resulting ECL were simulated with the scenario PDs.

The incorporation of 100% baseline scenario instead of the currently applied weighted scenario outcome would lead to a decrease of Stage 2 exposure by CZK 3,835 million (2023: CZK 884 million), resulting in an ECL drop by CZK 194 million (2023: CZK 72 million).

The downside scenario would lead to additional CZK 22,211 million of exposure migration to Stage 2 in comparison with scenario weighted FLI (2023: CZK 11,990 million), resulting in ECL increase of CZK 1,177 million (2023: CZK 738 million).

For the ECL change a positive sign (+) equals a release while a negative sign (-) equals an allocation. Values presented sensitivities are results of internal simulations.

	Current status - parameters (FLI shifted)		Stage 2 impacted by Collective assesment				
in CZK million	Stage 1	Stage 2	Cyclical	Energy	Floods	Private individual	Effect of FLI shifts
2024							
CRE	1,954,471	181,713	15,395	-	39,964	24,885	14,664
2023							
CRE	1,715,653	173,449	34,357	28,579	-	30,263	15,348

	Current status - parameters (FLI shifted)		Out of which Collective assesment				
in CZK million	Stage 1	Stage 2	Cyclical	Energy	Floods	Private individual	Effect of FLI shifts
2024							
CLA	(2,435)	(7,193)	(413)	-	(375)	(359)	(1,296)
2023							
CLA	(2,668)	(7,822)	(979)	(207)	-	(349)	(2,469)

	Current status - parameters (FLI shifted)		Simulated impact on Stage 2		
in CZK million	Stage 1	Stage 2	Upside scenario	Baseline scenario	Downside scenario
2024					
CRE	1,954,471	181,713	(12,819)	(3,835)	22,211
2023					
CRE	1,715,653	173,449	(8,553)	(884)	11,990

	Current status - parameters (FLI shifted)		Simulated impact on CLA		
in CZK million	Stage 1	Stage 2	Upside scenario	Baseline scenario	Downside scenario
2024					
CLA	(2,435)	(7,193)	764	194	(1,177)
2023					
CLA	(2,668)	(7,822)	704	72	(738)

36 Restructuring, renegotiation and forbearance

Restructuring means contractual modification of any of the customer's loan repayment conditions including tenor, interest rate, fees, principal amount due or a combination thereof. Forbearance can be initiated by the bank or by the customer (on account of loss of employment, illness etc.). Components of forbearance can be instalment reduction, tenor extension, interest reduction or forgiveness, principal reduction or forgiveness, revolving exposure change to instalment and/or others.

A restructuring is considered 'forbearance' if it entails a concession towards a customer facing or about to face financial difficulties in meeting their contractual financial commitments. A borrower is in financial difficulties if any of the following conditions are met:

- the customer was more than 30 days past due in the past 3 months;
- the customer would be 30 days past due or more without receiving forbearance;
- the customer is in default;
- the customer would default without receiving forbearance.

Additional criteria for non-retail segment:

- early warning signals for this customer identified;
- customer has deteriorated financial figures, which led to decline of the rating grade;
- customers managed in a workout unit;
- customer has increased probability of default.

Forbearance concession triggers the performing forbearance classification and means that any of the following conditions are met:

- modification/refinancing of the contract would not have been granted, had the customer not been in financial difficulty;
- there is a difference in favour of the customer between the modified/refinanced terms of the contract and the previous terms of the contract;
- the modified/refinanced contract includes more favourable terms than other customers with a similar risk profile would have obtained from the same institution;
- activation of embedded forbearance clause of the contract;
- any waiver of a default relevant covenant.

The performing forbearance classification can be discontinued and the account can become a non-forborne account when all the following conditions are met:

- a minimum of two years has passed from the date of classifying the exposure as performing forbearance (probation period);
- under the forborne payment plan, at least 50% of the original (pre-forbearance) instalment has been regularly repaid (significant repayment) at least during half of the probation period (in the case of retail customers);
- regular repayments in a significant amount during at least half of the probation period have been made (in the case of non-retail customers);
- significant repayment includes amount previously past-due (if any) or written-off (if no-past due amounts) for both segments retail and non-retail;

– none of the exposure of the customer is more than 30 days past due at the end of the probation period.

Performing forborne exposures become non-performing when one of the following forbearance classifications is fulfilled during the monitoring period of a minimum two years:

– the contract modification involves total or partial cancellation of the debt by (partial) write-off;
– an additional forbearance measure is extended;
– the customer becomes more than 30 days past due on forborne exposure and in the past the customer was in the non-performing forbearance category;
– the customer meets any of the default event criteria defined in the default definition;
– for corporate customers, when a final restructuring agreement cannot be concluded within 18 months after the first forbearance measure.

The non-performing forbearance classification can be discontinued and reclassified as performing under probation when all the following conditions are met:

– the customer is not classified as defaulted according to the definition of default;
– the customer has demonstrated the ability to comply with the post-forbearance conditions;
– one year has passed from the date of classifying the exposure as non-performing forbearance or from the latest of the following events:
    – the moment of extending the restructuring measure;
    – the end of the grace period included in the restructuring agreement;
    – the moment when the exposure has been classified as defaulted;
    – the forbearance has not led the exposure to be classified as non-performing.

Default definition

Default definitions complies with the EBA 'Guidelines on the application of the definition of default under Art.178 of Regulation (EU) No 575/2013' and 'Commission Delegated Regulation (EU) 2018/171 of 19 October 2017 on supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to reg- ulatory technical standards for the materiality threshold for credit obligations past due'.

The definitions of non-performing and default are aligned within the Group.

The materiality of 90 days past due credit obligation is applied for on-balance exposure at client level and assessed daily against the group-wide defined materiality threshold (except the local regulator has defined different thresholds) for the:

– retail exposure: as an absolute limit on client level of CZK 2,500 and relative 1% on client level;
– non-retail exposure: as an absolute limit on client level of CZK 12,600 and relative 1% on client level.

Credit risk exposure, forbearance exposure and credit loss allowances

in CZK million	Loans and advances	Debt securities	Other positions	Loan commitments	Total
2024					
Credit exposure	**1,555,375**	**425,454**	**128,261**	**171,182**	**2,280,272**
thereof gross forborne exposure	6,345	-	-	343	6,688
Performing exposure	1,535,427	425,454	127,532	170,764	2,259,177
thereof performing forborne exposure	3,053	-	-	231	3,284
Credit loss allowances for performing exposure	(8,428)	(218)	(144)	(849)	(9,639)
thereof credit loss allowances for performing forborne exposure	(181)	-	-	-	(181)
Non-performing exposure	19,948	-	729	418	21,095
thereof non-performing forborne exposure	3,292	-	-	113	3,405
Credit loss allowances for non-performing exposure	(11,909)	-	(114)	(216)	(12,239)
thereof credit loss allowances for non-performing forborne exposure	(1,716)	-	-	(14)	(1,730)
2023					
Credit exposure	**1,336,641**	**406,350**	**125,723**	**158,368**	**2,027,082**
thereof gross forborne exposure	5,129	-	-	96	5,225
Performing exposure	1,317,571	406,350	124,717	157,365	2,006,003
thereof performing forborne exposure	1,873	-	-	10	1,884
Credit loss allowances for performing exposure	(9,746)	(184)	(168)	(403)	(10,501)
thereof credit loss allowances for performing forborne exposure	(174)	-	-	(1)	(175)
Non-performing exposure	19,069	-	1,006	1,003	21,079
thereof non-performing forborne exposure	3,256	-	-	86	3,342
Credit loss allowances for non-performing exposure	(11,441)	-	(119)	(462)	(12,022)
thereof credit loss allowances for non-performing forborne exposure	(1,962)	-	-	(6)	(1,968)

Types of forbearance exposure

in CZK million	Gross forborne exposure	Modification in terms and conditions	Refinancing
2024			
Loans and advances	6,345	6,345	1
Loan commitments	343	343	-
Total	**6,688**	**6,688**	**1**
2023			
Loans and advances	5,129	5,127	2
Loan commitments	96	96	-
Total	**5,225**	**5,223**	**2**

Loans and advances also include lease, trade and other receivables.

37 Non-performing credit risk exposure and credit loss allowances

For the definition of credit risk exposure classified as non-performing, please refer to the description of risk categories in the subsection ‘Credit risk classification‘. Credit risk allowances include credit loss allowances for financial assets, credit loss allowances for loan commitments and financial guarantees (all allowances within the scope of IFRS 9) and provisions for other commitments.

Credit loss allowances (all stages combined) covered 106.7% (2023: 111.2%) of the reported non-performing on-balance and off-balance credit risk exposure as of 31 December 2024. For the portion of the non-performing credit risk exposure that is not covered by allowances, the Group assumes there are sufficient levels of collateral and expected other recoveries.

During 2024, the non-performing credit risk exposure increased by CZK 16 million (2023: increased by 1,823 million), or 0.1% (2023: 9.5%). The credit loss allowances for loans and advances together with credit loss allowances for loan commitments and financial guarantees decreased by 664 million (2023: increased by CZK 349 million), or 3.0% (2023: 1.6%).

The following tables show the coverage of the non-performing credit risk exposure by credit loss allowances (without taking into consideration collateral). The differences in the credit allowance levels between the reporting segments result from the risk situation in the respective markets, different levels of collateralisation as well as the local legal environment and regulatory requirements.

The non-performing exposure ratio (NPE ratio) is calculated as the non-performing credit risk exposure divided by total credit risk exposure while the NPE coverage ratio (excl. collateral) is computed as the credit loss allowances (all allowances within the scope of IFRS 9) divided by non-performing credit risk exposure at AC and FVOCI. Collateral is not taken into account in the NPE coverage ratio.

Non-performing credit risk exposure by business segment and coverage by credit loss allowances and collateral

	Non-performing		Credit risk exposure		Credit loss allowances	Collateral for NPE		NPE ratio		NPE coverage (excl. collateral)	NPE collateralization ratio	
in CZK million	Total	AC and FVOCI	Total	AC and FVOCI	AC and FVOCI	Total	AC and FVOCI	Total	AC and FVOCI	AC and FVOCI	Total	AC and FVOCI
2024												
Retail	11,158	11,158	766,896	766,786	(11,951)	2,132	2,132	1.5%	1.5%	107.1%	19.1%	19.1%
Corporates	9,849	9,177	611,121	525,233	(9,520)	4,767	4,626	1.6%	1.7%	103.7%	48.4%	50.4%
Group Markets	-	-	47,047	15,440	(7)	-	-	0.0%	0.0%	52028.2%	0.0%	0.0%
ALM & LCC	88	88	855,208	849,735	(323)	-	-	0.0%	0.0%	367.2%	0.0%	0.0%
Total	**21,095**	**20,423**	**2,280,272**	**2,157,194**	**(21,801)**	**6,899**	**6,758**	**0.9%**	**0.9%**	**106.7%**	**32.7%**	**33.1%**
2023												
Retail	10,017	10,017	709,206	709,075	(12,590)	2,382	2,382	1.4%	1.4%	125.7%	23.8%	23.8%
Corporates	10,973	10,090	576,113	500,259	(9,525)	4,448	4,448	1.9%	2.0%	94.4%	40.5%	44.1%
Group Markets	-	-	47,939	11,948	(126)	-	-	0.0%	0.0%	340482.8%	0.0%	0.0%
ALM & LCC	89	89	693,824	688,509	(225)	-	-	0.0%	0.0%	253.1%	0.0%	0.0%
Total	**21,079**	**20,196**	**2,027,082**	**1,909,791**	**(22,466)**	**6,830**	**6,830**	**1.0%**	**1.1%**	**111.2%**	**32.4%**	**33.8%**

38 Detailed analysis of loans and advances to customers

Loans and advances to customers

The tables on the following pages present the structure of the customer loan book, excluding loans to central banks and credit institutions broken-down by different categories. Loans and advances to customers comprise

- loans to customers at FVPL;
- loans and advances to customers at AC;
- finance lease receivables;
- trade and other receivables.

On the next pages loans and advances to customers are presented by:

- business segment and risk category;
- business segment and coverage of non-performing loans to customers by loan loss allowances;
- business segment and coverage by loan loss allowances and IFRS 9 treatment.

The presentation is by gross carrying amount excluding loan loss allowances and collateral.

Loans and advances to customers by business segment and risk category

in CZK million	Low risk	Management attention	Substandard	Non-performing	Total
2024					
Retail	572,032	110,388	18,097	11,041	711,558
Corporates	279,391	91,140	12,956	8,819	392,306
Group Markets	6,176	32	13	-	6,221
ALM&LCC	341	84	694	88	1,207
Total	**857,940**	**201,644**	**31,760**	**19,948**	**1,111,292**
2023					
Retail	527,543	92,128	18,089	9,861	647,621
Corporates	291,854	62,281	13,715	9,120	376,970
Group Markets	5,139	1	-	-	5,141
ALM&LCC	964	229	763	88	2,045
Total	**825,500**	**154,639**	**32,567**	**19,069**	**1,031,776**

In the following tables, the non-performing loans and advances to customers divided by reporting segment are contrasted with allowances for customer loans (all allowances for loans and advances to customers within the scope of IFRS 9) and the collateral for non-performing loans (NPL). The NPL ratio, the NPL coverage ratio (excluding collateral), and the NPL collateralisation ratio are also included.

Non-performing loans and advances to customers by business segment and coverage by loan loss allowances

	Non-performing		Gross customer loans		Loan loss allowances	Collateral for NPL		NPL ratio		NPL coverage (excl. collateral)	NPL collateralisation ratio	
in CZK million	Total	AC	Total	AC	AC	Total	AC	Total	AC	AC	Total	AC
2024												
Retail	11,041	11,041	711,558	711,549	(11,803)	2,119	2,119	1.6%	1.6%	106.9%	19.2%	19.2%
Corporates	8,819	8,819	392,306	392,306	(8,349)	4,491	4,491	2.2%	2.2%	94.7%	50.9%	50.9%
Group Markets	-	-	6,221	6,221	(4)	-	-	0.0%	0.0%	31715.4%	0.0%	0.0%
ALM&LCC	88	88	1,207	1,207	(178)	-	-	7.3%	7.3%	203.4%	0.0%	0.0%
Total	**19,948**	**19,948**	**1,111,292**	**1,111,283**	**(20,334)**	**6,610**	**6,610**	**1.8%**	**1.8%**	**101.9%**	**33.1%**	**33.1%**
2023												
Retail	9,861	9,861	647,621	647,606	(12,303)	2,364	2,364	1.5%	1.5%	124.8%	24.0%	24.0%
Corporates	9,120	9,120	376,970	376,970	(8,676)	4,007	4,007	2.4%	2.4%	95.1%	43.9%	43.9%
Group Markets	-	-	5,141	5,141	(4)	-	-	0.0%	0.0%	10850.1%	0.0%	0.0%
ALM&LCC	88	88	2,045	2,045	(201)	-	-	4.3%	4.3%	226.9%	0.0%	0.0%
Total	**19,069**	**19,069**	**1,031,776**	**1,031,761**	**(21,184)**	**6,371**	**6,371**	**1.8%**	**1.8%**	**111.1%**	**33.4%**	**33.4%**

Total gross customer loans, total non-performing loans, and total collateral include both AC and FVPL portfolios.

The NPL ratio of loans and advances to customers is calculated by dividing the gross carrying amount of non-performing loans and advances to customers by the total gross carrying amount of loans and advances to customers. Consequently, it differs from the NPE ratio in section ‘Credit risk exposure’. Collaterals for non-performing loans mainly consist of real estates.

The NPL coverage ratio is calculated by dividing total loss allowances by the gross carrying amount of the non-performing loans and advances to customers. Collateral is not considered.

Loans and advances to customers at AC and coverage by loan loss allowances by business segment and IFRS 9 treatment

	Loans to customers					Loan loss allowances				Coverage ratio		
in CZK million	Stage 1	Stage 2	Stage 3	POCI	Not IFRS 9 impairment relevant	Stage 1	Stage 2	Stage 3	POCI	Stage 2	Stage 3	POCI
2024												
Retail	618,152	82,048	10,500	848	9	1,254	3,616	6,784	148	4.4%	64.6%	17.4%
Corporates	314,215	69,007	7,595	1,489	-	879	2,566	4,407	497	3.7%	58.0%	33.4%
Group Markets	6,204	18	-	-	-	4	-	-	-	1.6%	100.0%	
ALM&LCC	1,025	94	88	-	-	3	91	85	-	95.9%	97.2%	
Total	**939,596**	**151,167**	**18,183**	**2,337**	**9**	**2,140**	**6,273**	**11,276**	**645**	**4.1%**	**62.0%**	**27.6%**
2023												
Retail	557,527	80,011	9,174	894	14	1,418	4,828	5,847	209	6.0%	63.7%	23.4%
Corporates	297,990	69,583	8,116	1,281	-	928	2,441	4,964	343	3.5%	61.2%	26.8%
Group Markets	5,141	-	-	-	-	4	-	-	-	6.7%	86.8%	100.0%
ALM&LCC	1,854	102	81	8	-	17	97	79	7	95.5%	98.5%	94.2%
Total	**862,512**	**149,695**	**17,371**	**2,183**	**14**	**2,367**	**7,367**	**10,891**	**560**	**4.9%**	**62.7%**	**25.6%**

Stage 1 and Stage 2 comprise not credit impaired loans and advances while Stage 3 includes credit impaired loans and advances. POCI (purchased or originated credit impaired) consists of loans already credit impaired when purchased or originated.

The defaulted part of POCI loans amounted to CZK 1,765 million (2023: 1,699 million), the non-defaulted part to CZK 573 million (2023: 485 million).

39 Market risk

Market risk is the risk of loss that may arise due to adverse changes in market prices and to the parameters derived from them. These market value changes might appear mainly in the profit and loss or statement of comprehensive income. In the Group, market risks may arise from open positions in interest rates, credit spread, currency, equity, and volatility of financial instruments.

Market risk measures

Potential losses that may arise from market movements are assessed using the Value-at-Risk (VaR). The VaR describes what level of losses may be expected as a maximum at a defined probability – the confidence level – within a certain holding period of the positions under historically observed market conditions.

In addition, the Group uses stress testing and analysis of impacts of adverse developments in market risk factors on the market value of the trading book and on the parts of the banking book revalued to market values. Scenarios are based on the basis of historical experience and expert opinions of the Macroeconomic Analyses Department. The stress testing is undertaken on a monthly basis and its results are reported to Financial Markets Risk Management Committee. In the Comprehensive Stress testing the complex scenario impact on the Group is analyzed on a half-year basis and results are reported to management board.

The majority of open positions arising from client transactions in the Group's trading book are transferred to the Erste Group Bank through back-to-back transactions. As such, the market risk arising from the Group's OTC transactions is managed within the Erste Group Bank portfolio.

Methods and instruments of risk mitigation

At the Group, market risks are controlled by setting several layers of limits. The overall limit on the basis of risk-weighted assets (RWAs) is allocated by the management board in the Risk Appetite Statement. The acceptable level of risk is based on the assessment of the risk appetite and capital available to cover the risks.

For the trading book, The RWA limit is broken down into dedicated VaR limits and assigned in a top-down procedure to the individual trading units. Additionally, VaR sub-limits for individual trading desks are established. Trading book VaR values are calculated in a Group Market Risk System (MRS) on a confidence level of 99% and one-day holding period using historical simulation based on two years history. Additionally, sensitivity values of the trading portfolios to individual risk factors are limited to facilitate the maintenance of the overall market risk profile. These factors measure the portfolio market value sensitivity with a parallel shift of the yield curve of the relevant risk factor within the predefined period to maturity.

All trading book limits are approved by and reported on a monthly basis to Financial Markets Risk Management Committee.

For the banking book, VaR limit is established based on the ICAAP methodology where 250 000 historical scenarios are calculated with a theoretical holding period of 1 year and a confidence level of 99.9%. The overall banking book VaR is subsequently allocated to individual sub-portfolios, taking into account both the perspective of strategic portfolio management and the accounting treatment of portfolios. These portfolios are limited and monitored on a daily basis using confidence level of 99% and 1-month holding period using historical simulation based on two years history.

All banking book limits are approved by and reported on a monthly basis to the Asset Liability Committee.

Analysis of market risk

The following table summarizes the VaR values as of 31 December 2024 and 31 December 2023 assuming 1 day holding period and confidence level of 99%.

in CZK million	Market risk total	Interest rate risk	Credit spread risk	Currency risk	Equity risk	Commodity risk	Volatility risk
2024							
ČS Total	**1,067**	**1,061**	**120**	**-**	**-**	**-**	**-**
Banking book	1,062	1,055	120	-	-	-	-
Trading book	5	6	-	-	-	-	-
2023							
ČS Total	**980**	**970**	**139**	**-**	**-**	**-**	**-**
Banking book	971	961	139	-	-	-	-
Trading book	9	9	1	-	-	-	-

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. This type of risk arises when mismatches exist between assets and liabilities, including derivatives, in respect of their maturities or in the timing of interest rate adjustments.

The Group has implemented and follows the latest EBA Guideline for the identification, evaluation, management, and mitigation of the risks arising from potential changes in interest rates.

The Group manages the interest rate risk of the banking book by monitoring the repricing dates of the Group's assets and liabilities and implements models which show the potential impact that changes in interest rates may have on the Group's economic value of equity and net interest income. In order to identify interest rate risk, all financial instruments, including off-balance instruments are taken into account to calculate the impact of certain interest rate scenarios on economic value and earnings. Limits and thresholds are implemented for both aspects of the IRRBB, the change in economic value as well as the change in net interest income. Positions without contractually defined maturity or repricing structures, such as demand deposits or overdrafts are modelled accordingly. For positions where the customer has the right to prepay his debt prepayment models are applied.

The supervisory outlier tests of economic value of equity and net interest income are monitored and limited safely within regulatory thresholds. The banking book interest rate exposures are regularly analyzed in the context of the overall development in financial markets and structural changes in the Group's balance sheet and reported on a monthly basis to the Asset Liability Committee.

In order to measure the interest rate risk exposure within the trading book portfolio, the Group uses the present value of a basis point (PVBP) defined as a sensitivity to interest rates by currency for individual portfolios of interest rate products. These factors measure the portfolio market value sensitivity with a parallel shift of the yield curve of the relevant currency within the predefined period to maturity. The system of PVBP limits is set in respect of each interest rate product portfolio by currency.

The following table is based on the exposure of the Group to interest rates for derivative and non-derivative instruments as of the reporting date. The model assumes a change in interest rates at the end of the calendar year by 100 bps. The funds released as a result of the payment or sale of interest rate sensitive assets and liabilities will be reinvested according to the plan of Group's business units. Calculation method used takes credit spreads into account.

	2025		2024	
in CZK million	Interest rate increase	Interest rate decrease	Interest rate increase	Interest rate decrease
CZK				
Income statement	(896)	1,662	(567)	622
Other comprehensive income	(3,289)	3,501	(2,873)	3,022
EUR				
Income statement	663	(671)	727	(738)
Other comprehensive income	1,440	(1,553)	1,338	(1,441)

Currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

In the Group, foreign currency exposures are primarily carried by the Bank and real estate companies. The foreign currency risk of other Group entities is limited. Foreign currency exposure is subject to regulatory and internal limits that are approved by management board.

The Bank's open foreign exchange position is managed and closed by trading book FX desk on a daily basis. Portfolios that are allowed to keep open position are limited based on approved VaR and sensitivity limits set for single currencies and monitored on a daily basis.

Credit spread risk

Credit spread risk is the risk driven by changes in the market perception about the price of credit risk, liquidity premium and potentially other components of credit-risky instruments. The Group is exposed to credit spread risk with respect to its securities portfolio, both in the trading as well as in the banking book.

Hedging

The market risk management consists of optimizing the Group's risk position by finding the proper trade-off between the economic value of the balance sheet and forecasted earnings. Decisions are based on balance sheet development, economic environment and outlook, competitive landscape, fair value of risk, effect on net interest income and appropriate interest and liquidity position.

In order to achieve the goals of risk management fair value and cash flow hedges are used. Interest rate swaps serve to hedge against interest rate risk, while currency risk coming from mismatch between foreign currency assets and liabilities is hedged with foreign exchange swaps and cross currency swaps.

40 Liquidity risk

The liquidity risk is defined in the Group in line with the principles set out by the Basel Committee on Banking Supervision and the Czech National Bank. Accordingly, a distinction is made between market liquidity risk, which is the risk that the Group cannot easily offset or close a position at the market price because of inadequate market depth or market disruption, and funding liquidity risk, which is the risk that the Group will not be able to meet efficiently both expected and unexpected current and future cash flow and collateral needs without affecting either daily operations or the financial condition of the Group.

Funding liquidity risk is further divided into insolvency risk and structural liquidity risk. The former is the short-term risk that current or future payment obligations cannot be met in full and on time in an economically justified manner, while structural liquidity risk is the long-term risk of losses due to a change in the Group's own refinancing cost or spread.

Liquidity risk measures

Regulatory indicators Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are regularly monitored as a part of comprehensive liquidity risk limit system. In addition, various internal metrics and stress tests are implemented to ensure sufficient levels of liquidity which are calculated at both total currency level and for significant currencies. Regulatory and internal liquidity indicators are monitored and limited for relevant members of the Group on individual levels.

The LCR is part of the internal Risk Appetite Statement (RAS) and monitored daily. The LCR limits are defined in the RAS and targeted to be well above the regulatory minimum. The LCR is reported on a monthly basis to the regulatory authority.

Same as the LCR, the NSFR is part of the internal RAS and limits are defined in the RAS sufficiently above the regulatory minimum. The NSFR is monitored monthly and reported on a quarterly basis to the regulatory authority.

Short-term insolvency risk is internally monitored by internal stress measure the Survival Period Analysis (SPA). The SPA determines the maximum period during which the entity can survive a set of defined scenarios lasting up to 12 months, including a severe market and idiosyncratic crisis while relying on its pool of liquidity enhancing actions, mainly the liquidity buffer. The monitored worst-case scenario simulates very limited money market and capital market access and at the same time significant client deposit outflows. The simulation also assumes increased drawdown on guarantees and loan commitments dependent on the type of customer, as well as the potential outflows from collateralized derivative transactions estimating the effect of collateral outflows in the case of adverse market movements.

Long-term structural liquidity is internally monitored by the Structural Liquidity Ratio (STRL). The STRL is measuring the structural funding gap ensuring an appropriate balance between assets and liabilities in the medium- and long-term time horizons avoiding excessive maturities transformation and consequently avoiding increased pressure on the short-term liquidity position.

The Group also reports Additional Liquidity Monitoring Metrics (ALMM) to its regulator, which complement regulatory liquidity risk ratios in the form of several detailed liquidity risk reports.

Methods and instruments of risk mitigation

General standards of liquidity risk management have been thoroughly defined and are continuously reviewed and improved within internal liquidity adequacy assessment process (ILAAP).

All liquidity indicators and liquidity situation are regularly reported to and monitored by the Operational Liquidity Committee (OLC). On a monthly basis the management board is informed during the Asset Liability Committee (ALCO).

The Contingency Funding Plan ensures the necessary coordination of all parties involved in the liquidity management process in case of crisis and is reviewed on a regular basis.

Analysis of liquidity risk

Throughout whole year, both LCR and NSFR for ČS were significantly above the regulatory and internal limits and confirm a sound liquidity situation of the bank. A comfortable liquidity situation was also confirmed by other short-term and long-term internal liquidity measures. The regulatory indicators showed greater than usual volatility at the end of the year; however, these movements reflected primarily the short-term effect of client operations through the end of the year. The budgeted values of these indicators show a stable and significant surplus of liquidity even for the year 2024.

Counterbalancing capacity

The Group regularly monitors its liquid assets, which consists of cash, excess minimum reserve at the central banks, and unencumbered central bank eligible assets. These assets can be mobilized in short term to offset potential cash outflows in a crisis situation.

The structure of the Group's counterbalancing capacity as of year-end 2024 and 2023 are shown in the tables below:

	< 3 month	
in CZK million	**2024**	**2023**
Cash, excess reserve	14,576	18,243
Liquid assets	423,508	405,911
Counterbalancing capacity	**438,084**	**424,154**

The figures above show the total amount of potential liquidity available for the Group in a going concern situation.

Financial liabilities

Maturities of contractual undiscounted cash flows from financial liabilities as of 31 December 2024 and 2023 respectively, were as follows:

in CZK million	Carrying amounts	Contractual cash flows	< 3 month	3-12 months	1-5 years	> 5 years
2024						
Non-derivative liabilities	**1,846,082**	**1,866,720**	**1,700,928**	**52,965**	**73,301**	**39,526**
Deposits by banks	275,456	277,633	245,798	14,829	9,073	7,933
Customer deposits	1,483,174	1,485,338	1,447,654	35,899	1,244	541
Debt securities in issue	81,509	97,806	1,533	2,237	62,984	31,052
Other financial liabilities	5,943	5,943	5,943	-	-	-
Derivative liabilities	**12,034**	**12,034**	**1,445**	**1,815**	**5,940**	**2,834**
Contingent liabilities	**283,008**	**283,008**	**283,008**	**-**	**-**	**-**
Financial guarantees	6,062	6,062	6,062	-	-	-
Loan commitments	171,182	171,182	171,182	-	-	-
Other commitments	105,764	105,764	105,764	-	-	-
Total	**2,141,124**	**2,161,762**	**1,985,381**	**54,780**	**79,241**	**42,360**
2023						
Non-derivative liabilities	**1,617,907**	**1,632,819**	**1,462,488**	**58,509**	**94,400**	**17,422**
Deposits by banks	122,287	122,722	100,987	13,082	2,060	6,593
Customer deposits	1,366,038	1,367,209	1,293,057	42,242	27,588	4,322
Debt securities in issue	121,451	134,757	60,313	3,185	64,751	6,507
Other financial liabilities	8,131	8,131	8,131	-	-	-
Derivative liabilities	**16,716**	**16,716**	**1,533**	**3,428**	**7,180**	**4,575**
Contingent liabilities	**262,451**	**262,451**	**262,451**	**-**	**-**	**-**
Financial guarantees	8,384	8,384	8,384	-	-	-
Loan commitments	158,368	158,368	158,368	-	-	-
Irrevocable commitments	95,699	95,699	95,699	-	-	-
Total	**1,897,074**	**1,911,987**	**1,726,472**	**61,938**	**101,579**	**21,997**

The presentation of maturities of contractual undiscounted cash flows from financial guarantees and irrevocable commitments has been amended in order to reflect the first moment when these contingent liabilities can be exercised.

41 Operational risk

In accordance with regulatory requirements, the Group defines operational risk as the risk of losses arising from the inappropriateness or failure of internal processes, human errors or failures of systems or the risk of losses arising from external events, including losses due to the breach of or failure to fulfil legal regulations.

With assistance from Erste Group Bank, the Group put in place a standardised categorisation of operational risks. This classification became the basis of the 'Book of Risks of Česká spořitelna', developed in cooperation with the Risk Management and Internal Audit departments. The Book of Risks is a tool used to achieve unification of risk categorisation in order to ensure consistent risk monitoring and evaluation.

The Group has cooperated with an external supplier in developing a specialised software application EMUS to collect data about operational risk which conforms to the data collection requirements. The data is not only used with a view to quantifying operational risks and monitoring trends in the development of these risks but also for the purpose of preventing recurrence of operational risks. The system is also used as a case management tool for all fraud investigations (i.e. final investigation report, list measures and monitoring of its fulfilment, communication exchange with law enforcement authorities). In addition to monitoring actual occurrence of operational risk, the Group also pays attention to how the operational risk is perceived by management. In this respect, the Group has introduced and is further expanding methods with the aim of identifying severe potential threats in order to implement preventative measures before losses materialise. For this purpose, the following tools are used: Risk and Control Self-Assessment, Key Risk

Indicators and Scenario Analysis. The Group also actively manages risks related to outsourced activities. Depending on the specific method, this type of assessment is done on a continuous, monthly or annual basis.

The Group successfully passed validation for managing of operational risk according to Advanced Measurement Approaches (AMA). Based on this method a capital charge related to operational risk is properly computed and allocated since 1 July 2009.

An important tool in mitigating losses arising from operational risks is the Group's insurance programme which was put in place in 2002. This insurance programme involves insurance against property damage as well as risks arising from banking activities and liability risks. Since 2004, the Group has been a member of the Erste Group insurance programme which enhances the insurance protection specifically with regard to damages that may materially impact the income statement.

Special focus is put on assessment of non-financial risk based on a methodology called Risk Return Decisions (i.e. assessment of reputational, legal and financial impacts put in relation with its expected return). The analysis must be developed for each decision taken by Board of Directors or any Advisory Committee, all material outsourcing projects and all PAP (Product Approval Process) relevant topics. The significant Risk Return Decisions are also evaluated by ROCC (Regional Operational Conduct Committee) Office in Erste Group Bank which provides its recommendation in order to support local decision process.

Top management of the Bank is informed quarterly about the risk profile and the most important operational risk events via the CORS (Compliance, Operational Risk and Security) committee. The chairman of the committee is the Head of Non-financial Risk and Compliance section, who further presents selected topics at the Risk Committee (chairman - Chief Risk Officer).

Information disclosure and transparency

The Group rigorously endeavours to prevent the misuse of insider information that might allow persons who have special relationships with the Group to enjoy unauthorised gains in dealing with the Group's securities. Board of Directors members and parties close to them are obliged to promptly notify the Czech National Bank of transactions with securities issued by the Group or with investment instruments derived from such securities, which they perform on their own account. Erste Bank Group's rules for securities trading are applied to ensure identical terms and conditions for all members of the Board of Directors of Erste Group Bank companies – members of the Group's Board of Directors as well as designated employees are obliged to inform the Group's Compliance Department of dealings with Erste Group Bank's shares or derivatives and to comply with an imposed trading moratorium during a stipulated period. Compliance department periodically monitors fulfillment of above obligations.

Compliance

The Group has established a Compliance Department whose principal activities include ensuring compliance of the Group's internal regulations with valid legal and regulatory requirements and their observance and ensuring compliance of the employees' conduct with the legal regulations, internal regulations, Code of Ethics and other adopted standards and rules governing employee conduct. Compliance is involved in all aspects of Group activities and administration and forms a part of its corporate culture. The Compliance Department evaluates insider information included in the Watch List and Restricted List of investment instruments as well as any dealings with investment instruments recorded in these lists. The Compliance Department informs the Group's Board of Directors and Supervisory Board of its activities on a regular basis. A list of persons with access to insider information is available with the Compliance department; the list is regularly updated.

The Compliance department also maintain whistleblowing channels for ensuring protection of whistleblowers reporting non-ethical or non-legal behaviour.

AML unit as an integral part of Compliance department ensures meeting Group´s obligations in the area of anti money laundering and terrorist financing and also secures the compliance of the Group's operations with sanction regimes enforced by the Czech Republic, EU, UN and OFAC.

NON-CURRENT ASSETS AND OTHER INVESTMENTS

42 Property, equipment, right of use of assets and investment properties

Property and equipment

Depreciation of property and equipment is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Depreciation is recognised in the income statement on the line item 'Depreciation and amortisation' and impairment under the line item 'Other operating result'.

The estimated useful lives are as follows:

	Useful life in years
Buildings	15-50
Office furniture and equipment	4-10
Passenger cars	4-8
Computer hardware	4-6

Land is not depreciated.

Any impairment losses including their reversals and gain or loss arising on disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are recognised in the income statement under the line item 'Other operating result'.

Right of use of assets

For accounting policy for leases including right of use of assets see Note 45 The Group as a lessor.

Investment properties

Investment property is property (land and buildings or part of a building or both) held for the purpose of earning rental income or for capital appreciation or both. Investment property is presented on the balance sheet in the line item 'Investment properties'.

Rental income is recognised in the statement of income in the line item 'Rental income from investment properties and other operating leases'. Depreciation is presented in the income statement in the line item 'Depreciation and amortisation' using the straight-line method over an estimated useful life. The useful lives of investment properties are identical to those of buildings reported under property and equipment. Any impairment losses, as well as their reversals, are recognised under the income statement line item 'Other operating result'.

Impairment

The Group assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. Testing for impairment is done at individual asset level if the asset generates cash inflows that are largely independent of those from other assets. The typical case is investment property. Otherwise, the impairment test is carried out at the level of the cash-generating unit (CGU) to which the asset belongs.

Acquisition and production costs

Own property, equipment and investment properties

in CZK million	Land and buildings (used by the Group)	Office and plant equipment / other fixed assets	IT assets (hardware)	Total property and equipment	Investment properties
Balance as of 1 Jan 2023	**18,419**	**2,507**	**3,016**	**23,941**	**3,928**
Additions in current year (+)	780	242	279	1,302	17
Disposals (-)	(230)	(279)	(388)	(897)	-
Reclassification (+/-)	-	(59)	63	4	-
Assets held for sale (-)	(173)	-	-	(173)	-
Balance as of 31 Dec 2023	**18,796**	**2,412**	**2,971**	**24,178**	**3,944**
Additions in current year (+)	3,734	183	110	4,027	1,456
Disposals (-)	(647)	(442)	(321)	(1,410)	-
Disposal of group	(2)	(3)	(1)	(6)	-
Reclassification (+/-)	-	(38)	39	1	-
Assets held for sale (-)	(236)	-	-	(236)	-
Balance as of 31 Dec 2024	**21,645**	**2,111**	**2,798**	**26,554**	**5,400**

Right of use: property and equipment

in CZK million	Land and buildings (used by the Group)	Office and plant equipment / other fixed assets	Property and equipment
Balance as of 1 Jan 2023	**5,090**	**100**	**5,190**
Additions	457	53	510
Disposals	(88)	(37)	(125)
Balance as of 31 Dec 2023	**5,458**	**116**	**5,575**
Additions	651	37	688
Disposals	(259)	(37)	(296)
Assets held for sale (-)	(36)	-	(36)
Balance as of 31 Dec 2024	**5,815**	**116**	**5,931**

Accumulated depreciation

Own property, equipment and investment properties

in CZK million	Land and buildings (used by the Group)	Office and plant equipment / other fixed assets	IT assets (hardware)	Total property and equipment	Investment properties
Balance as of 1 Jan 2023	**(11,669)**	**(1,726)**	**(1,629)**	**(15,024)**	**(2,125)**
Depreciation (-)	(592)	(108)	(319)	(1,019)	(51)
Disposals (+)	223	264	370	857	-
Impairment (-)	(313)	-	-	(313)	(21)
Reversal of impairment (+)	341	-	-	341	-
Assets held for sale (+)	164	-	-	164	-
Balance as of 31 Dec 2023	**(11,846)**	**(1,571)**	**(1,578)**	**(14,994)**	**(2,197)**
Depreciation (-)	(579)	(114)	(333)	(1,026)	(39)
Disposals (+)	612	415	294	1,321	-
Disposal of group	2	1	1	4	-
Reversal of impairment (+)	99	-	-	99	-
Assets held for sale (+)	(1,757)	-	-	(1,757)	(1,715)
Balance as of 31 Dec 2024	**(13,469)**	**(1,269)**	**(1,616)**	**(16,354)**	**(3,951)**

Right of use: property and equipment

in CZK million	Land and buildings (used by the Group)	Office and plant equipment / other fixed assets	Property and equipment
Balance as of 1 Jan 2023	**(2,027)**	**(49)**	**(2,076)**
Amortisation and depreciation	(588)	(26)	(614)
Disposals	63	28	91
Balance as of 31 Dec 2023	**(2,553)**	**(46)**	**(2,600)**
Amortisation and depreciation	(617)	(33)	(650)
Disposals	243	31	274
Assets held for sale (+)	(3)	-	(3)
Balance as of 31 Dec 2024	**(2,930)**	**(48)**	**(2,978)**

Carrying amounts

Own property, equipment and investment properties

in CZK million	Land and buildings (used by the Group)	Office and plant equipment/other fixed assets	IT assets (hardware)	Property and equipment	Investment properties
Balance as of 31 Dec 2023	**6,950**	**841**	**1,393**	**9,184**	**1,748**
Balance as of 31 Dec 2024	**8,176**	**842**	**1,182**	**10,200**	**1,449**

The carrying amount of property and equipment (category office and plant equipment/other fixed assets) includes properties subject to operating leases of CZK 205 million (2023: CZK 285 million).

Rights of use: property and equipment

in CZK million	Land and buildings (used by the Group)	Office and plant equipment/other fixed assets	Property and equipment
Balance as of 31 Dec 2023	**2,905**	**70**	**2,975**
Balance as of 31 Dec 2024	**2,885**	**68**	**2,953**

Total carrying amounts

in CZK million	Land and buildings (used by the Group)	Office and plant equipment/other fixed assets	IT assets (hardware)	Property and equipment	Investment properties
Balance as of 31 Dec 2023	**9,855**	**911**	**1,393**	**12,159**	**1,748**
Balance as of 31 Dec 2024	**11,061**	**910**	**1,182**	**13,153**	**1,449**

Fair values of non-financial assets

in CZK million	Carrying amount	Fair value	Level 1	Level 2	Level 3
2024					
Assets whose fair value is disclosed in the notes					
Investment property	1,449	1,449	-	-	1,449
2023					
Assets whose fair value is disclosed in the notes					
Investment property	1,748	1,760	-	-	1,760

In 2024, rental income arising from investment property amounted to CZK 191 million (2023: CZK 188 million). Operating expenses related to investment property amounted to CZK 39 million (2023: CZK 67 million).

The balances as at 31 December 2024 shown above include CZK 2,151 million (2023: CZK 677 million) in property and equipment under construction (mainly land and buildings).

The acquisition cost of fully depreciated tangible assets still in use was CZK 2,984 million as at 31 December 2024 (2023: CZK 3,180 million). As at 31 December 2024, land and buildings were impaired in the amount of CZK 1,989 million (2023: CZK 1,212 million). As of 31 December 2024, the recoverable amount of these impaired assets amounted to CZK 2,175 million (2023: CZK 913 million).

For details related to right of use assets capitalized in balance sheet arising from leases where the Group is lessee, please see Note 46 The Group as a lessee .

As of 31 December 2024 the fair value of investment properties with a carrying amount of CZK 1,449 million (2023: CZK 1,748 million) amounts to CZK 1,449 million (2023: CZK 1,760 million) and is classified as level 3 of the fair value hierarchy, the common value of the investment property is determined on the basis of the comparison method as of the day of valuation.

Investment Property

The valuations of investment property is based on the valuation of accredited independent valuer with a recognised and relevant professional qualification. The valuation of investment property is carried out using the comparative and investment methods. The assessment is made on the basis of a comparison and analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the relevant property. The characteristics of such similar transactions are then applied to the property, taking into account size, location, terms, covenant and other material factors.

43 Intangible assets

The Group's intangible assets include goodwill (see Note 52 Subsidiaries), computer software, customer relationships and other intangible assets.

Intangible assets with finite lives are amortised over their useful economic lives using the straight-line method. The amortisation expense is recognised in the income statement under the line item 'Depreciation and amortisation'.

The estimated useful lives are as follows:

	Useful life in years
Computer software	4-8
Other (licences, patents, etc.)	6

Impairment of intangible assets including goodwill

It is typical of intangible assets that they do not generate cash inflows that are largely independent of those from other assets. As a result, the impairment test is carried out at the level of the cash-generating unit (CGU) to which the asset belongs. For CGUs to which goodwill has been allocated the impairment test is carried out annually in November, or whenever there is an indication of possible impairment during the year.

For CGUs at the Group the recoverable amount for determining the potential impairment loss is typically based on value in use which is the present value of the future cash flows expected to be derived from the CGU. The calculation starts with estimation of future earnings distributable to shareholders. In this respect financial plans for the CGUs as agreed by the management while taking into account the fulfilment of the respective regulatory capital requirements are used. The planning period is five years. Any forecasted earnings beyond the planning period are derived on the basis of the last year of the planning period and a long-term growth rate. The present value of such perpetual earnings growing at a stable rate (referred to as terminal value) takes into consideration macroeconomic parameters and economically sustainable cash flows for each CGU.

The cash flows are determined by subtracting the annual capital requirement generated by a change in the amount of risk-weighted assets from the estimated future earnings. The capital requirement was defined through the target tier 1 ratio in light of the expected future minimum regulatory capital requirements.

The discount rates reflect risks specific to the CGU and have been determined based on the capital asset pricing model (CAPM). According to the CAPM, the discount rate comprises a risk-free interest rate together with a market risk premium that itself is multiplied by a factor that represents the systematic market risk (beta factor). Furthermore, a country-risk premium component is considered in calculation of the discount rate. The values used to establish the discount rates are determined using external sources of information.

When the recoverable amount of a CGU is less than its carrying amount, the difference is recognised as an impairment loss in the statement of income under the line item 'Other operating result'.

The analysis on the recoverability of non-financial assets is explained in section 'MATERIAL ACCOUNTING POLICY INFORMATION' in the chapter 'Material accounting judgements, assumptions and estimates'.

Acquisition and production costs

in CZK million	Goodwill	Software acquired	Other (licenses, patents, etc.)	Total intangible assets
Balance as of 1 Jan 2023	**34**	**18,509**	**1,398**	**19,941**
Additions in current year (+)	-	1,785	99	1,884
Disposals (-)	-	(669)	(9)	(678)
Reclassification	-	(14)	11	(3)
Balance as of 31 Dec 2023	**34**	**19,611**	**1,499**	**21,144**
Additions in current year (+)	-	1,529	49	1,578
Disposals (-)	-	(750)	(186)	(936)
Disposal of group	-	(13)	-	(13)
Reclassification	-	-	(1)	(1)
Currency translation	-	1	-	1
Balance as of 31 Dec 2024	**34**	**20,378**	**1,361**	**21,773**

Accumulated depreciation

in CZK million	Goodwill	Software acquired	Other (licenses, patents, etc.)	Total intangible assets
Balance as of 1 Jan 2023	**-**	**(12,366)**	**(1,158)**	**(13,524)**
Amortisation charge (-)	-	(1,024)	(70)	(1,094)
Disposals (+)	-	669	9	678
Reclassification	-	90	(90)	-
Impairment (-)	-	(786)	(11)	(797)
Balance as of 31 Dec 2023	**-**	**(13,417)**	**(1,320)**	**(14,737)**
Amortisation charge (-)	-	(997)	(59)	(1,056)
Disposals (+)	-	655	186	841
Disposal of group	-	10	-	10
Reclassification	-	(90)	90	-
Impairment (-)	-	(229)	(1)	(230)
Currency translation	-	(1)	-	(1)
Balance as of 31 Dec 2024	**-**	**(14,069)**	**(1,104)**	**(15,173)**

Carrying amounts

in CZK million	Goodwill	Software acquired	Other (licenses, patents, etc.)	Total intangible assets
Balance as of 31 Dec 2023	**34**	**6,194**	**179**	**6,407**
Balance as of 31 Dec 2024	**34**	**6,309**	**257**	**6,600**

Other intangible assets include licenses and know-how.

Software acquired and other intangible assets include also intangibles under construction of CZK 1,494 million as at 31 December 2024 (2023: CZK 1,852 million).

The acquisition cost of fully amortised intangible assets still in use was CZK 2,243 million as at 31 December 2024 (2023: CZK 3,408 million).

The Group has not identified any contractual commitments for the purchase of intangible assets.

44 Other assets

in CZK million	2024	2023
Prepayments	660	458
Assets under construction/unfinished goods/inventory	89	64
Sundry assets	604	1,016
Other assets	**1,353**	**1,538**

'Sundry assets' consist mainly of long-term advances of CZK 299 million (2023: CZK 297 million) and in 2023 also deposit into the transformed fund of Česká spořitelna - penzijní společnost, a.s. of CZK 437 million.

LEASES

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

45 The Group as a lessor

The Group is mitigating the risk associated with any rights it retains in underlying assets. This is achieved especially by means of residual value guarantees, variable lease payments for use in excess of specified limits and buy-back agreements with third parties.

The vast majority of lease agreements in which the Group operates as a lessor are finance leases.

Finance leases

The principal assets held under lease arrangements include vehicles and other technical equipment. For the finance lease receivables included in this item, the reconciliation of the gross investment in leases to the present value of the minimum lease payments is as follows:

in CZK million	2024	2023
Outstanding minimum lease payments	1,725	1,726
Gross investment	**1,725**	**1,726**
Unrealised financial income	(161)	(193)
Net investment	**1,564**	**1,532**
Present value of minimum lease payments	**1,564**	**1,532**

Maturity analysis by residual maturities

	2024		2023	
in CZK million	Gross investment	Present value of outstanding lease payments	Gross investment	Present value of outstanding lease payments
< 1 year	392	362	364	328
1-2 years	412	379	379	342
2-3 years	293	269	270	243
3-4 years	192	175	184	165
4-5 years	99	89	125	111
> 5 years	337	290	403	343
Total	**1,725**	**1,564**	**1,726**	**1,532**

During 2024, the Group recognised interest income on finance lease receivables in the amount of CZK 40 million (2023: CZK 27 million).

Finance lease receivables

The analysis of the GCA and of related CLA of the Group's finance lease receivables per impairment buckets as of 31 December 2024 and 2023 is provided in the table below:

Gross carrying amounts (GCA) and credit loss allowances (CLA) per impairment buckets

	GCA				CLA				Carrying
in CZK million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	amount
2024									
General governments	27	-	-	27	(2)	-	-	(2)	25
Other financial corporations	23	-	-	23	-	-	-	-	23
Non-financial corporations	1,425	24	27	1,476	(26)	(2)	(18)	(46)	1,430
Households	23	1	-	24	(1)	-	-	(1)	23
Total	**1,498**	**25**	**27**	**1,550**	**(29)**	**(2)**	**(18)**	**(49)**	**1,501**
2023									
General governments	63	-	-	63	(10)	-	-	(10)	53
Other financial corporations	10	-	-	10	-	-	-	-	10
Non-financial corporations	1,388	18	35	1,440	(25)	(2)	(22)	(48)	1,392
Households	18	1	-	19	(5)	(1)	-	(6)	13
Total	**1,478**	**18**	**35**	**1,532**	**(40)**	**(2)**	**(22)**	**(65)**	**1,467**

For a development of the Expected Credit Loss related to Finance Lease Receivables please refer to Note 34 Development of credit loss allowances.

Operating leases

Under operating leases, the Group leases real estate and movable property to other parties.

Maturity analysis of lease payments from operating leases and investment properties

in CZK million	2024	2023
< 1 year	290	247
1-2 years	301	243
2-3 years	292	235
3-4 years	292	235
4-5 years	289	235
> 5 years	1,041	795
Total	**2,505**	**1,990**

46 The Group as a lessee

The Group uses the straight-line method of depreciation. The right-of-use assets are presented on the balance sheet as part of 'Property, equipment and right-of-use assets' or, if they are subleased to third parties, for operating leases as part of 'Investment properties' and for finance leases as a 'Finance lease receivable'.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments also include the exercise price under a purchase option and lease payments in an optional renewal period are considered if the lessee is reasonably certain to exercise the options. Extension and termination options are included in a number of real estate leases across the Group. The use of extension and termination options gives the

Group added flexibility in case more suitable premises in terms of costs and/or location are identified or in case it is considered favourable to remain in a location beyond the original lease term.

When determining the present value of lease payment the Group typically uses the incremental borrowing rate as the discount rate. For movables consists of Pribor as a base rate, adjusted by a surcharge based on the entity's rating, the amount of funds borrowed, the term of the lease and the collateral provided. The determination of the incremental borrowing rate for property leases is based on two components, the market rate and the single property rate. The market rate considers the lease term, creditworthiness and the base rate Pribor. The single property rate represents a surcharge to the market rate based on the quality of the single property. On the balance sheet the lease liabilities are presented in the line item 'Lease liabilities'.

Maturity analysis of lease liabilities on the basis of undiscounted cash flows

	2024		2023	
in CZK million	**Nominal values**	**Present values**	**Nominal values**	**Present values**
< 1 year	662	575	565	488
1-5 years	1,926	1,758	1,877	1,701
> 5 years	1,108	1,030	1,154	1,070
Total	**3,696**	**3,363**	**3,596**	**3,259**

During 2024, interest expenses on lease liabilities were recognised in the amount of CZK 90 million (2023: CZK 95 million). In 2024, expenses in the amount of CZK 73 million (2023: CZK 73 million) relating to short term leases, for which the recognition exemption of IFRS 16 applies, were recognised. In addition, expenses amounting to CZK 54 million (2023: CZK 52 million) relating to leases of low value items, for which the recognition exemption of IFRS 16 applies, arose.

Gains arising from sale and leaseback transactions in the amount of CZK 118 million (2023: CZK 19 million) were recognised. Income from subleasing right-of-use assets was recognised in the amount of CZK 20 million (2023: CZK 59 million). Total cash outflow for leases in 2024 was CZK 817 million (2023: CZK 790 million). The Group does not have commitments for future cash outflows which are not reflected in the measurement of lease liabilities as of 31 December 2024.

ACCRUALS, PROVISIONS, CONTINGENT LIABILITIES AND LEGAL PROCEEDINGS

47 Other liabilities

in CZK million	**2024**	**2023**
Deferred income	645	525
Sundry liabilities	5,142	6,776
Other liabilities	**5,787**	**7,301**

Sundry liabilities consist mainly of suspense account of CZK 671 million (2023: CZK 2,710 million) and costs of staff bonuses amounting to CZK 1,611 million (2023: CZK 1,418 million) of which CZK 48 million (2023: CZK 47 million) is liability regarding share-based remuneration.

Deferred income outstanding at 31 December 2024 includes 'contract liabilities' in accordance with IFRS 15 in amount of CZK 578 million (2023: CZK 500 million). Revenue recognised in the reporting year 2024 that was included in the contract liability balance at the beginning of the period amounts to CZK 539 million (2023: CZK 523 million).

48 Provisions

Expenses or income related to provisions for loan commitments and financial guarantees are reported in the statement of income under the line item 'Impairment result from financial instruments'. Expenses or income related to other provisions are reported in the statement of income under the line item 'Other operating result'. However restructuring expenses relating to employees are presented under line item 'Personnel expenses'.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly before the end of the reporting period. Any restructuring provision only includes the direct expenditure arising from the restructuring which is necessarily entailed and is not associated with the ongoing activities of the Group.

Loan commitments and financial guarantees given in scope of IFRS 9

In the ordinary course of business, the Group provides financial guarantees, consisting of various types of letters of credit and guarantees. A financial guarantee is a contract that requires the guarantor to make specified payments to reimburse the holder for a loss it incurs in case a specified debtor fails to make a payment when due in accordance with the original or modified terms of a debt instrument.

For financial guarantees provisions are recognised based on the expected credit loss impairment model if the amount is higher than the unamortised balance of the initial premium.

Loan commitments are firm commitments to provide credit under prespecified terms and conditions. Loan commitments are generally not recognised in the balance sheet before they are drawn. If it is probable that the Group will enter into the loan agreement loan commitment fees received are deferred and adjust the effective interest rate of the loan when the commitment is drawn. Loan commitments result in recognition of provisions based on the expected credit loss impairment model.

Expenses or income related to provisions for loan commitments and financial guarantees are reported in the statement of income under the line item 'Impairment result from financial instruments'.

For information about development of credit loss allowances for provision for financial guarantees and loan commitments refer to Note 34 Development of credit loss allowances, part 'Loan commitments and financial guarantees': table 'Movement in credit loss allowances – loan commitments and financial guarantees'.

Provisions recognised in accordance with IAS 37

Expenses or income related to provisions which are in scope of IAS 37 are reported in the statement of income under the line item 'Other operating result'.

Further details on provisions for off-balance credit risk exposures in Note 30 Credit risk exposure. Legal proceedings that do not meet the criteria for recognition of provisions are described in Note 49 Contingent liabilities.

in CZK million	2024	2023
Restructuring	168	305
Pending legal issues	1,716	1,708
Loan commitments and financial guarantees given in scope of IFRS 9	1,245	1,094
CLA for loan commitments and financial guarantees in Stage 1	265	272
CLA for loan commitments and financial guarantees in Stage 2	727	298
CLA for loan commitments and financial guarantees in Stage 3	252	522
CLA for loan commitments and financial guarantees POCI	1	3
Commitments and guarantees given out of scope of IFRS 9	78	57
Provision for onerous contracts	184	215
Other provisions	74	89
Provisions	**3,465**	**3,468**

The restructuring provision of CZK 252 million was created at the end of 2023 for the next phase reorganization of the Group's redundant activities performed by the HQ departments of the Group and their employees. In 2024 the Group recognised the use of the restructuring provision amounting to CZK 84 million. The reorganization is expected to be completed in 2025.

Under position 'Pending legal issues' provisions related to litigations from lending business, asset management or litigations with customer protection associations, which normally occur in banking business, are disclosed (refer to Note 49 part 'Legal disputes').

Remaining classes of provisions

Following table provides the information about the development of the remaining classes of provisions:

in CZK million		Allocations	Use	Releases	Exchange rate and other changes (+/-)	
	Jan 2024					Dec 2024
Provision for restructuring	305	-	(137)	-	-	168
Pending legal issues and tax litigation	1,708	18	(5)	(5)	-	1,716
Other provisions	360	56	(60)	(21)	-	336
Provisions	**2,374**	**74**	**(202)**	**(26)**	**-**	**2,220**

	Jan 2023					Dec 2023
Provision for restructuring	67	252	(67)	-	53	305
Pending legal issues and tax litigation	1,706	3	-	(1)	-	1,708
Other provisions	520	428	-	(377)	(211)	360
Provisions	**2,292**	**683**	**(67)**	**(377)**	**(157)**	**2,374**

The level of sundry provisions is the best possible estimate of expected outflow of economic benefits at the reporting date, while taking into account the risks and uncertainties underlying the commitment to fulfill the obligation. Risks and uncertainties are taken into account in the estimate.

49 Contingent liabilities

In the ordinary course of business, the Group becomes party to various financial transactions that are not reflected in the statement of financial position and are referred to as off-balance sheet financial instruments. The table at the end of the note represent the notional amounts of these off-balance sheet financial instruments, unless stated otherwise.

It is not practicable to disclose the information about uncertainties relating to the amounts or timing of any outflows related to contingent liabilities or the possibility of any related reimbursements.

Legal disputes

At the reporting date, the Group was involved in various claims and legal proceedings of a nature considered normal to its business. Legal disputes are costly and their outcome unpredictable. Many parts of the legislation remain untested and there is uncertainty about the interpretation that courts may apply in a number of areas. The impact of these uncertainties cannot be quantified and will only be known as the specific legal disputes in which the Group is named are resolved.

The Group is involved in various claims and legal proceedings of a special nature. The Group also acts as a defendant in a number of legal disputes filed with the arbitration court. The Group does not disclose the details underlying the disputes as the disclosure may have an impact on the outcome of the disputes and may seriously harm the Group's interests. Based upon historical experience and expert opinion, the Group assesses the developments in these cases, and the probability and the amount of potential financial outcome which are appropriately provided for.

Whilst no assurance can be given with respect to the ultimate outcome of any such claim or litigation, the Group believes that the various asserted claims and litigation in which it is involved will not materially affect its financial position, future operating results or cash flows.

If, in connection with the litigation, the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation, the Group recognises a provision for legal disputes (refer to Note 48 Provisions).

Commitments to extend credit and commitments from guarantees and letters of credit

Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of clients' authorisations to extend credit in the form of loans, guarantees or letters of credit. The credit risk attached to commitments to extend credit represents a potential loss for the Group. The Group estimates the potential loss on the basis of historical developments of CCFs, PDs and LGDs. CCFs indicate the likelihood of the Group paying out on a guarantee or having to grant a loan on the basis of an issued commitment to extend credit.

Guarantees, irrevocable letters of credit and undrawn loan commitments are subject to similar credit risk monitoring and credit policies as utilised in the extension of loans. Management of the Group believes that the market risk associated with guarantees, irrevocable letters of credit and undrawn loan commitments is minimal.

The Group recorded impairment credit loss for off-balance sheet risks to cover expected credit losses that may be incurred in connection with these off-balance sheet transactions. As at 31 December 2024, the aggregate balance of these allowances was CZK 1,245 million (2023: CZK 1,094 million). Refer to Note 34 Development of credit loss allowances.

in CZK million	2024	2023
Amounts owed under guarantees and letters of credit	6,062	8,384
Undrawn loan and other commitments	276,946	254,067
out of which loan commitments	171,182	158,368
Total	**283,008**	**262,451**

CAPITAL INSTRUMENTS, EQUITY AND RESERVES

50 Total equity

Details on equity are provided in Section 'Consolidated statement of changes in equity'.

in CZK million	2024	2023
Share capital	15,200	15,200
Additional paid-in capital	12	12
Additional equity instruments	9,040	9,040
Retained earnings and other reserves	129,892	119,703
Owners of the parent	**154,144**	**143,955**
Non-controlling interests	622	546
Total equity	**154,766**	**144,501**

The share capital (registered, subscribed and paid) as at the end of the reporting period is accounted for at an amount recorded in the Commercial register. As of 31 December 2024, share capital consists of 152,000,000 voting ordinary shares. In addition, the Bank issued AT1 (additional Tier 1 capital). Additional paid-in capital represents the amount by which the issue price of the shares exceeded their par value. Retained earnings and other reserves represent accumulated net profit brought forward, as well as income and expenses recognised in other comprehensive income.

The issue of Additional Tier 1 ('AT1') equity instruments is compliant with Article 52 of the CRR (Regulation EU No 575/2013). In June 2019 the Bank has launched second issue of AT1, denominated in Euro, for a total of EUR 350 million (the equivalent of CZK 9,039 million). The issued AT1 capital is recognised under the line item 'Additional equity instruments'.

In accordance with the characteristics of AT1 (i.e. the terms of the issue), the Bank is not obliged to deliver funds or other financial assets to the AT1 holder to settle the contractual obligation, ie. AT1 holders are not entitled to repay the amount due or pay proceeds, and AT1 has no maturity date.

The main reasons for the issuance of AT1 is optimisation of capital structure and preparation for regulatory changes (full implementation of CRR, TLAC/MREL) while using the currently favourable market conditions (interest rates and credit spreads).

Distributions on own equity instruments are recognised as a liability and deducted from equity when they are approved by the Bank shareholder.

For dividends on ordinary shares the decision is taken by the Annual General Meeting. For coupons on Additional Tier 1 instruments the payouts recorded in equity do not need approvals of Annual General Meeting but an event of non-payment would require a decision of the Bank's Board.

Number of shares and share capital

Authorised, issued and fully paid share capital is as follows:

	2024		2023	
	Number of shares	CZK million	Number of shares	CZK million
Ordinary shares of CZK 100 each	152,000,000	15,200	152,000,000	15,200
Share capital	**152,000,000**	**15,200**	**152,000,000**	**15,200**

51 Non-controlling interest

in CZK million	2024	2023
At 1 January	**546**	**479**
Profit for the year	76	66
Other changes	-	1
At 31 December	**622**	**546**

SCOPE OF CONSOLIDATION

Basis of consolidation

As at 31 December 2024, the Group includes in its IFRS Accounting Standards scope of consolidation a total of 24 subsidiaries (31 December 2023: 22)

52 Subsidiaries

A subsidiary is an entity controlled by another entity. All subsidiaries directly or indirectly controlled by the Bank are consolidated in the consolidated financial statements on the basis of the subsidiaries' annual accounts as of 31 December 2024, and for the year then ended.

Non-controlling interests represent those portions of total comprehensive income and net assets that are not attributable directly or indirectly to the owner of the Bank. Non-controlling interests are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet.

Assessing the existence of control under this definition may require considerable accounting judgements, assumptions and estimates, notably in non-standard situations such as:

- power stemming both from voting rights and from contractual arrangements (or mostly from the latter);
- exposure to variable returns from the involvement with the investee stemming from on-balance investments and from off-balance commitments or guarantees (or mostly from the latter); or
- from readily identifiable income streams (e.g. dividends, interest, fees) and from cost savings, economies of scale and/or operational synergies (or mostly from the latter).

Additions in 2024

On 3 October 2024 the company BP Antal, s. r. o. was established. The company is 100% owned by Budějovická Development, s. r. o.

On 8 November 2024 the subsidiary Dostupné bydlení České spořitelny, a.s. acquired the whole share in the company DBČS Prosek, s.r.o.

On 13 December 2024 the company DBČS Opatov, s.r.o. was established. The company is 100% owned by Dostupné bydlení České spořitelny, a.s.

Disposals in 2024

On 28 March 2024 CPP Lux S.à r.l. entered into liquidation.

During the year, the Group completed planned liquidation of the company DINESIA a.s., v likvidaci. On 11 July 2024 DINESIA a.s., v likvidaci paid the liquidation balance of CZK 10,188 thousand to Leasing České spořitelny, a.s. The company was deleted from the Commercial Register on 2 December 2024.

On 20 December 2024 the Bank's 100% investment in REICO investiční společnost České spořitelny, a.s. was sold to Erste Asset Management GmbH.

Additions in 2023

On 10 October 2023 the company DBČS Žďár, s.r.o. and on 18 December 2023 the company DBČS Černý Most, s.r.o. were established. Both companies are 100% owned by Dostupné bydlení České spořitelny, a.s.

Disposals in 2023

On 1 January 2023 DINESIA, a.s. entered into liquidation.

On 10 October 2023 the company Czech and Slovak Property Fund B.V. was deleted from the Commercial Register.

53 Investment in associates and joint ventures

In the case of the Group, all equity method investments are direct or indirect investments in associates and joint ventures over which the Group exercises significant influence or joint control stemming from voting power greater than 20% up to 50%.

Additions/disposals in 2024

There were no acquisitions or disposals in 2024. The ownership in Investown Technologies s.r.o. decreased to 24.05%.

Additions/disposals in 2023

There were no acquisitions or disposals in 2023. The ownership in Investown Technologies s.r.o. decreased to 24.96%.

Carrying amounts of at equity measured entities

in CZK million	2024	2023
Financial institutions	1,895	1,649
Total	**1,895**	**1,649**

Aggregated financial information of at equity measured entities

in CZK million	2024	2023
Total assets	8,035	8,238
Total liabilities	4,104	4,850
Income	2,589	2,070
Profit (Loss)	518	439

None of the Group’s investments accounted for using the equity method published price quotations.

Significant equity method investments where the Group has strategic interest

	2024		2023	
in CZK million	Global Payments s.r.o.	Investown Technologies s.r.o.	Global Payments s.r.o.	Investown Technologies s.r.o.
Country of Incorporation / Place of business	Czech Republic	Czech Republic	Czech Republic	Czech Republic
Main business activity	Payment services	Payment services	Payment services	Payment services
Ownership % held	49.00%	24.05%	49.00%	24.96%
Voting rights held %	49.00%	24.05%	49.00%	24.96%
Classification (JV/A)	Associate	Associate	Associate	Associate
Reporting currency	CZK	CZK	CZK	CZK
Cash and cash equivalents	1,318	353	923	217
Other current assets	3,393	15	3,990	6
Non-current assets	2,608	348	2,686	417
Current liabilities	36	-	25	-
Non-current liabilities	3,476	592	4,231	594
Operating income	2,280	194	1,937	70
Post-tax result from continuing operations	465	53	408	31
Depreciation and amortisation	(232)	(4)	(169)	(1)
Interest expense	(80)	(14)	(75)	(21)
Tax expense/income	(38)	-	(25)	-
Net assets attributable to the Group	1,096	30	869	10
Carrying goodwill included in the cost of investment	769	-	769	-
Carrying amount	1,865	30	1,638	10

The classification of current and non-current financial assets and liabilities are based on the expected remaining maturities of assets and liabilities.

54 Unconsolidated structured entities

in CZK million	2024	2023
Carrying amount of assets	3,733	4,322
Fair value of liquidity support drawn	2,252	2,720
Total	**5,986**	**7,042**

The Group is involved as an investor in a number of unconsolidated public or private investment funds registered in the Czech Republic or foreign jurisdictions. Some of these funds are managed by asset management subsidiaries of the Group, but the Group is not a significant investor in these funds. The interests of the Group in these funds mostly take the form of redeemable fund unit investments measured at fair value on the Group's statement of financial position and are classified based on their characteristics as debt or equity securities mandatorily at FVPL (Note 19 Non-trading financial assets at fair value through profit or loss).

OTHER DISCLOSURE MATTERS

55 Related party transactions and principal shareholders

Related parties involve connected entities or parties that have a special relationship to the Group.

Parties are considered to be related if one party has the ability to control the other or exercise significant influence over the other in making financial or operational decisions. The Group is controlled by Erste Group Bank.

The parties that have a special relationship to the Group are considered to be members of the Group's statutory and supervisory bodies and management, legal entities exercising control over the Group (including entities with a qualified interest in these entities and management of these entities), persons closely related to the members of the Group's statutory and supervisory bodies, management, and entities exercising control over the Group, legal entities in which any of the parties listed above holds a qualified interest, entities with a qualified interest in the Group and any other legal entity under their control and legal entities which the Group controls.

Pursuant to the definitions outlined above, the categories of the Group's related parties principally comprise Erste Group Bank, members of its Board of Directors and Supervisory Board, and other related parties, which include companies directly or indirectly controlled by Erste Group Bank.

A number of banking transactions are entered into with related parties in the normal course of business. These principally include loans, deposits and other transactions. These transactions were carried out on an arm's length basis and were settled exclusively in cash. The interest rates charged to and by related parties are at standard commercial rates. Outstanding balances at the year-end are unsecured except for loans to finance investment property and property under construction.

There was no impairment related to the outstanding balances with related parties reported by the Group.

Loans and advances to and amounts owed to related parties

in CZK million	Erste Group Bank	Other related parties	Members of the Board of Directors and Supervisory Board	Erste Group Bank	Other related parties	Members of the Board of Directors and Supervisory Board
	2024			2023		
Assets						
Cash and cash equivalents	267	44	-	1,207	224	-
Financial assets - held for trading	6,792	-	-	10,012	-	-
Financial assets - FVPL	691	-	-	856	-	-
Financial assets – amortised costs	1,727	90	54	62	125	46
Derivatives Hedge Accounting	2,864	-	-	3,050	-	-
Trade and other receivables	25	170	-	19	141	-
Other assets	92	1	-	-	1	-
Liabilities						
Financial liabilities held for trading	7,384	-	-	8,098	-	-
Financial liabilities measured at amortised costs	229,122	457	90	84,570	620	115
Debt securities in issue	18	-	-	60,196	17	-
Derivatives Hedge Accounting	3,607	-	-	3,531	-	-
Other Liabilities	-	(6)	-	-	(2)	-
Profit&Loss statement		01-12 2024			01-12 2023	
Net interest income	(7,864)	(3)	3	(10,268)	(6)	3
Net fee and commision income	86	1,682	-	72	1,620	-
Dividend income	-	17	-	-	4	-
Net trading result and fair value result	(1,339)	5	-	(856)	8	-
Other administrative expenses	(178)	(1,357)	-	(138)	(1,171)	-
Other operating result	14	29	-	131	102	-
Loans commitments, financial guarantees and other commitments given	7,337	344	-	7,212	464	-
Loan commitments, financial guarantees and other commitments received	-	-	-	-	-	-

Financial liabilities measured at amortised costs as at 31 December 2024 include primarily repurchase agreements in CZK 225,754 million (2023: CZK 82,940 million), term deposits of CZK 3,298 million (2023: CZK 211 million) and cash collaterals taken of CZK 0 million (2023: CZK 1,450 million).

The repurchase agreements are mainly denominated in CZK (CZK 193,141 million as at 31 December 2024; 2023: CZK 55,167 million) and EUR (CZK 32,613 million as at 31 December 2024; 2023: CZK 27,773 million), the interest rates

on repurchase agreements range from 3.0% to 3.62% for CZK with a maturity of up to 1 month and from 2.63% to 3.57% for EUR with a maturity of up to 6 months.

As at 31 December 2024 financial assets and financial liabilities held for trading include mainly derivative instruments (currency and interest rate derivatives). In 2024 and 2023, the net trading and fair value result consists primarily of foreign currency gains/ losses from derivative transactions and also currency revaluation result from other balance sheet positions with related parties denominated in foreign currencies.

Financial assets at amortised cost to Erste Group Bank include primarily cash collaterals provided of CZK 1,726 million (2023: primarily standard money-market deposits of CZK 62 million).

Terms of the debt securities issued are described in Note 15 Financial liabilities at amortised cost.

56 Share-based payments

Remuneration of the Board of Directors and Supervisory Board members

Board of Directors are remunerated on the basis of an 'Agreement on the Performance of the Position of a Member of the Board of Directors'. The overall income of a Member of the Board of Directors (herein after a Board member) for any given year is comprised of Board member's fixed pay, variable income, and benefits/ in-kind performances.

	Short-term benefits		Long-term benefits			Members of the Board of Directors and Supervisory Board total
			Variable performance linked remuneration			
in CZK million	Fixed salaries	Other remuneration (in kind)	Previous years (cash)	Previous years (non-cash)	Previous years (phantom/shares)	
2024	87	2	14	9	10	122
2023	74	3	10	11	8	106

The item Other remuneration comprises income from providing pool cars for personal use to Board of Directors members.

No termination benefit was paid out in 2024 and 2023 to the Board of Directors members.

All of the above mentioned income is paid-out by the Bank. Board of Directors members do not have any income from any of the companies controlled by the Bank.

Variable performance linked remuneration of the Board of Directors members

The variable remuneration component of the Board of Directors members includes both:

- Cash payment;
- Non-cash payments in the form of ČS performance certificates and share-equivalents in the form of Erste Group Bank shares ('phantom shares')

None of them are exchange-traded but they are paid out in cash after vesting period based on defined criteria. The Bank recognises liability to pay for services delivered by the Board of Directors members (see also Note 47 Other liabilities).

The variable performance linked component of remuneration relates to the services rendered by the Board of Directors members in the current year ('performance period'). The payments are conditional on the Bank's performance in the current and following five years. The actual variable performance linked remuneration payment (cash and non-cash payments part) is divided into an upfront (40 %) and deferred remuneration tranches (60 %). A maximum of 20% of total variable remuneration consists of a cash payment payable in the first subsequent year after the performance period and at least 20% is awarded in non-financial instruments. The 30% of deferred remuneration payments are awarded in cash and 30% in non-financial instruments.

The non-financial instruments for upfront and deferred remuneration tranches comprised of phantom shares (50%) and ČS performance certificates (50%). Both instruments will be paid out in cash when due. These components – both the upfront and deferred parts – must be retained throughout the retention period.

The variable performance linked remuneration component is calculated as the fixed income multiplied by the bonus potential (100% for the Board of Directors members) and by bonus multiplier, where the value of the bonus multiplier is set as the outcome of the evaluation of the Strategy and Business part (evaluation of set performance indicators; overall weight 80%) and the Leadership part (overall weight 20%). The annual variable remuneration of the Board of Directors members as managers normally amounts to less than 5% of the aggregate annual volume of variable remuneration at the Bank as a whole.

Evaluation of the performance of Board of Directors members takes place after the end of each calendar year through the Top Executive Appraisal Committee (TEAC). The outputs from the TEAC are then assessed by the Remuneration Committee of the Supervisory Board. The Supervisory Board decides about the setting of bonuses for members of the management board based on a proposal from the Remuneration Committee.

The total variable performance linked remuneration – taking into account both current remuneration based on performance period and possible reductions in pay-outs of amounts previously earned – is awarded only if the participant remains employed and it is sustainable considering the overall financial situation of the Bank and justified on the basis of the performance of the Bank. Should any of these criteria not allow for the full bonus to be awarded, up to 100 % of the total variable remuneration shall be subject to malus or clawback arrangements.

Variable performance linked remuneration for the Board of Directors members for reporting period 2024 was estimated at CZK 51 million (2023: CZK 51 million).

At year-end 2024 the outstanding amount of liability from cash part of the bonus programme for the Board of Directors members consisting of current and also previous years (deferral parts) is CZK 61 million (2023: CZK 53 million) and for non-cash part is CZK 73 million (2023: CZK 69 million) of which CZK 36 million are phantom shares (2023: CZK 35 million).

Non-cash remuneration instruments

Phantom EGB shares

Share-based payments (phantom shares) are variable remuneration components, which – according to the remuneration policy of the Bank – are deferred over a period of five years and are awarded only if it is sustainable considering the overall financial situation of the Bank and justified on the basis of the performance of the Bank.

Amount paid depends on the average share price of Erste Group Bank in the year of payment. As services are received by the Bank in the performance year, the total estimated amount of bonus payments is accrued via profit or loss and recognised as liability in balance sheet. The share-based component of the bonus payment is measured with the respective average share price calculated in the current financial year. Subsequent adjustments due to the changes in the share price are recognised in the profit or loss. As of 31 December 2024, the valuation is based on the average weighted daily share price of Erste Group Bank of the year 2024 in the amount of EUR 45.75 (2023: EUR 33.02) per share. Pay-outs of share-based bonus payments are made one-year after the final amount is determined.

Phantom shares are settled in cash and therefore treated as cash-settled share-based payment transactions. The average daily weighted price of a phantom share is calculated on the basis of the official DataStream (Thomson Reuters Corp) information of Erste Group Bank shares and is based on data published on the Vienna Stock Exchange (Wiener Börse).

The allocated number of phantom shares to the Board of Directors members is calculated by division of respective gross bonus amount by the average daily weighted price of Erste Group Bank shares stock in the performance period. For performance period 2024 the Board of Directors members receive equivalent of 11,210 pcs of phantom shares (2023: 16,139 pcs) with average price 45.75 EUR (2023: EUR 33.02).

At the end of the vesting period when phantom shares are due, shares are transferred into cash by a multiplication of the average daily weighted price of the share in the last closed year preceding the year in which the shares are being paid out.

Performance certificates

As a non-cash performance linked instruments, the Bank uses also ČS performance certificates, the nature of which is 'other instruments' as described in the Article 4 of Regulation (EU) No 527/2014.

The valuation of the Group is based on an annual impairment test conducted at the level of the parent company Erste Group Bank. The comparison of the result of the Group's value in individual years using this valuation model is used to determine the year-on-year change in the value of the certificates. The fundament based for the valuation is a 5 year plan which is prepared by the Bank using several states of the art parameters to justify the financial performance over the following 5 consecutive years. In the preparation of the plan, the macroeconomic outlook, present performance, expected growth, and compliance with the business strategy are considered. All regulatory requirements are deemed to constitute key deliverables of the five-year plan – in particular requirements concerning capital and liquidity. 'Old' performance certificates used until 2018 are not awarded, only deferred parts are still paid out (last part was paid out in 2024).

WeShare program

The WeShare program is an equity-settled share-based payment transaction and consists of two parts: WeShare-Investment Plus and WeShare-Participation. Both parts are offered to employees of the Group provided that the specific requirements are met.

Under the WeShare-Investment Plus part program all employees who had been employed by an entity of the Group until the transfer of the shares to the employees in June 2024 (service condition) could voluntarily invest in Erste Group shares and receive free shares depending on the amount of their personal investment. The WeShare-Investment Plus part was settled in June 2024. The number of free shares, which were granted under this program for the period, is 110,806 (2023: 171,741). Personnel expenses in the amount of CZK 166 million were recorded (2023: CZK 170 million).

In the WeShare-Participation part all employees who have been employed by an entity of the Group for at least six months in 2023 and were still employed until the transfer of the shares to the employees in June 2024 (service condition) are entitled to receive shares in an equivalent amount of EUR 350. The number of shares granted is calculated using the on-grant date expected EGB share price on settlement date. The number of free shares, which are granted under this program for the period, is 64,390 (2023: 90,198). Based on the number of entitled employees, personnel expenses in the amount of CZK 54 million (2023: CZK 53 million) were recorded and a corresponding reserve in retained earnings was created.

57 Fees of the Auditors

The following table contains audit fees and other fees charged by the auditors - PricewaterhouseCoopers Audit, s.r.o. and PricewaterhouseCoopers Česká republika, s.r.o.:

in CZK million	2024	2023
Audit fees	40	40
Other assurance services	11	5
Other services	8	8
Total	**59**	**53**

The audit fees are presented incl. VAT 21%.

58 Assets held for sale and liabilities associated with assets held for sale

Assets classified as held for sale and assets belonging to disposal groups held for sale are reported under the statement of financial position line item 'Assets held for sale'. Liabilities belonging to the disposal groups held for sale are presented in the statement of financial position under the line item 'Liabilities associated with assets held for sale'.

Non-current assets and disposal groups that are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Should the impairment loss in a disposal group exceed the carrying amount of the assets that are within the scope of IFRS 5 measurement requirements, there is no specific guidance on how to treat such a difference. The Group recognises this difference as a provision under the statement of financial position line item 'Provisions'.

in CZK million	2024	2023
Assets held for sale	3,587	10
Liabilities associated with assets held for sale	167	-

In 2024 the assets held for sale and the related liabilities have increased as a result of the Group's decision to sell its administrative buildings.

59 Analysis of remaining maturities

The breakdown of the Group's assets and liabilities based on expected residual maturities as at 31 December 2024 and 2023 was as follows:

in CZK million	2024		2023	
	< 1 year	> 1 year	< 1 year	> 1 year
Cash and cash equivalents	22,958	-	27,918	-
Financial assets - held for trading	12,911	-	16,662	-
Derivatives	12,852	-	16,643	-
Other financial assets held for trading	59	-	19	-
Non-trading financial assets at fair value through profit or loss	691	2,204	3,137	661
Equity instruments	-	1,422	1,457	652
Debt securities	-	773	819	-
Loans and advances to banks	691	-	856	-
Loans and advances to customers	-	9	5	9
Financial assets at FVOCI	3,548	48,710	2,350	51,082
Equity instruments	-	-	-	22
Debt securities	3,548	48,710	2,350	51,060
Financial assets at AC	514,752	1,377,335	409,099	1,244,024
Loans and advances to banks	437,652	5,737	302,507	1,499
Loans and receivables to customers	54,814	1,021,428	89,539	907,279
Debt securities	22,286	350,170	17,053	335,246
Finance lease receivables	362	1,139	114	1,353
Hedge accounting derivatives	-	2,930	-	3,241
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(8)	-	(9)	-
Property and equipment	-	13,153	-	12,159
Investment properties	-	1,449	-	1,748
Intangible assets	-	6,600	-	6,407
Investments in associates and joint ventures	-	1,895	-	1,649
Current tax assets	5	-	545	-
Deferred tax assets	-	1,296	-	1,839
Assets held for sale	3,587	-	10	-
Trade and other receivables	12,766	440	12,275	17
Other assets	1,344	9	1,532	5
Total assets	**572,916**	**1,457,160**	**473,634**	**1,324,186**
Financial liabilities - held for trading	12,034	-	16,716	-
Financial liabilities designated at FVPL	1,113	196	12,308	975
Financial liabilities measured at AC	1,036,820	807,953	938,202	666,422
Deposits from banks	252,481	22,975	104,707	17,580
Deposits from customers	778,478	703,387	765,318	587,436
Debt securities issued	-	81,509	60,095	61,356
Other financial liabilities	5,861	82	8,081	50
Finance lease liabilities	4	3,359	6	3,254
Derivatives - hedge accounting	-	3,693	29	4,505
Provisions	9	3,456	12	3,456
Current tax liabilities	713	-	115	-
Deferred tax liabilities	-	6	-	18
Liabilities associated with assets held for sale	167	-	-	-
Other liabilities	5,483	304	7,301	-
Total liabilities	**1,056,343**	**818,967**	**974,688**	**678,631**

60 Net debt reconciliation

The table below sets out an analysis of debt of the Group (i.e. debt securities issued and lease liabilities) and the movements in the Group's debt for each of the periods presented. The debt items are those that are reported as financing in the statement of cash flows.

Cash-flows from debt securities issued

in CZK million	2024	2023
Opening balance of debt securities issued as of 1 January	121,451	76,657
Cash-flows reported within the cash-flow from financing activities	(41,193)	43,460
thereof interest paid from debt securities issued	(3,291)	(3,883)
Non-cash adjustment	1,251	1,334
Closing balance of debt securities issued as of 31 December	**81,509**	**121,451**

Non-cash adjustments consist mainly of accrued interest and FX impact.

Cash-flows from lease liabilities

in CZK million	2024	2023
Opening balance of lease liabilities as of 1 January	3,259	3,475
Cash-flows reported within the cash-flow from financing activities	(690)	(667)
Non-cash adjustments	794	451
Closing balance of lease liabilities as of 31 December	**3,363**	**3,259**

Non-cash adjustments includes the interest expense and the lease liability from the newly concluded and modified contracts in 2024 and 2023.

61 Events after the balance sheet date

The company CPP Lux S.à r.l., in liquidation was deleted from the Commercial Register on 7 January 2025. The company CEE Property Development Portfolio B.V. was liquidated and deleted from the Commercial Register on 6 February 2025.

62 Details of companies wholly or partly owned by Česká spořitelna, a.s

The tables below present material, fully consolidated subsidiaries, investments in associates accounted for at equity and other investments including direct and indirect ownership.

		2024	2023
Company name, registered office		**Interest in %**	**Interest in %**
Fully consolidated subsidiaries			
Credit institutions			
Stavební spořitelna České spořitelny, a.s.	Prague	100.00%	100.00%
Other financial institutions			
CEE Property Development Portfolio 2 a.s. ('CPDP 2 a.s.')	Prague	100.00%	100.00%
CEE Property Development Portfolio B.V. ('CPDP B.V.')	The Netherlands	20.00%	20.00%
Česká spořitelna – penzijní společnost, a.s.	Prague	100.00%	100.00%
Leasing České spořitelny, a.s.	Prague	100.00%	100.00%
Factoring České spořitelny, a.s.	Prague	100.00%	100.00%
REICO investiční společnost České spořitelny, a.s.	Prague	-	100.00%
s Autoleasing SK, s.r.o.	Slovakia	100.00%	100.00%
Other			
CPDP 2003 s.r.o.	Prague	100.00%	100.00%
CPP Lux S.à r.l., in liquidation	Luxemburg	20.00%	20.00%
ČS Seed Starter, a.s.	Prague	100.00%	100.00%
Erste Grantika Advisory, a.s.	Brno	100.00%	100.00%
Holding Card Service, s.r.o.	Prague	66.70%	66.70%
ČS NHQ, s.r.o.	Prague	100.00%	100.00%
Budějovická Development, s. r. o.	Prague	100.00%	100.00%
BP Budějovická, s. r. o.	Prague	100.00%	100.00%
BP Olbrachtova, s. r. o.	Prague	100.00%	100.00%
BP Poláčkova, s. r. o.	Prague	100.00%	100.00%
BP Antal, s. r. o.	Prague	100.00%	-
Dostupné bydlení České spořitelny, a.s.	Prague	100.00%	100.00%
DBČS Žďár, s.r.o.	Prague	100.00%	100.00%
DBČS Černý most, s.r.o.	Prague	100.00%	100.00%
DBČS Prosek, s.r.o.	Prague	100.00%	-
DBČS Opatov, s.r.o.	Prague	100.00%	-
Other investments			
Other financial institutions			
DINESIA a.s., v likvidaci	Prague	-	100.00%
Other			
CBCB - Czech Banking Credit Bureau, a.s.	Prague	20.00%	20.00%
Procurement Services CZ, s.r.o.	Prague	40.00%	40.00%
První certifikační autorita, a.s.	Prague	23.25%	23.25%
S SERVIS, s.r.o.	Znojmo	100.00%	100.00%
Global Payments s.r.o.	Prague	49.00%	49.00%
Investown Technologies s.r.o.	Prague	24.05%	24.96%
Bankovní identita, a.s.	Prague	17.00%	17.00%

The Group fully consolidates the investments in the real estate fund CPDP B.V. in its consolidated financial statements. While the Group holds 20% of the issued share capital of CPDP B.V., and does not have a majority of voting rights or Board representation, it has provided significant additional funding to the fund for investment purposes which results in the Group receiving substantially all of the rewards and bearing substantially all of the risks of the investment.

During the year ended 31 December 2024, the portfolio of subsidiary and associate undertakings underwent the following changes:

– On 2 January 2024 the Bank increased its investment in Dostupné bydlení České spořitelny, a.s. by CZK 205 million.

- On 5 January 2024 the Bank increased its investment in Dostupné bydlení České spořitelny, a.s. by CZK 107.7 million.
- On 12 January 2024 the Bank increased its investment in Dostupné bydlení České spořitelny, a.s. by CZK 66.5 million.
- On 26 January 2024 the Bank increased its investment in Dostupné bydlení České spořitelny, a.s. by CZK 203 million.
- On 29 January 2024 the Bank increased its investment in ČS NHQ, s.r.o. by CZK 100 million.
- On 23 February 2024 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 12.3 million.
- On 6 March 2024 the Bank increased its investment in CEE Property Development Portfolio B.V. by EUR 80 thousand.
- On 19 March 2024 the Bank increased its investment in ČS NHQ, s.r.o. by CZK 2.5 billion.
- On 28 March 2024 the company CPP Lux S.à r.l. entered into liquidation.
- On 1 July 2024 the Bank increased its investment in Dostupné bydlení České spořitelny, a.s. by CZK 398.7 million.
- On 11 July 2024 the company DINESIA a.s., v likvidaci paid the liquidation balance of CZK 10,188 thousand to Leasing České spořitelny, a.s.
- On 19 July 2024 the Bank increased its investment in ČS NHQ, s.r.o. by CZK 500 million.
- On 1 September 2024 the company ČS NHQ, s.r.o. merged with its subsidiary Smichov Campus s.r.o. effective from 1 April 2024.
- On 13 September 2024 the Bank increased its investment in CEE Property Development Portfolio B.V. by EUR 100 thousand.
- New subsidiary BP Antal, s. r. o. was established on 3 October 2024 (100% owned by the company Budějovická Development, s. r. o.).
- On 4 November 2024 the Bank increased its investment in Dostupné bydlení České spořitelny, a.s. by CZK 157.1 million.
- On 8 Novemeber 2024 the company Dostupné bydlení České spořitelny, a.s. acquired the company DBČS Prosek, s.r.o.
- On 11 November 2024 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 22.5 million.
- On 15 November 2024 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 3 million.
- On 2 December 2024 the Bank increased its investment in Budějovická Development, s.r.o. by CZK 750.2 million.
- On 2 December 2024 the company DINESIA a.s., v likvidaci was deleted from the Commercial Register.
- New subsidiary DBČS Opatov, s.r.o. was established on 13 December 2024 (100% owned by the company Dostupné bydlení České spořitelny, a.s.).
- On 20 December 2024 the Bank's 100% investment in REICO investiční společnost České spořitelny, a.s. was sold to Erste Asset Management GmbH.

During the year ended 31 December 2023, the portfolio of subdiary and associate undertakings underwent the following changes:

- On 1 January 2023 DINESIA a.s. entered into liquidation.
- On 4 January 2023 the Bank increased its investment in Dostupné bydlení České spořitelny, a.s. by CZK 423.4 million.
- On 6 January 2023 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 10 million.
- On 24 March 2023 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 5.9 million.
- On 30 March 2023 the Bank increased its investment in Bankovní identita, a.s. by CZK 9.9 million.
- On 31 March 2023 the Bank increased its investment in Dostupné bydlení České spořitelny, a.s. by CZK 216.4 million.

- On 27 April 2023 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 4 million.
- On 28 April 2023 the Bank increased its investment in Holding Card Service s.r.o. by CZK 0.3 million.
- On 2 May 2023 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 10 million.
- On 16 May 2023 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 24.2 million.
- On 23 May 2023 the Bank increased its investment in CEE Property Development Portfolio B.V. by EUR 80 thousand.
- On 2 June 2023 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 2.4 million.
- On 12 June 2023 the Bank increased its investment in Stavební spořitelna České spořitelny, a.s. by CZK 1.8 billion
- On 20 June 2023 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 6 million.
- On 30 June 2023 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 8.6 million.
- On 30 June 2023 the Bank increased its investment in Dostupné bydlení České spořitelny, a.s. by CZK 168.8 million.
- On 27 July 2023 the Bank increased its investment in ČS NHQ, s.r.o. by CZK 100 million.
- On 11 September 2023 the Bank increased its investment in Dostupné bydlení České spořitelny, a.s. by CZK 20 million.
- On 2 October 2023 the Bank increased its investment in Dostupné bydlení České spořitelny, a.s. by CZK 91.6 million.
- New subsidiary DBČS Žďár, s.r.o. was established on 10 October 2023 (100% owned by the company Dostupné bydlení České spořitelny, a.s.).
- On 10 October 2023 the company Czech and Slovak Property Fund B.V. was deleted from the Commercial Register.
- On 25 October 2023 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 10 million.
- On 30 October 2023 the share capital of Česká spořitelna - Penzijní společnost, a.s. was decreased from CZK 350 million to CZK 50 million.
- On 10 November 2023 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 5.8 million.
- On 30 November 2023 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 17.1 million.
- On 13 December 2023 the Bank decreased its investment in CEE Property Development Portfolio 2 a.s. by CZK 480 million.
- On 15 December 2023 the Bank increased its investment in Dostupné bydlení České spořitelny, a.s. by CZK 171.5 million.
- New subsidiary DBČS Černý most, s.r.o. was established on 18 December 2023 (100% owned by the company Dostupné bydlení České spořitelny, a.s.).
- On 19 December 2023 the Bank's 40% investment in Erste Group Shared Services, s.r.o. was sold to Erste Group Bank AG.

APPENDIX: OWN FUNDS AND CAPITAL REQUIREMENTS

Regulatory Requirements

Since 1 January 2014, the Group has been calculating the regulatory own funds and the regulatory capital requirements according to the Capital Requirements Regulation (CRR, Regulation (EU) No. 575/2013) and the Capital Requirement Directive (CRD IV, Directive (EU) 2013/36/EU). Both the CRD IV and CRD V were transposed into national law in the Act on Banks (21/1992 Coll.).

All requirements as defined in the CRR, the ABA and in technical standards issued by the European Banking Authority (EBA) are applied by the Group for regulatory purposes.

Furthermore the Group also fulfils capital requirements determined in the Supervisory Review and Evaluation Process (SREP).

Accounting Principles

The financial and regulatory figures published by the Group are based on IFRS Accounting Standards. Eligible capital components are derived from the balance sheet and income statement which were prepared in accordance with IFRS Accounting Standards.

Regulatory scope of consolidation and institutional protection scheme

The consolidated regulatory own funds and the consolidated regulatory capital requirements are calculated based on the scope of consolidation stipulated in the CRR. The definition pursuant to CRR differs from the scope of consolidation according to IFRS Accounting Standards, which also includes insurance companies and other entities, that are subject to full consolidation.

Consolidated own funds

Own funds according to CRR consist of Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) and Tier 2 (T2). In order to determine the capital ratios, each respective capital component – after application of all regulatory deductions and filters – is considered in relation to the total risk amount.

The items of own funds as disclosed are also used for internal capital management purposes, except AT1 and T2 capital instruments. The Group fulfilled the capital requirements throughout the reporting period.

Beside the regulatory minimum capital ratios also capital buffers according to ABA and regulations of the Financial Market Authority (FMA) need to be considered.

In addition to minimum capital ratios and capital buffer requirements, institutions also have to fulfil capital requirements determined in the Supervisory Review and Evaluation Process (SREP). As a result of the 2023 SREP process performed by the European Central Bank (ECB) the Group applies a Pillar 2 requirement (P2R) of 2.10% as of 31 December 2024.

Following the SREP 2023, the Group is expected to meet a Pillar 2 Guidance (P2G) of 1.0% with CET1, valid as of 1 January 2024 onwards.

Overview of capital requirements and buffers

	2024	2023
Pillar 1		
Minimum CET 1 requirement	4.50%	4.50%
Minimum Tier 1 requirement	6.00%	6.00%
Minimum Own Funds requirement	8.00%	8.00%
Combined buffer requirement (CBR)	**5.72%**	**6.42%**
Capital conservation buffer	2.50%	2.50%
Countercyclical capital buffer	1.22%	1.92%
Systemic risk buffer	2.00%	2.00%
O-SII capital buffer	0.00%	0.00%
Minimum CET 1 requirement (incl.CBR)	10.22%	10.92%
Minimum Tier 1 requirement (incl.CBR)	11.72%	12.42%
Minimum Own Funds requirement (incl.CBR)	13.72%	14.42%
Pillar 2	**2.10%**	**2.00%**
Minimum CET1 requirement	1.18%	1.13%
Minimum T1 requirement	1.57%	1.50%
Minimum Own Funds requirement	2.10%	2.00%
Total CET 1 requirement for Pillar 1 and Pillar 2	**11.40%**	**12.05%**
Total Tier 1 requirement for Pillar 1 and Pillar 2	**13.29%**	**13.92%**
Total Capital requirement for Pillar 1 and Pillar 2	**15.82%**	**16.42%**

Capital structure according to EU regulation 575/2013 (CRR)

in CZK million	2024	2023
Common equity tier 1 capital (CET1)		
Capital instruments eligible as CET1	15,202	15,202
Retained earnings	103,596	100,905
Interim profit	4,184	2,664
Accumulated other comprehensive income	(187)	(224)
Other reserve funds	280	362
Common equity tier 1 capital (CET1) before regulatory adjustments	**123,075**	**118,909**
Prudential filter: cash flow hedge reserve	245	380
Prudential filter: cumulative gains and losses due to changes in own credit risk on fair valued liabilities	(2)	(8)
Prudential filter: fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	(43)	(64)
Value adjustments due to the requirements for prudent valuation	(149)	(252)
Securitizations with a risk weight of 1,250%	(357)	-
Other intangible assets	(3,830)	(3,820)
CET1 capital elements or deductions – other	(758)	(554)
Common equity tier 1 capital (CET1)	**118,181**	**114,591**
Additional tier 1 capital (AT1)		
Capital instruments eligible as AT1	9,040	9,040
Additional tier 1 capital (AT1) before regulatory adjustments	9,040	9,040
Additional tier 1 capital (AT1)	9,040	9,040
Tier 1 capital = CET1 + AT1	**127,221**	**123,631**
Tier 2 capital (T2)		
Capital instruments and subordinated loans eligible as T2	8,875	5,920
IRB excess of provisions over expected losses eligible	3,576	3,198
Tier 2 capital (T2) before regulatory adjustments	**12,451**	**9,118**
Tier 2 capital (T2)	12,451	9,117
Total own funds	**139,672**	**132,749**
Capital requirement	**60,125**	**54,107**
CET1 capital ratio	**15.72%**	**16.90%**
Tier 1 capital ratio	**16.93%**	**18.30%**
Total capital ratio	**18.58%**	**19.60%**

With the approval granted by the ČNB on February 7, 2025, the Group considered the annual profit according to IFRS Accounting Standards of CZK 26,238 million reduced by the expected profit distributions (dividends and coupons from AT1 instruments) of CZK 21,965 million in its regulatory own funds as of 31 December 2024 in accordance with Art. 26 (2) CRR. Subsequently, in March 2025, the Board of Directors has proposed profit distributions in the amount of CZK 23,892 million.

The position 'CET1 elements or deductions – other' includes the development of unaudited risk provisions during the year (EU No 183/2014) and insufficient coverage for non-performing exposures (NPE Backstop) covering the requirements from both Art. 36 para 1 (m) CRR in connection with Art. 47(c) CRR and the Addendum to the ECB Guidance to banks on non-performing loans: supervisory expectations for prudential provisioning of non-performing exposures.

Risk structure according to EU directive 575/2013 (CRR)

in CZK million	2024 Total risk	2024 Capital requirement	2023 Total risk	2023 Capital requirement
Total Risk Exposure Amount	751,563	60,125	676,336	54,107
Risk weighted assets (credit risk)	679,908	54,393	608,776	48,702
Standardised approach	83,937	6,715	75,835	6,067
IRB approach	594,510	47,561	532,941	42,635
Contribution to the default fund of a CCP	-	-	-	-
Securitisation	1,461	117	-	-
Settlement Risk	-	-	-	-
Trading book, foreign FX risk and commodity risk	4,889	391	2,956	236
Operational Risk	62,236	4,979	60,732	4,859
Exposure for CVA	4,530	362	3,872	310
Other exposure amounts (incl. Basel 1 floor)	-	-	-	-

Separate Financial Statements

Separate statement of income

for the year ended 31 December 2024

in CZK million	Notes	2024	2023
Net interest income	1	36,775	31,781
Interest income		86,137	85,342
Other similar income		9,717	10,727
Interest expenses		(48,500)	(49,969)
Other similar expenses		(10,579)	(14,319)
Net fee and commission income	2	10,828	9,253
Fee and commission income		12,136	10,523
Fee and commission expense		(1,308)	(1,270)
Dividend income	3	2,609	2,653
Net trading result	4	3,413	4,169
Gains/losses from financial instruments measured at fair value through profit or loss	5	3	(1,742)
Rental income from operating leases		59	53
Personnel expenses	6	(12,475)	(11,957)
Other administrative expenses	6	(7,865)	(7,239)
Depreciation and amortisation	6	(2,782)	(2,761)
Gains/losses from derecognition of financial assets measured at amortised cost	7	(843)	(272)
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss		(7)	(2)
Impairment result from financial instruments	8	591	(688)
Other operating result	9	309	(1,436)
Pre-tax result from continuing operations		**30,615**	**21,812**
Taxes on income	10	(4,773)	(3,058)
Net result for the period		**25,842**	**18,754**

Separate statement of comprehensive income

for the year ended 31 December 2024

in CZK million	Notes	2024	2023
Net result for the period		**25,842**	**18,754**
Other comprehensive income			
Items that may not be reclassified to profit or loss		**(6)**	**(81)**
Own credit risk reserve	10	(6)	(81)
Items that may be reclassified to profit or loss		**23**	**5,459**
Fair value reserve of debt instruments	10	(130)	1,977
Gain/(loss) during the period		(166)	1,974
Reclassification adjustments		36	-
Credit loss allowances	8	-	3
Cash flow hedge reserve		159	4,763
Gain during the period	10, 22	1,531	9,042
Reclassification adjustments		(1,372)	(4,279)
Deferred taxes relating to items that may be reclassified	10	(6)	(1,281)
Loss during the period		(287)	(2,094)
Reclassification adjustments		281	813
Total other comprehensive income	10	**17**	**5,378**
Total comprehensive income		**25,859**	**24,132**

For a detailed split of income tax items within other comprehensive income please refer to Note 10 Taxes on income.

Separate statement of financial position

as at 31 December 2024

in CZK million	Notes	2024	2023
Assets			
Cash and cash equivalents	12	21,746	27,304
Financial assets held for trading		12,911	16,662
Derivatives	18	12,852	16,643
Other financial assets held for trading		59	19
Non-trading financial assets at fair value through profit or loss	19	1,994	2,235
Equity instruments		603	645
Debt securities		700	734
Loans and advances to banks		691	856
Financial assets at fair value through other comprehensive income	16	51,164	52,325
Debt securities		51,164	52,325
Financial assets at amortised cost	13	1,818,123	1,580,563
thereof pledged as collateral		117,657	123,076
Debt securities		369,033	347,839
Loans and advances to banks		453,119	307,829
Loans and advances to customers		995,971	924,895
Finance lease receivables	44	282	284
Hedge derivatives	22	2,930	3,241
Fair value changes of the hedged items in portfolio hedge of interest rate risk		(8)	(9)
Property, equipment and right-of-use asset	41	10,305	11,000
Intangible assets	42	6,350	6,184
Investments in subsidiaries and associates	46	19,174	14,238
Current tax assets	10	-	527
Deferred tax assets	10	916	1,402
Assets held for sale	54	32	10
Trade and other receivables	14	2,293	1,761
Other assets	43	948	861
Total assets		**1,949,160**	**1,718,588**

in CZK million	Notes	2024	2023
Liabilities and equity			
Financial liabilities held for trading	18	12,035	16,716
Derivatives		12,035	16,716
Financial liabilities at fair value through profit or loss	20	1,309	13,283
Deposits from customers		1,309	13,283
Financial liabilities at amortised cost	15	1,773,467	1,534,636
Deposits from banks		262,969	112,090
Deposits from customers		1,424,958	1,294,668
Debt securities issued		81,509	121,451
Other financial liabilities		4,031	6,427
Lease liabilities	45	4,179	3,893
Hedge derivatives		3,693	4,534
Provisions	48	3,427	3,441
Current tax liabilities	10	528	-
Other liabilities	47	5,204	6,551
Total equity	50	**145,318**	**135,534**
Share capital		15,200	15,200
Additional paid-in capital		12	12
Additional equity instruments		9,040	9,040
Retained earnings and other reserves		121,066	111,282
Total liabilities and equity		**1,949,160**	**1,718,588**

The accompanying notes are an integral part of these separate financial statements.

These separate financial statements were prepared by the Bank and authorized for issue by the Board of Directors on 17 March 2025 and are subject to approval at the Supervisory Board and by the sole shareholder.

Tomáš Salomon
Chairman of the Board of Directors

Ivan Vondra
Member of the Board of Directors,
Chief Financial Officer

Separate statement of changes in equity

for the year ended 31 December 2024

in CZK million	Share capital	Additional paid-in capital	Retained earnings	Additional equity instruments	Cash flow hedge reserve	Fair value reserve	Own credit risk reserve	Total equity
As of 1 January 2023	**15,200**	**12**	**109,819**	**9,040**	**(4,237)**	**(1,212)**	**89**	**128,711**
Dividends paid/AT1 distribution (Note 11)	-	-	(17,314)	-	-	-	-	(17,314)
Other changes	-	-	5	-	-	-	-	5
Total comprehensive income	-	-	18,754	-	3,858	1,601	(81)	24,132
Net result for the period	-	-	18,754	-	-	-	-	18,754
Other comprehensive income	-	-	-	-	3,858	1,601	(81)	5,378
Change in fair value reserve	-	-	-	-	-	1,977	-	1,977
Changes in tax	-	-	-	-	(905)	(376)	-	(1,281)
Change in cash flow hedge reserve	-	-	-	-	4,763	-	-	4,763
Change in own credit risk reserve	-	-	-	-	-	-	(81)	(81)
As of 31 December 2023	**15,200**	**12**	**111,264**	**9,040**	**(379)**	**389**	**8**	**135,534**
As of 1 January 2024	**15,200**	**12**	**111,264**	**9,040**	**(379)**	**389**	**8**	**135,534**
Dividends paid/AT1 distribution (Note 11)	-	-	(16,080)	-	-	-	-	(16,080)
Other changes	-	-	6	-	-	-	-	6
Total comprehensive income	-	-	25,842	-	135	(112)	(6)	25,859
Net result for the period	-	-	25,842	-	-	-	-	25,842
Other comprehensive income	-	-	-	-	135	(112)	(6)	17
Change in fair value reserve	-	-	-	-	-	(130)	-	(130)
Changes in tax	-	-	-	-	(24)	18	-	(6)
Change in cash flow hedge reserve	-	-	-	-	159	-	-	159
Change in own credit risk reserve	-	-	-	-	-	-	(6)	(6)
As of 31 December 2024	**15,200**	**12**	**121,032**	**9,040**	**(245)**	**277**	**2**	**145,318**

Separate statement of cash flows

for the year ended 31 December 2024

in CZK million	Notes	2024	2023
Pre-tax result from continuing operations		**30,615**	**21,812**
Non-cash adjustments for items in net profit/loss for the year			
Depreciation, amortisation and net impairment of non-financial assets		2,949	3,345
Net allocation to provisions (including risk provisions)		(795)	169
Gains/(losses) from the measurement and derecognition of financial assets and financial liabilities		(694)	1,804
Gains/(losses) from the sale of non-financial assets		(763)	(14)
Change in fair values of derivatives		(932)	(1,622)
Interest income	1	(95,854)	(96,069)
Interest expense	1	59,079	64,288
Dividend income	3	(2,609)	(2,653)
Other adjustments		595	(287)
Changes in assets and liabilities from operating activities after adjustment for non-cash components			
Financial assets held for trading		(46)	49
Non-trading financial assets at fair value through profit or loss			
Equity instruments		42	(17)
Debt securities		34	96
Loans and advances to customers		165	527
Financial assets - at fair value through other comprehensive income: debt instruments		1,129	(2,961)
Financial assets at amortised cost			
Debt securities		(19,625)	(25,319)
Loans and advances to banks		(145,272)	(41,679)
Loans and advances to customers		(66,402)	(81,291)
Finance lease receivables		16	(102)
Hedge derivatives		(371)	1,919
Other assets from operating activities		(352)	672
Financial liabilities at amortised cost			
Deposits from banks		150,107	1,093
Deposits from customers		127,593	128,012
Financial liabilities at fair value through profit or loss		(12,182)	(19,615)
Other liabilities from operating activities		(2,892)	43
Other operating cash flows			
Interest paid		(57,478)	(59,816)
Interest received		94,140	94,791
Payments for taxes on income		(3,723)	(3,441)
Cash flow from operating activities		**56,474**	**(16,266)**
Proceeds of disposal of property, equipment and intangible assets		983	46
Acquisition of property, equipment and intangible assets		(2,478)	(2,954)
Disposal of subsidiaries		812	-
Acquisition of joint ventures and associates, increase of interest in subsidiaries	46	(5,026)	(2,300)
Cash flow from investing activities		**(5,709)**	**(5,208)**
Dividends paid/AT1 distribution	11	(16,080)	(17,314)
Dividends received	3	2,609	2,653
Other financing activities		(1)	(8)
Payments of lease liability	56	(856)	(808)
Repayments of bonds in issue	56	(41,194)	-
Proceeds from bonds issued	56	-	42,855
Cash flow from financing activities		**(55,522)**	**27,378**

in CZK million	Notes	2024	2023
Cash and cash equivalents at beginning of period	12	**27,304**	**20,974**
Cash flow from operating activities		56,474	(16,266)
Cash flow from investing activities		(5,709)	(5,208)
Cash flow from financing activities		(55,522)	27,378
Effect of currency translation		(801)	426
Cash and cash equivalents at end of period	12	**21,746**	**27,304**

The accompanying notes are an integral part of these separate financial statements.

Notes to separate financial statements

for the year ended 31 December 2024

GENERAL INFORMATION

Česká spořitelna, a.s. ('the Bank'), having its registered office address at Olbrachtova 1929/62, Prague 4, 140 00, Corporate ID 45244782, is the legal successor of the Czech State Savings Bank and was founded as a joint stock company in the Czech Republic on 30 December 1991. The Bank is a universal bank offering retail, corporate and investment banking services within the Czech Republic.

The Bank's sole shareholder is Erste Group Bank AG ('Erste Group Bank'), having its registered office address at Am Belvedere 1, 1100, Vienna and which is the ultimate parent. The Bank together with subsidiaries forms the Group. The ultimate parent is Erste Group Bank and information on its shareholder structure is published in the financial statements of Erste Group Bank AG for the year 2024 or the actual information on the Erste Group Bank homepage.

The Bank is subject to the regulatory requirements of the Czech National Bank ('ČNB'), the Banking Act and EU guidelines/regulations. These regulations include those pertaining to minimum capital adequacy requirements, categorization of exposures and off-balance sheet commitments, credit risk connected with clients of the Bank, liquidity, interest rate risk, foreign currency positions, operational and other risk.

The Bank offers a complete range of banking and other financial services, such as savings and current accounts, asset management, consumer credit and mortgage lending, investment banking, securities and derivatives trading, portfolio management, project finance, foreign trade financing, corporate finance, capital and money market services and foreign exchange trading.

MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

The separate financial statements of the Bank for the financial year ending 31 December 2024 and the related comparative information were prepared in compliance with applicable IFRS® Accounting Standards as adopted by the European Union ('IFRS Accounting Standards') on the basis of IAS Regulation (EC) No. 1606/2002 under the historical cost convention, as modified by the initial recognition of financial instruments at fair value, and by the revaluation of financial instruments categorised at fair value through profit or loss ('FVPL') and at fair value through other comprehensive income ('FVOCI'). The principal accounting policies applied in the preparation of the separate financial statements are set out below or in individual Notes to which they relate. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The separate financial statements have been prepared on a going concern basis.

In the following notes, the Statement of financial position may be referred to as 'balance sheet' and the Statement of Income may be referred to as 'income statement'.

The Bank has not prepared the separate annual report and intends to include the required information in the annual report together with consolidated financial statements. The Bank has also prepared consolidated financial statements in accordance with IFRS Accounting Standards for the Bank and its subsidiaries (the 'Group'). Users of these separate financial statements should read them together with the Group's consolidated financial statements as at and for the year ended 31 December 2024 in order to obtain full information on the financial position, results of operations and changes in financial position of the Group as a whole.

The Bank is subject to regulatory restrictions on capital distributions stemming from the EU-wide capital requirements regulations applicable to all credit institutions based in the EU. The Bank does not have any other significant restrictions on its ability to access or use the assets and settle the liabilities of the Bank.

Except as otherwise indicated, all amounts are stated in millions of Czech koruna ('CZK'). The tables in this report may contain rounding differences.

The financial statements have been prepared in Czech and in English. In all matters of interpretation of information, views or opinions, the Czech version of the financial statements takes precedence over the English version.

Foreign currency translation

The financial statements are presented in Czech koruna, which is the functional currency of the Bank. The functional currency is the currency of the primary business environment in which the Bank operates.

For foreign currency translation, spot exchange rates quoted by the Czech National Bank are used.

Transactions and balances in foreign currency

Transactions in foreign currencies are initially recorded at the functional currency exchange rate effective as of the date of transaction.

Subsequently, monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate as of the balance sheet date. All resulting exchange differences that arise are recognised in the income statement under the line item 'Net trading result'. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions, i.e. they do not give rise to exchange differences. Non–monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Material accounting judgements, assumptions and estimates

The separate financial statements contain amounts that have been determined on the basis of judgements and by the use of estimates and assumptions. The estimates and assumptions used are based on historical experience and other factors, such as planning as well as expectations and forecasts of future events that are currently deemed to be reasonable. As a consequence of the uncertainty associated with these assumptions and estimates, actual results could in future periods lead to adjustments in the carrying amounts of the related assets or liabilities. The most significant uses of judgements, assumptions and estimates are described in the notes of the respective assets and liabilities and relate in particular to:

- SPPI assessment of financial instruments (Chapter FINANCIAL INSTRUMENTS – MATERIAL ACCOUNTING POLICY INFORMATION)
- Business model assessment of financial instruments (Chapter FINANCIAL INSTRUMENTS – MATERIAL ACCOUNTING POLICY INFORMATION)
- Fair value of financial instruments (Note 21 Fair value of financial instruments)
- Impairment of financial instruments (Chapter FINANCIAL INSTRUMENTS – MATERIAL ACCOUNTING POLICY INFORMATION, Note 32 Measurement of expected credit loss) and Note 35 Scenarios used in forward looking information
- Provisions (Note 48 Provisions)
- Impairment of non-financial assets (Chapter NON-CURRENT ASSETS AND OTHER INVESTMENTS)

Application of amended and new IFRS accounting standards

The accounting policies adopted are consistent with those used in the previous financial year except for standards and interpretations that became effective for financial years beginning after 1 January 2024. As regards new standards and interpretations and their amendments, only those that are relevant for the business of the Bank are listed below.

Effective standards and interpretations

No standards and interpretations or their amendments with relevance for the Bank have become mandatory for the financial year 2024.

Standards and interpretations not yet effective

The standards and amendments shown below were issued by the IASB but are not yet effective. The amendments to IAS 21 have been endorsed by the EU.

- **IFRS 18 Presentation and Disclosure in Financial Statements.** IFRS 18 was issued in April 2024 and become effective for annual periods beginning on or after 1 January 2027. The standard replaces IAS 1. It sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. Application of IFRS 18 will result in adjustments in the structure of the consolidated statement of income of the Bank driven by a new mandatory subtotal 'Operating profit or loss'. New disclosures in the area of management-defined performance measures will be provided.
- **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.** The amendments to IAS 21 were issued in August 2023 and become effective for annual periods beginning on or after 1 January 2025. The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Application of these amendments is not expected to have a significant impact on the Bank's financial statements.
- **Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.** The amendments to IFRS 7 and IFRS 9 were issued in May 2024 and become effective for annual periods beginning on or after 1 January 2026. The Bank intends to early apply these amendments in 2025.
  The amendments to IFRS 9 permit an entity to deem a financial liability that will be settled using an electronic payment system to be discharged before the settlement date. Further, they bring clarifications for classification of financial assets in the areas of contractual terms which are consistent with a basic lending agreement, assets with non-recourse features and contractually linked instruments. The amendments to IFRS 7 bring new disclosure requirements for investment in equity instruments measured at fair value through other comprehensive income and for contractual terms that could change the timing or amount of contractual cash flows.
  The amendments to IFRS 9 will result in a different SPPI assessment of financial assets whose interest is adjusted based on meeting certain ESG-linked targets by the borrowers. The Bank will no longer assess them based on whether the effect of adjustments is deminimis but whether the adjusted cash flows could be significantly different from the contractual cash flows without such a contingent feature. The new assessment is not expected to change the measurement of the affected financial assets. Other amendments to IFRS 9 are not expected to have a significant impact on the Bank's financial statements. Amendments to IFRS 7 will result in new disclosures.
- **Annual Improvements Volume 11.** In July 2024 the IASB issued a set of amendments to various standards. The amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 are effective for annual periods beginning on or after 1 January 2026. Application of these amendments is not expected to have a significant impact on the Bank's financial statements.

The standards and amendments shown below were issued by the IASB but are not yet effective and have not yet been endorsed by the EU.

- **Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity.** The amendments to IFRS 7 and IFRS 9 were issued in December 2024 and are effective from 1 January 2026. The amendments were issued to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). The amendments include: (a) clarifying the application of the 'own-use' requirements; (b) relaxing certain hedge accounting requirements if these contracts are used as hedging instruments; and (c) adding new disclosure requirements to enable investors to understand the effect of these contracts on financial performance and cash flows

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures.** IFRS 19 was issued in May 2024 and become effective for annual periods beginning on or after 1 January 2027. IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. Subsidiaries using IFRS Accounting Standards for their own financial statements provide disclosures that maybe disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by:

  - enabling subsidiaries to keep only one set of accounting records – to meet the needs of both their parent company and the users of their financial statements;
  - reducing disclosure requirements – IFRS 19 permits reduced disclosure better suited to the needs of the users of their financial statements.

The Bank is currently assessing the impact of the amendments on its financial statements.

PERFORMANCE / RETURN

1 Net interest income

Net interest income is broken down into line items of interest income, other similar income, interest expenses and other similar expenses. The distinguishing factor is whether the EIR ('effective interest rate') method is mandatorily applied for recognition of interest income or expense in accordance with IFRS 9.

'Interest income' relates to interest revenue from financial assets measured at amortised cost and at fair value through other comprehensive income. It is calculated using the EIR method as discussed in chapter ' FINANCIAL INSTRUMENTS – MATERIAL ACCOUNTING POLICY INFORMATION', subchapter 'Accounting and measurement methods for financial instruments', part 'i. Amortised cost and effective interest rate'.

'Other similar income' captures interest-like sources of income resulting from non-derivative financial assets measured at fair value through profit or loss, held-for-trading derivatives, hedge accounting derivatives, finance lease receivables and negative interest on financial liabilities.

'Interest expenses' relates to interest expense from financial liabilities measured at amortised cost calculated using EIR as discussed in chapter ' FINANCIAL INSTRUMENTS – MATERIAL ACCOUNTING POLICY INFORMATION', subchapter 'Accounting and measurement methods for financial instruments', part 'i. Amortised cost and effective interest rate'.

'Other similar expenses' capture interest-like sources of expense resulting from non-derivative financial liabilities measured at fair value through profit or loss, held-for-trading derivatives, hedge accounting derivatives, negative interest on financial assets, lease liabilities.

As regards types of financial instruments, interest income and other similar income include interest income on loans and advances to banks and customers, on cash balances, and on debt securities in all measurement categories of financial assets. Interest expenses and other similar expenses include interest paid on deposits from customers, deposits from banks, debt securities issued and other financial liabilities in all measurement categories of financial liabilities.

The unamortised balance of the origination fees/transaction costs upon derecognition of assets in Stage 1 and 2 considered in the effective interest rate is presented as interest income at the derecognition date.

in CZK million	2024	2023
Interest and other similar income		
Financial assets at fair value through other comprehensive income	2,562	2,894
Financial assets at amortised costs	83,575	82,448
Interest income	**86,137**	**85,342**
Financial assets held for trading	10,625	13,782
Hedge derivatives, interest rate risk	(952)	(3,087)
Other assets	44	32
Other similar income	**9,717**	**10,727**
Total interest and other similar income	**95,854**	**96,069**
Interest and other similar expenses		
Financial liabilities measured at amortised cost	(48,500)	(49,969)
Interest expenses	**(48,500)**	**(49,969)**
Financial liabilities at fair value through profit or loss	(203)	(62)
Financial liabilities held for trading	(9,585)	(13,256)
Hedge derivatives, interest rate risk	(659)	(860)
Other liabilities	(129)	(139)
Negative Interest from financial assets	(3)	(2)
Other similar expenses	**(10,579)**	**(14,319)**
Total interest and other similar expenses	**(59,079)**	**(64,288)**
Net interest income	**36,775**	**31,781**

Interest income on impaired financial assets amounted to CZK 1,094 million (2023: CZK 1,044 million). No modification gains or losses were accounted for in the year 2024 and 2023. The amounts disclosed in the line item 'Negative interest from financial assets' relate to the interbank business, deposits and refinancing with central banks only.

2 Net fee and commission income

The Bank earns fee and commission income from a diverse range of services that it provides to its customers. The determination of the timing and amount of income recognition follows the five step model of IFRS 15.

Fee and commission income is measured based on the consideration specified in the contract with a customer. The Bank recognises revenue when it transfers control over a service to a customer.

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commitment fees, premiums received for financial guarantees and other fees from lending business, commission income from asset management, custody and other management and advisory fees as well as intermediary fees from insurance brokerage, building society brokerage and foreign exchange transactions. Payment services partly include fees for services satisfied over a period of time like periodic card fees.

Fee income earned from providing transaction services, such as arranging the acquisition and sale of shares or other securities on behalf of customers or foreign exchange transactions, as well as commission income earned from services such as the sale of collective investments and insurance products, are recognised upon completion of the underlying transaction. Payment services partly include transaction based fees like withdrawal fees.

Fees and commission income that are integral to the effective interest rate of a financial instrument are in the scope of IFRS 9 and are included in the net interest income.

	2024		2023	
in CZK million	**Income**	**Expenses**	**Income**	**Expenses**
Securities	1,322	(141)	766	(105)
Clearing and settlement	-	(7)	-	(5)
Asset management	268	(54)	231	(58)
Custody	171	(28)	141	(27)
Payment services	4,198	(539)	4,111	(778)
Customer resources distributed but not managed	4,478	-	3,706	-
Collective investment	2,134	-	1,725	-
Insurance products	2,061	-	1,772	-
Building society brokerage	178	-	140	-
Other	105	-	69	-
Servicing fees from securitization activities	-	-	-	(11)
Lending business	1,254	(235)	1,187	(93)
Other	445	(304)	381	(193)
Total fee and commission income and expenses	**12,136**	**(1,308)**	**10,523**	**(1,270)**
Net Fee and commission income	**10,828**		**9,253**	

The fee and commission income and expense, which are presented in this table, are not capitalised as an integral part of the effective interest rate.

Asset management, custody and fiduciary transactions fees relate to fees earned by the Bank on trust and other fiduciary activities in which the Bank holds or invests assets on behalf of its customers. The assets hold by the Bank on behalf of its customers amount to CZK 2,353 billion (2023: CZK 1,908 billion).

Net fee and commission income above include income of CZK 4,138 million (2023: CZK 3,907 million) relating to other financial instruments not measured at FVPL.

3 Dividend income

Dividend income is recognised when the right to receive the payment is established. This line item includes dividends from all shares and other equity investments.

in CZK million	2024	2023
Non-trading financial assets at fair value through profit or loss	59	41
Financial assets at cost	2,550	2,612
Dividend income	**2,609**	**2,653**

In 2024 the Bank has received the dividend from its subsidiaries Česká spořitelna - penzijní společnost, a.s. of CZK 1,500 million (2023: CZK 700 million), Stavební spořitelna České spořitelny, a.s. of CZK 900 million (2023: CZK 1,800 million) and REICO investiční společnost České spořitelny, a.s. of CZK 150 million (2023: CZK 111 million).

4 Net trading result

Results arising from trading activities include all gains and losses from changes in the fair value (clean price) of financial assets and financial liabilities classified as held for trading, including all derivatives not designated as hedging instruments. Further, the net trading result includes any ineffective portions recorded in fair value and cash flow hedge transactions. Also, foreign exchange gains and losses on all monetary assets and liabilities and from spot currency conversions are included here.

The accounting policy for recognition of foreign exchange gains and losses is described in the chapter MATERIAL ACCOUNTING POLICY INFORMATION, subchapter 'Foreign currency translations', part 'Transactions and balances in foreign currency'. Detailed information relating to hedge accounting can be found in Note 22 Hedge accounting.

in CZK million	2024	2023
Securities and derivatives trading	403	903
Foreign exchange transactions	2,909	3,182
Ineffectiveness of hedge accounting	101	84
Net trading result	**3,413**	**4,169**

In 2008, the Bank transferred its financial markets trading to make use of Erste Group Bank's business model. The market risk arising from the sales activities of the Financial Markets Division (i.e., transactions with retail and corporate clients), with the exception of equity risk and transactions for the Erste Group Bank's liquidity management purposes (money market), was transferred to Erste Group Bank using back-to-back transactions. Trading gains (i.e. from the Erste Group Bank's market positions) are distributed according to approved rules to the relevant banks within the Erste Group Bank and reported in the 'Net trading result'.

The basic principle underlying these rules involves Erste Group Bank absorbing potential loss in individual classes of assets in exchange for the risk premium derived from the Value at Risk ('VaR') indicator. The remaining positive result after deducting expenses (calculated using the Cost Income Ratio) is reallocated to individual participants in the model based on the results from the sale of assets of individual asset groups.

The portion of trading gains resulting from trading assets transferred to Erste Group Bank and reported within Net trading result is as follows:

in CZK million	2024	2023
Realised and unrealised gains on trading assets	371	489
Foreign exchange trading	320	367
Total	**691**	**856**

5 Gains/losses from financial instruments measured at fair value through profit or loss

Under this line item changes in fair value (clean price) of non-trading financial assets at fair value through profit or loss, including gains and losses on their derecognition, are presented. This concerns both non-trading financial assets

designated and those mandatorily measured at FVPL. Further, gains and losses (clean price) of financial liabilities designated at FVPL, including gains and losses on their derecognition, are presented under this line item. However, the fair value changes resulting from own credit risk of financial liabilities designated at FVPL are recognised in OCI. The Bank has applied fair value option to premium deposits where the return is a function of the embedded derivative.

in CZK million	2024	2023
Result from measurement/sale of financial liabilities designated at fair value through profit or loss	(156)	(1,534)
Result from measurement/repurchase of financial assets mandatorily at fair value through profit or loss	159	(208)
Gains/(losses) from financial instruments measured at fair value through profit or loss	**3**	**(1,742)**

6 General administrative expenses

Personnel expenses

Personnel expenses include wages and salaries, bonuses, statutory and voluntary social security contributions, staff-related taxes and levies. They also include service cost for severance payment. Furthermore, restructuring provisions expenses are part of personnel expenses.

The other personnel expenses include mainly employee benefits for pensions, employee benefit programmes, jubilee benefits and share-based payment liability revaluation.

Other administrative expenses

Other administrative expenses include information technology expenses, expenses for office space, office operating expenses, advertising and marketing, expenditures for legal and other consultants as well as sundry other administrative expenses. Furthermore, the line item contains deposit insurance contributions expenses according to Act 21/1992 Coll.

Depreciation and amortisation

This line item comprises depreciation of property and equipment and right-of-use assets, and amortisation of intangible assets.

in CZK million	2024	2023
Personnel expenses	**(12,475)**	**(11,957)**
Wages and salaries	(8,781)	(8,348)
Compulsory social security	(2,838)	(2,597)
Other personnel expenses	(856)	(1,012)
Other administrative expenses	**(7,865)**	**(7,239)**
Deposit insurance contribution	(388)	(443)
IT expenses	(3,883)	(3,338)
Expenses for office space	(950)	(925)
Office operating expenses	(624)	(698)
Advertising / marketing	(1,209)	(1,029)
Legal and consulting costs	(200)	(196)
Sundry administrative expenses	(611)	(610)
Depreciation and amortisation	**(2,782)**	**(2,761)**
Software and other intangible assets	(1,010)	(1,044)
Owner occupied real estate	(566)	(575)
Office furniture and equipment and sundry property and equipment	(431)	(410)
Right of use asset	(775)	(732)
General administrative expenses	**(23,122)**	**(21,957)**

Personnel expenses include expenses of CZK 1,824 million (2023: CZK 1,677 million) for the statutory defined contribution scheme.

The Bank has no legal or constructive obligation to make pension or similar benefit payments beyond the payments to the statutory defined contribution scheme for health, social and pension purposes.

Board of Directors and Supervisory Board remuneration

in CZK million	2024	2023
Remuneration	122	106

Remuneration to the members of the Board of Directors and Supervisory Board is accounted for as short-term employee benefits and part of variable remuneration as long-term benefit. The description of remuneration model is described in more detail in Note 52 Share-based payments.

Average headcount of full time employees per reporting date

in CZK million	2024	2023
Staff	9,173	9,464

7 Gains/losses from derecognition of financial assets measured at amortised cost

This line item includes selling and other derecognition gains or losses on financial assets measured at amortised cost. However, if such gains/ losses relate to derecognition of financial assets in Stage 3, they are included in the line item 'Impairment result from financial instruments'.

in CZK million	2024	2023
Losses from sale of financial assets at amortised cost	(843)	(272)
Gains/(losses) from derecognition of financial assets measured at amortised cost	**(843)**	**(272)**

Due to the sale of debt securities during 2024 the Bank realized a loss in the amount of CZK 843 million (2023: CZK 272 million). Any derecognition of financial assets measured at AC does not breach the business 'Hold to collect' model.

8 Impairment result from financial instruments

Impairment result from financial instruments comprise impairment losses and reversals of impairment on all kinds of financial instruments, to which the IFRS 9 expected credit loss impairment model applies (i.e. financial assets as well as financial loan commitments and guarantees).

The impairment result also includes recoveries on written-off financial assets. Modification gains and losses recognised on financial assets in Stage 2 and Stage 3 and POCI assets are also included in this line item. Moreover, gains/losses from derecognition of financial assets in Stage 3 and POCI assets are presented as part of the impairment result. When financial assets are written off the Bank is not further enforcing any activity to recover those amounts. Therefore the Bank does not have any such items.

in CZK million	2024	2023
Financial assets at fair value through other comprehensive income	(36)	(3)
Financial assets at amortised cost	759	(918)
Net allocation to credit loss allowances	508	(1,176)
Direct write-offs	-	(8)
Recoveries recorded directly to the income statement	251	266
Finance lease receivables	14	(12)
Net allocation to credit loss allowances	14	(12)
Net allocation of provisions for commitments and guarantees given	(146)	245
Impairment result from financial instruments	**591**	**(688)**

Development of risk provision was driven by release in 2024 (CZK 508 million) in comparison with creation in 2023 (CZK 1,176 million) which is mainly attributable to decomissioning some of the SICR collective assessment (see Note 35 - section 'Collective assessment' and 'Effect on expected credit loss'), updates of forward-looking information (see Note 35

- section 'Effect on expected credit loss') and harmonisation of IFRS 9 parameters estimation with methodologies and segmentation for the IRB regulatory parameters (see Note 32).

In the following table, the change of the credit loss allowance recognised in balance sheet is compared to the impairment result from financial instruments.

Reconciliation of the annual movement in credit loss allowances against the impairment result from financial instruments for the year 2024 a 2023

	Changes of credit loss allowances			
in CZK million	Impairment result of financial instruments	Other changes through profit or loss	Changes not affecting profit or loss	Total
Opening balance of CLA (total) as at 1 January 2023				**(20,238)**
Net impairment gain/(loss) for the period	(964)			(964)
(Increase) due to passage of time (unwinding correction)		(382)		(382)
CLA decreases due to sales			125	125
CLA decreases due to write-offs			1,226	1,226
Other CLA changes		(302)		(302)
Closing balance of CLA (total) as at 31 December 2023				**(20,535)**
Impairment gain/(loss) from POCI without CLA	18			
Direct write-offs	(8)			
Recoveries of written-off amounts	266			
Net impairment gain/(loss) for the period as at 31 December 2023	**(688)**			
Opening balance of CLA (total) as at 1 January 2024				**(20,535)**
Net impairment gain/(loss) for the period	342			342
(Increase) due to passage of time (unwinding correction)		(466)		(466)
CLA decreases due to sales			197	197
CLA decreases due to write-offs			995	995
Other CLA changes		(77)		(77)
Closing balance of CLA (total) as at 31 December 2024				**(19,544)**
Impairment gain/(loss) from POCI without CLA	(2)			
Direct write-offs	-			
Recoveries of written-off amounts	251			
Net impairment gain/(loss) for the period as at 31 December 2024	**591**			

Table shows movements in CLA during the year. From the total movement in CLA (decrease in amount of CZK 991 million, 2023: increase in amount of CZK 297 million) gain of CZK 342 million (2023: loss of CZK 964 million) was reported in Net impairment result in Profit and Loss (NIR). Other movement (decrease) in amount of CZK 649 million (2023: CZK 667 million) represents impact of changes due to sales, write-offs or unwinded corrections recognised in other items in Profit and Loss (e.g. net interest income) or outside Profit and Loss. Beside the CLA movements the NIR was increased by another CZK 249 million (2023: CZK 276 million) consisting of impairment loss from POCI in amount of CZK 2 million (2023: gain of CZK 18 million), direct write-offs in amount of CZK 0 million (2023: CZK 8 million) and increased by recoveries of written-offs in amount of CZK 251 million (2023: CZK 266 million).

9 Other operating result

Other operating result reflects all other income and expenses not directly attributable to the Bank's ordinary activities. The other operating result includes impairment losses or any reversal of impairment losses on non-financial assets as well as results on their sale.

In addition, other operating result encompasses the following: expenses for other taxes; income from the release of and expenses for allocations to provisions; impairment losses (and their reversal if any) as well as selling gains and losses

on equity investments accounted for using the equity method; and gains or losses from derecognition of subsidiaries. Furthermore, the line item contains contributions to the Resolution Fund according to Act 374/2015 Coll.

in CZK million	2024	2023
Other operating expenses	**(541)**	**(1,204)**
Allocation to other provision	(39)	(428)
Other taxes	(3)	(15)
Recovery and resolution fund contributions	(499)	(761)
Other operating income	**22**	**276**
Release of other provision	22	276
Result from properties/movables/other intangible assets other than goodwill	**(90)**	**(1,110)**
Result from other operating expenses/income	**918**	**602**
Other operating result	**309**	**(1,436)**

In 2024 the Bank recognised impairment related to software of CZK 319 million (2023: CZK 786 million) and released impairment related to buildings of CZK 99 million (2023: created the impairment of CZK 313 million). The Bank realised a gain on sale of CZK 176 million (2023: CZK 20 million) as a result of the sale of own buildings (these items are reported within the line 'Result from properties/movables/other intangible assets other than goodwill').

In 2024 the Bank recognised gain on sale of its investment in REICO investiční společnost České spořitelny, a.s. of CZK 722 million, in 2023 the Bank released impairment on its investment in the subsidiary ČS NHQ, s.r.o. of CZK 510 million (presented in the line item 'Result from other operating expenses/income').

Based on the EU Directive and the related binding Delegated Act and their transposition in Czech law, the Bank contributes to the Single Resolution Mechanism (SRM) since 1 January 2016. In 2024 the final annual contribution paid to resolution fund of CZK 499 million (2023: CZK 761 million) was reported within the line 'Recovery and resolution fund contributions'.

10 Taxes on income

Following Act No. 416/2023 Coll. on top-up taxes for large multinational enterprise groups and large domestic groups implementing European Directive No. 2022/2523 of 14 December 2022 the Bank is considered a taxpayer of the top-up tax on the Act's effective date. The Bank has made an assessment of its potential exposure to the top-up tax and does not expect any tax liability in connection with Pillar 2. From a top-up tax perspective, the Bank is part of Erste Group, the ultimate parent company of which is Erste Group Bank AG.

At 31 December 2024 the Bank applied the temporary exception to the requirements of IAS 12 under which a company does not recognise or disclose information about deferred tax assets and liabilities related to the enacted OECD/G20 BEPS Pillar Two model rules.

As of 1 January 2024 the corporate income tax rate in the Czech Republic increased from 19% to 21%. Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period. However, they are recognised in other comprehensive income or directly in equity if they arise from a transaction or event which itself is recognised in OCI or equity.

Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. For this purpose a planning period of 5 years is used.

Taxes on income are made up of current taxes on income calculated in each of the Bank based on the results reported for tax purposes, corrections to taxes on income for previous years, and the change in deferred taxes.

in CZK million	2024	2023
Current tax expense (-) / income (+)	(4,293)	(3,372)
current period	(4,466)	(3,537)
prior period	173	165
Deferred tax expense (-) / income (+)	(480)	314
current period	(480)	314
Total taxes on income	**(4,773)**	**(3,058)**

The following table reconciles the income taxes reported in the income statement to the pre-tax profit/loss multiplied by the nominal Czech tax rate.

in CZK million	2024	2023
Pre-tax profit/loss	30,615	21,812
Income tax expense for the financial year at the domestic statutory tax rate 21% (2023: 19%)	(6,429)	(4,144)
Non-taxable income	2,753	2,065
Non-deductible expenses	(1,266)	(1,305)
Other	(3)	161
Prior period over/(under) accrual	172	165
Total	**(4,773)**	**(3,058)**
Effective tax rate	**15.59%**	**14.02%**

Tax effects relating to each component of other comprehensive income:

	2024			2023		
in CZK million	Pre-tax amount	Tax benefit/ (expense)	Net-of-tax amount	Pre-tax amount	Tax benefit/ (expense)	Net-of-tax amount
Fair value reserve on debt instrument	(130)	18	(112)	1,977	(376)	1,601
Own credit risk reserve	(6)	-	(6)	(81)	-	(81)
Cash flow hedge reserve	159	(24)	135	4,763	(905)	3,858
Other comprehensive income	**23**	**(6)**	**17**	**6,659**	**(1,281)**	**5,378**

Major components of deferred tax assets and deferred tax liabilities:

	Tax assets		Tax liabilities		Net variance 2024		
in CZK million	As of Dec 2024	As of Jan 2024	As of Dec 2024	As of Jan 2024	Total	Through P/L	Through OCI
Temporary differences related to the following items:							
Financial assets and liabilities HfT and non-trading financial assets at FVPL	-	-	(83)	(121)	38	38	-
Financial assets at FVOCI	-	-	(54)	(72)	18	-	18
Financial assets at AC	853	1,336	-	-	(483)	(483)	-
Property and equipment (useful life in tax law different)	279	311	-	-	(32)	(32)	-
Intangible assets other than goodwill	-	-	(511)	(507)	(4)	(4)	-
Hedge derivatives	101	209	(36)	(120)	(24)	-	(24)
Other assets and liabilities	367	366	-	-	1	1	-
Total deferred taxes	**1,600**	**2,222**	**(684)**	**(820)**	**(486)**	**(480)**	**(6)**
Current taxes	**-**	**527**	**(528)**	**-**	**(1,054)**		
Total taxes	**1,600**	**2,749**	**(1,212)**	**(820)**	**(1,540)**		

	Tax assets		Tax liabilities		Net variance 2023		
in CZK million	As of Dec 2023	As of Jan 2023	As of Dec 2023	As of Jan 2023	Total	Through P/L	Through OCI
Temporary differences related to the following items:							
Financial assets and liabilities HfT and non-trading financial assets at FVPL	-	-	(121)	(114)	(7)	(7)	-
Financial assets at FVOCI	-	304	(72)	-	(376)	-	(376)
Financial assets at AC	1,337	1,120	-	-	217	217	-
Property and equipment (useful life in tax law different)	311	151	-	-	160	160	-
Intangible assets other than goodwill	-	-	(507)	(422)	(85)	(85)	-
Hedge derivatives	209	1,012	(120)	(18)	(905)	-	(905)
Other assets and liabilities	366	337	-	-	29	29	-
Total deferred taxes	**2,222**	**2,924**	**(820)**	**(555)**	**(966)**	**314**	**(1,281)**
Current taxes	**527**	**437**	**-**	**-**	**89**		
Total taxes	**2,749**	**3,361**	**(820)**	**(555)**	**(877)**		

Deferred tax is calculated on all temporary differences under the liability method using a principal tax rate of 21% (2023: 21%), depending on the year in which the relevant asset/liability will be realised/settled.

Out of the total net deferred tax variance of CZK (486) million (2023: CZK (966) million) an amount of CZK (480) million (2023: net deferred income of CZK 314 million) is reflected as net deferred tax expense in the Bank's income statement for the year 2024, whilst an expense amount of CZK 6 million (2023: expense of CZK 1,281 million) represents the impact in the Bank's other comprehensive income for the year.

The Bank's deferred tax asset position in amount of CZK 916 million as of 31 December 2024 (2023: CZK 1,402 million) is expected to be recoverable in the foreseeable future. These expectations result from year-end recoverability assessments undertaken by the Bank. Such assessments are comparing net temporary deductible differences and available fiscal losses at year-end - after offsetting with deferred tax liabilities - with fiscal profit forecasts for a time horizon of a maximum 5 years.

11 Appropriation of profit

In the reporting period, the Bank posted a post-tax profit of CZK 25,842 million under the Czech law, which increased its distributable capital accordingly (2023: CZK 18,754 million).

The equity increased accordingly.

The sole shareholder of the Bank has approved the distribution of profit of 2023 in the total volume of CZK 16,080 million, out of which the dividend was CZK 15,519 million and the AT1 coupon CZK 561 million (2023: the distribution of profit of 2022 in the total volume of CZK 17,314 million, out of which the dividend was CZK 16,902 million and the AT1 coupon CZK 412 million). Dividend per share was CZK 102.10 (2023: CZK 111.20).

A decision on the distribution of 2024 profit has thus not been taken before the date of issue of these financial statements.

FINANCIAL INSTRUMENTS – MATERIAL ACCOUNTING POLICY INFORMATION

Accounting and measurement methods for financial instruments

Regular way (spot) purchases and sales of financial assets are recognised at the settlement date, which is the date that an asset is delivered.

Measurement of financial assets and financial liabilities is subject to two primary measurement methods: at amortised cost and fair value.

i. Amortised cost and effective interest rate

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount. For financial assets the amount is adjusted for any loss allowance.

The effective interest rate ('EIR') is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset (i.e. its amortised cost before adjusting for any loss allowance) or to the amortised cost of the financial liability. The estimated cash flows consider all contractual terms of the financial instrument but disregard the expected credit losses. The calculation includes transaction costs, origination fees that are an integral part of the EIR and all other premiums and discounts to the par amount.

ii. Fair value

Details on valuation techniques applied for fair value measurement and on the fair value hierarchy are disclosed in Note 21 Fair value of financial instruments.

'Day 1' profit

Where the transaction price differs from the fair value derived from other observable transactions for the identical instrument in active market or derived using valuation technique that has all significant inputs based on observable markets data, the Bank immediately recognises the difference between the transaction price and the fair value as a gain or loss (also referred to as 'Day 1 gain or loss').

In all other cases, the difference between the fair value at initial recognition and the transaction price is recognised in the carrying amount of the instrument, but the recognition of gains / losses is deferred. After initial recognition, an entity recognises this deferred difference as a gain / loss only if it results from a change in certain factors (including time) that market participants would consider in determining the price of the instrument. In other words, a deferred difference would only be recognised if the underlying factors are observable and can be confirmed by the market.

Classification and subsequent measurement of financial assets

In accordance with IFRS 9, the classification and subsequent measurement of financial assets depend on the following two criteria:

- The business model for managing the financial assets; and
- The cash flow characteristics of the financial assets.

For further details refer to part 'Material accounting judgements, assumptions and estimates' in this chapter.

Application of these criteria leads to classification of financial assets into three measurement categories described in the respective notes:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income
- Financial assets at fair value through profit or loss

Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at amortised cost unless they are measured at fair value through profit or loss. Further details on financial liabilities at amortised cost and financial liabilities at FVPL are in the respective notes: Note 15 Financial liabilities at amortised costs and Note 20 Financial liabilities at fair value through profit or loss.

Impairment of financial instruments

The Bank recognises loss allowances for impairment on its debt instrument financial assets, other than those measured at FVPL, its cash and cash and cash equivalents, its finance lease receivables, its trade and other receivables, its lease receivables and its off-balance credit risk exposures arising from financial guarantees and certain loan commitments.

The amount of the impairment loss is recognised as a loss allowance or provision. For the purpose of the measurement of the amount of expected credit loss and recognition of interest income the Bank distinguishes between three stages of impairment.

Stage 1 relates to financial instruments for which no significant increase in credit risk has been recorded since their initial recognition or which are subject to the 'low credit risk exemption' allowed by IFRS 9. The impairment is measured in the amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Interest income is recognised by EIR applied to the gross carrying amount of the financial asset.

Financial instruments in Stage 2 are subject to significant increase in credit risk since their initial recognition (and the 'low credit risk exemption' does not apply). Stage 2 also includes trade receivables without significant financing component to which the 'simplified approach' is applied mandatorily based on IFRS 9 requirements. The impairment is measured in the amount of the lifetime expected credit loss. Interest income is recognised by EIR applied to the gross carrying amount of the financial asset (as for Stage 1). In the case of drawings by non-defaulted customers on previously committed credit lines, the whole exposure (on-balance and off-balance) is categorised as either Stage 1 or Stage 2, depending on the development of credit risk between the commitment date and the drawing date. Interest income is calculated by EIR applied to the gross carrying amount of the financial asset.

Financial assets in Stage 3 are credit-impaired. In respect of applying the 'credit-impaired' concept of IFRS 9, the Bank adopted the approach of aligning it with the regulatory concept of 'default' (i.e. CRR concept) in accordance with guidelines of the European Banking Authority EBA/GL/2016/07 and Commission Delegated Regulation (EU) 2018/171. The Bank generally applies a customer view for the default definition, which leads to Stage 3 classification of all transactions with the customer even if the customer defaults only on one of several transactions ('pulling effect'). On the other hand, an upgrade to a non-defaulted rating grade implies that all the transactions with the customer cease to be impaired. The impairment of financial instruments in Stage 3 is measured in the amount of the lifetime expected credit loss. Interest income is calculated by EIR applied to the amortised cost (i.e. the net carrying amount) of the financial asset. From a balance sheet perspective, interest is accrued based on the financial assets' gross carrying amount. The difference between the interest accrued on the assets and the interest income recognised is reflected through the allowance account (without impacting the impairment loss).

For financial assets that are credit-impaired at initial recognition (purchased or originated credit-impaired financial assets 'POCI') lifetime expected credit losses are initially reflected in the credit-adjusted EIR. As a result, no loss allowance is recognised at inception. Subsequently, only adverse changes in lifetime expected credit losses after the initial recognition are recognised as loss allowance, whilst favourable changes are recognised as impairment gains increasing the gross carrying amount of the POCI financial assets. No impairment stages are distinguished for the POCI financial assets.

Measurement of expected credit losses reflects cash flows expected from collateral and those financial guarantees held by the Bank which are considered as integral to the contractual terms of financial assets whose risk is guaranteed. The

Bank considers as integral those guarantees which are entered into at or close to the inception of the guaranteed financial assets. If the Bank has in a loan contract an option to require provision of a guarantee, it is also considered as integral. Premiums paid for integral financial guarantees and other credit enhancements are considered in the EIR of the related financial assets.

Reimbursement assets from financial guarantees which are not considered integral are recognised under 'Other assets' in the balance sheet. In the statement of income they reduce the impairment loss incurred on guaranteed financial assets under 'Impairment result from financial instruments'. A precondition for this treatment is that it must be virtually certain that the guarantee would reimburse the bank for the loss. Premiums paid for non-integral financial guarantees are presented in the statement of income under the line item 'Fee and commission expense' under 'Net fee and commission income'.

More detailed information about identification of significant increases in credit risk including collective assessment, estimation techniques used to measure 12-month and lifetime expected credit losses and definition of default is provided in Notes 30 Credit risk exposure and 35 Scenarios used in forward looking information. For further information on the definition of default refer to Note 32 Measurement of expected credit loss.

For financial assets measured at amortised cost, the net carrying amount of the financial asset presented on balance sheet is the difference between the gross carrying amount and the cumulative loss allowance. However, for financial assets measured at FVOCI the loss allowance is recognised in accumulated OCI, specifically under 'Fair value reserve' in the statement of changes in equity. Loss allowances for loan commitments and financial guarantees are presented under the statement of financial position line item 'Provisions'.

Information about the development of the expected credit loss of the respective financial instruments is provided in Note 32 Measurement of expected credit loss.

In the statement of income, impairment losses and their reversals (gains) on all kinds of financial instruments not measured at FVPL are presented in the line item 'Impairment result from financial instruments'.

Derecognition of financial instruments including treatment of contractual modifications

i. Derecognition of financial assets

The difference between the carrying amount of the derecognised asset and the consideration received is presented in the statement of income in the line 'Gains/losses from derecognition of financial assets measured at amortised cost' or, for financial assets at FVOCI, in the line 'Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss'. For financial assets measured at FVPL the derecognition gains or losses are recognised together with the measurement result in the lines 'Net trading result' or 'Gains/losses from financial instruments measured at fair value through profit or loss'.

ii. Derecognition criteria with respect to contractual modifications of financial assets

In the normal course of running its lending business and in agreement with the respective debtors, the Bank may renegotiate or otherwise modify some terms or conditions of the underlying contracts. This can involve either market-driven commercial renegotiations or contractual changes aimed at alleviating or preventing borrower's financial difficulty. For the purpose of capturing the economic substance and financial effect of such contractual modifications, the Bank has developed a set of criteria to assess whether or not the modified terms are substantially different from the original terms and thus the financial asset should be derecognised.

Commercial interest rate adjustments fulfilling specific conditions do not trigger the modification significance assessment. Instead, they result in a recalculation of the EIR of related loans. Such interest rate adjustments relate to performing non-forborne financial assets for which a prepayment/early termination option and a sufficiently competitive refinancing market exist. Furthermore, the costs that the debtor would incur in case of prepayment/early termination would have to

be assessed as low. Such conditions introduce an implicit floating rate element to the contract. This kind of interest rate adjustments rarely applies to loan assets in Stage 2.

Substantial modifications lead to derecognition of the original financial asset and initial recognition of the modified financial asset as a new financial instrument. They include following events:

- change of the contractual counterparty (unless this is a formal change such as changes in legal name);
- change in the currency of the contract (unless the change results from exercising an embedded option in the original contract with pre-agreed conditions of the change, or if the new currency is pegged to the original currency);
- introduction of a non-SPPI contractual feature (unless it is intended to improve recoveries from debtors by granting concessions supporting them to recover from financial difficulties); or
- removal of a non-SPPI contractual feature.

Some derecognition criteria distinguish whether contractual modifications are applied to debtors facing financial difficulties. Application of certain modifications to debtors in financial difficulties is not considered as substantial since they are aimed at improving the prospects of the bank to recover the claims by tailoring the repayment schedules to specific financial conditions of those debtors. On the other hand, such contractual modifications applied to performing debtors may be considered as substantial enough to warrant the derecognition, as further detailed below.

From this perspective, the following criteria lead to derecognition unless they are considered as forbearance measures or they are applied to customers in default or they trigger default (i.e. the derecognition occurs if the modification does not relate to financial difficulties):

- repayment schedule changed in a way that the weighted remaining maturity of the assets is modified by more than 100% and at least two years compared to the original asset;
- change in timing/amount of contractual cash flows resulting in the present value of the modified cash flows (discounted at pre-modification effective interest rate) being different by more than 10% of the gross carrying amount of the asset immediately before the modification (cumulative assessment considering all modifications occurring over the last twelve months); or
- altering a floating interest rate into a fixed interest rate or vice versa for the entire remaining life of the financial asset.

If contractual modifications that qualify as forbearance measures or they are applied to customers in default or they trigger default (i.e. they relate to customers in financial difficulties) are so significant that they are qualitatively assessed as an extinguishment of original contractual rights, they result in derecognition. Examples of such modifications are:

- a new agreement with materially different terms signed up as part of distressed restructuring following a standstill agreement suspending the rights of the original assets;
- consolidation of multiple original loans into one with substantially different terms; or
- transformation of a revolving loan into non-revolving.

Contractual modifications leading to derecognition of the related original assets result in the initial recognition of new financial assets. If the debtor is in default or the significant modification leads to the default, then the new asset will be treated as POCI. The difference between the carrying amount of the derecognised asset and initial fair value of the new POCI asset is presented in the statement of income in the line ‘Impairment result from financial instruments’.

If the debtor is not in default or the significant modification does not lead to default, the new asset recognised after derecognition of the original asset will be in Stage 1. For loans measured at amortised cost, the unamortised balance of the origination fees/transaction costs considered in the effective interest rate is presented in the line item ‘Interest income’ under ‘Net interest income’ at the derecognition date. The release of the credit loss allowance attached to the original asset at the date of that significant modification as well as the credit loss allowance recognised for the new asset are presented

in the line ‘Impairment result from financial instruments’. The remaining difference is presented in the line ‘Gains/losses from derecognition of financial assets measured at amortised cost’.

For financial assets measured at FVPL, irrespective of whether they are in default, the derecognition gains and losses are included in the same line items of the statement of income as their measurement result, i.e. in ‘Gains/losses from financial instruments measured at fair value through profit or loss’.

For debt instrument assets not measured at FVPL that are subject to contractual modifications that do not result in derecognition, the gross carrying amount of the asset is adjusted against recognising a modification gain or loss in profit or loss. The modification gain or loss equals the difference between the gross carrying amount before the modification and the present value of the cash flows based on the modified terms discounted with the original EIR. In the statement of income, the modification gain or loss is presented in the line ‘Interest income’ under ‘Net interest income’ if the modification relates to financial assets in Stage 1. For financial assets in Stage 2 and 3 and POCI financial assets, the modification gain or loss is presented in the line ‘Impairment result from financial instruments’. However, to the extent that the contractual modification involves the bank giving up its rights of collecting cash flows in respect of an outstanding amount of the asset, such as waiving (part of) principal or accrued interest amount, it is treated as a write-off.

iii. Write-offs

The Bank writes off a financial asset or a part of it when it has no reasonable expectations of recovering the respective cash flows. When performing the write-off, the gross carrying amount of the asset is reduced simultaneously with the related loss allowance balance.

The Bank has specified criteria for writing off the unrecoverable balances in its loan business. Write-off can result from forbearance measures whereby the Bank contractually waives part of the existing balance in order to help the customers overcome financial difficulties and thus improve the prospects of recovering the remaining loan balance (normally this relates to going concern scenarios for corporate customers). For more information on Forbearance please refer to Note 36 Restructuring, renegotiation and forbearance.

In going concern scenarios with corporate customers, write-offs of the unrecoverable exposure parts are triggered by enforcement activities such as filing or termination of legal proceedings (bankruptcy, liquidation, court case). Other write-off triggers may result from decisions about no enforcement due to worthlessness of the claim/collateral or generally from assessment that the receivable is economically lost. For retail customers, the non-recoverability and the timing and amounts of write-off crystallise during the collection process when it becomes evident that the amount due cannot be collected, e.g. due to ongoing bankruptcy proceedings. Residual uncollectable balances are written off after the collection process.

Write-offs are generally recorded after all reasonable restructuring or collection activities have taken place and the possibility of further recovery is considered remote. The loan is written-off against the related account ‘Impairment result from financial instruments’ in the income statement. If the reason for provisioning is no longer deemed appropriate, the redundant impairment charge is released into income. The relevant amount and recoveries of loans and advances previously written-off are also reflected in the income statement through ‘Impairment result from financial instruments’.

iv. Derecognition of financial liabilities

In the statement of income, the difference between the carrying amount of the derecognised financial liability and the consideration paid is presented in the line ‘Other gains/losses from financial instruments not measured at fair value through profit or loss’, ‘Gains/losses from financial instruments measured at fair value through profit or loss’ and ‘Net trading result’ depending on the measurement category of the derecognised financial liability.

Material accounting judgements, assumptions and estimates

i. SPPI assessment

The assessment of whether the contractual cash flows of financial assets give rise to cash flows that are solely payments of principal and interest (SPPI) is subject to the application of significant judgements which rely on the guidance in IFRS 9. These judgements are crucial in the IFRS 9 classification and measurement process as they determine whether the asset has to be measured at FVPL or, depending on the business model assessment, at amortised cost or at FVOCI. When taking into consideration specific features of loans in the business of the Bank, significant areas of judgement are prepayment fees, project financing loans and interest rate adjustments based on the fulfilment of certain ESG-related targets. The benchmark test for loans with interest mismatches features does not represent area of SPPI judgement since the Bank does not provide such products to its customers. Assets failing the SPPI test are classified as mandatorily at FVPL. The Bank has no loan failing SPPI test as of 31 December 2024 and 2023.

The assessment whether the prepayment fees applied to loans can be considered as a reasonable compensation for early terminations or prepayments is based on comparing the level of the fees with the economic costs incurred by the Bank upon the early termination. For these purposes, the Bank uses a quantitative test where the costs relate to the lost interest margin and the lost interest differential due to a potential decrease in the interest rates upon early termination or prepayment. The adequacy of the fees can also be defended on a qualitative basis such as common market practice regarding the level of prepayment fees and their acceptance by authorities.

For project financing loans the Bank assesses whether they represent basic loan agreements rather than investments in the financed projects. In this respect credit rating, level of collateralisation, existing sponsor guarantees and the extent of equity funding of the financed projects are considered.

In the last years financial assets whose interest is adjusted based on meeting certain ESG-linked targets by the borrowers (e.g. meeting specified CO2 emission targets) became part of the Bank's business. No specific guidance currently exists in IFRS 9 for assessing the SPPI compliance of such features. the Bank has concluded that ESG-related interest adjustments have a de minimis effect on the contractual cash flows of the existing loan portfolio. As a result, they do not affect the SPPI assessment.

ii. Business model assessment

For each SPPI-compliant financial asset at initial recognition, the Bank has to assess whether it is part of a business model where the assets are held in order to collect contractual cash flows, to both collect the contractual cash flows and sell the assets, or they are held in other business models. As a consequence, the critical aspect in distinguishing the business models is frequency and significance of sales of assets in the respective business model. Since the asset allocation to business models is based on the initial assessment, it may happen that in subsequent periods cash flows are realised differently than originally expected and a different measurement method may seem to be appropriate. In accordance with IFRS 9 such subsequent changes do not generally lead to reclassifications or prior period error corrections in respect of existing financial assets.

The new information on how cash flows are realised may, however, indicate that the business model, and thus the measurement method changes for newly acquired or newly originated financial assets.

At the Bank, certain sales and other derecognition events are considered as non contradicting the held to collect contractual cash flows business model. Examples are sales due to increases in credit risk, sales close to assets' maturity, infrequent sales triggered by a non-recurring event (such as changes in regulatory or tax environment, major internal reorganisation or a business combination, severe liquidity crisis, etc.) or derecognition resulting from replacements of bonds based on an issuer's offer. Other kinds of sales carried out in the 'held to collect' business model are assessed retrospectively and if they exceed certain quantitative thresholds, or whenever it is considered necessary with regard to new expectations, the Bank performs a prospective test. If the outcome is that the carrying amount of assets expected to be sold over the expected life of the current business model portfolio, for reasons other than the cases above described, exceeds 10% of the carrying amount of the portfolio, any new acquisitions or originations of assets in the portfolio would be classified in a different business model.

iii. Impairment of financial instruments

The expected credit loss impairment model is inherently based on judgement since it requires assessment of significant increases in credit risk and measurement of expected credit losses without providing detailed guidance. In respect of significant increases in credit risk, the Bank has determined specific assessment rules consisting of qualitative information and quantitative thresholds. Another area of complexity relates to establishing groups of similar assets when credit risk deterioration has to be assessed on a collective basis before specific information is available at individual instrument level. Measurement of expected credit losses involves complex models relying on historical statistic of probabilities of default and loss rates in case of defaults, their extrapolations in case of insufficient observations, individual estimates of credit-adjusted cash flows and probabilities of different scenarios including forward looking information. In addition, the life of the instruments has to be modelled in respect of behavioural life mainly in the case of revolving credit facilities.

Detailed disclosures about identification of significant increases in credit risk including collective assessment, estimation techniques used to measure 12-month and lifetime expected credit losses and definition of default are provided in Notes 30 Credit risk exposure , 32 Measurement of expected credit loss and 35 Scenarios used in forward looking information. The development of loan loss provisions is described in Note 34 Development of credit loss allowances and Note 48 Provisions.

FINANCIAL INSTRUMENTS AT AMORTISED COST

On the balance sheet, these assets are carried at amortised cost, i.e. the gross carrying amount net of the credit loss allowance. They are presented under the line 'Financial assets at amortised cost', 'Trade and other receivables', 'Finance lease receivables' and 'Cash and cash equivalents'.

Interest income on these assets is calculated by effective interest method and is included under the line 'Net interest income' (sub-item 'Interest income') in the statement of income. Impairment gains or losses are included in the line 'Impairment result from financial instruments'. Gains and losses from derecognition (such as infrequent or insignificant sales) of the assets are reported under the line item 'Gains/losses from derecognition of financial assets measured at amortised cost'.

At the Bank, financial assets at amortised cost constitute the largest measurement category which includes the vast majority of loan business to customers (except for certain loans measured at fair value through profit or loss, if any), interbank lending business (including reverse repo transactions), deposits with central banks, investments in debt securities, amounts in the course of settlement, trade and other receivables.

For description of financial liabilities at measured amortised cost refer to Note 15 Financial liabilities at amortised costs.

12 Cash and cash equivalents

Cash and cash equivalents include only claims (deposits) against central banks and credit institutions that are repayable on demand. Repayable on demand means that they may be withdrawn at any time or with a term of notice of only one business day or 24 hours.

A part of 'Cash balances at central banks' represents the mandatory minimum reserve requirement deposits which amounted to CZK 6,906 million (2023: CZK 11,538 million) at the reporting date. The mandatory minimum reserve requirement is calculated from defined balance sheet items and has to be fulfilled in average through an extended period of time. Therefore, the mandatory minimum reserve requirement deposits are not subject to any restraints.

in CZK million	2024	2023
Cash on hand	14,410	14,133
Cash balances at central banks	6,906	11,538
Other deposits on demand	430	1,633
Cash and cash equivalents	**21,746**	**27,304**

Other demand deposits consist of current accounts and overnight deposits with credit institutions.

13 Financial assets at amortised cost

The line item 'Financial assets at amortised cost' is further broken down into 'Debt securities', 'Loans and advances to banks' and 'Loans and advances to customers'. For details regarding the development of credit loss allowances please refer to Note 34 Development of credit loss allowances.

Debt securities

Investments in debt securities measured at amortised cost may be acquired with different business objectives (such as fulfilling internal/ external liquidity risk requirements and efficient placement of the structural liquidity surplus, strategic positions decided by the Board of Directors, initiation and fostering of client relationship, substitution of loan business or other yield generating activities). Their common attribute is that significant and/or frequent sales of such securities are not expected. For a description of what sales are considered as compliant with the held to collect contractual cash flows business model see the paragraph 'ii. Business model assessment' in chapter ' FINANCIAL INSTRUMENTS – MATERIAL ACCOUNTING POLICY INFORMATION'.

The analysis of the gross carrying amount (GCA) and of related credit loss allowance (CLA) of Bank's debt securities at amortised cost (AC) per impairment buckets as of 31 December 2024 and 2023 is provided in the table below:

Gross carrying amounts (GCA) and credit loss allowances (CLA) per impairment buckets

	GCA				CLA				
in CZK million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Carrying amount
2024									
General governments	345,027	-	-	345,027	(15)	-	-	(15)	345,012
Credit institutions	20,923	-	-	20,923	(5)	-	-	(5)	20,918
Other financial corporations	100	166	-	266	-	(4)	-	(4)	262
Non-financial corporations	2,737	106	-	2,843	(1)	(1)	-	(2)	2,841
Total	**368,787**	**272**	**-**	**369,059**	**(21)**	**(5)**	**-**	**(26)**	**369,033**
2023									
General governments	328,258	-	-	328,258	(15)	-	-	(15)	328,244
Credit institutions	18,042	249	-	18,291	(5)	-	-	(5)	18,286
Other financial corporations	760	205	-	965	(1)	(7)	-	(8)	957
Non-financial corporations	349	3	-	352	-	-	-	-	352
Total	**347,409**	**457**	**-**	**347,866**	**(21)**	**(7)**	**-**	**(28)**	**347,839**

For information about development of credit loss allowances refer to Note 34 Development of credit loss allowances, part 'Financial instruments held at amortised cost': table 'Movement in credit loss allowances – debt securities'.

Loans and advances to banks

The analysis of the GCA and of related CLA of the Bank's loans and advances at AC to banks per impairment buckets as of 31 December 2024 and 2023 is provided in the table below:

Gross carrying amounts (GCA) and credit loss allowances (CLA) per impairment buckets

	GCA				CLA				Carrying
in CZK million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	amount
2024									
Central banks	437,587	-	-	437,587	(2)	-	-	(2)	437,585
Credit institutions	15,540	-	-	15,540	(6)	-	-	(6)	15,534
Total	**453,127**	**-**	**-**	**453,127**	**(8)**	**-**	**-**	**(8)**	**453,119**
2023									
Central banks	301,137	-	-	301,137	(2)	-	-	(2)	301,135
Credit institutions	6,697	-	-	6,697	(3)	-	-	(3)	6,694
Total	**307,834**	**-**	**-**	**307,834**	**(5)**	**-**	**-**	**(5)**	**307,829**

For information about development of credit loss allowances refer to Note 34 Development of credit loss allowances, part 'Financial instruments held at amortised cost': table 'Movement in credit loss allowances – loans and advances to banks'.

Loans and advances to customers

The analysis of the GCA and of related CLA of the Bank's loans and advances to customers at AC per impairment buckets as of 31 December 2024 and 2023 is provided in the table below:

Gross carrying amounts (GCA) and credit loss allowances (CLA) per impairment buckets

	GCA					CLA					
in CZK million	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount
2024											
General governments	17,501	9,582	439	368	27,890	(8)	(166)	(64)	(4)	(242)	27,648
Other financial corporations	58,924	5,922	237	-	65,083	(52)	(133)	(236)	-	(421)	64,662
Non-financial corporations	269,389	62,937	7,856	1,249	341,431	(698)	(2,905)	(4,626)	(518)	(8,747)	332,684
Households	512,661	58,605	7,482	720	579,468	(858)	(2,394)	(5,115)	(124)	(8,491)	570,977
Total	**858,475**	**137,046**	**16,014**	**2,337**	**1,013,872**	**(1,616)**	**(5,598)**	**(10,041)**	**(646)**	**(17,901)**	**995,971**
2023											
General governments	24,325	824	473	213	25,835	(10)	(15)	(109)	(5)	(139)	25,696
Other financial corporations	50,427	1,386	23	-	51,836	(43)	(24)	(21)	-	(88)	51,748
Non-financial corporations	234,843	82,299	7,648	1,207	325,998	(735)	(3,842)	(4,578)	(364)	(9,519)	316,479
Households	481,033	51,169	7,092	764	540,057	(1,119)	(2,939)	(4,836)	(191)	(9,085)	530,972
Total	**790,629**	**135,677**	**15,236**	**2,183**	**943,726**	**(1,908)**	**(6,819)**	**(9,544)**	**(560)**	**(18,831)**	**924,895**

For information about development of credit loss allowances refer to Note 34 Development of credit loss allowances, part 'Financial instruments held at amortised cost': table 'Movement in credit loss allowances – loans and advances to customers'.

As at 31 December 2024, the total GCA of the Bank's debt instruments (primarily loans and advances to customers) measured at AC, which were impacted by non-significant contractual modifications while they were assigned to Stage 2 or 3 and reassigned to Stage 1 during the year 2024 amounted to CZK 975 million (2023: CZK 1,355 million).

14 Trade and other receivables

Gross carrying amounts (GCA) and credit loss allowances (CLA) per impairment buckets

	GCA				CLA				
in CZK million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Carrying amount
2024									
General governments	241	1	-	242	-	(1)	-	(1)	241
Credit institutions	493	-	-	493	-	-	-	-	493
Other financial corporations	985	1	-	986	(1)	(1)	-	(2)	984
Non-financial corporations	560	1	8	569	(1)	-	(8)	(9)	560
Households	10	92	78	180	-	(89)	(76)	(165)	15
Total	**2,289**	**95**	**86**	**2,470**	**(2)**	**(91)**	**(84)**	**(177)**	**2,293**
2023									
General governments	318	1	-	318	(2)	(1)	-	(2)	316
Credit institutions	63	-	-	63	-	-	-	-	63
Other financial corporations	253	1	-	254	-	(1)	-	(1)	253
Non-financial corporations	1,123	2	253	1,378	(1)	(2)	(253)	(256)	1,122
Households	2	99	64	165	-	(95)	(63)	(158)	7
Total	**1,758**	**103**	**317**	**2,178**	**(3)**	**(99)**	**(316)**	**(417)**	**1,761**

For information about development of credit loss allowances refer to Note 34 Development of credit loss allowances, part 'Financial instruments held at amortised cost': table 'Movement in credit loss allowances – trade and other receivables'.

15 Financial liabilities at amortised costs

The line item 'Financial liabilities at amortised cost' is further broken down into 'Deposits from banks', 'Deposits from customers', 'Debt securities issued' and 'Other financial liabilities'.

Other items consist mainly of payables to card associations in amount of CZK 1,831 million (2023: CZK 2,529 million), unbilled supplies in amount of CZK 913 million (2023: CZK 984 million) and received margin for futures of CZK 625 million (2023: CZK 1,123 million) and other financial liabilities of CZK 563 million (2023: CZK 500 million).

in CZK million	2024	2023
Deposits	**1,687,927**	**1,406,758**
Deposits from banks	262,969	112,090
Deposits from customers	1,424,958	1,294,668
Debt securities issued	**81,509**	**121,451**
Bonds	81,509	121,451
Other financial liabilities	**4,031**	**6,427**
Financial liabilities at amortised costs	**1,773,467**	**1,534,636**

Deposits from banks

in CZK million	2024	2023
Overnight deposits	2,960	4,904
Term deposits	17,654	13,322
Repurchase agreements	242,355	93,864
Deposits from banks	**262,969**	**112,090**

Deposits from customers

in CZK million	2024	2023
Deposits from customers	**1,424,958**	**1,294,668**
Current accounts/Overnight deposits	1,068,185	963,375
General governments	113,126	73,081
Other financial corporations	23,965	19,532
Non-financial corporations	147,889	134,436
Households	783,205	736,326
Term deposits	268,356	258,118
General governments	17,956	20,516
Other financial corporations	36,349	50,068
Non-financial corporations	77,649	61,522
Households	136,402	126,012
Repurchase agreements	88,417	73,175
General governments	34,240	19,082
Other financial corporations	54,177	53,693
Non-financial corporations	-	400
Deposits from customers	**1,424,958**	**1,294,668**
General governments	165,322	112,679
Other financial corporations	114,491	123,293
Non financial corporations	225,538	196,358
Households	919,607	862,338

All deposits are from customers and entities within the Czech Republic.

In repurchase agreements, the Bank uses securities that are recognised in the statement of financial position as well as assets received by the Bank as collateral not shown in the statement of financial position.

Debt securities issued – bonds

in CZK million	ISIN	Date of issue	Maturity	Call Redemption Date	Interest rate	2024	2023
SNP	XS2555412001	November 2022	November 2025	November 2024	6.693%	-	12,453
Mortgage bonds	CZ0002009160	December 2023	January 2024		6.75%	-	60,095
SNP	AT0000A2STV4	September 2021	September 2028	September 2027	0.5%	11,784	11,174
SNP	CZ0003707291	July 2022	July 2027	July 2026	7.41%	6,209	6,209
Bonds-subordinated	CZ0003708315	June 2023	June 2029	June 2028	6.75%	6,252	6,259
SNP	XS2638560156	June 2023	June 2027	June 2026	5.943%	12,956	12,707
SNP	XS2676413235	September 2023	March 2028	March 2027	5.737%	13,160	12,553
SNP	XS2746647036	January 2024	January 2030	January 2029	4.824%	13,144	-
Bonds-subordinated	CZ0003708679	March 2024	March 2034	March 2029	5.55%	2,044	-
Bonds-subordinated	CZ0003708687	March 2024	March 2034	March 2029	5.55%	1,816	-
SNP	XS2852933329	July 2024	July 2031	July 2030	4.57%	13,169	-
SNP	XS2930541698	November 2024	November 2027	November 2026	5.45%	975	-
Bonds issued						**81,509**	**121,450**

Debt securities which are traded on the official regulated market are registered in the Prague Stock Exchange ('PSE') in case of mortgage bonds and in the Vienna Stock Exchange in case of SNP bonds.

In 2023 assets in cover pools used for mortgage bonds issuance amounted to CZK 317,528 million.

FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

16 Financial assets at fair value through other comprehensive income - debt instruments

Debt instrument financial assets are measured at fair value through other comprehensive income (FVOCI) if their contractual cash flows are SPPI compliant and they are held within a business model whose objective is achieved by both to collect contractual cash flows and sell the assets. In the statement of financial position they are included as 'Debt securities' under the line 'Financial assets at fair value through other comprehensive income'.

Interest income on these assets is calculated using the effective interest method and is included under the line 'Net interest income' (sub-item 'Interest income') in the income statement. Impairment gains and losses are recognised in profit or loss in the line 'Impairment result from financial instruments' with opposite entry in OCI rather than against the asset value.

The difference between the fair value at which the assets are carried in the statement of financial position and the amortised cost component is recognised as accumulated OCI in equity specifically under 'Fair value reserve' in the statement of changes in equity. The change for the period is reported as OCI in the statement of comprehensive income in the line 'Fair value reserve of debt instruments', which also includes the loss allowance OCI entry. When the financial asset is derecognised the amount previously accumulated in OCI is reclassified to profit or loss and reported under the line 'Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss'.

The Bank classifies investments in debt securities as measured at FVOCI, i.e. no loan business is included in this measurement category. Similarly to investments in debt securities measured at amortised cost, they relate to various business objectives such as fulfilling internal/external liquidity risk requirements and efficient placement of the structural liquidity surplus, strategic positions decided by the Board of directors, initiation and fostering of client relationships, substitution of loan business or other yield-enhancement activities. The common attribute for investments in debt instruments at FVOCI is that an active yield optimisation via sales is integral to achieving the objectives. The sales are carried out in order to optimise the liquidity position or to realise fair value gains or losses. As a result, the business objectives are achieved through both collecting contractual cash flows and sales of the securities.

Debt instruments

The analysis of gross carrying amounts (GCA) and of related credit loss allowances (CLA) of Bank's debt securities at FVOCI per impairment buckets as of 31 December 2024 and 2023 is provided below:

	GCA				CLA						
in CZK million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Amortised cost	Accumulated fair value changes	Fair value
2024											
Debt securities											
General governments	37,106	-	-	37,106	(2)	-	-	(2)	37,104	343	37,447
Credit institutions	3,733	-	-	3,733	(1)	-	-	(1)	3,732	(58)	3,674
Other financial corporations	968	820	-	1,788	-	(6)	-	(6)	1,781	6	1,787
Non-financial corporations	4,882	3,495	-	8,377	(2)	(181)	-	(183)	8,194	62	8,256
Total	**46,689**	**4,315**	**-**	**51,004**	**(5)**	**(187)**	**-**	**(192)**	**50,811**	**353**	**51,164**
2023											
Debt securities											
General governments	37,257	-	-	37,257	(2)	-	-	(2)	37,255	664	37,919
Credit institutions	3,687	-	-	3,687	(1)	-	-	(1)	3,686	(115)	3,571
Other financial corporations	2,927	-	-	2,927	(2)	-	-	(2)	2,924	(10)	2,914
Non-financial corporations	3,903	4,226	-	8,129	(1)	(151)	-	(152)	7,978	(56)	7,921
Total	**47,773**	**4,226**	**-**	**51,999**	**(6)**	**(151)**	**-**	**(156)**	**51,843**	**482**	**52,325**

For information about development of credit loss allowances refer to Note 34 Development of credit loss allowances, part 'Financial assets at fair value through other comprehensive income – debt instruments': table 'Movement in credit loss allowances – debt instrument financial assets'.

17 Financial assets at fair value through other comprehensive income - equity instruments

For certain investments in equity instruments which are not held for trading, the Bank makes use of the option to measure them at FVOCI. This election is applied to strategic, significant banking business relationship investments (except for insurance business). The fair value gains or losses for the period are reported as OCI in the line 'Fair value reserve of equity instruments' of the statement of comprehensive income. The cumulative gains or losses are included under 'Fair value reserve' in the statement of changes in equity. The amount recognised in OCI is never reclassified to profit or loss. However, upon derecognition of the investments in equity instruments at FVOCI the amount accumulated in OCI is transferred to retained earnings. Dividends received on these investments are reported under the line 'Dividend income' of the income statement. In the statement of financial position, financial assets measured at fair value through OCI are included as 'Equity instruments' under the line 'Financial asset at fair value through other comprehensive income'.

FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

There are various reasons for assigning the fair value through profit or loss (FVPL) measurement category to debt instruments financial assets.

FVPL measurement relates to financial assets that are part of residual business models, i.e. they are neither held to collect contractual cash flows nor held to either collect contractual cash flows or sell the assets. These financial assets are generally expected to be sold before their maturity or they are managed and their performance is evaluated on a fair value basis. In the business of the Bank, such business models are typical of assets that are held for trading (i.e. financial assets held by the trading function of the bank), of assets whose value is expected to be primarily realised through sales, such as loan syndications when the loan is offered for sale on the market. Further subject to FVPL measurement are financial assets held by funds consolidated by the Bank since they are managed and their performance is evaluated on a fair value basis. Another reason for the FVPL measurement are financial assets whose contractual cash flows are not considered as SPPI. At the Bank, this concerns certain debt securities and loans to customers.

The Bank also utilizes the option to designate some financial assets as measured at FVPL at initial recognition. Such classification is used if it eliminates or significantly reduces an accounting mismatch between the financial asset, which in the absence of such a classification would be measured at amortised cost or at FVOCI, and the related derivative measured at FVPL.

On the balance sheet, debt instrument financial assets measured at FVPL are presented as 'Financial assets held for trading', sub-item 'Other financial assets held for trading' and 'Non-trading financial assets at fair value through profit or loss', (sub-items 'Debt securities'). Non-trading financial assets consist of two sub-categories disclosed in Note 19 Non-trading financial assets at fair value through profit or loss which are 'mandatorily at fair value through profit or loss' and 'designated at fair value through profit or loss'. Financial assets are valued mandatorily measured at fair value through profit or loss either because they are held as part of residual business models that are other than held for trading or their contractual cash flows are not SPPI.

Investments in equity instruments which are held for trading (i.e. financial assets held by the trading function of the Bank) are measured at FVPL. They are included in the statement of financial position under the line 'Financial assets held for trading', sub-item 'Other financial assets held for trading'. Investments in equity instruments which are not held for trading are also measured at FVPL (unless they are designated at FVOCI). They are presented in the statement of financial position under 'Non-trading financial assets at fair value through profit or loss', sub-item 'Equity instruments', sub-category 'mandatorily at fair value through profit or loss' in Note 19 Non-trading financial assets at fair value through profit or loss.

From IFRS 9 perspective all derivatives which are not designated as hedging instruments are considered as held for trading. As a result, they are measured at FVPL. They are described more detail in the Note 18 Derivative financial instruments.

In the income statement, the profit or loss effects of non-derivative financial assets measured at FVPL are split into interest income or dividend income and fair value gains and losses. The interest income on debt instruments is presented in the line 'Net interest income' (sub-item 'Other similar income') and is calculated by applying the EIR to the amortised cost component of the financial assets. The dividend income on equity instruments is presented in the line 'Dividend income'. The fair value gains or losses are calculated net of the interest or dividend income. They are reported in the line 'Net trading result' for financial assets held for trading and in the line 'Gains/losses from financial instruments measured at fair value through profit or loss' in case of non-trading financial assets at FVPL.

Financial liabilities at FVPL consist of financial liabilities held for trading and financial liabilities designated at FVPL.

On the balance sheet, financial liabilities at FVPL are presented as 'Financial liabilities held for trading', sub-items 'Derivatives' and 'Other financial liabilities held for trading' and as 'Financial liabilities at fair value through profit or loss' which are further broken down into 'Deposits from customers', 'Debt securities issued' and 'Other financial liabilities'. Accounting policy related to financial liabilities at FVPL can be found in Note 18 Derivative financial instruments and Note 20 Financial liabilities at fair value through profit or loss.

18 Derivative financial instruments

Derivatives used by the Bank include mainly interest rate swaps, currency futures, forward rate agreements, interest rate options, currency swaps and currency options. Derivatives are measured at fair value. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

For presentation purposes, derivatives are split into:

– Derivatives – held for trading; and

– Derivatives – hedge accounting.

Hedge accounting derivatives are discussed in Note 22 Hedge accounting.

Derivative financial instruments are carried at fair value (dirty price) on the balance sheet. Derivatives are carried as assets if their fair value is positive and as liabilities if their fair value is negative.

Derivatives – held for trading are those which are not designated as hedging instruments for hedge accounting. They are presented in the line item 'Derivatives' under the heading 'Financial assets / financial liabilities – held for trading'. All kinds of non-hedging derivatives without regard to their internal regulatory classification, i.e. both derivatives held in the trading book and banking book according to CRR are presented in this line item.

Changes in fair value (clean price) of derivatives – held for trading are reported in the statement of income in the line item 'Net trading result'. Interest income/expense related to held for trading derivatives is presented in the income statement in the line item 'Net interest income' (sub-items 'Other similar income' or 'Other similar expenses'). Interest income/expense recognition is based on EIR-like accruals in respect of the derivative notional amount and includes amortisation of the inception value of the derivative (e.g. upfront fees, if any).

Embedded derivatives

The Bank issues certain financial liabilities which contain structured features. Structured features mean that a derivative is embedded in non-derivative host instruments.

Embedded derivatives that meet prescribed criteria are separated are accounted for as stand-alone derivatives and presented on the balance sheet under the line item 'Derivatives' in 'Financial assets held for trading' or 'Financial liabilities held for trading'. These relate to bonds and deposits whose payments are linked to equity prices or FX rates.

In the business of the Bank, the majority of embedded derivatives which would otherwise be separated relates to bonds issued for which fair value option has been applied. As a result, these embedded derivatives are part of the measurement of the entire hybrid instrument at FVPL.

Derivatives held for trading

	2024			2023		
in CZK million	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Derivatives held in the trading book	**782,333**	**12,066**	**(11,486)**	**804,462**	**16,489**	**(15,557)**
Interest rate	367,832	8,091	(7,608)	402,619	10,482	(9,946)
Foreign exchange	414,501	3,975	(3,878)	401,843	6,007	(5,611)
Derivatives held in the banking book	**49,776**	**786**	**(549)**	**44,937**	**154**	**(1,159)**
Interest rate	24,828	1	(314)	26,429	-	(915)
Foreign exchange	24,948	785	(235)	18,508	154	(244)
Total	**832,109**	**12,852**	**(12,035)**	**849,399**	**16,643**	**(16,716)**

All derivatives not designated as hedging instruments are classified as held for trading, including those held in the banking book for regulatory purposes (economic hedges).

19 Non-trading financial assets at fair value through profit or loss

	2024		2023	
in CZK million	Designated	Mandatorily	Designated	Mandatorily
Equity instruments	-	603	-	645
Debt securities	-	700	-	734
Other financial corporations	-	700	-	734
Loans and advances to banks	-	691	-	856
Financial assets designated and mandatorily at fair value through profit or loss	**-**	**1,994**	**-**	**2,235**
Non-trading financial assets at fair value through profit or loss	**1,994**		**2,235**	

More details are described in 'Classification and subsequent measurement of financial assets' in section 'FINANCIAL INSTRUMENTS – MATERIAL ACCOUNTING POLICY INFORMATION'.

20 Financial liabilities at fair value through profit or loss

The Bank makes use of the option to designate some financial liabilities as measured at FVPL at initial recognition (referred to as fair value option) if:

- such classification eliminates or significantly reduces an accounting mismatch between fixed interest rate financial liabilities otherwise measured at amortised cost and related derivatives measured at FVPL. The Bank assesses quantitatively that the designation actually eliminates or significantly reduces the accounting mismatch in respect of fair value changes attributable to interest rate risk; or
- the entire hybrid contract contains a non-closely related embedded derivative.

Financial liabilities designated at fair value through profit or loss are reported in the statement of financial position under the line item 'Financial liabilities at fair value through profit or loss', sub-item 'Deposits from customers'.

Changes in fair value are recognised in the income statement under the line item 'Gains/losses from financial instruments measured at fair value through profit or loss'. Interest incurred is reported under the line item 'Net interest income' (sub-item 'Other similar expenses').

The amount of the fair value change resulting from the credit risk of the financial liability for the period is presented as OCI in the statement of comprehensive income in the line 'Own credit risk reserve'. The cumulative amount is recognised as accumulated OCI, specifically under 'Own credit risk reserve' in the statement of changes in equity. The amount recognised in OCI is never reclassified to profit or loss. However, upon derecognition (mainly repurchases) of the financial liabilities designated at FVPL the amount accumulated in OCI is transferred to retained earnings.

The cumulative amount of the credit risk recognised as accumulated OCI is calculated as the difference between the present value of the liability determined by using the original credit spread and the fair value of the liability. The amount of fair value change attributable to changes in credit risk of the liability for the period which is recognised in OCI is the difference between the cumulative amount of the credit risk at the end of the period and the beginning of the period. When calculating the present value of the liability by using the original credit spread the rate used for discounting is the sum of the observed interest rate (swap yield curve) and the original credit spread. The original credit spread is determined at initial recognition of the liability and it equals the difference between the total yield of the liability and the observed interest rate (swap yield curve) at that time.

Delta between carrying amount and amount repayable for financial liabilities at FVPL

	Carrying amount		Amount repayable		Delta between carrying amount and amount repayable	
in CZK million	2024	2023	2024	2023	2024	2023
Deposits	1,309	13,283	1,305	12,827	4	456
Financial liabilities at FVPL	**1,309**	**13,283**	**1,305**	**12,827**	**4**	**456**

Deposits designated as 'Financial liabilities at fair value through profit and loss' represent hybrid instruments i.e. contain one or more not closely related embedded derivatives, which are not separated from those host instruments.

Fair value changes that are attributable to changes in own credit risk

	For reporting period		Cumulative amount	
in CZK million	2024	2023	2024	2023
Deposits from customers	-	81	(2)	(8)
Financial liabilities - at fair value through profit or loss	**-**	**81**	**(2)**	**(8)**

The change in the fair value arising from the changes in the credit profile of the issuer (the Bank) is determined as equal to the difference between the fair values of the liabilities as at the previous and current reporting dates, net of the effect of the change in fair value due to the change in the risk-free interest rate.

FINANCIAL INSTRUMENTS – OTHER DISCLOSURE MATTERS

21 Fair value of financial instruments

The measurement of fair value at the Bank is based primarily on external sources of data (stock market prices or broker quotes in highly liquid market segments). Financial instruments for which the fair value is determined on the basis of quoted market prices are mainly listed securities and derivatives as well as liquid OTC bonds.

All financial instruments at fair value are measured at fair value on recurring basis. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial instruments carried at fair value

Description of valuation models and parameters

The Bank uses valuation models that have been tested internally and for which the valuation parameters (such as interest rates, exchange rates, volatilities and credit spreads) have been determined independently.

Loans. Not SPPI (solely payments of principal and interest) compliant loans are to be valued at fair value. The methodology to compute fair value of these assets corresponds to the basic present value technique. The credit risk is recognised by adjusting contractual cash flows to come to expected cash flows accounting for customer's probability of default and loss given default. These adjusted cash flows are then discounted by a yield curve which consists of a risk free rate and a funding spread for senior unsecured issues. For a limited number of profit-participating loans, the expected cash flows are discounted using a risk-adjusted discount rate. This risk-adjusted rate is determined applying the Capital Assets Pricing Model (CAPM) on the basis of comparable listed entities.

Debt securities. For plain vanilla (fixed and floating) debt securities the fair value is calculated by discounting the future cash-flows using a discounting curve depending on the interest rate for the respective issuance currency and a spread adjustment. The spread adjustment is usually derived from the credit spread curve of the issuer. If no issuer curve is available the spread is derived from a proxy instrument and adjusted for differences in the risk profile of the instruments. If no close proxy is available, the spread adjustment is estimated using other information, including estimation of the credit spread based on internal ratings and PDs or management judgment. For more complex debt securities (e.g. including optionlike features such as callable, cap/floor, index-linked) the fair value is determined using

combinations of discounted cash flow models and more sophisticated modelling techniques including methods described for OTC-derivatives.

Equity instruments. Non-trading equity instruments which have quoted market prices in an active market are valued by using the quoted market price. For other investments in non-trading equity instruments the fair value is determined by standard valuation models using also unobservable input parameters. These models include the adjusted net asset value method, the simplified income approach, the dividend discount model and the comparable company multiple method. The adjusted net asset method requires an investor to measure the fair value of the individual assets and liabilities recognised in an investee's statement of financial position as well as the fair value of any unrecognised assets and liabilities at the measurement date. The resulting fair values of the recognised and unrecognised assets and liabilities should therefore represent the fair value of the investee's equity. The dividend discount model assumes that the price of equity instruments issued by an entity equals the present value of all its expected future dividends in perpetuity. Similar to the dividend discount model, the simplified income approach estimates the fair value based on the future income. However, it can be used also when only one year planned income is available. The simplified income approach and the dividend discount model discount future income and dividends using the cost of equity. The cost of equity is dependent on the risk-free rate, the market risk premium, the levered beta and the country risk premium. The levered beta is derived from the industry classification which is published and maintained by Damodaran. In rare cases, techniques for non-trading equity instruments may also include comparable company multiple methods. These are valuation techniques that use prices and other relevant information generated by market transactions involving comparable company peers of an investee to derive a valuation multiple from which the indicated fair value of the investee's equity or enterprise value can be inferred.

Liabilities. The fair value of financial liabilities designated at fair value through profit or loss under the fair value option is determined based on quoted prices in active markets, if available. For issued securities where the fair value cannot be retrieved from quoted market prices, the fair value is calculated by discounting the future cash flows. Significant input factors for the spread adjustment of Erste Group's own credit risk for the respective seniority class are credit spreads derived from liquid benchmark bonds and additional indications from external investments banks, which are provided on a regular basis. The applied spreads are validated on a regular basis from an independent Risk Management unit. In case of issued securities with structured features, optionality is taken into account as well when calculating the fair value.

Non-trading equity instruments which have quoted market prices in an active market are valued by using the quoted market price (bid for long position, ask for short position). For other investments in non-trading equity instruments the fair value is determined by standard valuation models using also unobservable input parameters.

OTC-derivative financial instruments. Derivative instruments traded in OTC markets (e.g. interest rate swaps and options, foreign exchange forward and options, options on listed securities and indices) are valued by using standard valuation models. These models include discounting cash flow models, option models of the Black-Scholes. Models are calibrated on quoted market data (including implied volatilities). Valuation models for more complex instruments also use Monte-Carlo-techniques. For instruments in less liquid markets, data obtained from less frequent transactions or extrapolation techniques are used.

The Bank values derivatives at mid-market levels. The derivatives position value is adjusted of close-out adjustment to take into account impact of bid/ask spread to the valuation. Parameters are reviewed on a regular basis or in case of significant market moves.

Credit value adjustments (CVA) for counterparty risk and debit value adjustments (DVA) for own default credit risk are applied to OTC derivatives. For the CVA the adjustment is driven by the expected positive exposure of the derivative and the probability of default of the counterparty. The DVA is driven by the expected negative exposure of the derivative and the Bank's probability of default. The modelling of the expected exposure is based on option replication strategies or Monte-Carlo simulation techniques.

According to the described methodology the accumulated CVA-adjustments amounted to CZK (115) million (2023: CZK (96) million) and the total DVA-adjustment amounted to CZK 43 million (2023: CZK 64 million).

Based on an analysis carried out by the Bank it was decided that for the valuation of OTC derivatives no Funding Value Adjustment (FVA) would be considered.

Validation and control

The responsibility for valuation of financial instruments measured at fair value is independent from the trading units. In addition, The Bank has implemented an independent validation function in order to ensure separation between units responsible for model development, fair value measurement and validation. The aim of independent model validation is to evaluate model risks arising from the models' theoretical foundation, the appropriateness of input data (market data) and model calibration.

Fair value hierarchy

Financial assets and financial liabilities measured at fair value are categorized under the three levels of the IFRS fair value hierarchy.

Level 1 of the fair value hierarchy

Level 1 measurements include exchange traded derivatives (options), shares, government bonds as well as other bonds and funds, which are traded in highly liquid and active markets.

Level 2 of the fair value hierarchy

In case a market quote is used for valuation but due to restricted liquidity the market does not qualify as active (derived from available market liquidity indicators) the instrument is classified as Level 2. If no market prices are available the fair value is measured by using valuation models which are based on observable market data. If all the significant inputs in the valuation model are observable the instrument is classified as Level 2 of the fair value hierarchy. For Level 2 valuations typically yield curves, credit spreads and implied volatilities are used as observable market parameters.

Level 2 measurements include OTC derivatives, less liquid shares, bonds and funds as well as own issues.

Level 3 of the fair value hierarchy

If any unobservable input in the valuation model is significant or the price quote used is updated infrequently the instrument is classified as Level 3 of the fair value hierarchy. Typically credit spreads derived from internally calculated historical probability of default (PD) and loss given default (LGD) measures are used as unobservable parameters. Furthermore, internally calculated cost of equity and adjustments made on the equity (in the adjusted net asset value method) are unobservable parameters for the valuation of non-trading equity instruments.

The volume of Level 3 financial assets can be allocated to the following categories:

- Derivatives where the credit value adjustment (CVA) has a material impact and is calculated based on unobservable parameters (i.e. internal estimates of PDs and LGDs).
- Illiquid bonds, shares, participations and funds not quoted in an active market where either valuation models with non-observable parameters have been used (e.g. credit spreads) or broker quotes have been used that cannot be allocated to Level 1 or Level 2.
- Loans which do not comply with the contractual cash flow criteria.
- Fund units issued by investment funds fully consolidated by Erste Group , given that one fund constituent was assigned to Level 3.
- Own issues, if price updates are not provided on a regular basis.

The allocation of the appropriate level of positions is determined at the end of the reporting period.

A reclassification from Level 1 into Level 2 or Level 3 as well as vice versa will be performed if the financial instrument does no longer meet the criteria described above for the respective level.

Classification of financial instruments carried at fair value by levels of the fair value hierarchy

	2024				2023			
in CZK million	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
ASSETS								
Financial assets - held for trading	57	12,852	2	12,911	7	16,653	2	16,662
Derivatives	-	12,850	2	12,852	-	16,641	2	16,643
Other trading assets	57	2	-	59	7	12	-	19
Non-trading financial assets - FVPL	-	-	1,994	1,994	-	-	2,235	2,235
Equity instruments	-	-	603	603	-	-	645	645
Debt securities	-	-	700	700	-	-	734	734
Loans and advances	-	-	691	691	-	-	856	856
Financial assets - FVOCI	44,057	4,358	2,749	51,164	44,354	5,623	2,348	52,325
Debt securities	44,057	4,358	2,749	51,164	44,354	5,623	2,348	52,325
Hedge derivatives	-	2,930	-	2,930	-	3,241	-	3,241
Total assets	**44,114**	**20,140**	**4,745**	**68,999**	**44,361**	**25,517**	**4,585**	**74,463**
LIABILITIES								
Financial liabilities held for trading	-	11,903	132	12,035	-	16,716	-	16,716
Derivatives	-	11,903	132	12,035	-	16,716	-	16,716
Financial liabilities designated at fair value through profit or loss	-	1,309	-	1,309	-	13,283	-	13,283
Deposits from customers	-	1,309	-	1,309	-	13,283	-	13,283
Hedge derivatives	-	3,693	-	3,693	-	4,534	-	4,534
Total liabilities	**-**	**16,905**	**132**	**17,037**	**-**	**34,533**	**-**	**34,533**

Changes and reclassifications in volumes of Level 1 and Level 2

This paragraph describes the changes in Volumes of Level 1 and Level 2 of financial instruments measured at fair value in the statement of financial position.

Reclassification between Level 1 and Level 2 based on balance sheet positions and instruments

	2024		2023	
In CZK million	**Level 1**	**Level 2**	**Level 1**	**Level 2**
Securities				
Net transfer from Level 2	93	-	-	-
Purchases/sales/expiries	(340)	(1,275)	5,651	191
Changes in derivatives	-	(4,102)	-	(10,902)
Total year-to-date change	**(247)**	**(5,377)**	**5,651**	**(10,711)**

Movements in Level 3

The following tables show the development of fair value of securities for which valuation models are based on non-observable inputs:

Development of fair value of financial instruments in Level 3

in CZK million		Gains/ losses profit or loss	Gains/ losses OCI	Purchases	Sales/ Settlements	Transfer into Level 3	Transfer out of Level 3	
	Jan 2024							**Dec 2024**
Assets								
Financial assets HfT	2	-	-	-	-	-	-	2
Derivatives	2	-	-	-	-	-	-	2
Non-trading financial assets at FVPL	2,235	842	-	68	(1,151)	-	-	1,994
Equity instruments	645	(70)	-	28	-	-	-	603
Debt securities	734	221	-	40	(295)	-	-	700
Loans and advances	856	691	-	-	(856)	-	-	691
Financial assets at FVOCI	2,348	(32)	(154)	-	-	2,935	(2,348)	2,749
Debt securities	2,348	(32)	(154)	-	-	2,935	(2,348)	2,749
Total assets	**4,585**	**810**	**(154)**	**68**	**(1,151)**	**2,935**	**(2,348)**	**4,745**
Liabilities								
Financial liabilities - held for trading	-	132	-	-	-	-	-	132
Derivatives	-	132	-	-	-	-	-	132
Total liabilities	**-**	**132**	**-**	**-**	**-**	**-**	**-**	**132**

	Jan 2023							**Dec 2023**
Assets								
Financial assets HfT	329	-	-	2	(1)	-	(328)	2
Derivatives	329	-	-	2	-	-	(328)	2
Other financial assets held for trading	1	-	-	-	(1)	-	-	-
Non-trading financial assets at FVPL	2,841	636	-	230	(1,471)	-	-	2,235
Equity instruments	628	(32)	-	49	-	-	-	645
Debt securities	830	(188)	-	180	(88)	-	-	734
Loans and advances	1,383	856	-	-	(1,383)	-	-	856
Financial assets at FVOCI	3,126	-	68	-	(30)	1,335	(2,150)	2,348
Debt securities	3,126	-	68	-	(30)	1,335	(2,150)	2,348
Hedge derivatives	84	-	-	-	-	-	(84)	-
Total assets	**6,380**	**636**	**68**	**232**	**(1,503)**	**1,335**	**(2,562)**	**4,585**

Transfers into and out of Level 3 are mainly due to changes in the market activity and consequently in the observability of valuation parameters.

A part of the OTC derivatives was categorized as Level 3 / was recategorized into Level 3 as Level 3 because credit valuation adjustment (CVA) has a material impact on the market value for these derivatives and is calculated based on unobservable parameters (i.e. internal estimates of PDs and LGDs). Part of Level 3 derivatives was recategorized into Level 2 because CVA has not a material impact on the market value of these derivatives any more. FVOCI financial assets (bonds) for which valuation models are based on non- observable inputs were transferred into Level 3.

The gains or losses of Level 3 financial instruments classified as 'Non-trading financial assets at fair value through profit or loss' and 'Hedge derivatives' is disclosed in the income statement line item 'Net trading result'. Gains or losses from derecognition of 'Financial assets at fair value through other comprehensive income' is shown in the income statement line item 'Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss'. Impairment of 'Financial assets at fair value through other comprehensive income' is disclosed in the line item

'Impairment result from financial instruments'. Level 3 gains or losses in other comprehensive income disclosed in the balance sheet line item 'Financial assets at fair value through other comprehensive income' are reported directly in equity under 'Change in fair value reserve'.

The reclassification of securities out of Level 3 was caused by an increase in market liquidity.

Gains or losses in profit or loss on Level 3 instruments held at the end of the reporting period

in CZK million	2024	2023
Assets		
Financial assets - held for trading	-	2
Derivatives	-	2
Non-trading financial assets at fair value through profit or loss	842	639
Equity instruments	(70)	(32)
Debt securities	221	(185)
Loans and advances	691	856
Financial assets at fair value through other comprehensive income	(32)	-
Debt securities	(32)	-
Total	**810**	**641**
Liabilities		
Financial liabilities - held for trading	(132)	-
Derivatives	(132)	-
Total	**(132)**	**-**

Unobservable inputs and sensitivity analysis for Level 3 measurements

The following table shows the sensitivity analysis using reasonably possible alternatives per product type:

Sensitivity analysis for Level 3 measurements

	2024		2023	
	Fair value changes		Fair value changes	
in CZK million	Positive	Negative	Positive	Negative
Derivatives	5	(6)	-	-
Income statement	5	(6)	-	-
Debt securities	28	(37)	29	(38)
Other comprehensive income	28	(37)	29	(38)
Equity instruments	64	(127)	68	(136)
Income statement	64	(127)	68	(136)
Total	**97**	**(170)**	**96**	**(174)**
Income statement	**69**	**(133)**	**68**	**(136)**
Other comprehensive income	**28**	**(37)**	**29**	**(38)**

In estimating these impacts, mainly changes in credit spreads (for bonds), PDs, LGDs (for CVA of derivatives) and market values of comparable equities were considered. An increase (decrease) of spreads, PDs and LGDs result in a decrease (increase) of the corresponding market values.

Following ranges of reasonably possible alternatives of the unobservable inputs were considered in the sensitivity analysis table:

- for debt securities range of credit spreads between +100 basis points and – 75 basis points,
- for equity related instruments the price range between -10% and +5%,
- for CVA on derivatives PDs rating upgrade/downgrade by one notch, the range for LGD between -5% and +10%.

Fair values of financial instruments not recognised at fair value

The following table shows fair values and fair value hierarchy of financial instruments whose fair value is disclosed in the notes for the year-end 2024 and for the year-end 2023. For assets without contractual maturities (e.g. cash and cash equivalents), the carrying amount approximates their fair value.

in CZK million	Carrying amount	Fair value	Level 1	Level 2	Level 3
2024					
ASSETS					
Cash and cash equivalents	21,746	21,746	14,410	7,336	-
Financial assets at amortised costs	1,818,123	1,788,450	341,063	6,288	1,441,100
Loans and advances to banks	453,119	453,695	-	-	453,695
Loans and advances to customers	995,971	987,405	-	-	987,405
Debt securities	369,033	347,350	341,063	6,288	0
Finance lease receivables	282	282	-	-	282
Trade and other receivables	2,293	2,298	-	-	2,298
LIABILITIES					
Financial liabilities measured at amortised costs	1,773,467	1,775,868	-	73,381	1,702,487
Deposits from banks	262,969	262,844	-	-	262,844
Deposits from customers	1,424,958	1,424,883	-	-	1,424,883
Debt securities issued	81,509	84,109	-	73,381	10,728
Other financial liabilities	4,031	4,031	-	-	4,031
FINANCIAL GUARANTEES AND COMMITMENTS					
Financial guarantees	n/a	48	-	-	48
Loan commitments	n/a	2,734	-	-	2,734
2023					
ASSETS					
Cash and cash equivalents	27,304	27,304	14,133	13,171	-
Financial assets at amortised costs	1,580,563	1,512,594	315,905	5,629	1,191,060
Loans and advances to banks	307,829	307,814	-	-	307,814
Loans and advances to customers	924,895	882,631	-	-	882,631
Debt securities	347,839	322,149	315,905	5,629	615
Finance lease receivables	284	284	-	-	284
Trade and other receivables	1,761	1,738	-	-	1,738
LIABILITIES					
Financial liabilities measured at amortised costs	1,534,636	1,533,684	-	109,650	1,424,034
Deposits from banks	112,090	111,333	-	-	111,333
Deposits from customers	1,294,668	1,293,219	-	-	1,293,219
Debt securities issued	121,451	122,704	-	109,650	13,054
Other financial liabilities	6,427	6,428	-	-	6,428
FINANCIAL GUARANTEES AND COMMITMENTS					
Financial guarantees	n/a	83	-	-	83
Loan commitments	n/a	1,703	-	-	1,703

In the table above, positive fair values of financial guarantees and commitments are shown with a positive sign whereas negative fair values are shown with a negative sign. The calculation of fair values of financial guarantees and commitments is based on the coefficient, which is calculated by the Market risk using the Erste Group Bank algorithms.

The fair value of loans and advances to customers and credit institutions, trade and other receivables and finance lease receivables has been calculated by discounting future cash flows while taking into consideration interest and credit spread effects. The interest rate impact is based on the movements of market rates, while credit spread changes are derived from PDs and LGDs used for internal risk calculations. For the calculation of fair value loans and advances were grouped into homogeneous portfolios based on rating method, rating grade, maturity and the country where they were granted. The fair values of financial assets at amortised cost – debt securities are either taken directly from the market or they are determined by directly observable input parameters (i.e. yield curves).

The fair value of deposits and other liabilities, measured at amortised cost, is estimated by taking into account the current interest rate environment, as well as the own credit spreads. For liabilities without contractual maturities (e.g. demand deposits), the carrying amount represents the minimum of their fair value.

The fair value of issued securities and subordinated liabilities measured at amortised cost is based on market prices or on observable market parameters, if these are available. For issued securities where the fair value cannot be retrieved from quoted market prices, the fair value is calculated by discounting the future cash flows.

Regarding off-balance sheet liabilities (i.e. financial guarantees and unused loan commitments) the fair value of unused loan commitments is estimated using regulatory credit conversion factors. The resulting loan equivalents are treated like other on-balance sheet assets. The difference between the calculated total fair value and the notional amount of the hypothetical loan equivalents represents the fair value of the unused loan commitments. In case of the total fair value being higher than the notional amount of the hypothetical loan equivalents the unused loan commitments have a positive fair value. The fair value of financial guarantees is estimated in analogy to credit default swaps. The fair value of the guarantee is the sum of the present value of the protection leg and the present value of the premium leg. The value of the protection leg is estimated using the PDs and LGDs of the respective customers, whereas the value of the premium leg is estimated by the present value of the future fee payments to be received. If the protection leg is higher than the premium leg, financial guarantees have a negative fair value.

22 Hedge accounting

The Bank applies hedge accounting to hedge exposures to interest rate risk and foreign currency risk. As permitted by the transitional provisions of IFRS 9, the Bank has elected to continue to apply the hedge accounting requirements of IAS 39.

On the balance sheet, derivatives designated as hedging instruments are carried at fair value (dirty price). They are presented in the line item ‘Hedge derivatives’ on the asset or liability side depending on whether their fair value is positive or negative.

i. Fair value hedges

Fair value hedges are employed to reduce market risk. For qualifying and designated fair value hedges, the change in the fair value (clean price) of a hedging instrument is recognised in the income statement under the line item ‘Net trading result’. Interest income and expenses on hedging derivatives are reported under the line item ‘Net interest income’ (sub-items ‘Other similar income’ or ‘Other similar expenses’). The change in the fair value of the hedged item attributable to the hedged risk is also recognised in the income statement under the line item ‘Net trading result’ and adjusts the carrying amount of the hedged item.

The Bank also applies portfolio fair value hedges of interest rate risk as regulated by IAS 39.AG114-AG132. For this purpose, the Bank makes use of the relaxation provided by the EU-carve out for so called bottom layer amount. The change in the fair value of the hedged items attributable to the hedged interest risk in portfolio fair value hedges is presented on the balance sheet under the line item ‘Fair value changes of hedged items in portfolio hedge of interest rate risk’.

Fair value hedges are employed to reduce interest rate risk of issued bonds, purchased securities, loans or deposits on the Bank statement of financial position. In general, the Bank policy is to swap substantial fixed or structured issued bonds to floating items to manage the targeted interest rate risk profile by other statement of financial position items. Interest rate swaps are the most common instruments used for fair value hedges.

For terminated hedges the fair value adjustment of the hedged item is amortised until maturity of the financial instrument. In the statement of income the amortisation is presented under 'Net interest income' in the line item 'Interest income' if the hedged item was a financial asset or in the line item 'Interest expenses' if the hedged item was a financial liability.

ii. Cash flow hedges

For designated and qualifying cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income and reported under the 'Cash flow hedge reserve'. The ineffective portion of the gain or loss on the hedging instrument is recognised in the income statement under the line item 'Net trading result'. For determination of the effective and ineffective portions, the derivative is considered at its dirty price, i.e. including the interest component. If the hedged cash flow affects the income statement, the gain or loss on the hedging instrument is reclassified from other comprehensive income in the corresponding income or expense line item in the income statement (mainly 'Net interest income'; subitems 'Other similar income' or 'Other similar expenses'). As far as accounting for hedged items in cash flow hedges is concerned there is no change compared to the situation when no hedging is applied.

For terminated hedges the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income remains separate in 'Cash flow hedge reserve' until the transaction occurs.

The interest rate and FX risk of the banking book is managed by the Bank's ALM department. Preference in managing interest rate risk is given to using bonds, loans or derivatives, with hedge accounting for derivatives applied in accordance with IAS 39. The main guideline for interest rate risk positioning is the Bank Interest Rate Risk Strategy that is approved by the Bank ALCO for the relevant time period.

Cash flow hedges are used to eliminate uncertainty in future cash flows in order to stabilize Net interest income. Interest rate swaps are the most common derivatives used to hedge variable cash flows of floating assets. By using cross currency interest rate swaps, the Bank hedges currency risk of its foreign currency assets. Floors or caps are used to secure the targeted level of interest income in a changing interest rate.

As at 31 December 2024, the gain on hedging derivatives used for fair value hedging was CZK 1,388 million (2023: loss CZK 691million); the loss due to changes in the fair value of hedged items was CZK 1,337 million (2023: gain CZK 741 million).

Fair values of hedging instruments are disclosed in the following table:

	2024			2023		
in CZK million	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Fair value hedges	**74,419**	**626**	**2,553**	**41,450**	**18**	**3,099**
Interest rate	74,419	626	2,553	41,450	18	3,099
Cash flow hedge	**100,461**	**2,304**	**1,140**	**99,517**	**3,223**	**1,435**
Interest rate	54,700	1,169	299	50,900	1,149	1,000
Foreign exchange	45,761	1,135	842	48,617	2,074	436
Total	**174,880**	**2,930**	**3,693**	**140,967**	**3,241**	**4,534**

Notional amount of hedged items

		Notional amount	
in CZK million	**Type of hedged items**	**2024**	**2023**
Fair value hedges			
Assets	Portfolios of client loans	100	100
Assets	Bonds at AC	47,875	27,751
Liabilities	Issued bonds	25,185	12,363
Liabilities	Other liabilities - loans	1,259	1,236
Cash flow hedges (interest)			
Assets	Interbank loans / repos	14,200	16,400
Assets	Client loans (single and portfolio)	40,500	34,500
Cash flow hedges (fx)			
Assets	Client loans (single and portfolio)	7,757	11,327
Assets	Forecast cash flows in foreign currency	4,533	5,088
Assets	Corporate/government bonds	33,470	32,201

Quantitative disclosures

In the tables below, detailed information related to hedging instruments and hedged items in fair value and cash flow hedges as of 31 December 2024 are reported. The indicated values for fair value hedges include single hedges as well as portfolio hedges, which due to immateriality are not shown separately.

Hedging instruments

	Carrying amount		Change in FV for the period used for calculating hedge		Timing of the nominal amounts of the instruments			
in CZK million	**Assets**	**Liabilities**	**ineffectivness**	**Notional**	**≤ 3 m**	**> 3 m and ≤ 1 y**	**> 1 y and ≤ 5 y**	**> 5 y**
2024								
Fair value hedges								
Interest rate risk	626	2,553	1,388	74,419	-	-	15,753	58,666
Cash flow hedges								
Interest rate risk	1,169	299	1,202	54,700	7,000	5,000	22,700	20,000
Foreign exchange risk	1,135	841	(264)	45,761	924	4,629	25,954	14,254
Total	**2,930**	**3,693**	**2,326**	**174,880**	**7,924**	**9,629**	**64,407**	**92,920**
2023								
Fair value hedges								
Interest rate risk	18	3,099	(691)	41,450	-	-	12,560	28,889
Cash flow hedges								
Interest rate risk	1,149	1,000	7,678	50,900	-	2,000	48,900	-
Foreign exchange risk	2,074	436	1,791	48,617	4,053	933	31,716	11,915
Total	**3,241**	**4,534**	**8,778**	**140,967**	**4,053**	**2,933**	**93,176**	**40,804**

The hedging instruments are presented in the line ‘Hedge derivatives’ in the balance sheet.

Hedged items in fair value hedges

		Hedge adjustments		
in CZK million	Carrying amount	included in the carrying amount of assets/liabilities	Thereof: for the period used for recognition of hedge ineffectiveness	Remaining adjustments for terminated hedges
2024				
Financial assets at AC				
Interest rate risk	48,822	940	(577)	-
Financial liabilities at AC				
Interest rate risk	26,334	(111)	(760)	-
2023				
Financial assets at AC				
Interest rate risk	29,322	1,515	1,554	-
Financial liabilities at AC				
Interest rate risk	13,293	(215)	(813)	-

Hedged items in cash flow hedges

in CZK million	Change in FV for the period used for calculating hedge ineffectiveness	Cash flow hedge reserve for continuing hedges	Cash flow hedge reserve for terminated hedges
2024			
Interest rate risk	1,202	314	522
Foreign exchange risk	(264)	(526)	-
Total	**938**	**(212)**	**522**
2023			
Interest rate risk	7,678	314	681
Foreign exchange risk	1,791	(526)	-
Total	**9,469**	**(212)**	**681**

Effects of hedge accounting in profit or loss and other comprehensive income

			Hedging reserve reclassified to profit or loss because	
in CZK million	Hedge ineffectiveness recognised in P&L	Hedging gains/ losses recognised in OCI	the hedged item has affected profit or loss	the hedged future cash flows are no longer expected to occur
2024				
Fair value hedges				
Interest rate risk	51	-	-	-
Cash flow hedges				
Interest rate risk	34	1,641	(604)	-
Foreign exchange risk	16	(110)	(768)	-
Total	**101**	**1,531**	**(1,372)**	**-**
2023				
Fair value hedges				
Interest rate risk	50	-	-	-
Cash flow hedges				
Interest rate risk	1	7,253	(3,219)	-
Foreign exchange risk	33	1,789	(1,061)	-
Total	**84**	**9,042**	**(4,280)**	**-**

Ineffectiveness from both fair value and cash flow hedges is presented under 'Net trading result' in the statement of income. The amounts reclassified from the cash flow hedge reserve are presented in the line 'Other similar income' under 'Net interest income' for hedges of interest rate risk and 'Net trading result' for hedges of foreign exchange risk.

23 Offsetting of financial instruments

The following table shows netting effects on the balance sheet of the Bank as well as the impacts of offsetting financial instruments which are subject to offsetting agreements.

Financial assets subject to offsetting and potential offsetting agreements

			Potential effects of netting agreements not qualifying for balance sheet offsetting			
in CZK million	Gross amounts in balance sheet	Net amounts in balance sheet	Financial instruments	Cash collateral received	Non-cash financial collateral received	Net amount after potential offsetting
2024						
Derivatives (Note 18 and 22)	15,782	15,782	9,097	2,125	-	4,560
Reverse repurchase agreements (Note 13)	438,039	438,039	-	-	434,110	3,929
Total	**453,821**	**453,821**	**9,097**	**2,125**	**434,110**	**8,489**
2023						
Derivatives (Note 18 and 22)	19,884	19,884	11,050	2,913	-	5,921
Reverse repurchase agreements (Note 13)	283,813	283,813	-	-	283,813	-
Total	**303,697**	**303,697**	**11,050**	**2,913**	**283,813**	**5,921**

Financial liabilities subject to offsetting and potential offsetting agreements

			Potential effects of netting agreements not qualifying for balance sheet offsetting			
in CZK million	Gross amounts in balance sheet	Net amounts in balance sheet	Financial instruments	Cash collateral pledged	Non-cash financial collateral pledged	Net amount after potential offsetting
2024						
Derivatives (Note 18)	15,727	15,727	9,098	1,570	-	5,059
Repurchase agreements (Note 15)	330,773	330,773	-	-	330,773	-
Total	**346,500**	**346,500**	**9,098**	**1,570**	**330,773**	**5,059**
2023						
Derivatives (Note 18)	21,250	21,250	11,050	907	-	9,293
Repurchase agreements (Note 15)	167,039	167,039	-	-	167,039	-
Total	**188,289**	**188,289**	**11,050**	**907**	**167,039**	**9,293**

The Bank uses repurchase agreements and master netting agreements as a means of reducing credit risk of derivative and financing transactions. They qualify as potential offsetting agreements.

Master netting agreements are relevant for counterparties with multiple derivative contracts. They provide for the net settlement of all contracts in the event of default of any counterparty. For derivative transactions the amount of assets and liabilities which would be set off as a result of master netting agreements is presented in the column 'Financial instruments'. If the net position is further secured by cash collateral the effect is disclosed in the respective columns 'Cash collateral received/pledged'.

Repurchase agreements are primarily financing transactions. They are structured as a sale and subsequent repurchase of securities at a pre-agreed price and time. This ensures that the securities stay in hands of lender as collateral in case that borrower defaults in fulfilling any of its obligations. Offsetting effects from repurchase agreements are disclosed in the column Non-cash financial collateral received / pledged. Collateral is presented at fair value of the transferred securities. However, if fair value of collateral exceeds the carrying amount of the receivable/liability from the repo transaction the value is capped at the level of the carrying amount. Remaining position may be secured by cash collateral. Cash and non-cash financial collateral involved in these transactions is restricted from use by the transferor during the time of the pledge.

24 Transfer of financial assets – repurchase transactions and securities lending

Repurchase and reverse repurchase agreements

Transactions where securities are sold under an agreement to repurchase at a specified future date are also known as 'repos' or 'sale and repurchase agreements'. Securities sold are not derecognised from the statement of financial position, as the Bank retains substantially all the risks and rewards of ownership because the securities are repurchased at a fixed price when the repo transaction ends. Furthermore, the Bank is the beneficiary of all the coupons and other income payments received on the transferred assets over the period of the repo transactions. These payments are remitted to the Bank or are reflected in the repurchase price.

The corresponding cash received is recognised in the statement of financial position with a corresponding obligation to return it as a liability under the line item 'Financial liabilities measured at amortised cost', sub-items 'Deposits from banks' or 'Deposits from customers' reflecting the transaction's economic substance as a loan to the Bank. The difference between the sale and repurchase prices is treated as interest expense and recorded in the income statement under the line item 'Net interest income' (sub-item 'Interest expenses'). Financial assets transferred out by the Bank under repurchase agreements remain on the Bank's statement of financial position and are measured according to the rules applicable to the respective statement of financial position item. Moreover, they are presented in 'thereof pledged as collateral' positions under the respective balance sheet items.

Conversely, securities purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. Such transactions are also known as 'reverse repos'. The consideration paid is recorded in the statement of financial position under the respective line items 'Loans and advances to banks' or 'Loans and advances to customers', reflecting the transaction's economic substance as a loan by the Bank. The difference between the purchase and resale prices is treated as interest income and is accrued over the life of the agreement and recorded in the income statement under the line item 'Net interest income' (sub-item 'Interest income').

Securities lending and borrowing

In securities lending transactions, the lender transfers ownership of securities to the borrower on the condition that the borrower will retransfer, at the end of the agreed loan term, ownership of instruments of the same type, quality and quantity and will pay a fee determined by the duration of the lending. The transfer of the securities to counterparties via securities lending does not result in derecognition. Substantially all the risks and rewards of ownership are retained by the Bank as a lender because the securities are received at the end of the securities lending transaction. Furthermore, the Bank is the beneficiary of all the coupons and other income payments received on the transferred assets over the period of the securities lendings. The securities lent are presented in 'thereof pledged as collateral' positions under the respective balance sheet items.

Securities borrowed are not recognised in the statement of financial position unless they are then sold to third parties. In this case, the obligation to return the securities is recorded as a short sale within 'Other financial liabilities'.

in CZK million	2024 Carrying amount of transferred assets	2024 Carrying amount of associated liabilities	2023 Carrying amount of transferred assets	2023 Carrying amount of associated liabilities
Repurchase agreements				
Financial assets at AC	61,237	51,890	51,898	42,573
Repurchase agreements total	**61,237**	**51,890**	**51,898**	**42,573**
Securities lendings				
Financial assets at AC	56,420	-	71,178	-
Securities lendings total	**56,420**	**-**	**71,178**	**-**
Total	**117,657**	**51,890**	**123,076**	**42,573**

The transferred financial instruments consist of bonds and other interest-bearing securities.

The total amount of CZK 61,237 million (2023: CZK 51,898 million) represents the carrying amount of financial assets under the respective statement of financial position items for which the transferee has a right to sell or repledge.

Liabilities from repo transactions in the amount of CZK 51,890 million (2023: CZK 42,573 million), which are measured at amortised cost, represent an obligation to repay the borrowed funds.

The following table shows the fair values of the transferred assets and associated liabilities that have recourse only to the transferred assets. In case of the Bank, these assets and liabilities relate to repo transactions.

in CZK million	2024 Fair value of transferred assets	2024 Fair value of associated liabilities	2024 Net position	2023 Fair value of transferred assets	2023 Fair value of associated liabilities	2023 Net position
Financial assets at AC	57,417	51,925	5,492	48,262	42,803	5,459
Total	**57,417**	**51,925**	**5,492**	**48,262**	**42,803**	**5,459**

25 Financial assets pledged as collaterals

Carrying amount of financial assets pledged as collaterals

in CZK million	2024	2023
Financial assets at FVOCI	9,144	-
Financial assets at AC	126,611	183,171
Total	**135,755**	**183,171**

The financial assets pledged as collateral consist of loans and advances to customers, bonds and other interest-bearing securities. Collaterals were pledged as a result of repurchase transactions, refinancing transactions with the respective National Bank, loans backing issued mortgage bonds and other collateral arrangements.

The fair value of collateral received which may be repledged or resold even without the collateral provider's default was CZK 214,110 million (2023: CZK 173,835 million).

26 Securities

	2024					2023				
			Financial assets					Financial assets		
in CZK million	At AC	Trading assets	Mandatorily at FVPL	Designated at FVPL	At FVOCI	At AC	Trading assets	Mandatorily at FVPL	Designated at FVPL	At FVOCI
Bonds and other interest-bearing securities	**369,033**	**59**	**700**	**-**	**51,164**	**347,839**	**19**	**734**	**-**	**52,325**
Listed	369,030	57	-	-	51,164	341,252	6	-	-	44,354
Unlisted	3	2	700	-	-	6,587	13	734	-	7,971
Equity-related securities	**-**	**-**	**603**	**-**	**-**	**-**	**-**	**645**	**-**	**-**
Unlisted	-	-	603	-	-	-	-	645	-	-
Total	**369,033**	**59**	**1,303**	**-**	**51,164**	**347,839**	**19**	**1,379**	**-**	**52,325**

RISK AND CAPITAL MANAGEMENT

27 Financial risk management

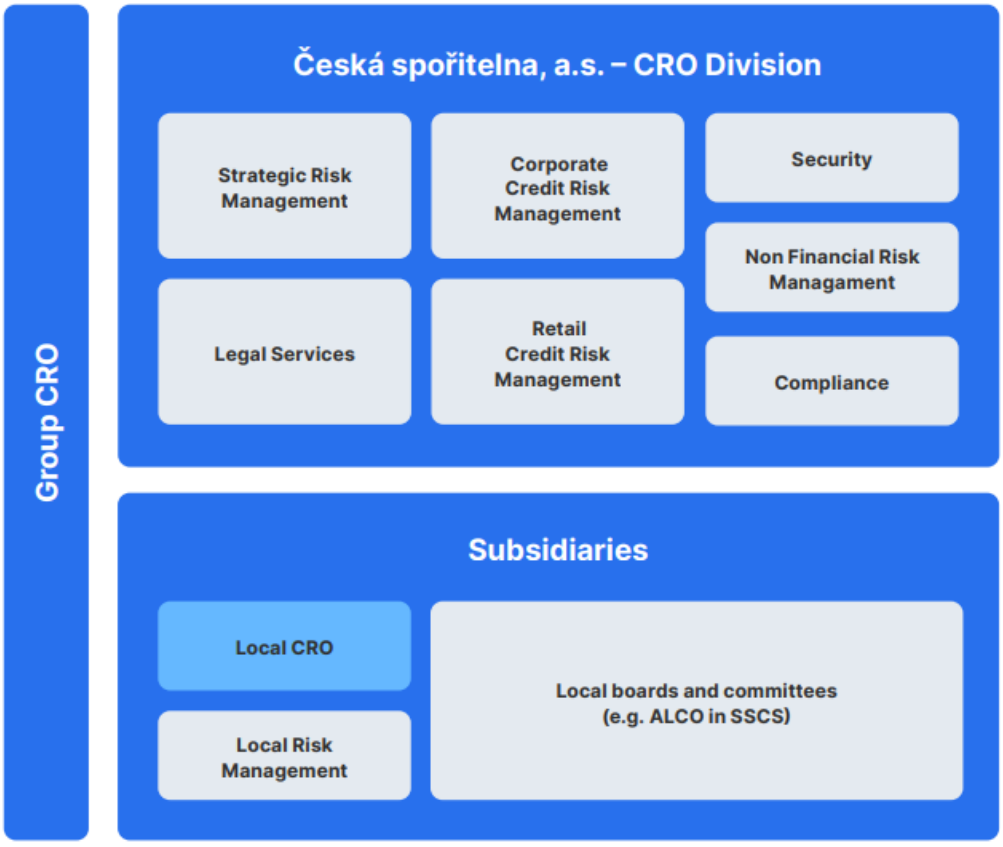
Risk policy and strategy

The Bank has developed a risk management framework that is forward looking and tailored to its business and risk profile. This framework is based on a clear risk strategy that sets out general principles according to which risk taking must be performed across the Group. The risk strategy is consistent with the business strategy and incorporates the expected impact of external environment on the planned business and risk development.

The risk strategy describes the current risk profile, defines risk management principles, strategic goals and initiatives for the main risk types as well as sets strategic limits for the significant financial and non-financial risk types as defined in the Risk Materiality Assessment. The risk strategy is executed within a clearly defined governance structure. This structure also applies to monitoring risk appetite, additional metrics, as well as to the escalation of limit breaches.

The Bank is publishing online its disclosures under Article 434 of the Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation – CRR) and Regulation (EU) No. 876/2019 amending Regulation (EU) No. 575/2013. Details are available on the website of the Bank at https://www.csas.cz/cs/dokumenty-ke-stazeni#/7/Povinne-informace-v-souladu-s-Vyhlaskou-CNB.

Risk management organization



Risk monitoring and control is achieved through a clear organisational structure with defined roles and responsibilities, delegated authorities and risk limits.

The management board and in particular the Bank's Chief Risk Officer (Bank CRO) perform the oversight function within the Bank's risk management structure. Risk control and risk steering within the Bank are performed based on the business strategy and risk appetite approved by the management board. The Bank CRO, working together with the chief risk officers of the subsidiaries, is responsible for the implementation and adherence to the risk control and risk management strategies across all risk types and business lines.

The management board and, in particular, the Bank CRO ensure the availability of appropriate infrastructure and staff as well as methods, standards and processes to that effect; the actual identification, measurement, assessment, approval, monitoring, steering and limit setting for the relevant risks are performed on the operating entity level within the Bank.

At Bank level, the management board is supported by several divisions established to perform operating risk control functions and exercise strategic risk management responsibilities. The following risk management functions report directly to the Bank CRO:

- Strategic Risk Management;
- Corporate Credit Risk Management;
- Retail Credit Risk Management;
- Legal Services;
- Security;
- Non-Financial Risk Management;
- Compliance;
- Local Chief Risk Officers.

Local Chief Risk Officers

Each subsidiary has separate risk control and management units with responsibilities tailored to the local requirements, which are headed by the respective chief risk officer (CRO).

Bank coordination of risk management activities

The management board regularly deals with risk issues of all risk types in its regular board meetings. Actions are discussed and taken when needed.

Furthermore, certain cross-divisional committees were established with the purpose of carrying out risk management activities in the Bank:

- Risk Committee;
- Risk Management Model Committee (RMMC);
- Credit Committee;
- Asset Liability Committee (ALCO);
- Product and Pricing Committee;
- Operational Liquidity Committee;
- Financial Markets Risk Management Committee (FMFMC) and
- Compliance, Operational Risk and Security Committee.

The **Risk Committee** has an escalation function for approval in all cases in which loans and exposures reach an amount exceeding the approval authority of the Credit Committee of the management board according to the credit risk approval guidelines.

The **Risk Management Model Committee** (RMMC) is the steering and control body for IRB approach and Pillar 2 model development, validation and monitoring. All new or changed models and model related aspects (e.g. risk parameters, group-wide methodology standards) are reviewed by the RMMC and require its approval.

The **Credit Committee** is the highest approval body according to the credit risk approval guidelines. It is also responsible for approval of credit risk management strategy.

The **Asset Liability Committee** (ALCO) manages the separate Bank balance sheet, focusing on trade-offs between all affected consolidated balance sheet risks (interest rate, exchange rate and liquidity risks). In addition, it approves policies and strategies for controlling liquidity risk as well as interest rate risk (net interest income) and examines proposals, statements and opinions of ALM, risk management, controlling and accounting functions. The approved investment strategy complies with the guidelines agreed with Risk Management.

The **Products and Pricing Committee** is responsible for assessment and approval of new products and their innovation in area retail and corporate banking as well as in area of the financial market products. It manages the pricing policy in the Bank.

The **Operational Liquidity Committee** (OLC) is responsible for the day-to-day management of the global liquidity position of the Bank. It analyses the liquidity situation of the Bank on a regular basis and reports directly to the ALCO.

The **Financial Markets Risk Management Committee** is the main steering body for market risk and trading book related issues of the Bank. It approves group-wide market risk limits and elaborates on the current market situation. Furthermore, it approves market risk methodologies and models, model changes, and related validation results.

The **Compliance, Operational Risk and Security Committee** is decision body in the area of operational risk, compliance and security in the Bank.

Group-wide risk and capital management

Enterprise wide Risk Management (ERM) includes as its fundamental component the Internal Capital Adequacy Assessment Process (ICAAP) as required under Pillar 2 of the Basel framework and regulatory guides (e.g., ECB Guide to ICAAP).

The ERM framework is designed to support the Bank's management in managing the risk portfolios as well as the coverage potential to ensure that the Bank holds adequate capital for the nature and magnitude of its risk profile at all times. The framework is tailored to the Bank's business and risk profile and reflects the strategic goal of protecting shareholders and senior debt holders while ensuring the sustainability of the organisation.

The ERM framework is a modular and comprehensive management and steering system within the Bank as well as an essential part of the overall steering and management instruments. The ERM components necessary to ensure all aspects, in particular to fulfil regulatory requirements and to provide an effective internal steering tool, can be clustered as follows:

- Risk Appetite Statement (RAS), limits and risk strategy;
- portfolio and risk analytics including Risk Materiality Assessment (RMA), concentration risk management, and stress testing;
- Risk-bearing Capacity Calculation (RCC);
- capital allocation and performance management;
- planning of key risk indicators;

– recovery and resolution planning.

In addition to the ICAAP's ultimate goal of assuring capital adequacy and sustainability at all times, the ERM components serve to support the Bank's management in pursuing its strategy.

Risk appetite

Risk appetite defines the maximum level of risk the Bank is willing to accept in pursuing its business goals. The overall approach includes a risk appetite statement, risk limits, and the roles and responsibilities of those overseeing the implementation and monitoring of the risk appetite framework. Limit framework (i.e. risk appetite framework) of the Bank includes risk limits set in Risk Appetite Statement and Risk Strategy, industry limits, maximum lending limits and operational limits.

The Bank Risk Appetite Statement (Bank RAS) represents a strategic statement that expresses the maximum level of risk it is willing to accept in order to deliver its business objectives. The Bank RAS acts as a binding constraint to the Bank's business activities within its overall risk appetite via triggers and limits approved by the management board. It is integrated and embedded into the Bank's structural processes; including business and risk strategy, budget process, capital and liquidity planning, recovery plan, stress testing and remuneration framework. The Bank RAS consists of a set of core risk metrics (capital, liquidity, risk/earnings) providing quantitative direction for overall risk-return steering and qualitative statements in the form of key risk principles that are part of the guidelines for managing risks.

The core risk metrics are set as ultimate boundaries for the Bank risk-return target setting. They are also a key part of the annual strategic planning / budgeting process and give an overall picture of capital, liquidity and risk-return trade-offs. The key objective of the RAS is to:

– ensure that the Bank has sufficient resources to support its business at any given point in time and absorb stress events;
– set boundaries for the Bank's risk target setting;
– support the Bank's financial strength and the robustness of its systems and controls.

To foster risk-return steering and ensure proactive management of the risk profile, the Bank creates its RAS on a forward looking basis. External constraints such as regulatory requirements create the floor and ceiling for the RAS and therefore the amount of risk the Bank is willing to accept. To ensure that the Bank remains within the targeted risk profile, a traffic light system was established and assigned to the core metrics. This approach allows a timely delivery of information to the respective governance and the implementation of effective remediation measures. The RAS traffic light system is defined as follows:

– RAS is green: The target risk profile is within the specified boundaries.
– RAS is amber: The undershooting or overshooting of a predefined threshold leads to an escalation to the designated governance and the discussion of potential remediation actions.
– RAS is red: The undershooting or overshooting of a predefined limit initiates an immediate escalation to the designated governance and a prompt implementation of remediation actions.

Moreover, stress indicators are defined for selected core metrics and integrated into the assessment of the stress test results. They are reported as early warning signals to the management board to support proactive management of the risk and capital profile.

In addition, supporting metrics and principles are defined by material risk type in the Risk Strategy based on Bank RAS. These support implementation of the mid- to long-term strategy. Risk management governance ensures full oversight of risk decisions and sound execution of the Bank risk strategy. Mitigating actions are undertaken as part of the regular risk management process to ensure that the Bank remains within its RAS.

Bank RAS is approved by the management board and acknowledged by the risk committee of supervisory board and supervisory board. The Bank further developed an aggregated and consolidated risk appetite dashboard (Risk report) illustrating the group risk profile developments by comparing the risk exposure and risk limits. The Risk report is regularly presented to the management board and to the supervisory board to support its review, oversight, and monitoring of the group risk profile.

ESG risk drivers are embedded in the Risk Appetite Statement and in the risk strategy and are also part of Banks's Risk Materiality Assessments. They are integrated into Bank's risk taxonomy as general or transversal risks drivers, impacting primary risk types, such as credit, market, liquidity, non-financial and other risks. The Bank's definition of ESG risk drivers is part of the Group ICAAP Policy and covers a wide range of environmental, social and governance factors.

Portfolio and risk analytics

The Bank uses dedicated infrastructure, systems and processes to actively identify, measure, control, report and manage risks within its portfolio. Portfolio and risk analytics processes are designed to quantify, qualify and discuss risks in order to raise awareness to management in a timely manner.

Risk materiality assessment

The Risk Materiality Assessment (RMA) is a regular process for risk identification and assessment of potential impact of those risks on the risk profile of the Bank. It serves as a steering tool for the management in deciding on the necessity to allocate economic capital (EC) in Pillar 2/ICAAP or liquidity buffers in ILAAP (Internal Liquidity Adequacy Assessment Process), as well as for defining other risk steering measures. Risk steering and mitigation techniques are customized to the specific characteristics of each individual risk, with general requirements based on the materiality grade.

Moreover, RMA is a crucial input for various risk management activities, such as defining priorities and strategic initiatives for the Bank's risk strategy, setting limits within the risk appetite framework, and scenario design for comprehensive and reverse stress tests.

Risk concentration analysis

The Bank has implemented a process to identify measure, control and manage risk concentrations. This process is important to ensure the long-term viability of the Bank, especially in times of an adverse business environment and stressed economic conditions.

The risk concentration analysis at the Bank is performed on an annual basis covering credit risk, market risk, operational risk, liquidity risk and inter-risk concentrations. Identified risk concentrations are considered in the scenario design of the comprehensive stress test and measured under stressed conditions. The output of the risk concentration analysis additionally contributes to the identification of material risks within the RMA and to the setting/ calibration of the Bank's limit system.

Stress testing

Modelling sensitivities of the Bank's assets, liabilities and profit or loss provide management steering information and help to optimise the Bank's risk-return profile. Stress tests help to factor in severe but plausible scenarios providing further robustness to measurement, steering and management. Risk modelling and stress testing are vital forward looking elements of the ICAAP. Finally, sensitivities and stress scenarios are considered within the Bank's planning process.

The Bank's most complex stress testing activities are scenario stress tests that take a comprehensive account of the impact of various economic scenarios, including second-round effects on all risk types (credit, market, liquidity and operational) and effects on the associated volumes of assets and liabilities as well as on profit and loss sensitivities. In addition to the standard scenario-driven stress testing exercises, reverse stress tests are performed to identify a scenario or a combination of scenarios in which viability of the current business model can be questioned.

The Bank has developed specific tools to translate macroeconomic variables (e.g. GDP or unemployment rate) into risk parameters in order to support the stress testing process.

Results from internal stress tests are analysed in order to decide on appropriate measures. The internal comprehensive stress tests performed in 2024 indicated that the Bank remains within the stressed RAS (early warning threshold was triggered for Tier 1 and Solvency ratios in the first year of the scenario calculation).

Risk-bearing capacity calculation

The Risk-bearing Capacity Calculation (RCC) describes the methodology of Pillar 2 capital adequacy calculation. In contrast to the normative (regulatory) view of Pillar 1, referring to the Bank's ability to fulfil all of its capital-related regulatory and supervisory requirements and demands, the RCC is based on an economic view of Pillar 1+ approach, assuming continuation of the Bank as expected by the ECB Guide to ICAAP. The RCC determines whether the Bank has sufficient internal capital for covering all (regulatory and economic) risks it is exposed to. Economic and normative perspectives at the Bank are set in a way to mutually inform each other and are integrated into all material business steering activities and decisions. In addition, with applied Pillar 1+ approach the Bank increases efficiency and ensures comparability with the Pillar 1 calculation. Based on the results of the RMA, the economic capital is considered for relevant risk types as approved by the management board. The economic capital requirement is then compared to internally available capital (coverage potential) to cover the Bank's risks in Pillar 2. Both economic capital and coverage potential are computed on the CRR scope of consolidation of the Group based on IFRS Accounting Standards.

Besides the Pillar 1 risk types (credit, market in trading book, FX in banking book and operational risks), concentration risk, interest rate risk in the banking book, credit spread risk in the banking book as well as business risk are explicitly considered within the economic capital calculated over a horizon of one year and at a confidence level of 99.9%. For the calculation of the economic capital, the Bank uses, where possible, more risk sensitive/advanced methodologies tailored to its individual risk profile and specificities of the Bank's individual risk exposures. Diversification effects between risks (inter-risk diversification) are not considered, reflecting the Bank's prudent approach to maintain sufficient internal capital in times when correlations between risks may change dramatically (like in times of stress). The largest portion of economic capital requirements is coming from credit risk, which accounts for 61.5% of total economic capital requirements at the end of 2024 (2023: 60.7%).

The calculation of internal capital or coverage potential required to cover Pillar 2 risks/unexpected losses is based on Pillar 1+ approach. Namely, the regulatory own funds are adjusted by internal capital components, i.e. Pillar 2 adjustments, necessary to come to the internally available capital deemed as risk-bearing and loss absorbing from the economic view (e.g. exclusion of Additional Tier 1 and Tier 2 capital instruments, Pillar 2 IRB expected loss excess/ shortfall add-on, year-to-date profit, if it is not already considered in Pillar 1 capital, etc.).

The coverage potential must be sufficient to absorb Pillar 2 risks/unexpected losses resulting from the Bank's operations at any point in time (normal and stressed), as reflected in the Bank's Risk Appetite through the limits set for Bank economic capital adequacy and stressed capital adequacy utilisation. At the end of 2024, the economic capital adequacy was at 66.2% (2023: 57.9%), fully in line with group RAS.

Risk planning

Bank Risk Planning framework is essential for the capital allocation and overall financial planning processes and supports the adequate reflection of risks within the strategy, steering and management processes of the Bank.

Methods and instruments applied

Key risk indicators covered by the Risk Planning framework include indicators that provide an overview of incurred or potential risks, with respect to both portfolio and economic environment developments. Indicators include RWA (and related indicators), portfolio quality indicators (impairments, NPL/NPE and relevant performance indicators etc.), as well as indicators required by the regulatory authorities under the responsibility of the Risk division.

Planning activities are performed in close cooperation with all stakeholders in the Bank´s overall process and follow a clear governance structure to ensure sound risk planning process.

Capital allocation

An important task integral to the risk planning process is the allocation of capital to entities, business lines and segments. This is done with close cooperation between Risk Management and Controlling. Methodology for allocation reflects risk and controlling processes in order to allocate capital with risk-return considerations.

The Bank's aggregate capital requirements by risk type

The following diagrams present the composition of the economic capital requirements according to type of risk:

Economic capital allocation in %	2024	2023
Credit risk	61.52%	60.69%
Market risk	29.81%	29.90%
Operational risk	4.86%	4.43%
Other risks	3.81%	4.98%

Other risks include business risk and liquidity risk.

28 Own funds and capital requirements

Statement of capital for the Bank's capital adequacy calculation on a standalone basis as reported to the regulator in accordance with applicable rules[28] as of 31 December 2024 and 2023:

in CZK million	2024	2023
Tier 1 capital	118,627	115,457
Tier 1 + Tier 2 capital	131,031	124,501
Exposure to credit risk	636,837	603,538
Exposure to market risk	4,889	2,956
Exposure to operational risk	55,982	54,906
Total risk exposure	**697,708**	**661,400**
Capital adequacy ratio for the year (Tier 1 ratio)	**17.0%**	**17.5%**
Capital adequacy ratio for the year (Tier 1+Tier 2 ratio)	**18.8%**	**18.8%**

The Bank meets all capital adequacy requirements as requested by regulators as of 31 December 2024 and 2023.

29 Credit risk: credit risk review and monitoring

ESG risk management

The Bank integrates ESG factors in its risk management and industry strategy framework. The ESG Factor Heatmap is used as a screening instrument to identify certain industry segments (out of the existing sub-industries) that may be exposed to ESG risk factors and determine those industries which are more vulnerable to ESG risks. The Bank establishes industry strategies and lending standards to support the steering of the portfolio under considerations of ESG risks; both are the basis for decisions, which determine which clients and transactions fit into the Bank's portfolio.

Secondly, the Bank has established an ESG risk framework for the assessment of material ESG factors, related risks and appropriateness of the mitigating strategies in the credit and rating processes. In this manner, the Bank takes ESG risk criteria into account when making credit decisions.

For large corporate, commercial real estate and commercial residential real estate transactions, the Bank conducts a systemic ESG analysis via an internal digital ESG assessment questionnaire. The questionnaire is a mandatory prerequisite in the loan origination and monitoring process. By providing a comprehensive ESG risk assessment, the Bank is able to determine how certain ESG factors may have a positive or negative impact on the financial performance of clients. The questionnaire enables the Bank to identify clients' ESG risks or opportunities.

(28) Reported figures are based on the methodology, where the Bank has used the possibility stated in the Article 26/2 of the CRR to include in the Common Equity Tier 1 capital credit risk adjustments.

Particular questions in the questionnaire may also require an in-depth assessment in order to understand the nature and severity of the ESG risks to which the client is exposed. The questionnaire forms an integral part of the credit application and is updated at least annually, allowing the Bank to understand the client's business model in the context of carbon transition. In order to support achieving the Bank's decarbonization targets, additional lending guidance has been introduced for large corporates, depending on their communicated strategy to align with climate science recommendations.

Furthermore, ESG relevant data is collected for certain types of collateral, as defined in the Collateral Management Policy for real estate collateral valuations, documentation and reporting purposes. Environmental aspects which affect the value of the collateral have to be included in the real estate valuations, which can lead to a higher or lower valuation result. Moreover, any risks arising from social (e.g., location and transportation, mass urbanisation – being indicators for easy accessibility for people) and governance factors (such as improper business practices such as tax fraud or bribery of the financed company being the owner of the building serving as collateral) have to be considered as well. For commercial real estate assets, the questionnaire additionally includes an assessment of the building's environmental footprint, including information on land consumption, space efficiency, and the existence of a sustainable building certificate. Similarly to large corporate lending, the Bank has introduced additional lending guidance for commercial real estate financing, tied to the carbon footprint of the financed asset.

With regards to credit risk measurement and internal models a respective project to define and collect relevant climate risk drivers for all rating systems has started in 2022 to ensure the explicit consideration of climate risks in future model development initiatives. In 2024, ESG factors are considered in the soft facts assessment in the corporate rating models. In case of sovereigns and banks, the rating is overridden based on the ESG score derived from available sources World Bank / OECD and Bloomberg respectively. Moreover, if it is concluded that calculated model rating does not reflect the ESG risk properly, then rating can be overridden manually based on ESG assessment questionnaire. For the LGD models, climate risk is indirectly reflected via the collateral value. Additionally, within each new model development, testing of the ESG drivers is obligatory and where it is deemed relevant, the respective information needs to be integrated via model into ECL measurement. As of 31 December 2024 (31 December 2023) no overlays are deemed necessary.

For the assessment and management of physical risks, the Erste Group uses Munich Re's Location Risk Intelligence. Over the last year, the Erste Group has conducted a physical risks materiality assessment together with the University of Graz in order to identify key hazards and climate change scenarios relevant for its collateral portfolio. The results of the assessment, highlighting the importance of river flood, fire weather stress, drought stress, sea level rise and heat stress, are integrated into the collateral management, incorporating an intermediate climate change scenario of 2-3C by 2100 (Representative Concentration Pathway 4.5 / Shared Socioeconomic Pathway 2, developed by the Intergovernmental Panel on Climate Change) as a reasonable assumption. The Bank is going to roll out Erste Group's risk materiality assessment of physical risks during 2025. For the Bank the most significant physical risk is considered river flood. Possible negative impact on the collateral value is evaluated according to FLATZONE (partner of INTERMAP).

Among the industries presented in the table 'Credit risk exposure by industry and risk category' below in this chapter, the Bank identified, as part of the strategic climate initiative for the Net Zero Banking Alliance, certain carbon-intensive sectors as important levers for setting interim emission targets for 2030, thereby supporting the migration of 'Transition Risk' in Bank's financed portfolio. Targets are set for the following sectors: housing mortgages, commercial real estate, electricity production, heat and steam production, auto manufacturing, iron and steel.

During 2024 the Bank conducted climate scenario analysis. The Bank developed methodology to assess the impact of NGFS (the Network for Greening the Financial System) forward looking scenarios: Net zero 2050, Delayed Transition, and Current policies. The scenarios provide a set of plausible climate change pathways and the Bank evaluates the impact on corporate portfolio.

Methods of credit risk management

Credit risk arises in the Bank's traditional lending and investment businesses.

Operative credit decisions are made by the Bank´s credit risk management and by Corporate Risk Management at the Group level.

Credit risk related to retail and SME loan portfolios is managed at the Group and at the Bank´s level with a common interest to ensure regulatory compliant risk management practices and to provide customers with manageable loan facilities that are within their financial capacities and supported by underlying profitability.

Internal rating system

The Bank has business and risk strategies in place that govern policies for lending and credit approval processes. These policies are reviewed at a minimum on an annual basis and adjusted if necessary. They cover the entire lending business, considering the nature, scope and risk level of the transactions and the counterparties involved. Credit approval considers individual information on the creditworthiness of the customer, the type of credit, collateral, covenant package and other risk mitigation factors involved.

The assessment of credit default risk within the Bank is based on the customer's probability of default (PD). For each credit exposure and lending decision, the Bank assigns an internal rating, which is a unique measure of the credit default risk. The internal rating of each customer is updated event-specific, however, at least once a year (annual rating review). Ratings of workout customers are reviewed more frequently.

The main purpose of the internal ratings is to support the decision- making for lending and for the terms of credit facilities. Internal ratings also determine the level of credit approval authority within the Bank and the monitoring procedures for existing exposures. At a quantitative level, internal ratings influence the level of required risk pricing, loss allowances and, where applicable, risk-weighted assets under Pillar 1 or 2.

The Bank uses the internal ratings-based (IRB) approach. Internal ratings are key input for the risk-weighted assets calculation. They are also used in the Group's assessment of the economic capital requirements according to Pillar 2 and in other relevant model use areas. For these purposes, a distinct PD value is assigned to each rating grade for its IRB portfolios within a calibration process that is performed individually for each rating method and each portfolio. PD values reflect a 12-month probability of default based on long-term average default rates per rating grade. The Bank assigns margins of conservatism to the calculated PDs.

Internal ratings take into account all available significant information for the assessment of counterparty default risk. For non-retail borrowers, internal ratings take into account the financial strength of the counterparty, the possibility of external support, flexibility in corporate financing, general company information and external credit history information, where available. For retail clients, internal ratings are based mainly on payment behaviour versus the Bank and, where applicable, credit bureau information, supplemented with information provided by the respective client and general demographic information. Rating ceiling rules on credit quality are applied based on membership in a group of economically related entities and the country of main economic activity (applicable to cross-border financing facilities).

Internal specialist teams develop and improve internal rating models and risk parameters in cooperation with risk managers. All Pillar 1 and 2, as well as IFRS 9 models are subject of an annual review of their estimates, considering the inclusion of most recent data in the estimation of risk parameters, as well as a regular cycle of full model review. Model development follows an internal group-wide methodological standard and utilizes relevant data covering the respective market. In this way, the Bank ensures the availability of rating models with the best possible prediction across its core regions.

The central Model Validation department is responsible for defining the validation methodologies and standards to be applied to all credit risk models within the Bank as well as for conducting the validation activities across the whole the Bank. All Pillar 1, material Pillar 2 and IFRS 9 models are subject to an annual validation, while for non-material Pillar 2 and IFRS 9 models a regular validation cycle is implemented. Model Validation employs qualitative as well as quantitative validation methods to challenge conceptual soundness, performance and model use aspects. The validation outcomes are approved by the respective model committees and, in case of IRB models, shared with the regulatory bodies. In addition to the validation process, the Bank applies a regular monitoring process on the performance of IRB models, reflecting developments in new defaults and early delinquencies.

Approvals of all new models, model changes, changes to risk parameters, changes in group-wide methodological standards and other model-related aspects are following a dual approval process within Erste Group – corresponding

Holding and local model committee structures reflect joint responsibilities for decisions on Pillar 1 IRB and Pillar 2 credit risk models as well as on methodologies related to IFRS 9 parameters. Responsibilities are assigned depending on model perimeter (group-wide or locally developed model). In this context, the following committees are established: Strategic Risk Executive Committee and Strategic Risk Management Committee on the Holding level and Risk Management Model Committee on the local level. Ultimate responsibility for all models used within Erste Group (at consolidated level) lies with the Group CRO.

Credit risk classification

For the disclosure of asset quality the Bank assigns each customer to one of the following four risk categories:

Low risk. Typically regional customers with well-established and rather long-standing relationships with the Bank or large internationally recognised customers. Very good to satisfactory financial position and low likelihood of financial difficulties relative to the respective market in which the customers operate. Retail clients having long relationships with the Bank, or clients with a wide product pool use. No relevant late payments currently or in the most recent 12 months. New business is generally done with clients in this risk category.

Management attention. Vulnerable non-retail clients, who may have overdue payments or defaults in their credit history or may encounter debt repayment difficulties in the medium term. Retail clients with possible payment problems in the past triggering early collection reminders. These clients typically have a good recent payment history.

Substandard. The borrower is vulnerable to short-term negative financial and economic developments and shows an elevated probability of failure. In some cases, restructuring measures are possible or already in place. As a rule, such loans are managed in specialised risk management departments.

Non-performing. One or more of the default criteria under Article 178 of the CRR are met, which include full repayment unlikely, interest or principal payments on a material exposure more than 90 days past due, restructuring resulting in a loss to the lender, realisation of a loan loss, or initiation of bankruptcy proceedings. The Bank applies the customer view for all customer segments, including retail clients; if an obligor defaults on one deal then the customer's performing transactions are classified as non-performing as well. All non-performing exposures are also defaulted.

The materiality of 90 days past due credit obligation is applied for on-balance exposure at client level and assessed daily against the group-wide defined materiality threshold (except the local regulator has defined different thresholds) for the:

– retail exposure: as an absolute limit on client level of 100 EUR and relative 1% on client level;

– non-retail exposure: as an absolute limit on client level of 500 EUR and relative 1% on client level.

Based on the calibration of internal PDs (probabilities of default) for regulatory purposes to the default rates published by rating agencies, the equivalent external customer rating was used for the assignment to risk categories. For the agency ratings, average one-year default rates resulting from long-term time series were applied.

Credit risk review and monitoring

Enterprise-wide Risk Management conducts periodical reviews of the loan portfolio for each entity to ensure an adequate portfolio quality and to monitor the compliance of local portfolios with the principles and parameters as stipulated by credit risk policies.

All credit limits and the transactions booked within the limits are reviewed at least once a year. Counterparty credit risk limits are monitored daily in an internal limit management system with remedial actions taken in case limits are exceeded.

A group-wide standardised early warning monitoring process is implemented to proactively identify negative developments. The early warning signals are monitored by Corporate and Retail Credit Risk Management for respective segments. When early warning signals are identified and validated, the overall client exposure and creditworthiness is reviewed and adequate risk mitigating actions are taken if deemed necessary. Watch list meetings are held on a regular

basis to monitor customers with a poor credit standing and to discuss pre-emptive measures. For smaller enterprises (micro) and retail customers, the monitoring and credit review are based on an automated early warning system. In retail risk management, the early warning signals for adverse portfolio developments include, for instance, quality deterioration in new business or a decreasing collections effectiveness and require appropriate countermeasures. Additionally, the monitoring is performed for clients where early warning signals have been identified, even if they are still fulfilling their contractual repayment obligations.

Adverse portfolio developments regarding the non-performing and substandard loans portfolio of the Bank are monitored, discussed and reported. In case of further negative developments clients are managed in specialized workout units aiming to maximise recoveries.

30 Credit risk exposure

Credit risk exposure relates to the sum of the following balance sheet items:

- cash and cash equivalents - demand deposits to credit institutions;
- debt instruments held for trading;
- non-trading debt instruments at fair value through profit or loss (FVPL);
- debt instruments at fair value through other comprehensive income (FVOCI);
- debt instruments at amortised cost (AC), other than trade and other receivables;
- trade and other receivables (for disclosure purposes in the tabular summaries below, any contract assets are also included in this category);
- finance lease receivables;
- debt instruments held for sale in disposal groups;
- positive fair value of derivatives;
- off-balance sheet credit risks (primarily financial guarantees and undrawn irrevocable credit commitments).

The credit risk exposure equates the gross carrying amount (or nominal value in the case of off-balance sheet positions) excluding:

- credit loss allowances for financial assets;
- credit loss allowances for loan commitments and financial guarantees;
- provisions for other commitments;
- any collateral held (including risk transfer to guarantors);
- netting effects;
- other credit enhancements;
- credit risk mitigating transactions.

Between 31 December 2023 and 31 December 2024, the credit risk exposure increased from CZK 1,966 billion to CZK 2,232 billion. This is an increase of 13.5% or CZK 266 billion.

Reconciliation between the gross carrying amount and the carrying amount of the credit risk exposure components

in CZK million	Credit risk exposure	Credit loss allowances	Adjustments	Net carrying amount
2024				
Cash and cash equivalents - demand deposits to credit institutions	430	-	-	430
Debt instruments held for trading	12,911	-	-	12,911
Non-trading debt instruments at FVPL	1,391	-	-	1,391
Debt securities	700	-	-	700
Loans and advances to banks	691	-	-	691
Debt instruments at FVOCI	51,003	(192)	353	51,164
Debt securities	51,003	(192)	353	51,164
Debt instruments at AC	1,836,058	(17,935)	-	1,818,123
Debt securities	369,059	(26)	-	369,033
Loans and advances to banks	453,127	(8)	-	453,119
Loans and advances to customers	1,013,872	(17,901)	-	995,971
Trade and other receivables	2,470	(177)	-	2,293
Finance lease receivables	284	(2)	-	282
Positive fair value of hedge derivatives	2,930	-	-	2,930
Off balance-sheet exposures	324,170	(1,316)	-	-
Financial guarantees	21,791	(180)	-	-
Loan commitments	168,535	(1,058)	-	-
Other commitments	133,844	(78)	-	-
Total	**2,231,647**	**(19,622)**	**353**	**1,889,524**
2023				
Cash and cash equivalents - demand deposits to credit institutions	1,634	(1)	-	1,633
Debt instruments held for trading	16,662	-	-	16,662
Non-trading debt instruments at FVPL	1,590	-	-	1,590
Debt securities	734	-	-	734
Loans and advances to banks	856	-	-	856
Debt instruments at FVOCI	51,999	(156)	482	52,325
Debt securities	51,999	(156)	482	52,325
Debt instruments at AC	1,599,426	(18,864)	-	1,580,563
Debt securities	347,866	(28)	-	347,839
Loans and advances to banks	307,834	(5)	-	307,829
Loans and advances to customers	943,726	(18,831)	-	924,895
Trade and other receivables	2,178	(417)	-	1,761
Finance lease receivables	300	(17)	-	284
Positive fair value of hedge derivatives	3,241	-	-	3,241
Off balance-sheet exposures	288,780	(1,137)	-	-
Financial guarantees	26,211	(230)	-	-
Loan commitments	155,076	(850)	-	-
Other commitments	107,493	(57)	-	-
Total	**1,965,810**	**(20,592)**	**482**	**1,658,059**

‘Cash and cash equivalents - Cash balances at central banks’ (see Note 12) represent balances with the Czech National Bank and therefore the credit risk corresponds to the credit risk of the Czech Republic.

Credit risk allowances comprise impairments for financial assets measured at amortised cost (including finance lease and trade and other receivables) and at fair value through other comprehensive income (FVOCI), as well as provisions for off-balance sheet exposures. Adjustments refer to the fair value changes of the carrying amount for financial assets at FVOCI.

The gross carrying amount of contingent liabilities refers to the nominal value, while credit risk provisions refer to provisions for guarantees. A carrying amount is not presented in the case of contingent liabilities.

Breakdown of credit risk exposure

On the following pages the credit risk exposure is presented according to different segmentation criteria.

Credit risk exposure by industry and risk category

in CZK million	Low risk	Management attention	Substandard	Non-performing	Total
2024					
Natural Resources & Commodities	38,995	18,621	3,769	2,105	63,490
Energy	47,766	9,463	5,534	420	63,183
Construction and building materials	40,345	22,304	1,932	1,041	65,622
Automotive	25,534	7,664	970	289	34,457
Cyclical Consumer Products	20,489	13,363	3,227	1,459	38,538
Non-Cyclical Consumer Products	25,359	15,349	1,070	414	42,192
Machinery	16,592	10,754	751	1,485	29,582
Transportation	27,612	9,156	1,311	219	38,298
TMT; Telecommunications, Media, Technology and Paper & Packaging	18,509	5,611	422	177	24,719
Healthcare & Services	16,234	5,661	1,215	471	23,581
Hotels, Gaming & Leisure Industry	18,679	3,769	1,243	626	24,317
Real Estate	133,841	4,722	3,673	1,780	144,016
Public Sector	856,830	3,089	38	807	860,764
Financial Institutions	151,506	5,183	788	31	157,508
Private Households	522,187	83,622	7,882	7,688	621,379
Other	1	-	-	-	1
Total	**1,960,479**	**218,331**	**33,825**	**19,012**	**2,231,647**
2023					
Natural Resources & Commodities	44,821	9,991	2,030	2,669	59,510
Energy	54,192	5,143	5,788	373	65,495
Construction and building materials	43,456	14,195	2,663	812	61,126
Automotive	29,117	2,955	811	289	33,172
Cyclical Consumer Products	23,896	11,475	2,299	1,193	38,863
Non-Cyclical Consumer Products	27,524	10,216	1,359	382	39,481
Machinery	16,594	5,994	755	1,446	24,790
Transportation	24,392	4,380	420	367	29,559
TMT; Telecommunications, Media, Technology and Paper & Packaging	19,890	2,625	495	873	23,883
Healthcare & Services	16,959	3,426	1,553	353	22,291
Hotels, Gaming & Leisure Industry	19,828	2,496	1,401	912	24,636
Real Estate	102,323	9,347	6,327	1,379	119,376
Public Sector	705,409	847	30	818	707,104
Financial Institutions	133,699	2,999	1,279	30	138,007
Private Households	492,346	71,047	7,750	7,366	578,508
Other	1	8	-	-	9
Total	**1,754,446**	**157,144**	**34,959**	**19,262**	**1,965,810**

The low risk exposure has the highest proportion in total credit risk exposure, with 87.85% (2023: 89.25%), while management attention represents 9.78% (2023: 7.99%), The substandard exposure represents 1.52% (2023: 1.78%) and the non-performing 0.85% (2023: 0.98%).

From industry and financial instrument point of view, the highest exposure is represented by public sector exposure of CZK 861 billion (2023: CZK 707 billion) and private households exposure of CZK 621 billion (2023: CZK 579 billion),

representing 66.4% (2023: 65.4%) from total. The increase in exposure under management attention is partly due to upgrades from non-performing part and partly due to the implementation of new corporate rating methods, which are slightly more conservative.

31 Use of collateral

Recognition of credit collateral

The Collateral Management department is a staff unit within the Strategic Risk Management Department. The Bank's Collateral Management Policy Part 1 Credit Collateral defines, among other things, uniform valuation standards for credit collateral across the Bank. It ensures that the credit risk decision processes are standardised with respect to accepted collateral values.

All collateral types acceptable within the Bank are contained in the Bank's Collateral Catalogue. Locally permitted collateral is defined in accordance with applicable Czech legal provisions. The valuation and revaluation of collateral is done according to the principles defined in the Bank's Collateral Catalogue broken down by collateral type and based on the internal work instructions in accordance with the individual supervisory requirements. Whether a type of collateral or a specific collateral asset is accepted for credit risk mitigation is decided by Credit Risk Management after determining if the applicable regulatory requirements are met. Relevant back office unit monitor adherence to the standard work processes stipulated for assigning the acceptable collateral assets to the categories available.

Main types of credit collateral

The following types of credit collateral are accepted:

- real estate: residential and commercial real estate;
- financial collateral: securities, cash deposits and life insurance policies;
- guarantees: given by sovereigns, public sector entities, financial institutes, companies and individuals. All guarantors must have a minimum credit rating, which is reviewed annually;
- movables: equipment, investment goods, machinery and motor vehicles;
- claims and rights: trade account receivables, leasehold rights and shares in a company's capital.

Collateral valuation and management

Collateral valuation is based on current market prices while taking into account an amount that can be recovered within a reasonable period. The valuation processes are defined and their IT-supported technical application is performed by Collateral Management unit and by authorised staff with the assistance of software applications. The allocated collateral values are capped by the amount of the secured transaction. Therefore, imputed excess collateral values are not possible. Only independent appraisers not involved in the lending decision process are permitted to conduct real estate valuations, and the valuation methods to be applied are defined by the Bank. For quality assurance purposes, the real estate evaluation mechanism and real estate valuations are validated on an ongoing basis for all segment of financing.

The methods and discounts used for valuations are based on empirical data representing past experience of the workout departments and on the collected data on recoveries from realising collateral. The valuation methods are adjusted regularly – at least once a year – to reflect current recoveries. Mechanism for regular update is described in Collateral Management Policy.

The revaluation of collateral is done periodically and is automated as far as possible. The maximum periods for the revaluation of individual collateral assets are predefined and compliance is monitored by risk management using software application COLMAN. Apart from periodic revaluations, collateral is assessed when information becomes available that indicates a decrease in the value of the collateral for exceptional reasons.

Concentration risks resulting from credit risk mitigation techniques may affect a single customer, but also a portfolio defined by region, industry, or type of collateral. The Bank is a retail bank, and, due to its customer structure and the markets in which it operates, it does not have any concentrations with respect to collateral from customers. All guarantee liabilities and loans of a corporate guarantee provider are taken into consideration in the credit application process in order to prevent possible concentrations. Guarantees provided by sovereigns, a public sector entity or financial institutions have to lie within the approved limit of the guarantor. Concerning other areas of a potentially detrimental correlation of risks, the collateral portfolios are analysed using statistical evaluations for, among other things, regional or industry-specific concentrations within the scope of portfolio monitoring. The response to those risks identified includes, above all, the adjustment of volume targets, setting of corresponding limits and modification of the staff's discretionary limits for lending.

Collateral obtained in foreclosure proceedings is made available for sale in an orderly manner, with the proceeds used to reduce or repay the outstanding claim.

Treasury collateral

The department Financial Markets Risk Management is responsible for treasury collateral. The Bank Collateral Management Policy Part 2 defines, among other things, uniform valuation standards for treasury collateral across the entire Bank.

Under the framework of treasury collateral, netting agreements (international framework agreements for derivatives of the International Swap and Derivatives Association (ISDA), Czech framework agreements, framework agreements for securities lending transactions and repurchase deals) as well as collateral agreements (e.g. ISDA Credit Support Annex) are used for reducing the credit risk from derivatives.

Netting agreements make it possible to net all amounts due or payable for each individual transaction under a framework agreement in the case of a credit default, with the result that only the net receivables vis-à-vis the business partner are of relevance for credit risk. Within the scope of these collateral agreements, the portfolio with the respective counterparty is revalued periodically, usually daily, and in case of insufficient coverage additional collateral is requested. The policy restrictions on collateral types ensure that collateral received predominantly consists of cash or securities of investment grade quality. In the case of securities used as collateral, an additional valuation discount (haircut) depending on credit quality and residual maturity is applied.

Credit risk exposure by financial instrument and collateral

			Collateralised by				Impairment IFRS 9		
in CZK million	Total credit risk exposure	Collateral total	Guarantees	Real estate	Other	Credit risk exposure net of collateral	Neither past due nor credit impaired	Past due but not credit impaired	Credit impaired
2024									
Cash and cash equivalents - demand deposits to credit institutions	430	-	-	-	-	430	430	-	-
Debt instruments held for trading	12,911	-	-	-	-	12,911	-	-	-
Non-trading debt instruments at FVPL	1,391	-	-	-	-	1,391	-	-	-
Debt instruments at FVOCI	51,003	-	-	-	-	51,003	51,003	-	-
Debt instruments at AC	1,836,058	1,012,656	23,925	547,172	441,559	823,402	1,814,390	3,889	17,778
Debt securities	369,059	3,111	3,111	-	-	365,948	369,059	-	-

in CZK million	Total credit risk exposure	Collateral total	Collateralised by			Credit risk exposure net of collateral	Impairment IFRS 9		
			Guarantees	Real estate	Other		Neither past due nor credit impaired	Past due but not credit impaired	Credit impaired
Loans and advances to banks	453,127	433,584	376	-	433,208	19,543	453,127	-	-
Loans and advances to customers	1,013,872	575,961	20,438	547,172	8,351	437,911	992,204	3,889	17,778
Trade and other receivables	2,470	105	105	-	-	2,365	2,298	86	87
Finance lease receivables	284	-	-	-	-	284	285	-	-
Positive fair value of hedge derivatives	2,930	-	-	-	-	2,930	-	-	-
Off balance-sheet exposures	324,170	25,463	543	8,549	16,371	298,707	189,851	-	475
Total	**2,231,647**	**1,038,224**	**24,573**	**555,721**	**457,930**	**1,193,423**	**2,058,257**	**3,975**	**18,340**
2023									
Cash and cash equivalents - demand deposits to credit institutions	1,634	-	-	-	-	1,634	1,634	-	-
Debt instruments held for trading	16,662	-	-	-	-	16,662	-	-	-
Non-trading debt instruments at FVPL	1,590	-	-	-	-	1,590	-	-	-
Debt instruments at FVOCI	51,999	-	-	-	-	51,999	51,999	-	-
Debt instruments at AC	1,599,426	817,665	25,776	501,799	290,090	781,761	1,576,977	5,514	16,935
Debt securities	347,866	2,954	2,954	-	-	344,912	347,866	-	-
Loans and advances to banks	307,834	283,497	369	-	283,128	24,337	307,834	-	-
Loans and advances to customers	943,726	531,214	22,453	501,799	6,962	412,512	921,277	5,514	16,935
Trade and other receivables	2,178	529	529	-	-	1,649	1,765	96	317
Finance lease receivables	300	-	-	-	-	300	300	-	-
Positive fair value of hedge derivatives	3,241	-	-	-	-	3,241	-	-	-
Off balance-sheet exposures	288,780	18,950	773	8,399	9,777	269,830	180,160	-	1,127
Total	**1,965,810**	**837,145**	**27,079**	**510,199**	**299,867**	**1,128,666**	**1,812,836**	**5,610**	**18,379**

The collateral attributable to exposures that are credit-impaired at 31 December 2024 amounts to CZK 6,857 million (2023: 6,787 million).

32 Measurement of expected credit loss

The general principles and standards for credit loss allowances are governed by internal policies in the Bank. According to IFRS 9, credit loss allowances are calculated for all components of credit risk exposures which are measured at amortised cost (AC) or at fair value through other comprehensive income. They include debt securities, loans and advances, demand deposits on nostro accounts with commercial banks as well as finance lease and trade receivables. Also, credit loss allowances are calculated for loan commitments and financial guarantees if they meet the applicable IFRS 9 definitions.

Classification into stages and definition of credit-impaired financial instruments

There are three main stages outlined for expected credit loss (ECL) determination. The stages approach applies to financial instruments within the scope of the impairment requirements of IFRS 9 and those that are not categorised as purchased or originated credit impaired financial assets (POCI), which form a category of their own. Depending on the impairment status and the assessment of the development of credit risk, these financial instruments are assigned to one of the three stages, as described in the chapter ' FINANCIAL INSTRUMENTS – MATERIAL ACCOUNTING POLICY INFORMATION', in the section 'Impairment of financial instruments'.

Significant increase in credit risk determination

Assessment of significant increase in credit risk (SICR) of financial instruments as at the reporting date since initial recognition is one of the key drivers affecting the amount of the ECL recognised based on IFRS 9 requirements. In this respect, across portfolios and product types, quantitative and qualitative indicators are defined for assessing SICR, including the indicator of 30 days-past-due (DPD).

The Bank methodology allows introduction of the cure periods for migrations back to Stage 1 from Stage 2 in addition to those already established in general credit risk practices (forbearance, watch lists, default). However, for migration back to Stage 1 there are no additional cure periods applied for quantitative criteria other than those already established in general credit risk practice (e.g. for rating improvement).

Quantitative criteria. Quantitative SICR indicators include adverse changes in lifetime probability of default with significance being assessed by comparison to the thresholds. The Bank has established thresholds for significant increases in credit risk based on both a percentage (relative) and absolute change in PD compared to initial recognition. SICR occurs for a particular financial instrument, when both the relative and the absolute thresholds are breached.

The relative measure is calculated as a ratio between current annualised LT PD and annualised LT PD value on initial recognition, considering remaining maturity of the instrument. The breach means that such ratio has reached or is higher than the established threshold. These relative thresholds for SICR assessment are established at PD segment level or client rating level, as necessary, and are subject to initial and on-going validation.

The relative thresholds

	2024		2023	
Threshold interval	**Min**	**Max**	**Min**	**Max**
Retail	101%	330%	101%	330%
Corporate	133%	359%	133%	359%
Banks	124%	128%	124%	128%
Public sector	219%	240%	219%	240%
Governments	113%	134%	113%	134%
Institutions	219%	240%	219%	240%

The relative thresholds can vary from 101% to 359% according to PD segment and rating level. In general, the maximal thresholds are applied in case of clients with higher credit quality and minimal in case of clients with lower credit quality.

There are certain portfolios where SICR quantitative criteria are assessed based on the ratings rather than PDs. The main rule in those cases is that downgrading of the ratings would lead to a positive conclusion on SICR. These rules are applied primarily to leasing and factoring business receivables.

The relative thresholds in place since the IFRS 9 implementation were kept stable as one of the most significant estimates in ECL measurement. In the fourth quarter of 2022, the process of splitting the corporate portfolio into Group (large) Corporates and Local Corporates was initiated and it triggered in 2023 thresholds' recalibration for these portfolios.

The absolute threshold refers to difference of LT PD on initial recognition and current LT PD. It is set to a maximum of 50 bps and serves as a back-stop for migrations between the best ratings (LT PDs considered for remaining maturity). In such cases, relative thresholds may be breached, however overall LT PD is very low, and therefore SICR is not triggered.

Qualitative criteria. Qualitative SICR indicators include forbearance-type flags (identification of regulatory forbearance), information from the early-warning system (threshold is set up to level of EW2 - client is on watch list), fraud indicators and 30 days past due. The assignment of some of the qualitative indicators inherently relies on experienced credit risk judgment being exercised adequately and in a timely manner. The related group-wide and entity-level credit risk controlling policies and procedures (adapted as necessary in the light of transition to IFRS 9) ensure the necessary governance framework. These indicators are used internally for identification of insolvency or increased probability that a borrower will enter bankruptcy and there is increased risk of default in the foreseeable future.

Besides the qualitative indicators defined on a client level, the assessment of a significant increase in credit risk is performed on a portfolio level if the increase in credit risk on individual instruments or at a client level is available only with a certain time lag or is observable exclusively on a portfolio level.

The Bank has introduced additional portfolio level SICR assessment criteria stemming from multiple geopolitical conflicts (implemented with the start of the war in Ukraine in 2022) and related macroeconomic impacts. For more details refer to ‘Collective assessment’ in chapter 35 Scenarios used in forward looking information.

Backstop. A backstop is applied and the financial instruments are considered to have experienced a SICR if the borrower is more than 30 days past due on contractual payments. As observed during validation, this does not represent a major trigger for Stage 2 classification.

Low credit risk exemption. The ‘low credit risk exemption’ allowed by IFRS 9 for ‘investment grade’ assets or other assets deemed ‘low risk’ (and resulting in 12 months expected credit losses being calculated irrespective of SICR quantitative measures) has been implemented with limitations in the Bank. Thus, the potential activation of this exemption is limited to particular types of debt instruments and counterparty categories, and only if supported by sufficient ‘low risk’ evidence. On this basis, the ‘low risk exemption’ is applied only to securities exposures (reverse repos excluded). The Bank considered that low credit risk is still appropriate since potential increase of riskiness is already incorporated in 1Y PD due to FLI.

As of 31 December 2024, in the Bank, the corresponding exposure amounted to CZK 415.5 billion (2023: CZK 395.7 billion) with 1Y PDs up to 0.5%. The rest of the securities exposure (reverse repos excluded) in the amount CZK 4.6 billion (2023: CZK 4.5 billion) with 1Y PD higher than 0.5% does not qualify for low credit risk exemption.

Measuring ECL – explanation of inputs and measurement

Credit loss allowances are calculated individually or collectively.

The individual calculation approach is applied in case of exposures to significant defaulted customers in Stage 3 or POCI. It consists in the individual assessment of the difference between the gross carrying amount and the present value of the expected cash flows, which are estimated by workout or risk managers. The discounting of the cash flows is based on the effective interest rate (POCI: credit- adjusted effective interest rate). However, the discount rate for financial guarantees shall reflect the current market assessment of the time value of money and the risks that are specific to the cash flows which in the Bank’s implementation means using a risk free rate as a proxy.

A defaulted customer is classified as individually significant if the total on- and off-balance exposure exceeds a predefined materiality limit 5 mil CZK. Otherwise, the customer is considered insignificant and a rule-based (collective) approach is used for the calculation of the related credit loss allowance as the product of gross carrying amount and LGD, where the LGD depends on characteristics such as time in default or the stage of the workout process.

For exposures to non-defaulted customers (i.e. in Stage 1 and Stage 2), collective allowances are calculated according to a rule-based approach irrespective of the significance of the customer. The calculation of collective allowances requires grouping the related exposures into homogenous clusters on the basis of shared risk characteristics. The grouping criteria may differ based on the customer segment (retail, corporate) and include product type, collateral type, repayment type, loan to value band. There are credit listed groups for calculation of collective allowance: MSE by product type, Private Individual by product type, in case of PI Mortgages the group is split according to LTV (<20%, 20-60%, 60-80%, >80%, LTV is missing). Recovery curves depends also on repayments type (cooperative versus noncooperative client).

The calculation of credit loss allowances is done on a daily basis on a single exposure level and in the contractual currency of the exposure. To compute the collective credit loss allowance, the Bank applies an expected credit loss (ECL) model based on a three-stage approach that leads to either a 12-month ECL or to a lifetime ECL. ECL is the discounted product of exposure at default (EAD) that also includes a credit conversion factor in the case of off-balance sheet exposures, probability of default (PD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of a borrower defaulting on its financial obligation (per definition of default below), either over next 12 months (1Y PD) for Stage 1 exposures or over the remaining lifetime (LT PD) for Stage 2 and 3 and POCI exposures.
- EAD is based on the amounts Bank expects to be owed at the time of default, over next 12 months (1Y EAD) for Stage 1 exposures, or over the remaining lifetime (LT EAD) for Stage 2 and 3 and POCI exposures. The estimation includes current balance, expected repayments and expected drawings up to the current contractual limit by the time of default.
- LGD represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit exposure at the time of default (EAD).

In 2024 the methodologies and segmentation for IFRS 9 parameters estimation were harmonized with methodologies and segmentation for the IRB regulatory parameters, resulting (together with regular recalibration process) in an ECL decrease of CZK 990 million in 2024. The impact was mainly on Retail segment related with segmentation changes when the loan portfolio was newly divided to secured and unsecured loans.

Life-time parameters

The LT PD is developed through observation of historical defaults over an available history. The calculated LT PDs are extrapolated, e.g., via matrix multiplication, to ensure that the final lifetime PD covers the lifetime of the loans from initial recognition. It is assumed to be the same across all assets in the same portfolio, rating band; and the country of risk which is an additional relevant PD characteristic considered via forward looking information in case of central models for Group (Large) Corporate.

The 1Y and LT EADs are determined based on the expected payment profiles, which vary by product type. The LT EAD calculation utilises repayment schedule or repayment type (annuity, linear, bullet). In the case of undrawn commitments, credit conversion factor is estimated for reflecting the expected credit exposure in the EAD.

The LGD is estimated as a lifetime curve for any point in time, based on historical loss observations.

The risk parameters used in the ECL calculation consider available information at the reporting date about past events, current conditions and forecasts on future economic trends. Generally, the risk parameters applied in the calculation of collective allowances differ from the risk parameters compliant with capital requirement regulations, calculated on a through-the-cycle basis, if the characteristics of the respective portfolio in combination with IFRS Accounting Standards necessitate this.

33 Credit risk exposure by IFRS 9 Stage and ECL

Credit risk exposure by business segment and IFRS 9 treatment

	Credit risk exposure					Credit loss allowances				NPE coverage ratio		
in CZK million	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Stage 1	Stage 2	Stage 3	POCI	Stage 2	Stage 3	POCI
2024												
Retail	584,457	75,638	8,989	878	17	(1,046)	(3,188)	(5,879)	(149)	4.2%	65.4%	16.9%
Corporates	395,773	91,735	7,483	1,489	84,778	(708)	(3,327)	(4,412)	(497)	3.6%	59.0%	33.4%
Group Markets	24,078	40	-	-	40,227	(7)	-	-	-	1.0%	100.0%	
ALM & LCC	889,826	98	88	-	26,053	(155)	(91)	(85)	-	93.0%	97.2%	
Total	**1,894,134**	**167,511**	**16,560**	**2,367**	**151,075**	**(1,916)**	**(6,606)**	**(10,376)**	**(646)**	**3.9%**	**62.7%**	**27.3%**
2023												
Retail	545,677	74,577	8,539	945	32	(1,406)	(4,762)	(5,524)	(212)	6.4%	64.7%	22.4%
Corporates	365,203	84,132	8,017	1,281	74,743	(646)	(2,504)	(4,778)	(343)	3.0%	59.6%	26.8%
Group Markets	35,705	238	-	-	47,894	(126)	(3)	-	-	1.4%	86.8%	100.0%
ALM & LCC	712,067	354	81	8	6,317	(46)	(98)	(80)	(8)	27.6%	98.5%	94.2%
Total	**1,658,652**	**159,301**	**16,637**	**2,234**	**128,986**	**(2,224)**	**(7,367)**	**(10,382)**	**(563)**	**4.6%**	**62.4%**	**25.2%**

Stage 1 and Stage 2 comprise not impaired credit risks exposure while Stage 3 includes impaired credit risks exposure. POCI (purchased or originated credit impaired) consists of credit risks exposure already impaired when purchased or originated.

Column ‘Not subject to IFRS 9 impairment’ represents exposures measured at fair values and revocable other commitments.

The defaulted part of POCI amounted to CZK 1,781 million (2023: CZK 1,741 million), the non-defaulted part to CZK 587 million (2023: CZK 493 million).

34 Development of credit loss allowances

The following tables give an overview over the development of credit loss allowances (CLA) per balance sheet line item.

In column 'Additions' increases of CLA due to the initial recognition of financial instruments during the current reporting period are disclosed. Releases of CLA following the derecognition of the related financial instrument are reported in column 'Derecognitions'.

In column 'Transfers between stages' CLA net changes due to changes in credit risk that triggered reassignments of the related financial instrument from Stage 1 (at 1 January 2024 or initial recognition date) to Stages 2 or 3 at 31 December 2024 or vice-versa are reported. The effects of transfers from Stage 1 to Stages 2 or 3 on the related CLAs are adverse and presented in lines attributable to Stages 2 or 3. The effects of transfers from Stages 2 or 3 to Stage 1 on the related CLAs are favourable and presented in line 'Stage 1'. The P&L-neutral effect from cross-stage transferring of the related CLA amounts recognised prior to stage reassignments are presented above in column 'Other changes in credit risk (net)'.

Any other changes in credit risk which do not trigger a transfer between Stage 1 and Stage 2 or 3 or vice-versa are disclosed in column 'Other changes in credit risk (net)'.

Financial instruments held at amortised cost

Movement in credit loss allowances - debt securities

in CZK million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	As of
	Jan 2024					Dec 2024
Stage 1	(21)	(3)	2	5	(4)	(21)
Stage 2	(7)	-	-	(2)	4	(5)
Total	**(28)**	**(3)**	**2**	**3**	**-**	**(26)**
	Jan 2023					Dec 2023
Stage 1	(28)	(13)	9	7	4	(21)
Stage 2	(6)	-	12	-	(13)	(7)
Total	**(34)**	**(13)**	**21**	**7**	**(9)**	**(28)**

The year-end total GCAs of AC debt securities that were initially recognised (purchased) during the year 2024 and not sold by 31 December 2024 amounts to CZK 51,000 million (2023: CZK 45,761 million). The GCA of AC debt securities that were held at 1 January 2024 and derecognised (matured/sold) during the year 2024 amounts to CZK 23,122 million (2023: CZK 9,663 million).

Movement in credit loss allowances - loans and advances to banks

in CZK million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	As of
	Jan 2024					Dec 2024
Stage 1	(5)	(87)	80	-	4	(8)
Stage 2	-	-	-	-	-	-
Total	**(5)**	**(87)**	**80**	**-**	**4**	**(8)**
	Jan 2023					Dec 2023
Stage 1	(4)	(142)	140	-	1	(5)
Stage 2	-	(1)	-	-	1	-
Total	**(4)**	**(143)**	**140**	**-**	**2**	**(5)**

The year-end total GCA of AC loans and advances to banks that were initially recognised during the year 2024 and not fully derecognised by 31 December 2024 amounts to CZK 452,419 million (2023: CZK 307,773 million). The GCA of AC loans and advances to banks that were held at 1 January 2024 and fully derecognised (matured) during the year 2024 amounts to CZK 307,072 million (2023: CZK 262,824 million).

Movement in credit loss allowances - loans and advances to customers

in CZK million	As of Jan 2024	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	Other	As of Dec 2024
Stage 1	**(1,908)**	**(1,439)**	**392**	**3,095**	**(1,751)**	**-**	**(5)**	**(1,616)**
General governments	(10)	(7)	-	4	5	-	-	(8)
Other financial corporations	(43)	(34)	29	330	(333)	-	-	(52)
Non-financial corporations	(735)	(777)	117	1,328	(626)	-	(5)	(698)
Households	(1,119)	(621)	246	1,433	(797)	-	-	(858)
Stage 2	**(6,819)**	**(549)**	**799**	**(3,255)**	**4,248**	**2**	**(24)**	**(5,598)**
General governments	(15)	-	-	(149)	(1)	-	(1)	(166)
Other financial corporations	(24)	(359)	5	(103)	349	-	(1)	(133)
Non-financial corporations	(3,842)	(109)	551	(1,231)	1,748	-	(22)	(2,905)
Households	(2,939)	(80)	243	(1,772)	2,152	2	-	(2,394)
Stage 3	**(9,544)**	**(131)**	**1,012**	**(704)**	**(1,429)**	**791**	**(36)**	**(10,041)**
General governments	(109)	-	-	-	45	-	(1)	(65)
Other financial corporations	(21)	-	-	(207)	(8)	1	(1)	(236)
Non-financial corporations	(4,578)	(90)	587	(153)	(532)	175	(34)	(4,626)
Households	(4,836)	(41)	425	(343)	(934)	615	-	(5,115)
POCI	**(560)**	**-**	**81**	**-**	**(361)**	**198**	**(4)**	**(646)**
General governments	(5)	-	-	-	2	-	-	(3)
Non-financial corporations	(364)	-	14	-	(185)	20	(4)	(518)
Households	(191)	-	67	-	(178)	179	-	(124)
Total	**(18,831)**	**(2,119)**	**2,284**	**(864)**	**706**	**992**	**(69)**	**(17,901)**

	Jan 2023							Dec 2023
Stage 1	**(1,559)**	**(1,940)**	**369**	**2,104**	**(876)**	**-**	**(7)**	**(1,908)**
General governments	(8)	(3)	-	3	(2)	-	-	(10)
Other financial corporations	(24)	(19)	10	69	(79)	-	(1)	(43)
Non-financial corporations	(628)	(1,013)	100	587	224	-	(6)	(735)
Households	(900)	(905)	259	1,445	(1,019)	-	-	(1,119)
Stage 2	**(6,776)**	**(527)**	**663**	**(3,405)**	**3,255**	**2**	**(32)**	**(6,819)**
General governments	(147)	-	-	(3)	135	-	-	(15)
Other financial corporations	(36)	(38)	3	(19)	66	-	-	(24)
Non-financial corporations	(3,091)	(363)	365	(1,468)	746	-	(32)	(3,842)
Households	(3,502)	(126)	296	(1,916)	2,307	2	-	(2,939)
Stage 3	**(9,702)**	**(95)**	**1,050**	**(517)**	**(1,262)**	**1,023**	**(40)**	**(9,544)**
General governments	-	-	-	-	(106)	-	(3)	(109)

in CZK million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	Other	As of
Other financial corporations	(1)	-	-	-	(19)	-	-	(21)
Non-financial corporations	(5,159)	(58)	716	(233)	13	179	(37)	(4,578)
Households	(4,542)	(37)	334	(285)	(1,151)	844	-	(4,836)
POCI	**(474)**	**-**	**100**	**-**	**(380)**	**197**	**(3)**	**(560)**
General governments	-	-	-	-	(5)	-	-	(5)
Non-financial corporations	(449)	-	88	-	(196)	196	(3)	(364)
Households	(25)	-	12	-	(179)	1	-	(191)
Total	**(18,511)**	**(2,561)**	**2,182**	**(1,819)**	**737**	**1,223**	**(83)**	**(18,831)**

In column 'Additions' increases of CLA due to the initial recognition of loans and advances to customers at AC during the current reporting period are disclosed. CLAs recognised against drawings from non-revolving loan commitments are deemed as additions for the purpose of presenting current period's movement in CLA. Therefore, additions in Stages 2 and 3 reflect transfers from Stage 1 having occurred between commitment and drawing dates of related credit facilities. Releases of CLA following the derecognition of the related loans and advances to customers at AC are reported in column 'Derecognitions'.

In the column 'Transfers between stages' CLA net changes due to changes in credit risk that triggered reassignments of the related AC loans and advances to customers from Stage 1 at 1 January 2024 (or initial recognition date, if later) to Stages 2 or 3 at 31 December 2024 or vice-versa are reported. The effects of transfers from Stage 1 to Stages 2 or 3 on the related CLAs are adverse (incremental year-on-year allocations) and presented in lines attributable to Stages 2 or 3. The effects of transfers from Stages 2 or 3 to Stage 1 on the related CLAs are favourable (incremental year-on-year releases) and presented in the line 'Stage 1'. The P&L-neutral effect from cross-stage transferring of the related CLA amounts recognised prior to stage reassignments are presented above in the column 'Other changes in credit risk (net)'.

Any other changes in credit risk which do not trigger a transfer between Stage 1 and Stage 2 or 3 or vice-versa are disclosed in column 'Other changes in credit risk (net)'. This column also captures the passage-of-time adverse effect ('unwinding correction') over the lifetime expected cash shortfalls of AC loans and advances to customers that were assigned to Stage 3 for any period throughout the year, as well as of any POCI loans and advances to customers. This adverse effect amounted to CZK 466 million cumulatively for the year 2024 (2023: CZK 382 million), which also reflects the unrecognised interest income out of the related AC loans and advances to customers throughout the year.

The use of CLA triggered by full or partial write-offs of AC loans and advances to customers is reported in column 'Write-offs'.

One significant driver of the CLA movements for the year has been the transfer of the related instruments across different impairment stages. The year-end GCA of AC loans and advances to customers that were assigned at 31 December to a different stage compared to 1 January (or to the initial recognition date, if originated during the year) are summarized below:

Transfer between stages - loans and advances to customers

	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3		POCI	
in CZK million	To Stage 2 from Stage 1	To Stage 1 from Stage 2	To Stage 3 from Stage 2	To Stage 2 from Stage 3	To Stage 3 from Stage 1	To Stage 1 from Stage 3	To Defaulted from Non-Defaulted	To Non-Defaulted from Defaulted
2024								
General governments	8,922	121	-	-	-	-	-	-
Other financial corporations	4,697	3,755	-	-	212	-	-	-
Non-financial corporations	32,474	35,944	2,088	225	950	77	32	180
Households	35,816	19,999	1,493	524	1,427	489	3	52
Total	**81,909**	**59,819**	**3,581**	**749**	**2,589**	**566**	**35**	**232**
2023								
General governments	274	270	473	-	-	-	-	-
Other financial corporations	1,283	3,461	-	-	-	-	-	-
Non-financial corporations	32,565	44,431	1,728	502	1,408	327	-	224
Households	23,138	28,469	1,628	576	1,456	244	3	91
Total	**57,260**	**76,631**	**3,829**	**1,078**	**2,864**	**571**	**3**	**315**

The year-end total GCA of the AC loans and advances to customers that were initially recognised during the year 2024 and not fully derecognised by 31 December 2024 amounts to CZK 228,538 million (2023: CZK 196,010 million). The GCA of the AC loans and advances to customers that were held at 1 January 2024 and fully derecognised during the year 2024 amounts to CZK 101,879 million (2023: CZK 76,330 million).

The undiscounted amount of the lifetime expected credit losses considered in the initial measurement of the AC loans and advances to customers initially recognised and identified as POCI during the year 2024 amounted to CZK 666 million (2023: CZK 683 million).

Movement in credit loss allowances - trade and other receivables

in CZK million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	Other	As of
	Jan 2024							**Dec 2024**
Stage 1	(3)	(4)	3	-	3	-	(1)	(2)
Stage 2	(99)	-	2	-	5	1	-	(91)
Stage 3	(316)	-	-	-	235	2	(5)	(84)
Total	**(417)**	**(4)**	**5**	**-**	**243**	**3**	**(6)**	**(177)**
	Jan 2023							**Dec 2023**
Stage 1	(1)	(8)	2	-	5	-	-	(3)
Stage 2	(120)	-	2	(1)	19	2	-	(99)
Stage 3	(313)	-	-	-	(3)	1	(2)	(316)
Total	**(434)**	**(8)**	**4**	**(1)**	**21**	**3**	**(2)**	**(417)**

Financial assets at fair value through other comprehensive income - debt instruments

Movement in the credit loss allowances - debt instrument financial assets

in CZK million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	As of
	Jan 2024					Dec 2024
Stage 1	(6)	-	-	-	1	(5)
Stage 2	(151)	(2)	3	(3)	(34)	(187)
Total	**(156)**	**(2)**	**3**	**(3)**	**(33)**	**(192)**
	Jan 2023					Dec 2023
Stage 1	(8)	-	1	7	(5)	(6)
Stage 2	(145)	-	3	-	(9)	(151)
Total	**(153)**	**-**	**4**	**7**	**(14)**	**(156)**

The year-end GCAs of FVOCI debt securities that were assigned at 31 December to a different stage compared to 1 January (or to the initial recognition date, if purchased during the year) are summarized in the table below:

Transfer between stages - debt instrument financial assets

in CZK million	2024	2023
Transfers between Stage 1 and Stage 2		
To Stage 2 from Stage 1	820	-
To Stage 1 from Stage 2	-	2,563

Finance lease receivables

Movement in credit loss allowances - finance lease receivables

in CZK million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	As of
	Jan 2024					Dec 2024
Stage 1	(17)	-	-	-	15	(2)
Total	**(17)**	**-**	**-**	**-**	**15**	**(2)**
	Jan 2023					Dec 2023
Stage 1	(5)	-	-	-	(12)	(17)
Total	**(5)**	**-**	**-**	**-**	**(12)**	**(17)**

Loan commitments and financial guarantees

Movement in credit loss allowances - loan commitments and financial guarantees

in CZK million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Other	As of
	Jan 2024						Dec 2024
Stage 1	264	135	(127)	(177)	164	1	260
Stage 2	291	-	(223)	655	(1)	3	725
Stage 3	522	-	(36)	4	(239)	1	252
POCI	3	-	(1)	-	(1)	-	1
Total	**1,080**	**135**	**(387)**	**482**	**(77)**	**5**	**1,238**

	Jan 2023						Dec 2023
Stage 1	385	572	(347)	(326)	(22)	3	264
Stage 2	454	-	(275)	221	(112)	3	291
Stage 3	257	-	(285)	20	314	217	522
POCI	-	-	(3)	-	5	-	3
Total	**1,096**	**572**	**(910)**	**(84)**	**185**	**222**	**1,080**

One significant driver of the CLA movements for the year has been the transfer of the related instruments across different stages. The year-end volumes of loan commitments and financial guarantees that were assigned at 31 December to a different stage compared to 1 January (or to the initial recognition date, if originated during the year) are summarized below.

Transfer between stages - loan commitments and financial guarantees

in CZK million	2024	2023
Transfers between Stage 1 and Stage 2		
To Stage 2 from Stage 1	23,489	10,335
To Stage 1 from Stage 2	18,189	7,178
Transfers between Stage 2 and Stage 3		
To Stage 3 from Stage 2	159	369
To Stage 2 from Stage 3	169	61
Transfers between Stage 1 and Stage 3		
To Stage 3 from Stage 1	187	50
To Stage 1 from Stage 3	121	2

The year-end nominal amounts of unused off-balance commitments and financial guarantees that were initially recognised during 2024 and not fully derecognised by 31 December 2024 amounts to CZK 85,706 million (2023: CZK 116,393 million). The nominal amounts of unused off-balance commitments or financial guarantees that were held at 1 January 2024 and fully derecognised during the year 2024 amounts to CZK 39,349 million (2023: CZK 43,288 million).

35 Scenarios used in forward looking information

Overview on scenarios used in forward looking information

Incorporation of forward looking information

Parameters are determined to reflect the risk as a ‘point-in-time’ measure and with consideration of forward looking information (FLI). This results in using a baseline forecast and several alternative scenarios for selected macroeconomic variables. The alternative scenarios are derived, together with their probabilities of occurrence, as a deviation from baseline forecasts, where the baseline forecasts are, with a few exceptions, internally determined by the Bank’s research

department. Given multiple scenarios, the 'neutral' PDs (and, with a few exceptions, also LGDs) are adjusted using macro models that link relevant macroeconomic variables with risk drivers. The same macro-shift models as for external and internal stress test are used. Forward looking information is incorporated for first three years of ECL measurement. Measurement of the parameters for the remaining lifetime returns back to through-the- cycle observations immediately in year four.

Thus, the unbiased scenario weighted ECL considering FLI is derived using the weights representing the outcome of each macroeconomic scenario. Typical macroeconomic variables may include real gross domestic product, unemployment rate, inflation rate, production index as well as market interest rates. The selection of variables also depends on the availability of reliable forecasts for the given local market. The main indicator of the estimated economic development and basis for alternative scenario derivation is the GDP. In addition, economic effects of the ongoing war in Ukraine and the emerging conflicts in the middle east came along with the increases of the inflation and/or the interest rates. The Bank adjusted macro-shift models to reflect expected effects of those into credit risk parameters.

Macro-shift FLI models are recalibrated regularly to reflect the most relevant macro-variables. The recalibration is performed by the local entities (except for the central models for Group (Large) Corporate) and variables with the highest statistical relevance are included.

In case of central model for Group (Large) Corporates, the Erste Group (dedicated central units) is responsible for the PD review including a FLI model which is based on the country of risk distinguishing the macro development in the different countries.

The Bank reviewed the FLI in the fourth quarter of 2024 according to the disclosed forecasts for baseline, downside, and upside scenarios. Based on the assessment of conditions (exit triggers) for applying in-model adjustments in FLI models (incorporation of comprehensive stress test (CST) scenario into the downside scenario and expertly set up weights for the downside and upside scenarios), the Bank decided:

– to keep unchanged the approach of including the CST scenario, updated according to the assumptions considered in comprehensive stress test 2024, into the downside scenario modelling;
– to apply the modelled weights for downside and upside scenarios instead of expertly set weights. Model weights are applied since December 2023.

The Bank is disclosing sensitivity of the staging and ECL on macro scenarios in the 'Collective assessment' section below.

Baseline scenario

The Bank expects the Eurozone economy to gradually recover in 2025. The main factor supporting the constructive baseline outlook for the Eurozone in 2025 is the ongoing real wage growth which should support private consumption. In addition, further rate cuts by the ECB as the year 2025 progresses should lead to a gradual recovery of investment activity, which in turn should support industrial production.

Due to further easing of inflationary pressures, especially from services, the Bank expects the ECB to deliver four more rate cuts (25 bp each) in 2025. This should bring the deposit rate down to 2.0% by year end 2025.

The Czech economy is undergoing a gradual recovery, expected to strengthen. In addition to continued favourable consumption trends, this will be supported by a gradual improvement in foreign demand and the stabilization of current inventory declines. The labour market outlook remains positive. Although the unemployment rate may rise slightly, it will remain very low overall, and real wages, which returned to growth this year, are expected to continue rising over the next two years. Inflation is expected to stay close to the inflation target. The CNB will continue its gradual rate cuts.

Risks to the baseline scenario and comprehensive stress test scenario as considerations added to downside scenario

The ongoing war in Ukraine, including emerging conflicts in the middle east, remains significant risk factor.

In addition, the uncertainty with regard to the trade policy of the new US administration under the President Trump is a further risk factor for the outlook. Substantially raises of tariffs on all imports (the current tariff level is around 2%) would harm global trade and growth to a larger degree than anticipated in our base line scenario. Thus, in particular export and investment growth in the Eurozone would be much slower in 2025 and 2026 than currently forecasted by the Bank.

Security of energy supplies remains an issue for the EU, considering the ongoing war between Russia and Ukraine. The EU is relying to a rising degree on supplies of liquefied natural gas (LNG) from exporters which are geographically further away such as the USA or Middle Eastern countries. Any disruptions in the global LNG trade could have severe consequences on all energy prices in the EU. Fast rising energy prices, triggered by any kind of supply disruptions, could force the ECB to tighten monetary policy aggressively (affecting the entire yield curve) to keep inflation under control.

In addition, the fast rise of green energy investments adds volatility and instability to an European power grid. Temporary pressure on the power grid from large swings in energy supply from green energy, could result in temporary price spikes for electricity which could harm industrial activity and the consumers purchasing power.

The fast rise of interest rates is a threat for the investment activity of companies and consumers could lead to lower investments than currently anticipated for our base case scenario. In general, higher Harmonized Index of Consumer Prices (HICP), especially electricity/gas bills, reduces disposable income and contracts consumption. Given the high debt inherited from the pandemic, increasing military spending and expansive fiscal policies (especially in France) could lead investors to question debt sustainability in some countries.

Upside risk to the baseline scenario

In case the global industry recovers faster and stronger, than it is expected in baseline scenario, supported by lower or no additional trade measures from the new US administration, it would certainly have an immediate positive impact on the German economy, which has been in recession for two years now. In light of the tight interconnections between Germany and other major countries of the Eurozone, a stronger and faster recovery of German industry would also have an immediate positive impact on the entire industry of the Eurozone. A faster and stronger recovery of European industry would give certainly a positive boost to GDP growth in 2025 and 2026, as the recovery of investment activity would take hold faster and stronger than currently expected in our baseline scenario. We would expect in this scenario that the consumer sentiment would also be impacted positively.

Therefore private consumption would have a bigger contribution to growth in 2025 and 2026, when comparing to our baseline scenario. The services sector of the economy would benefit from a better and higher consumer sentiment as well. However, a further gradual easing of inflationary pressure (especially in the services sector) is mandatory in this scenario in order not to endanger expected rate cuts by the ČNB and ECB in 2025.

Overview of baseline, upside and downside scenarios

Below we are summarizing expected development of the GDP, all scenarios and scenario weights, as main indicator of the macro-economic situation.

Additionally, we are disclosing the most relevant variables for the macro-shift model.

Macro-shift models are calibrated for the three main sub-portfolios: private individuals, micro enterprises, and another corporate business. Models' calibration and variables disclosed below are incorporated into expected credit loss measurement as of 31 December 2024. The baseline and weighted scenario outcome for the major variables is disclosed in the tabular format for the years 2025-2027.

Baseline, upside and downside scenarios of GDP growth

		Probability weights	GDP growth in %		
	Scenario	2025-2027	2025	2026	2027
2024					
Czech Republic	Upside	22%	4.6	4.7	4.6
	Baseline	50%	2.6	2.7	2.6
	Downside	28%	(3.9)	(2.1)	0.1

2023		**2024-2026**	**2024**	**2025**	**2026**
Czech Republic	Upside	21%	3.8	5.3	4.8
	Baseline	50%	1.8	3.3	2.8
	Downside	29%	(2.5)	(0.9)	0.3

	Baseline scenario			Scenario weighted outcome		
	2025	**2026**	**2027**	**2025**	**2026**	**2027**
2024						
Unemployment rate	3.4	3.5	3.5	3.7	4.0	4.0
Inflation (PPI)	147.8	151.0	154.1	148.2	151.5	154.6

	2024	**2025**	**2026**	**2024**	**2025**	**2026**
2023						
Unemployment rate	3.7	4.0	4.0	3.7	4.3	4.4
Inflation (PPI)	141.8	144.3	147.2	142.2	144.7	147.6

Collective assessment

In addition to standard SICR assessment, the Bank applied collective SICR assessment, i.e., transfer into Stage 2 based on pre-defined portfolio characteristics, due to emerging risks not covered by standard models. This approach is aligned with all affected entities and business lines and approved by the respective governance bodies of the Bank. It requires, after the assessment of the outliers from the common portfolio characteristics, to have exemptions from the collective SICR assessment, if properly documented why they would behave differently than the rest of the portfolio.

In December 2024, the Bank applied collective staging assessment for specific industries. The collective staging assessment in case of cyclical industries applied in December 2023, identified based on the correlation to economic downturn in case of selected industries from energy sector (production & distribution of energy and heating), including energy intensive industries (Metals and Chemicals), were removed (energy stage overlays) or transformed (cyclical stage overlays):

- the energy stage overlays due to the distortions in the energy market with implications on gas/energy availability and price. In June 2024, energy stage overlays were decommissioned based on the regular evaluation of the conditions (exit triggers) for applying of collective SICR assessment. It was concluded that the risk was mitigated in case of energy sector/energy intensive industries (sufficient gas reserves in Europe, stabilized energy prices).
- the cyclical stage overlays due to the war in Ukraine as a combination of industries with correlation to economic downturn (cyclical industries) and one-year IFRS PD. Persistent high inflation and dilution of disposable income continues to dampen private consumption, while the high global uncertainty and high refinancing conditions have adverse effects on investment and industrial activity. While some industries developed better in 2023, confirmed by rating reviewed in 2024, others are still facing high inventories, continuing supply chain issues and cost inflation and additionally lower demand. The latter is not yet reflected in clients' financials, and still a ratings' downshifts are expected. Therefore, in November 2024, the cyclical stage overlays were transformed/reassessed to ensure the better connection of overlays with internal risk management processes. The new overlays (industry stage overlays) connect collective SICR assessment with industry strategy, that reflects risks and changes in the risk assessment which our portfolio is exposed to, instead of general definition of cyclical industries used before. The industry strategy framework covers all twelve Corporate industries and their subsegments. Industries are systematically assessed in line with the Group risk management framework (industry strategies and main risks); however, potential risks might not yet be

spread or crystallized at client level, translated into client financials or rating. Therefore, PD threshold (250 bp), defined by one-year IFRS PD, differentiate between clients who could be potentially impacted, reflecting that better rating (consequently PD) reflects credit strength on the customer level.

Moreover, from September 2022 the additional stage overlay was introduced also for Retail. Increasing interest rates together with unprecedented increase of inflation posed a threat to clients in segment private individuals. Analysis of mortgages and unsecured portfolio indicated that some clients may be at risk due to inflation affecting their expenses and increased interest rates affecting their debt payments. If a client is identified as having expenses, together with repayments, in excess of household income, the client 's accounts are transferred to Stage 2.

In September 2024, because of floods, new SICR collective assessment rules were introduced to cover the physical risk. Clients with address in area affected by floods in 2024 or with real estate collateral with address in affected area were transferred into stage 2.

Effect on expected credit loss

The analysis tables below present the effects of the collective SICR assessment and FLI on both exposure migration to Stage 2 and the resulting increase of ECL. Additional sensitivities to the baseline, upside and downside scenarios are simulated.

In December 2024, the exposure in Stage 2 due to the application of the rules for collective SICR assessment (industry stage overlays) stood at CZK 15,381 million due to cyclical industries (2023: CZK 34,357 million due to cyclical industries and CZK 28,579 million due to energy industries), with additional ECL allocated in the amount of CZK 413 million due to cyclical industries (2023: CZK 979 million due to cyclical industries and CZK 207 million due to energy industries).

The exposure in Stage 2 due to high inflation rate and increased interest rates collective SICR assessment stood for private individuals at CZK 20,326 million (2023: CZK 25,170 million), with additional ECL allocated in the amount of CZK 260 million (2023: CZK 302 million). The exposure in Stage 2 due to floods collective SICR assessment stood at CZK 37,440 million, with additional ECL in the amount of CZK 350 million.

As described above, the FLI were reassessed based on the latest macro-scenarios in the fourth quarter of 2024. Considering the review of in-model adjustments (application of modelled weights assigned to upside and downside scenarios for all models and to apply CST scenario in downside scenario modelling), the Stage 2 exposure triggered by FLI increased to CZK 14,488 million as of December 2024 (2023: CZK 13,541 million). The increase of the Stage 2 exposure and PD levels affected the level of ECL allocated in Stage 2 due to FLI: CZK 1,229 million as of December 2024 versus CZK 2,336 million as of December 2023.

In 2024 two post-model adjustments were valid in the FLI macro-shift models to update and reflect the expected effects of the number of external factors in 2024:

- In 2022 the Bank decided to adjust the FLI shifts produced by the macroeconomic model for the retail portfolio. The reasons for this was the fact that the macroeconomic model for forecasting of PDs for retail did not include inflation, strongly increasing energy prices and increased interest rates at that time and hence the produced forecasted PDs from the model were deemed as unrealistically low and did not reflect all future risks. Technically the adjustment of the beta_0 (intercept) and beta_1 (dummy variable distinguishes secured / unsecured part of PI portfolio and WBMEG - bytová družstva for MSE) coefficients for the average PD predicted for the year 2022 was done. However, this post-model adjustment has been reduced during 2024 in connection with the decline of inflation.
- As the current macroeconomic PD model was calibrated on macroeconomic data 2008 – 2019, the Bank concluded in 2024, that the considered time series may not fully reflect the impact of the recent rapidly changing macroeconomic environment and overall heightened volatility. There is a lagged effect of the deterioration in the macroeconomic environment on the estimated PD shifts in the current model. This time lag may no longer accurately reflect the current economic dynamics. The assumptions underpinning these shifts may have been valid in a more stable economic context but require reassessment to ensure they align with present conditions. As a result, the Bank has introduced post-model adjustment which prevents high volatility and unjustified release of FLI portfolio provisions.

Scenario simulation presents sensitivity analyses taking into consideration only changes due to the different values of PDs, if baseline, upside or downside FLI scenarios had 100% weight. Sensitivities of these scenarios are calculated in comparison to current production - weighted scenarios FLI shifted - PDs (weights and scenarios are disclosed in the 'Incorporation of forward looking information' section above). Both staging and resulting ECL were simulated with the scenario PDs.

The incorporation of 100% baseline scenario instead of the currently applied weighted scenario outcome would lead to a decrease of Stage 2 exposure by CZK 3,835 million (2023: CZK 884 million), resulting in an ECL drop by CZK 194 million (2023: CZK 72 million).

The downside scenario would lead to additional CZK 22,211 million of exposure migration to Stage 2 in comparison with scenario weighted FLI (2023: CZK 11,990 million), resulting in ECL increase of CZK 1,177 million (2023: CZK 738 million).

For the ECL change a positive sign (+) equals a release while a negative sign (-) equals an allocation. Values presented sensitivities are results of internal simulations.

	Current status - parameters (FLI shifted)		Stage 2 impacted by Collective assesment				
in CZK million	Stage 1	Stage 2	Cyclical	Energy	Floods	Private individual	Effect of FLI shifts
2024							
CRE	1,894,134	167,511	15,381	-	37,440	20,326	14,488
2023							
CRE	1,658,652	159,301	34,357	28,579	-	25,170	13,541

	Current status - parameters (FLI shifted)		Out of which Collective assesment				
in CZK million	Stage 1	Stage 2	Cyclical	Energy	Floods	Private individual	Effect of FLI shifts
2024							
CLA	(1,916)	(6,606)	(413)	-	(350)	(260)	(1,229)
2023							
CLA	(2,224)	(7,367)	(979)	(207)	-	(302)	(2,336)

	Current status - parameters (FLI shifted)		Simulated impact on Stage 2		
in CZK million	Stage 1	Stage 2	Upside scenario	Baseline scenario	Downside scenario
2024					
CRE	1,894,134	167,511	(12,819)	(3,835)	22,211
2023					
CRE	1,658,652	159,301	(8,553)	(884)	11,990

	Current status - parameters (FLI shifted)		Simulated impact on CLA		
in CZK million	Stage 1	Stage 2	Upside scenario	Baseline scenario	Downside scenario
2024					
CLA	(1,916)	(6,606)	764	194	(1,177)
2023					
CLA	(2,224)	(7,367)	704	72	(738)

36 Restructuring, renegotiation and forbearance

Restructuring means contractual modification of any of the customer's loan repayment conditions including tenor, interest rate, fees, principal amount due or a combination thereof. Forbearance can be initiated by the bank or by the customer (on account of loss of employment, illness etc.). Components of forbearance can be instalment reduction, tenor extension, interest reduction or forgiveness, principal reduction or forgiveness, revolving exposure change to instalment and/or others.

A restructuring is considered 'forbearance' if it entails a concession towards a customer facing or about to face financial difficulties in meeting their contractual financial commitments. A borrower is in financial difficulties if any of the following conditions are met:

- the customer was more than 30 days past due in the past 3 months;
- the customer would be 30 days past due or more without receiving forbearance;
- the customer is in default;
- the customer would default without receiving forbearance.

Additional criteria for non-retail segment:

- early warning signals for this customer identified;
- customer has deteriorated financial figures, which led to decline of the rating grade;
- customers managed in a workout unit;
- customer has increased probability of default.

Forbearance concession triggers the performing forbearance classification and means that any of the following conditions are met:

- modification/refinancing of the contract would not have been granted, had the customer not been in financial difficulty;
- there is a difference in favour of the customer between the modified/refinanced terms of the contract and the previous terms of the contract;
- the modified/refinanced contract includes more favourable terms than other customers with a similar risk profile would have obtained from the same institution;
- activation of embedded forbearance clause of the contract;
- any waiver of a default relevant covenant.

The performing forbearance classification can be discontinued and the account can become a non-forborne account when all of the following conditions are met:

- a minimum of two years have passed from the date of classifying the exposure as performing forbearance (probation period);
- under the forborne payment plan, at least 50% of the original (pre-forbearance) instalment has been regularly repaid (significant repayment) at least during half of the probation period (in the case of retail customers);
- regular repayments in a significant amount during at least half of the probation period have been made (in the case of non-retail customers);
- significant repayment includes amount previously past-due (if any) or written-off (if no-past due amounts) for both segments retail and non-retail;

– none of the exposure of the customer is more than 30 days past due at the end of the probation period.

Performing forborne exposures become non-performing when one of the following forbearance classifications is fulfilled during the monitoring period of a minimum two years:

– the contract modification involves total or partial cancellation of the debt by (partial) write-off;
– an additional forbearance measure is extended;
– the customer becomes more than 30 days past due on forborne exposure and in the past the customer was in the non-performing forbearance category;
– the customer meets any of the default event criteria defined in the default definition;
– for corporate customers, when a final restructuring agreement cannot be concluded within 18 months after the first forbearance measure.

The non-performing forbearance classification can be discontinued and reclassified as performing under probation when all of the following conditions are met:

– the customer is not classified as defaulted according to the definition of default;
– the customer has demonstrated the ability to comply with the post-forbearance conditions;
– one year has passed from the date of classifying the exposure as non-performing forbearance or from the latest of the following events:
    – the moment of extending the restructuring measure;
    – the end of the grace period included in the restructuring agreement;
    – the moment when the exposure has been classified as defaulted;
    – the forbearance has not led the exposure to be classified as non-performing.

Default definition

Default definitions complies with the EBA 'Guidelines on the application of the definition of default under Art.178 of Regulation (EU) No 575/2013' and 'Commission Delegated Regulation (EU) 2018/171 of 19 October 2017 on supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for the materiality threshold for credit obligations past due'.

The definitions of non-performing and default are aligned within the Bank.

The materiality of 90 days past due credit obligation is applied for on-balance exposure at client level and assessed daily against the group-wide defined materiality threshold (except the local regulator has defined different thresholds) for the:

– retail exposure: as an absolute limit on client level of CZK 2,500 and relative 1% on client level;
– non-retail exposure: as an absolute limit on client level of CZK 12,600 and relative 1% on client level.

Credit risk exposure, forbearance exposure and credit loss allowances

in CZK million	Loans and advances	Debt securities	Other positions	Loan commitments	Total
2024					
Credit exposure	**1,470,445**	**420,762**	**171,905**	**168,535**	**2,231,647**
thereof gross forborne exposure	5,956	-	-	343	6,299
Performing exposure	1,452,580	420,762	171,175	168,118	2,212,635
thereof performing forborne exposure	2,940	-	-	230	3,170
Credit loss allowances for performing exposure	(7,330)	(218)	(144)	(841)	(8,533)
thereof credit loss allowances for performing forborne exposure	(177)	-	-	-	(177)
Non-performing exposure	17,865	-	730	417	19,012
thereof non-performing forborne exposure	3,016	-	-	113	3,129
Credit loss allowances for non-performing exposure	(10,758)	-	(114)	(216)	(11,088)
thereof credit loss allowances for non-performing forborne exposure	(1,587)	-	-	(14)	(1,601)
2023					
Credit exposure	**1,254,894**	**400,600**	**155,241**	**155,075**	**1,965,810**
thereof gross forborne exposure	4,713	-	-	96	4,809
Performing exposure	1,237,642	400,600	154,234	154,072	1,946,548
thereof performing forborne exposure	1,766	-	-	10	1,776
Credit loss allowances for performing exposure	(8,860)	(184)	(169)	(387)	(9,601)
thereof credit loss allowances for performing forborne exposure	(171)	-	-	(1)	(172)
Non-performing exposure	17,252	-	1,007	1,003	19,262
thereof non-performing forborne exposure	2,947	-	-	86	3,033
Credit loss allowances for non-performing exposure	(10,409)	-	(119)	(462)	(10,991)
thereof credit loss allowances for non-performing forborne exposure	(1,772)	-	-	(6)	(1,778)

Types of forbearance exposure

in CZK million	Gross forborne exposure	Modification in terms and conditions	Refinancing
2024			
Loans and advances	5,956	5,955	1
Loan commitments	343	343	-
Total	**6,299**	**6,298**	**1**
2023			
Loans and advances	4,713	4,711	2
Loan commitments	96	96	-
Total	**4,809**	**4,807**	**2**

Loans and advances also include lease, trade and other receivables.

37 Non-performing credit risk exposure and credit loss allowances

For the definition of credit risk exposure classified as non-performing, please refer to the description of risk categories in the subsection 'Credit risk classification'. Credit risk allowances include credit loss allowances for financial assets, credit loss allowances for loan commitments and financial guarantees (all allowances within the scope of IFRS 9) and provisions for other commitments.

Credit loss allowances (all stages combined) covered 106.6% (2023: 111.7%) of the reported non-performing on-balance and off-balance credit risk exposure as of 31 December 2024. For the portion of the non-performing credit risk exposure that is not covered by allowances, the Bank assumes there are sufficient levels of collateral and expected other recoveries.

During 2024, the non-performing credit risk exposure decreased by CZK 250 million (2023: increase by CZK 1,677 million), or 1.3% (2023: 9.5%). The credit loss allowances for loans and advances together with credit loss allowances for loan commitments and financial guarantees decreased by CZK 991 million (2023: increase by CZK 297 million) or 4.8% (2023: 1.5%).

The non-performing exposure ratio (NPE ratio) is calculated as the non-performing credit risk exposure divided by total credit risk exposure while the NPE coverage ratio (excl. collateral) is computed as the credit loss allowances (all allowances within the scope of IFRS 9) divided by non-performing credit risk exposure at AC and FVOCI. Collateral is not taken into account in the NPE coverage ratio.

38 Market risk

Market risk is the risk of loss that may arise due to adverse changes in market prices and to the parameters derived from them. These market value changes might appear mainly in the profit and loss or statement of comprehensive income. In the Bank, market risks may arise from open positions in interest rates, credit spread, currency, equity, and volatility of financial instruments.

Market risk measures

Potential losses that may arise from market movements are assessed using the Value-at-Risk (VaR). The VaR describes what level of losses may be expected as a maximum at a defined probability – the confidence level – within a certain holding period of the positions under historically observed market conditions.

In addition, the Bank uses stress testing and analysis of impacts of adverse developments in market risk factors on the market value of the trading book and on the parts of the banking book revalued to market values. Scenarios are based on the basis of historical experience and expert opinions of the Macroeconomic Analyses Department. The stress testing is undertaken on a monthly basis and its results are reported to Financial Markets Risk Management Committee. In the Comprehensive Stress testing the complex scenario impact on the Bank is analysed on a half-year basis and results are reported to management board.

The majority of open positions arising from client transactions in the Bank's trading book are transferred to the Erste Group Bank through back-to-back transactions. As such, the market risk arising from the Bank's OTC transactions is managed within the Erste Group Bank portfolio.

Methods and instruments of risk mitigation

At the Bank, market risks are controlled by setting several layers of limits. The overall limit on the basis of risk-weighted assets (RWAs) is allocated by the management board in the Risk Appetite Statement. The acceptable level of risk is based on the assessment of the risk appetite and capital available to cover the risks.

For the trading book, The RWA limit is broken down into dedicated VaR limits and assigned in a top-down procedure to the individual trading units. Additionally, VaR sub-limits for individual trading desks are established. Trading book VaR values are calculated in a Bank Market Risk System (MRS) on a confidence level of 99% and one-day holding period using historical simulation based on two years history. Additionally, sensitivity values of the trading portfolios to individual risk factors are limited to facilitate the maintenance of the overall market risk profile. These factors measure the portfolio

market value sensitivity with a parallel shift of the yield curve of the relevant risk factor within the predefined period to maturity.

All trading book limits are approved by and reported on a monthly basis to Financial Markets Risk Management Committee.

For the banking book, VaR limit is established based on the ICAAP methodology where 250,000 historical scenarios are calculated with a theoretical holding period of 1 year and a confidence level of 99.9%. The overall banking book VaR is subsequently allocated to individual sub-portfolios, taking into account both the perspective of strategic portfolio management and the accounting treatment of portfolios. These portfolios are limited and monitored on a daily basis using confidence level of 99% and 1-month holding period using historical simulation based on two years history.

All banking book limits are approved by and reported on a monthly basis to the Asset Liability Committee.

Analysis of market risk

The following table summarizes the VaR values as of 31 December 2024 and 31 December 2023 assuming 1 day holding period and confidence level of 99%.

in CZK million	Market risk total	Interest rate risk	Credit spread risk	Currency risk	Equity risk	Commodity risk	Volatility risk
2024							
ČS Total	**1,067**	**1,061**	**120**	**-**	**-**	**-**	**-**
Banking book	1,062	1,055	120	-	-	-	-
Trading book	5	6	-	-	-	-	-
2023							
ČS Total	**980**	**970**	**139**	**-**	**-**	**-**	**-**
Banking book	971	961	139	-	-	-	-
Trading book	9	9	1	-	-	-	-

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. This type of risk arises when mismatches exist between assets and liabilities, including derivatives, in respect of their maturities or in the timing of interest rate adjustments.

The Bank has implemented and follows the latest EBA Guideline for the identification, evaluation, management, and mitigation of the risks arising from potential changes in interest rates.

The Bank manages the interest rate risk of the banking book by monitoring the repricing dates of the Bank's assets and liabilities and implements models which show the potential impact that changes in interest rates may have on the Bank's economic value of equity and net interest income. In order to identify interest rate risk, all financial instruments, including off-balance instruments are taken into account to calculate the impact of certain interest rate scenarios on economic value and earnings. Limits and thresholds are implemented for both aspects of the IRRBB, the change in economic value as well as the change in net interest income. Positions without contractually defined maturity or repricing structures, such as demand deposits or overdrafts are modelled accordingly. For positions where the customer has the right to prepay his debt prepayment models are applied.

The supervisory outlier tests of economic value of equity and net interest income are monitored and limited safely within regulatory thresholds. The banking book interest rate exposures are regularly analysed in the context of the overall development in financial markets and structural changes in the Group's balance sheet and reported on a monthly basis to the Asset Liability Committee.

In order to measure the interest rate risk exposure within the trading book portfolio, the Bank uses the present value of a basis point (PVBP) defined as a sensitivity to interest rates by currency for individual portfolios of interest rate products.

These factors measure the portfolio market value sensitivity with a parallel shift of the yield curve of the relevant currency within the predefined period to maturity. The system of PVBP limits is set in respect of each interest rate product portfolio by currency.

The following table is based on the exposure of the Bank to interest rates for derivative and non-derivative instruments as of the reporting date. The model assumes a change in interest rates at the end of the calendar year by 100 bps. The funds released as a result of the payment or sale of interest rate sensitive assets and liabilities will be reinvested according to the plan of Bank's business units. Calculation method used takes credit spreads into account.

	2025		2024	
in CZK million	Interest rate increase	Interest rate decrease	Interest rate increase	Interest rate decrease
CZK				
Income statement	(933)	1,700	(552)	616
Other comprehensive income	(3,289)	3,501	(2,874)	3,024
EUR				
Income statement	729	(737)	785	(797)
Other comprehensive income	1,440	(1,553)	1,338	(1,441)

Currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

In the Group, foreign currency exposures are primarily carried by the Bank and real estate companies. The foreign currency risk of other Group entities is limited. Foreign currency exposure is subject to regulatory and internal limits that are approved by management board.

The Bank's open foreign exchange position is managed and closed by trading book FX desk on a daily basis. Portfolios that are allowed to keep open position are limited based on approved VaR and sensitivity limits set for single currencies and monitored on a daily basis.

Credit spread risk

Credit spread risk is the risk driven by changes in the market perception about the price of credit risk, liquidity premium and potentially other components of credit-risky instruments. The Bank is exposed to credit spread risk with respect to its securities portfolio, both in the trading as well as in the banking book.

Hedging

The market risk management consists of optimizing Bank's risk position by finding the proper trade-off between the economic value of the balance sheet and forecasted earnings. Decisions are based on balance sheet development, economic environment and outlook, competitive landscape, fair value of risk, effect on net interest income and appropriate interest and liquidity position.

In order to achieve the goals of risk management fair value and cash flow hedges are used. Interest rate swaps serve to hedge against interest rate risk, while currency risk coming from mismatch between foreign currency assets and liabilities is hedged with foreign exchange swaps and cross currency swaps.

39 Liquidity risk

The liquidity risk is defined in the Bank in line with the principles set out by the Basel Committee on Banking Supervision and the Czech National Bank. A distinction is made between market liquidity risk, which is the risk that the Bank cannot easily offset or close a position at the market price because of inadequate market depth or market disruption, and funding liquidity risk, which is the risk that the Bank will not be able to meet efficiently both expected and unexpected current and future cash flow and collateral needs without affecting either daily operations or the financial condition of the Bank.

Funding liquidity risk is further divided into insolvency risk and structural liquidity risk. The former is the short-term risk that current or future payment obligations cannot be met in full and on time in an economically justified manner, while structural liquidity risk is the long-term risk of losses due to a change in the Bank's own refinancing cost or spread.

Liquidity risk measures

Regulatory indicators Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are regularly monitored as a part of comprehensive liquidity risk limit system. In addition, various internal metrics and stress tests are implemented to ensure sufficient levels of liquidity which are calculated at both total currency level and for significant currencies. Regulatory and internal liquidity indicators are monitored and limited for relevant members of the Bank on individual levels.

The LCR is part of the internal Risk Appetite Statement (RAS) and monitored daily. The LCR limits are defined in the RAS and targeted to be well above the regulatory minimum. The LCR is reported on a monthly basis to the regulatory authority.

Same as the LCR, the NSFR is part of the internal RAS and limits are defined in the RAS sufficiently above the regulatory minimum. The NSFR is monitored monthly and reported on a quarterly basis to the regulatory authority.

Short-term insolvency risk is internally monitored by internal stress measure the Survival Period Analysis (SPA). The SPA determines the maximum period during which the entity can survive a set of defined scenarios lasting up to 12 months, including a severe market and idiosyncratic crisis while relying on its pool of liquidity enhancing actions, mainly the liquidity buffer. The monitored worst-case scenario simulates very limited money market and capital market access and at the same time significant client deposit outflows. The simulation also assumes increased drawdown on guarantees and loan commitments dependent on the type of customer, as well as the potential outflows from collateralized derivative transactions estimating the effect of collateral outflows in the case of adverse market movements.

Long-term structural liquidity is internally monitored by the Structural Liquidity Ratio (STRL). The STRL is measuring the structural funding gap ensuring an appropriate balance between assets and liabilities in the medium- and long-term time horizons avoiding excessive maturities transformation and consequently avoiding increased pressure on the short-term liquidity position.

The Bank also reports Additional Liquidity Monitoring Metrics (ALMM) to its regulator, which complement regulatory liquidity risk ratios in the form of several detailed liquidity risk reports.

Methods and instruments of risk mitigation

General standards of liquidity risk management have been thoroughly defined and are continuously reviewed and improved within internal liquidity adequacy assessment process (ILAAP).

All liquidity indicators and liquidity situation are regularly reported to and monitored by the Operational Liquidity Committee (OLC). On a monthly basis the management board is informed during the Asset Liability Committee (ALCO).

The Contingency Funding Plan ensures the necessary coordination of all parties involved in the liquidity management process in case of crisis and is reviewed on a regular basis.

Analysis of liquidity risk

Throughout whole year, both LCR and NSFR for the Bank were significantly above the regulatory and internal limits and confirm a sound liquidity situation of the bank. A comfortable liquidity situation was also confirmed by other short-term and long-term internal liquidity measures. The regulatory indicators showed greater than usual volatility at the end of the year; however, these movements reflected primarily the short-term effect of client operations through the end of the year. The budgeted values of these indicators show a stable and significant surplus of liquidity even for the year 2024.

Liquidity coverage ratio

The LCR is used as one of the metrics for monitoring and steering of short-term liquidity position. The LCR fluctuates in wider range in comparison to the NSFR which reflects short-term client and intra-group operations. Despite its volatility, the LCR constantly stays safely above regulatory and internal limits.

in CZK million	2024	2023
Hiqh-quality liquid assets	428,125	416,200
Net liquidity outflow	225,818	273,068
Liquidity coverage ratio	**190%**	**152%**

Net stable funding ratio

The NSFR is used as one of the metrics for monitoring structural long-term liquidity position to promote resilience over a longer time horizon. The NSFR remains stable and stays constantly and significantly above regulatory and internal limits.

in CZK million	2024	2023
Available stable funding	1,329,059	1,210,212
Required stable funding	815,566	727,236
Net stable funding ratio	**163%**	**166%**

Counterbalancing capacity

The Bank regularly monitors its liquid assets, which consists of cash, excess minimum reserve at the central banks, and unencumbered central bank eligible assets. These assets can be mobilized in short term to offset potential cash outflows in a crisis situation.

The structure of the Bank's counterbalancing capacity as of year-end 2024 and 2023 are shown in the tables below:

	< 3 month	
in CZK million	**2024**	**2023**
Cash, excess reserve	14,410	18,054
Liquid assets	417,367	400,446
Counterbalancing capacity	**431,777**	**418,500**

The figures above show the total amount of potential liquidity available for the Bank in a going concern situation.

Financial liabilities

Maturities of contractual undiscounted cash flows from financial liabilities as of 31 December 2024 and 2023 respectively, were as follows:

in CZK million	Carrying amounts	Contractual cash flows	< 3 month	3-12 months	1-5- years	> 5 years
2024						
Non-derivative liabilities	**1,774,776**	**1,794,356**	**1,629,742**	**52,193**	**73,238**	**39,183**
Deposits by banks	262,969	265,145	233,310	14,829	9,073	7,933
Customer deposits	1,426,267	1,427,373	1,390,867	35,127	1,180	199
Debt securities in issue	81,509	97,806	1,533	2,237	62,985	31,051
Other financial liabilities	4,031	4,032	4,032	-	-	-
Derivative liabilities	**12,035**	**12,035**	**1,445**	**1,816**	**5,940**	**2,834**
Contingent liabilities	**324,170**	**324,170**	**324,170**	**-**	**-**	**-**
Financial guarantees	21,791	21,791	21,791	-	-	-
Loan commitments	168,535	168,535	168,535	-	-	-
Other commitments	133,844	133,844	133,844	-	-	-
Total	**2,110,981**	**2,130,561**	**1,955,357**	**54,009**	**79,178**	**42,017**
2023						
Non-derivative liabilities	**1,547,920**	**1,562,878**	**1,426,745**	**53,117**	**68,660**	**14,356**
Deposits by banks	112,090	112,754	91,019	13,082	2,060	6,593
Customer deposits	1,307,952	1,308,940	1,268,986	36,850	1,849	1,255
Debt securities in issue	121,451	134,757	60,313	3,185	64,751	6,507
Other financial liabilities	6,427	6,427	6,427	-	-	-
Derivative liabilities	**16,716**	**16,716**	**1,533**	**3,428**	**7,180**	**4,575**
Contingent liabilities	**288,780**	**288,780**	**288,780**	**-**	**-**	**-**
Financial guarantees	26,211	26,211	26,211	-	-	-
Loan commitments	155,076	155,076	155,076	-	-	-
Other commitments	107,493	107,493	107,493	-	-	-
Total	**1,853,416**	**1,868,375**	**1,717,059**	**56,545**	**75,840**	**18,931**

The presentation of maturities of contractual undiscounted cash flows from financial guarantees and irrevocable commitments has been amended in order to reflect the first moment when these contingent liabilities can be exercised.

40 Operational risk

In accordance with regulatory requirements, the Bank defines operational risk as the risk of losses arising from the inappropriateness or failure of internal processes, human errors or failures of systems or the risk of losses arising from external events, including losses due to the breach of or failure to fulfil legal regulations.

With assistance from Erste Group Bank, the Bank put in place a standardised categorisation of operational risks. This classification became the basis of the 'Book of Risks of The Bank', developed in cooperation with the Risk Management and Internal Audit departments. The Book of Risks is a tool used to achieve unification of risk categorisation in order to ensure consistent risk monitoring and evaluation.

The Bank has cooperated with an external supplier in developing a specialised software application EMUS to collect data about operational risk which conforms to the data collection requirements. The data is not only used with a view to quantifying operational risks and monitoring trends in the development of these risks but also for the purpose of preventing recurrence of operational risks. The system is also used as a case management tool for all fraud investigations (i.e. final investigation report, list measures and monitoring of its fulfilment, communication exchange with law enforcement authorities,...). In addition to monitoring actual occurrence of operational risk, the Bank also pays attention to how the operational risk is perceived by management. In this respect, the Bank has introduced and is further expanding methods with the aim of identifying severe potential threats in order to implement preventative measures before losses materialise. For this purpose, the following tools are used: Risk and Control Self-Assessment, Key Risk Indicators and Scenario Analysis. The Bank also actively manages risks related to outsourced activities. Depending on the specific method, this type of assessment is done on a continuous, monthly or annual basis.

The Bank successfully passed validation for managing of operational risk according to Advanced Measurement Approaches (AMA). Based on this method a capital charge related to operational risk is properly computed and allocated since 1 July 2009.

An important tool in mitigating losses arising from operational risks is the Bank's insurance programme which was put in place in 2002. This insurance programme involves insurance against property damage as well as risks arising from banking activities and liability risks. Since 2004, the Bank has been a member of the Erste Group insurance programme which enhances the insurance protection specifically with regard to damages that may materially impact the income statement.

Special focus is put on assessment of non-financial risk based on a methodology called Risk Return Decisions (i.e. assessment of reputational, legal and financial impacts put in relation with its expected return). The analysis must be developed for each decision taken by Board of Directors or any Advisory Committee, all material outsourcing projects and all PAP (Product Approval Process) relevant topics. The significant Risk Return Decisions are also evaluated by the Regional Operational Conduct Committee (ROCC) Office in Erste Group Bank which provides its recommendation in order to support local decision process.

Top management of the Bank is informed quarterly about the risk profile and the most important operational risk events via the CORS (Compliance, Operational Risk and Security) committee. The chairman of the committee is the Head of Non-financial Risk and Compliance section, who further presents selected topics at the Risk Committee (chairman - Chief Risk Officer).

Information disclosure and transparency

The Bank rigorously endeavours to prevent the misuse of insider information that might allow persons who have special relationships with the Bank to enjoy unauthorised gains in dealing with the Bank's securities. Board of Directors members and parties close to them are obliged to promptly notify the Czech National Bank of transactions with securities issued by the Bank or with investment instruments derived from such securities, which they perform on their own account. Erste Bank Group's rules for securities trading are applied to ensure identical terms and conditions for all members of the Board of Directors of Erste Group Bank companies – members of the Bank's Board of Directors as well as designated employees are obliged to inform the Bank's Compliance Department of dealings with Erste Group Bank's shares or derivatives and to comply with an imposed trading moratorium during a stipulated period. Compliance department periodically monitors fulfilment of above obligations.

Compliance

The Bank has established a Compliance Department whose principal activities include ensuring compliance of the Bank's internal regulations with valid legal and regulatory requirements and their observance and ensuring compliance of the employees' conduct with the legal regulations, internal regulations, Code of Ethics and other adopted standards and rules governing employee conduct. Compliance is involved in all aspects of Bank activities and administration and forms a part of its corporate culture. The Compliance Department evaluates insider information included in the Watch List and Restricted List of investment instruments as well as any dealings with investment instruments recorded in these lists. The Compliance Department informs the Bank's Board of Directors and Supervisory Board of its activities on a regular basis. A list of persons with access to insider information is available with the Compliance department; the list is regularly updated.

The Compliance department also maintain whistleblowing channels for ensuring protection of whistleblowers reporting non-ethical or non-legal behaviour.

AML unit as an integral part of Compliance department ensures meeting Bank´s obligations in the area of anti money laundering and terrorist financing and also secures the compliance of the Bank's operations with sanction regimes enforced by the Czech Republic, EU, UN and OFAC.

NON-CURRENT ASSETS AND OTHER INVESTMENTS

41 Property, equipment and right of use assets

Property and equipment

Depreciation of property and equipment is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Depreciation is recognised in the income statement on the line item 'Depreciation and amortisation' and impairment under the line item 'Other operating result'.

The estimated useful lives are as follows:

	Useful life in years
Buildings	15-50
Office furniture and equipment	4-10
Passenger cars	4-8
Computer hardware	4-6

Land is not depreciated.

Any impairment losses including their reversals and gain or loss arising on disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are recognised in the income statement under the line item 'Other operating result'.

Right of use of assets

For accounting policy for leases including right of use of assets see Note 44 The Bank as a lessor.

Acquisition and production costs

Own property and equipment

in CZK million	Land and buildings (used by the Bank)	Office and plant equipment / other fixed assets	IT assets (hardware)	Total property and equipment
Balance as of 1 January 2023	**13,893**	**2,438**	**2,922**	**19,255**
Additions in current year (+)	635	223	272	1,130
Disposals (-)	(229)	(262)	(375)	(867)
Reclassification (+/-)	-	(60)	63	3
Assets held for sale (-)	(173)	-	-	(173)
Balance as of 31 Dec 2023	**14,126**	**2,339**	**2,882**	**19,347**
Additions in current year (+)	700	173	109	982
Disposals (-)	(2,715)	(424)	(318)	(3,457)
Reclassification (+/-)	-	(38)	39	1
Assets held for sale (-)	(236)	-	-	(236)
Balance as of 31 Dec 2024	**11,875**	**2,050**	**2,712**	**16,637**

Right of use: property and equipment

in CZK million	Land and buildings (used by the Bank)	Office and plant equipment/other fixed assets	Property and equipment
Balance as of 1 January 2023	**5,929**	**101**	**6,029**
Additions (+)	544	53	597
Disposals (-)	(68)	(37)	(105)
Balance as of 31 Dec 2023	**6,405**	**117**	**6,522**
Additions (+)	891	35	926
Disposals (-)	(292)	(37)	(329)
Balance as of 31 Dec 2024	**7,004**	**115**	**7,119**

Accumulated depreciation

Own property and equipment

in CZK million	Land and buildings (used by the Bank)	Office and plant equipment / other fixed assets	IT assets (hardware)	Total property and equipment
Balance as of 1 January 2023	**(8,385)**	**(1,680)**	**(1,556)**	**(11,622)**
Depreciation (-)	(575)	(99)	(312)	(986)
Disposals (+)	223	249	357	829
Impairment (-)	(313)	-	-	(313)
Assets held for sale (+)	164	-	-	164
Balance as of 31 Dec 2023	**(8,886)**	**(1,531)**	**(1,511)**	**(11,928)**
Depreciation (-)	(566)	(104)	(327)	(997)
Disposals (+)	1,930	398	292	2,620
Reversal of impairment (+)	99	-	-	99
Assets held for sale (+)	204	-	-	204
Balance as of 31 Dec 2024	**(7,219)**	**(1,237)**	**(1,546)**	**(10,002)**

Right of use: property and equipment

in CZK million	Land and buildings (used by the Bank)	Office and plant equipment/other fixed assets	Property and equipment
Balance as of 1 January 2023	**(2,251)**	**(49)**	**(2,300)**
Amortisation and depreciation	(706)	(26)	(732)
Disposals	63	28	91
Impairment	(1)	-	(1)
Balance as of 31 Dec 2023	**(2,895)**	**(47)**	**(2,942)**
Amortisation and depreciation	(742)	(33)	(775)
Disposals	236	31	267
Reclassification (+/-)	-	1	1
Balance as of 31 Dec 2024	**(3,401)**	**(48)**	**(3,449)**

Carrying amounts

Own property and equipment

in CZK million	Land and buildings (used by the Bank)	Office and plant equipment/other fixed assets	IT assets (hardware)	Property and equipment
Balance as of 31 Dec 2023	**5,239**	**809**	**1,371**	**7,419**
Balance as of 31 Dec 2024	**4,656**	**813**	**1,166**	**6,635**

The carrying amount of property and equipment (category office and plant equipment/other fixed assets) includes properties subject to operating leases of CZK 207 million (2023: CZK 332 million).

Right of use: property and equipment

in CZK million	Land and buildings (used by the Bank)	Office and plant equipment/other fixed assets	Property and equipment
Balance as of 31 Dec 2023	3,510	71	3,581
Balance as of 31 Dec 2024	3,603	67	3,670

Total carrying amounts

in CZK million	Land and buildings (used by the Bank)	Office and plant equipment/other fixed assets	IT assets (hardware)	Property and equipment
Balance as of 31 Dec 2023	8,750	879	1,371	11,000
Balance as of 31 Dec 2024	8,259	880	1,166	10,305

The balances as at 31 December 2024 shown above include CZK 686 million (2023: CZK 677 million) in property and equipment under construction.

The acquisition cost of fully depreciated tangible assets still in use was CZK 2,914 million as at 31 December 2024 (2023: CZK 3,053 million).

As at 31 December 2024, land and buildings were impaired in the amount of CZK 273 million (2023: CZK 1,212 million).

For details related to right of use assets capitalized in balance sheet arising from leases where the Bank is lessee, please see Note 45 The Bank as a lessee .

42 Intangible assets

The Bank's intangible assets include computer software, licences, know-how and other intangible assets.

Intangible assets with finite lives are amortised over their useful economic lives using the straight-line method. The amortisation expense is recognised in the income statement under the line item 'Depreciation and amortisation'.

The estimated useful lives are as follows:

	Useful life in years
Computer software	4-8
Other (licences, patents, etc.)	6

Brands have been impaired to nil carrying amount. As a result, they are not being amortised.

Acquisition and production costs

in CZK million	Software acquired	Other (licenses, patents, etc.)	Total intangible assets
Balance as of 1 January 2023	**17,289**	**1,360**	**18,649**
Additions	1,726	98	1,824
Disposals (-)	(544)	(1)	(545)
Reclassification	(14)	11	(3)
Balance as of 31 Dec 2023	**18,457**	**1,468**	**19,925**
Additions	1,448	48	1,496
Disposals (-)	(742)	(186)	(928)
Reclassification	-	(1)	(1)
Balance as of 31 Dec 2024	**19,163**	**1,329**	**20,492**

Accumulated depreciation

in CZK million	Software acquired	Other (licenses, patents, etc.)	Total intangible assets
Balance as of 1 January 2023	**(11,321)**	**(1,124)**	**(12,445)**
Amortisation charge (-)	(976)	(68)	(1,044)
Disposals (+)	544	1	545
Reclassification	90	(90)	-
Impairment (-)	(786)	(11)	(797)
Balance as of 31 Dec 2023	**(12,449)**	**(1,292)**	**(13,741)**
Amortisation charge (-)	(953)	(57)	(1,010)
Disposals (+)	652	186	838
Reclassification	(90)	90	-
Impairment (-)	(228)	(1)	(229)
Balance as of 31 Dec 2024	**(13,068)**	**(1,074)**	**(14,142)**

Carrying amounts

in CZK million	Software acquired	Other (licenses, patents, etc.)	Total intangible assets
Balance as of 31 Dec 2023	**6,008**	**176**	**6,184**
Balance as of 31 Dec 2024	**6,095**	**255**	**6,350**

Other intangible assets include licenses and know-how.

Software acquired and other intangible assets include also intangibles under construction of CZK 1,494 million as at 31 December 2024 (2023: CZK 1,852 million).

The acquisition cost of fully amortised intangible assets still in use was CZK 2,061 million as at 31 December 2024 (2023: CZK 3,197 million).

The Bank has not identified any contractual commitments for the purchase of intangible assets.

Impairment of non-financial assets (property and equipment, intangible assets, right of use assets)

The Bank assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. Testing for impairment is done at individual asset level if the asset generates cash inflows that are largely independent of those from other assets. The impairment test is carried out at the level of the cash-generating unit (CGU) to which the asset belongs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If any indication of impairment exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's or CGU's fair value less costs of disposal and its value in use. If the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In measuring value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

At each reporting date an assessment is made as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the Bank estimates the asset's or CGU's recoverable amount. The previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount or does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Impairments and their reversals are recognised in the income statement under the line item 'Other operating result'.

43 Other assets

in CZK million	2024	2023
Prepayments	498	325
Sundry assets	450	536
Other assets	**948**	**861**

'Sundry assets' consist mainly of long-term advances of CZK 299 million (2023: CZK 297 million).

LEASES

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

44 The Bank as a lessor

The vast majority of lease agreements in which the Bank operates as a lessor are finance leases.

Finance leases

Finance lease receivables are included under the statement of financial position item 'Finance lease receivables'.

The principal assets held under lease arrangements include vehicles and other technical equipment. For the finance lease receivables included in this item, the reconciliation of the gross investment in leases to the present value of the minimum lease payments is as follows:

in CZK million	2024	2023
Outstanding minimum lease payments	336	358
Gross investment	**336**	**358**
Unrealised financial income	(51)	(58)
Net investment	**285**	**300**
Present value of minimum lease payments	**285**	**300**

Maturity analysis by residual maturities

in CZK million	2024 Gross investment	2024 Present value of outstanding lease payments	2023 Gross investment	2023 Present value of outstanding lease payments
< 1 year	74	68	60	54
1-2 years	64	58	58	52
2-3 years	55	50	51	46
3-4 years	47	42	51	45
4-5 years	10	7	44	39
> 5 years	86	60	94	64
Total	**336**	**285**	**358**	**300**

During 2024, the Bank recognised interest income on finance lease receivables in the amount of CZK 11 million (2023: CZK 9 million).

Finance lease receivables

The analysis of the GCA and of related CLA of the Bank's finance lease receivables per impairment buckets as of 31 December 2024 and 2023 is provided in the table below:

Gross carrying amounts (GCA) and credit loss allowances (CLA) per impairment buckets

	GCA				CLA				
in CZK million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Carrying amount
2024									
General governments	21	-	-	21	(2)	-	-	(2)	19
Credit institutions	48	-	-	48	-	-	-	-	48
Other financial corporations	77	-	-	77	-	-	-	-	77
Non-financial corporations	139	-	-	139	(1)	-	-	(1)	138
Total	**285**	**-**	**-**	**285**	**(2)**	**-**	**-**	**(2)**	**282**
2023									
General governments	61	-	-	61	(10)	-	-	(10)	51
Other financial corporations	98	-	-	98	-	-	-	-	98
Non-financial corporations	142	-	-	142	(7)	-	-	(7)	135
Total	**300**	**-**	**-**	**300**	**(17)**	**-**	**-**	**(17)**	**284**

For a development of the Expected Credit Loss related to Finance Lease Receivables please refer to Note 34 Development of credit loss allowances.

Operating leases

Under operating leases, the Bank leases real estate and movable property to other parties.

Maturity analysis of lease payments from operating leases

in CZK million	2024	2023
< 1 year	122	110
1-2 years	87	103
2-3 years	75	72
3-4 years	72	71
4-5 years	66	69
> 5 years	46	43
Total	**468**	**468**

45 The Bank as a lessee

The Bank uses the straight-line method of depreciation. The right-of-use assets are presented on the balance sheet as part of 'Property, equipment and right-of-use assets' or, if they are subleased to third parties, for operating leases as part of 'Investment properties' and for finance leases as a 'Finance lease receivable'.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments also include the exercise price under a purchase option and lease payments in an optional renewal period are considered if the lessee is reasonably certain to exercise the options. Extension and termination options are included in a number of real estate leases across the Bank. The use of extension and termination options gives the Bank added flexibility in case more suitable premises in terms of costs and/or location are identified or in case it is considered favourable to remain in a location beyond the original lease term.

When determining the present value of lease payment the Bank typically uses the incremental borrowing rate as the discount rate. For movables it consists of Pribor as a base rate, adjusted by a surcharge based on the entity's rating, the amount of funds borrowed, the term of the lease and the collateral provided. The determination of the incremental borrowing rate for property leases is based on two components, the market rate and the single property rate. The market rate considers the lease term, creditworthiness and the base rate Pribor. The single property rate represents a surcharge to the market rate based on the quality of the single property. On the balance sheet the lease liabilities are presented in the line item 'Lease liabilities'.

For details about right-of-use assets capitalized in balance sheet arising from leases where the Bank is lessee, please see Note 41 Property, equipment and right of use assets.

Maturity analysis of lease liabilities on the basis of undiscounted cash flows

	2024		2023	
in CZK million	Nominal values	Present values	Nominal values	Present values
< 1 year	891	773	710	605
1-5 years	2,581	2,376	2,440	2,218
> 5 years	1,108	1,030	1,154	1,070
Total	**4,580**	**4,179**	**4,304**	**3,893**

During 2024, interest expenses on lease liabilities were recognised in the amount of CZK 122 million (2023: CZK 129 million). In 2024, expenses in the amount of CZK 72 million (2023: CZK 70 million) relating to short term leases, for which the recognition exemption of IFRS 16 applies, were recognised. In addition, expenses amounting to CZK 52 million (2023: CZK 50 million) relating to leases of low value items, for which the recognition exemption of IFRS 16 applies, were recognised.

Gains arising from sale and leaseback transactions in the amount of CZK 118 million (2023: CZK 19 million) were recognised.

Income from subleasing right-of-use assets was recognised in the amount of CZK 20 million (2023: CZK 59 million). Total cash outflow for leases in 2024 was CZK 980 million (2023: CZK 928 million). The Bank does not have commitments for future cash outflows which are not reflected in the measurement of lease liabilities as of 31 December 2024.

SUBSIDIARIES AND ASSOCIATES

46 Investments in subsidiaries and associates

Investments in subsidiaries, associates and joint ventures are measured at cost less any impairment loss. The transaction costs are capitalised as part of the cost of the investment. The transaction costs are the costs directly attributable to the acquisition of the investment such a profession fees for legal services, transfer taxes and other acquisition related costs.

Initial cost of the investments comprises also the contingent consideration. The subsequent remeasurement of the contingent consideration classified as financial liability is recognised in profit or loss.

The investments are tested for impairment whenever there are indicators that the carrying amount of an investment may not be recoverable.

If the recoverable amount of an investment (the higher of its fair value less cost to sell and its value in use) is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

The carrying amount of an investment is derecognised on disposal. The difference between the fair value of the sale proceeds and the disposed share of the carrying amount of the investment is recognised in profit or loss as gain or loss on disposal. The same applies if the disposal result in a step down from subsidiary to joint venture or an associate measured at cost.

Dividends continue to be recognised in profit or loss when the Bank's right to receive payments is established except when they represent a recovery of an investment rather than a return on such investment.

As of 31 December 2024	Share capital in MCZK/ TEUR	Country of residence	Currency	Ownership %	Voting power in %	Net carrying amount in MCZK
Investments in subsidiaries						
CEE Property Development Portfolio B.V. *	20.0	Netherlands	EUR	20%	20%	-
CEE Property Development Portfolio 2 a.s.	2.0	Czech Republic	CZK	100%	100%	497
Erste Grantika Advisory, a.s.	7.0	Czech Republic	CZK	100%	100%	-
Factoring České spořitelny, a.s.	114.0	Czech Republic	CZK	100%	100%	1,385
Česká spořitelna - penzijní společnost, a.s.	50.0	Czech Republic	CZK	100%	100%	191
Leasing České spořitelny, a.s.	500.0	Czech Republic	CZK	100%	100%	3,255
Stavební spořitelna České spořitelny, a.s.	750.0	Czech Republic	CZK	100%	100%	5,615
Holding Card Service s.r.o.	873.0	Czech Republic	CZK	67%	67%	583
ČS NHQ, s.r.o.	10.0	Czech Republic	CZK	100%	100%	3,710
ČS Seed Starter, a.s.	6.0	Czech Republic	CZK	100%	100%	267
Budějovická Development, s.r.o.	1.0	Czech Republic	CZK	100%	100%	1,088
Dostupné bydlení České spořitelny, a.s.	2.0	Czech Republic	CZK	100%	100%	2,582
Subtotal						**19,174**
Investments in associates						
Procurement Services CZ, s.r.o.	0.2	Czech Republic	CZK	40%	40%	-
Total						**19,174**

In 2024 the Bank increased its investments in ČS NHQ, s.r.o. by CZK 3.1 billion, in Dostupné bydlení České spořitelny, a.s. by CZK 1.1 billion, in Budějovická Development, s.r.o. by CZK 750 million and in ČS Seed Starter, a.s. by CZK 37.5 million. On 20 December 2024 the Bank sold its subsidiary REICO investiční společnost České spořitelny, a.s. to Erste Asset Management GmbH.

As of 31 December 2023	Share capital in MCZK/ TEUR	Country of residence	Currency	Ownership %	Voting power in %	Net carrying amount in MCZK
Investments in subsidiaries						
CEE Property Development Portfolio B.V. *	20.0	Netherlands	EUR	20%	20%	-
CEE Property Development Portfolio 2 a.s.	2.0	Czech Republic	CZK	100%	100%	497
Erste Grantika Advisory, a.s.	7.0	Czech Republic	CZK	100%	100%	-
Factoring České spořitelny, a.s.	114.0	Czech Republic	CZK	100%	100%	1,385
Česká spořitelna - penzijní společnost, a.s.	50.0	Czech Republic	CZK	100%	100%	191
REICO investiční společnost České spořitelny, a.s.	25.0	Czech Republic	CZK	100%	100%	90
Leasing České spořitelny, a.s.	500.0	Czech Republic	CZK	100%	100%	3,255
Stavební spořitelna České spořitelny, a.s.	750.0	Czech Republic	CZK	100%	100%	5,615
Holding Card Service s.r.o.	873.0	Czech Republic	CZK	67%	67%	583
ČS NHQ, s.r.o.	10.0	Czech Republic	CZK	100%	100%	610
ČS Seed Starter, a.s.	6.0	Czech Republic	CZK	100%	100%	229
Budějovická Development, s.r.o.	1.0	Czech Republic	CZK	100%	100%	338
Dostupné bydlení České spořitelny, a.s.	2.0	Czech Republic	CZK	100%	100%	1,444
Subtotal						**14,238**
Investments in associates						
Procurement Services CZ, s.r.o.	0.2	Czech Republic	CZK	40%	40%	-
Total						**14,238**

On 10 October 2023 the company Czech and Slovak Property Fund B.V. was deleted from the Commercial Register. In 2023 the Bank increased its investments in Stavební spořitelna České spořitelny, a.s. by CZK 1.8 billion and in Dostupné bydlení České spořitelny, a.s. by CZK 1.1 billion. The share capital of the subsidiary Česká spořitelna - penzijní společnost, a.s. was reduced in 2023 by CZK 300 million. On 19 December 2023 the Bank transferred its share in the associate Erste Group Shared Services (EGSS), s.r.o. to Erste Group Bank.

*While the Bank holds 20% of the issued share capital of the funds and does not have a majority of voting rights or Board representation, it has provided significant additional funding to the funds for investment purposes which results in the Bank receiving substantially all of the returns and bearing substantially all of the risks of the investments.

ACCRUALS, PROVISIONS, CONTINGENT LIABILITIES AND LEGAL PROCEEDINGS

47 Other liabilities

in CZK million	2024	2023
Deferred income	578	500
Sundry liabilities	4,626	6,051
Other liabilities	**5,204**	**6,551**

Sundry liabilities consist mainly of suspense account amounting to CZK 671 million (2023: CZK 2,710 million) and costs of staff bonuses for 2024 amounting to CZK 1,611 million (2023: CZK 1,418 million) of which CZK 48 million (2023: CZK 47 million) is a liability regarding share-based remuneration.

Deferred income outstanding at 31 December 2024 includes ‘contract liabilities’ in accordance with IFRS 15 in amount of CZK 578 million (2023: CZK 500 million). Revenue recognised in the reporting year 2024 that was included in the contract liability balance at the beginning of the period amounts to CZK 500 million (2023: CZK 488 million).

48 Provisions

Expenses or income related to provisions for loan commitments and financial guarantees are reported in the statement of income under the line item ‘Impairment result from financial instruments’. Expenses or income related to other

provisions are reported in the statement of income under the line item 'Other operating result'. However restructuring expenses relating to employees are presented under line item 'Personnel expenses'.

A provision for restructuring is recognised when the Bank has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly before the end of the reporting period. Any restructuring provision only includes the direct expenditure arising from the restructuring which is necessarily entailed and is not associated with the ongoing activities of the Bank.

Loan commitments and financial guarantees given in scope of IFRS 9

In the ordinary course of business, the Bank provides financial guarantees, consisting of various types of letters of credit and guarantees. A financial guarantee is a contract that requires the guarantor to make specified payments to reimburse the holder for a loss it incurs in case a specified debtor fails to make a payment when due in accordance with the original or modified terms of a debt instrument.

For financial guarantees provisions are recognised based on the expected credit loss impairment model if the amount is higher than the unamortised balance of the initial premium.

Loan commitments are firm commitments to provide credit under prespecified terms and conditions. Loan commitments are generally not recognised in the balance sheet before they are drawn. If it is probable that the Bank will enter into the loan agreement loan commitment fees received are deferred and adjust the effective interest rate of the loan when the commitment is drawn. Loan commitments result in recognition of provisions based on the expected credit loss impairment model.

Expenses or income related to provisions for loan commitments and financial guarantees are reported in the statement of income under the line item 'Impairment result from financial instruments'.

For information about development of credit loss allowances for provision for financial guarantees and loan commitments refer to Note 34 Development of credit loss allowances, part 'Loan commitments and financial guarantees': table 'Movement in credit loss allowances – loan commitments and financial guarantees'.

Provisions recognised in accordance with IAS 37

Expenses or income related to provisions which are in scope of IAS 37 are reported in the statement of income under the line item 'Other operating result'.

Further details on provisions for off-balance credit risk exposures in Note 30 Credit risk exposure. Legal proceedings that do not meet the criteria for recognition of provisions are described in Note 49 Contingent liabilities.

in CZK million	2024	2023
Restructuring	168	305
Pending legal issues	1,707	1,695
Loan commitments and financial guarantees given	1,238	1,080
CLA for loan commitments and financial guarantees in Stage 1	260	264
CLA for loan commitments and financial guarantees in Stage 2	725	291
CLA for loan commitments and financial guarantees in Stage 3	252	522
CLA for loan commitments and financial guarantees POCI	1	3
Commitments and guarantees given out of scope of IFRS 9	78	57
Provision for onerous contracts	184	215
Other provisions	52	89
Provisions	**3,427**	**3,441**

The restructuring provision of CZK 252 million was created at the end of 2023 for the next phase reorganization of the Bank's redundant activities performed by the HQ departments of the Bank and their employees. In 2024 the Bank recognised the use of the restructuring provision amounting to CZK 84 million. The reorganization is expected to be completed in 2025.

Under position 'Pending legal issues' provisions related to litigations from lending business, asset management or litigations with customer protection associations, which normally occur in banking business, are disclosed (refer to Note 49 Contingent liabilities part Legal disputes).

Remaining classes of provisions

Following table provides the information about the development of the remaining classes of provisions:

in CZK million	As of	Allocations	Use	Releases	Exchange rate and other changes (+/-)	As of
	Jan 2024					Dec 2024
Provision for restructuring	306	-	(138)	-	-	168
Pending legal issues and tax litigation	1,695	18	(5)	(1)	-	1,707
Other provisions	360	34	(59)	(21)	-	314
Provisions	**2,361**	**52**	**(202)**	**(22)**	**-**	**2,189**

	Jan 2023					Dec 2023
Provision for restructuring	67	252	(67)	-	54	306
Pending legal issues and tax litigation	1,696	-	-	(1)	-	1,695
Other provisions	418	428	-	(275)	(211)	360
Provisions	**2,181**	**680**	**(67)**	**(276)**	**(157)**	**2,361**

The level of sundry provisions is the best possible estimate of expected outflow of economic benefits at the reporting date, while taking into account the risks and uncertainties underlying the commitment to fulfil the obligation. Risks and uncertainties are taken into account in the estimate.

49 Contingent liabilities

In the ordinary course of business, the Bank becomes party to various financial transactions that are not reflected in the statement of financial position and are referred to as off-balance sheet financial instruments. The table below presents the notional amounts of these off-balance sheet financial instruments, unless stated otherwise.

It is not practicable to disclose the information about uncertainties relating to the amounts or timing of any outflows related to contingent liabilities or the possibility of any related reimbursements.

Legal disputes

At the reporting date, the Bank was involved in various claims and legal proceedings of a nature considered normal to its business. Legal disputes are costly and their outcome unpredictable. Many parts of the legislation remain untested and there is uncertainty about the interpretation that courts may apply in a number of areas. The impact of these uncertainties cannot be quantified and will only be known as the specific legal disputes in which the Bank is named are resolved.

The Bank is involved in various claims and legal proceedings of a special nature. The Bank also acts as a defendant in a number of legal disputes filed with the arbitration court. The Bank does not disclose the details underlying the disputes as the disclosure may have an impact on the outcome of the disputes and may seriously harm the Bank's interests. Based upon historical experience and expert opinion, the Bank assesses the developments in these cases, and the probability and the amount of potential financial outcome which are appropriately provided for.

Whilst no assurance can be given with respect to the ultimate outcome of any such claim or litigation, the Bank believes that the various asserted claims and litigation in which it is involved will not materially affect its financial position, future operating results or cash flows.

If, in connection with the litigation, the Bank has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation

and a reliable estimate can be made of the obligation, the Bank recognises a provision for legal disputes (refer to Note 48 Provisions).

Commitments to extend credit and commitments from guarantees and letters of credit

Guarantees and standby letters of credit, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions, are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of clients' authorisations to extend credit in the form of loans, guarantees or letters of credit. The credit risk attached to commitments to extend credit represents a potential loss for the Bank. The Bank estimates the potential loss on the basis of historical developments of CCFs, PDs and LGDs. CCFs indicate the likelihood of the Bank paying out on a guarantee or having to grant a loan on the basis of an issued commitment to extend credit.

Guarantees, irrevocable letters of credit and undrawn loan commitments are subject to similar credit risk monitoring and credit policies as utilised in the extension of loans. Management of the Bank believes that the market risk associated with guarantees, irrevocable letters of credit and undrawn loan commitments is minimal.

The Bank recorded credit loss allowances for off-balance sheet risks to cover expected credit losses that may be incurred in connection with these off-balance sheet transactions. As at 31 December 2024 the aggregate balance of these allowances was CZK 1,238 million (2023: CZK 1,080 million). Refer to Note 34 Development of credit loss allowances.

in CZK million	2024	2023
Amounts owed under guarantees and letters of credit	21,791	26,211
Undrawn loan and other commitments	302,379	262,569
out of which loan commitments	168,535	155,076
Total	**324,170**	**288,780**

CAPITAL INSTRUMENTS, EQUITY AND RESERVES

50 Total equity

Details on equity are provided in Section 'Statement of changes in equity'.

in CZK million	2024	2023
Share capital	15,200	15,200
Additional paid-in capital	12	12
Additional equity instruments	9,040	9,040
Retained earnings and other reserves	121,066	111,282
Total equity	**145,318**	**135,534**

The share capital (registered, subscribed and paid) as at the end of the reporting period is accounted for at an amount recorded in the Commercial register. As of 31 December 2024, share capital consists of 152,000,000 voting ordinary shares. In addition, the Bank issued AT1 (additional Tier 1 capital). Additional paid-in capital represents the amount by which the issue price of the shares exceeded their par value. Retained earnings and other reserves represent accumulated net profit brought forward, as well as income and expenses recognised in other comprehensive income.

The issue of Additional Tier 1 ('AT1') equity instruments is compliant with Article 52 of the CRR (Regulation EU No 575/2013). In June 2019 the Bank has launched second issue of AT1, denominated in Euro, for a total of EUR 350 million (the equivalent of CZK 9,039 million). The issued AT1 capital is recognised under the line item 'Additional equity instruments'.

In accordance with the characteristics of AT1 (i.e. the terms of the issue), the Bank is not obliged to deliver funds or other financial assets to the AT1 holder to settle the contractual obligation, i.e. AT1 holders are not entitled to repay the amount due or pay proceeds, and AT1 has no maturity date.

The main reasons for the issuance of AT1 is optimisation of capital structure and preparation for regulatory changes (full implementation of CRR, TLAC/MREL) while using the currently favourable market conditions (interest rates and credit spreads).

Distributions on own equity instruments are recognised as a liability and deducted from equity when they are approved by the Bank shareholder.

For dividends on ordinary shares the decision is taken by the Annual General Meeting. For coupons on Additional Tier 1 instruments the payouts recorded in equity do not need approvals of Annual General Meeting but an event of non-payment would require a decision of the Bank's Board.

Number of shares and share capital

Authorised, issued and fully paid share capital is as follows:

	2024		2023	
	Number of shares	CZK million	Number of shares	CZK million
Ordinary shares of CZK 100 each	152,000,000	15,200	152,000,000	15,200
Share capital	**152,000,000**	**15,200**	**152,000,000**	**15,200**

OTHER DISCLOSURE MATTERS

51 Related party transactions and principal shareholders

Related parties involve connected entities or parties that have a special relationship to the Bank.

Parties are considered to be related if one party has the ability to control the other or exercise significant influence over the other in making financial or operational decisions. The Bank is controlled by Erste Group Bank AG.

The parties that have a special relationship to the Bank are considered to be members of the Bank's statutory and supervisory bodies and management, legal entities exercising control over the Bank (including entities with a qualified interest in these entities and management of these entities), persons closely related to the members of the Bank's statutory and supervisory bodies, management, and entities exercising control over the Bank, legal entities in which any of the parties listed above holds a qualified interest, entities with a qualified interest in the Bank and any other legal entity under their control, and legal entities which the Bank controls.

Pursuant to the definitions outlined above, the categories of the Bank's related parties principally comprise Erste Group Bank, the Bank's subsidiaries, which include both direct and indirect investments with controlling influence, members of its Board of Directors and Supervisory Board, and other related parties, which include companies directly or indirectly controlled by Erste Group Bank.

A number of banking transactions are entered into with related parties in the normal course of business. These principally include loans, deposits and other transactions. These transactions were carried out on an arm's length basis and were settled exclusively in cash. The interest rates charged to and by related parties are at standard commercial rates. Outstanding balances at the year-end are unsecured except for loans to finance investment property and property under construction.

There was no impairment related to the outstanding balances with Related Parties reported by the Bank.

Loans and advances to and amounts owed to related parties

	Erste Group Bank AG	Subsidiaries	Associates	Other related parties	Members of the Board of Directors and Supervisory Board	Erste Group Bank AG	Subsidiaries	Associates	Other related parties	Members of the Board of Directors and Supervisory Board
			2024					2023		
Assets										
Cash and cash equivalents	267	-	-	42	-	1,206	-	-	224	-
Financial assets - held for trading	6,792	-	-	-	-	10,012	-	-	-	-
Financial assets - FVPL	691	-	-	-	-	856	-	-	-	-
Financial assets – amortised costs	1,727	40,707	-	90	54	62	31,383	-	125	46
Hedge derivatives	2,864	-	-	-	-	3,050	-	-	-	-
Trade and other receivables	25	185	-	169	-	9	182	1	136	-
Other assets	92	723	-	1	-	-	658	-	1	-
Liabilities										
Financial liabilities held for trading	7,384	-	-	-	-	8,098	-	-	-	-
Financial liabilities measured at amortised costs	229,122	982	15	442	90	84,570	796	42	459	115
Debt securities in issue	18	-	-	-	-	60,196	-	-	17	-
Lease liabilities	-	824	-	-	-	-	649	-	-	-
Hedge derivatives	3,607	-	-	-	-	3,531	-	-	-	-
Other Liabilities	-	81	-	(6)		0	81	-	(2)	-
Profit&Loss statement			01-12 2024					01-12 2023		
Net interest income	(7,864)	930	-	(3)	3	(10,268)	671	-	3	3
Net fee and commission income	86	845	-	1,680	-	72	762	-	1,294	-
Dividend income	-	2,550	17	-	-	-	2,611	2	3	-
Net trading result and fair value result	(1,339)	-	5	-	-	(856)	1	8	-	-
Other administrative expenses	(176)	(96)	(51)	(1,304)	-	(138)	(84)	(53)	(1,103)	-
Other operating result	14	141	1	749	-	16	662	11	63	-
Loans commitments, financial guarantees and other commitments given	7,337	45,316	-	344	-	7,212	31,226	8	456	-
Loan commitments, financial guarantees and other commitments received	-	-	-	-	-	-	-	-	-	-

‘Other related parties’ include companies wholly or partly owned by Erste Group Bank.

Financial assets measured at amortised cost to subsidiaries as at 31 December 2024 comprise mainly of providing long term loans to Leasing České spořitelny, a.s. of CZK 18,795 million (2023: CZK 16,908 million), Stavební spořitelna České spořitelny, a.s. of CZK 13,075 million (2023: CZK 0 million) and Factoring České spořitelny, a.s. of CZK 4,278 million (2023: CZK 5,373 million).

Financial assets at amortised cost to Erste Group Bank AG as at 31 December 2024 include primarily placed cash collaterals of CZK 1,726 million (2023: primarily term deposits of CZK 50 million).

Financial liabilities measured at amortised costs as at 31 December 2024 include primarily repurchase agreements with Erste Group Bank AG in CZK 225,754 million (2023: CZK 82,940 million). The repurchase agreements are mainly denominated in CZK (CZK 193,141 million as at 31 December 2024, 2023: CZK 55,167 million) and EUR (CZK 32,613 million as at 31 December 2024, 2023: CZK 27,773 million), the interest rates on repurchase agreements range from 3.0% to 3.62% for CZK with a maturity of up to 1 month and from 2.63% to 3.57% for EUR with a maturity of up to 6 months.

Financial assets held for trading to Erste Group Bank AG as at 31 December 2024 include primarily derivatives held for trading of CZK 6,792 million (2023: CZK 9,753 million).

As at 31 December 2024 financial assets and financial liabilities held for trading include mainly derivative instruments (currency and interest rate derivatives). In 2024 and 2023, the net trading and fair value result consists primarily of foreign currency gains/ losses from derivative transactions and also currency revaluation result from other balance sheet positions with related parties denominated in foreign currencies.

Loans commitments, financial guarantees and other commitments given include primarily risk participation on Leasing České spořitelny, a.s., ČS NHQ, s.r.o. and Factoring České spořitelny, a.s. in amount of CZK 44,168 million as at 31 December 2024 (2023: CZK 30,282 million) which were concluded on armslength conditions.

Terms of the debt securities issued are described in Note 15 Financial liabilities at amortised costs.

52 Share-based payments

Remuneration of the Board of Directors and Supervisory Board members

Board of Directors are remunerated on the basis of an 'Agreement on the Performance of the Position of a Member of the Board of Directors'. The overall income of a Board of Directors Member for any given year is comprised of fixed pay, variable income, and benefits/ in-kind performances.

	Short-term benefits		Long-term benefits			Members of the Board of Directors and Supervisory Board total
			Variable performance linked remuneration			
in CZK million	Fixed salaries	Other remuneration (in kind)	Previous years (cash)	Previous years (non-cash)	Previous years (phantom/shares)	
2024	87	2	14	9	10	122
2023	74	3	10	11	8	106

The item Other remuneration comprises income from providing pool cars for personal use to Board of Directors members. No termination benefit was paid out in 2024 and 2023 to the Board of Directors members.

All of the above mentioned income is paid-out by the Bank. Board of Directors members do not have any income from any of the companies controlled by the Bank.

Variable performance linked remuneration of the Board of Directors members

The variable remuneration component of the Board of Directors members includes both:

- Cash payment;
- Non-cash payments in the form of ČS performance certificates and share-equivalents in the form of Erste Group Bank shares ('phantom shares')

None of them are exchange-traded but they are paid out in cash after vesting period based on defined criteria. The Bank recognises liability to pay for services delivered by Board of Directors members (see also Note 47 Other liabilities).

The variable performance linked component of remuneration relates to the services rendered by the Board of Directors members in current year ('performance period'). The payments are conditional on the Bank's performance in current and following five years. The actual variable performance linked remuneration payment (cash and non-cash payments part) is divided into an upfront (40%) and deferred remuneration tranches (60%). A maximum of 20% of total variable remuneration consists of a cash payment payable in the first subsequent year after the performance period and at least 20% is awarded in non-financial instruments. The 30% of deferred remuneration payments are awarded in cash and 30% in non-financial instruments.

The non-financial instruments for upfront and deferred remuneration tranches comprised of phantom shares (50%) and ČS performance certificates (50%). Both instruments will be paid out in cash when due. These components – both the upfront and deferred parts – must be retained throughout the retention period.

The variable performance linked remuneration component is calculated as the fixed income multiplied by the bonus potential (100% for Board of Directors members) and by bonus multiplier, where the value of the bonus multiplier is set as the outcome of the evaluation of the Strategy and Business part (evaluation of set performance indicators; overall weight 80%) and the Leadership part (overall weight 20%). The annual variable remuneration of the Board of Directors members as managers normally amounts to less than 5% of the aggregate annual volume of variable remuneration at the Bank as a whole.

Evaluation of the performance of Board of Directors members takes place after the end of each calendar year through the Top Executive Appraisal Committee (TEAC). The outputs from the TEAC are then assessed by the Remuneration

Committee of the Supervisory Board. The Supervisory Board decides about the setting of bonuses for Members of the Management Board on the basis of a proposal from the Remuneration Committee.

The total variable performance linked remuneration – taking into account both current remuneration based on performance period and possible reductions in pay-outs of amounts previously earned – is awarded only if the participant remains employed and it is sustainable considering the overall financial situation of the Bank and justified on the basis of the performance of the Bank. Should any of these criteria not allow for the full bonus to be awarded, up to 100 % of the total variable remuneration shall be subject to malus or clawback arrangements.

Variable performance linked remuneration for Board of Directors members for reporting period 2024 was estimated at CZK 51 million (2023: CZK 51 million).

At year-end 2024 the outstanding amount of liability from cash part of bonus programme for Board of Directors members consisting of current and also previous years (deferral parts) is CZK 61 million (2023: CZK 53 million) and for non-cash part is CZK 73 million (2023: CZK 69 million) of which CZK 36 million are phantom shares (2023: CZK 35 million).

Non-cash remuneration instruments

Phantom EGB shares

Share-based payments (phantom shares) are variable remuneration components, which – according to the remuneration policy of the Bank – are deferred over a period of five years and are awarded only if it is sustainable considering the overall financial situation of the Bank and justified on the basis of the performance of the Bank.

Amount paid depends on the average share price of Erste Group Bank AG in the year of payment. As services are received by the Bank in the performance year, the total estimated amount of bonus payments is accrued via profit or loss and recognised as liability in balance sheet. The share-based component of the bonus payment is measured with the respective average share price calculated in current financial year. Subsequent adjustments due to changes in the share price are recognised in profit or loss. As of 31 December 2024, the valuation is based on the average weighted daily share price of Erste Group Bank AG of the year 2024 in the amount of EUR 45.75 (2023: EUR 33.02) per share. Pay-outs of share-based bonus payments are made one-year after the final amount is determined.

Phantom shares are settled in cash and therefore treated as cash-settled share-based payment transactions. The average daily weighted price of a phantom share is calculated on the basis of the official DataStream (Thomson Reuters Corp) information of Erste Group Bank shares and is based on data published on the Vienna Stock Exchange (Wiener Börse).

The allocated number of phantom shares to the Board of Directors members is calculated by division of respective gross bonus amount by the average daily weighted price of Erste Group Bank shares stock in the performance period. For performance period 2024 Board of Directors members receive equivalent of 11,210 pcs of phantom shares (2023: 16,139 pcs) with average price 45.75 EUR (2023: EUR 33.02).

At the end of the vesting period when phantom shares are due, shares are transferred into cash by a multiplication of the average daily weighted price of the share in the last closed year preceding the year in which the shares are being paid out.

Performance Certificates

As a non-cash performance linked instruments, the Bank uses also ČS Performance certificates, the nature of which is ‘other instruments’ as described in the Article 4 of Regulation (EU) No 527/2014.

The valuation of the Group is based on an annual impairment test conducted at the level of the parent company Erste Group Bank. The comparison of the result of the Group's value in individual years using this valuation model is used to determine the year-on-year change in the value of the certificates. The fundament based for the valuation is a 5 year plan which is prepared by the Bank using several states of the art parameters to justify the financial performance over the following 5 consecutive years. In the preparation of the plan, the macroeconomic outlook, present performance, expected growth, and compliance with the business strategy are considered. All regulatory requirements are deemed to constitute

key deliverables of the five-year plan – in particular requirements concerning capital and liquidity. 'Old' performance certificates used until 2018 are not awarded, only deferred parts are still paid out (last part was paid out in 2024).

WeShare program

The WeShare program is an cash-settled share-based payment transaction and consists of two parts: WeShare-Investment Plus and WeShare-Participation. Both parts are offered to employees of the Bank provided that the specific requirements are met.

Under the WeShare-Investment Plus part program all employees, who had been employed by the Bank until the transfer of the shares to the employees in June 2024 (service condition) could voluntarily invest in Erste Group shares and receive free shares depending on the amount of their personal investment. The WeShare-Investment Plus part was settled in June 2024. The number of free shares, which were granted under this program for the period, is 104,720 (2023: 161,118). Personnel expenses in the amount of CZK 156 million (2023: CZK 159 million) were recorded.

In the WeShare-Participation part all employees, who have been employed by the Bank for at least six months in 2023 and were still employed until the transfer of the shares to the employees in June 2024 (service condition) are entitled to receive shares in an equivalent amount of EUR 350. The number of shares granted is calculated using the on-grant date expected EGB share price on settlement date. The expected number of free shares, which are granted under this program for the period, is 61,236 (2023: 84,201). Based on the number of entitled employees, personnel expenses in the amount of CZK 51 million (2023: CZK 51 million) were recorded and a corresponding reserve in retained earnings was created.

53 Fees of the auditors

The following table contains audit fees and other fees charged by the auditors - PricewaterhouseCoopers Audit, s.r.o. and PricewaterhouseCoopers Česká republika, s.r.o.:

in CZK million	2024	2023
Audit fees	29	31
Other assurance services	10	5
Other services	8	7
Total	**47**	**43**

The audit fees are presented including VAT 21%.

54 Assets held for sale and liabilities associated with assets held for sale

Assets classified as held for sale and assets belonging to disposal groups held for sale are reported under the statement of financial position line item 'Assets held for sale'. Liabilities belonging to the disposal groups held for sale are presented on the statement of financial position under the line item 'Liabilities associated with assets held for sale'.

Non-current assets and disposal groups that are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Should the impairment loss in a disposal group exceed the carrying amount of the assets that are within the scope of IFRS 5 measurement requirements, there is no specific guidance on how to treat such a difference. The Bank recognises this difference as a provision under the statement of financial position line item 'Provisions'.

in CZK million	2024	2023
Assets held for sale	32	10

The assets held for sale are represented by buildings for sale as a result of ongoing optimisation of the branch network.

55 Analysis of remaining maturities

The breakdown of the Bank's assets and liabilities based on residual expected maturities as at 31 December 2024 and 2023 was as follows:

in CZK million	2024		2023	
	< 1 year	> 1 year	< 1 year	> 1 year
Cash and cash equivalents	21,746	-	27,304	-
Financial assets - held for trading	12,910	-	16,662	-
Derivatives	12,852	-	16,643	-
Other financial assets held for trading	58	-	19	-
Non-trading financial assets at fair value through profit or loss	691	1,303	1,590	646
Equity instruments	-	603	-	646
Debt securities	-	700	734	-
Loans and advances to banks	691	-	856	-
Financial assets at FVOCI	3,548	47,616	2,350	49,975
Debt securities	3,548	47,616	2,350	49,975
Financial assets at AC	530,315	1,287,808	416,522	1,164,041
Loans and advances to banks	447,382	5,737	306,330	1,499
Loans and advances to customers	60,646	935,325	94,179	830,716
Debt securities	22,287	346,746	16,014	331,825
Finance lease receivables	68	214	-	284
Hedge derivatives	-	2,930	-	3,241
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(8)	-	(9)	-
Property and equipment	-	10,305	-	11,000
Intangible assets	-	6,350	-	6,184
Investments in associates and joint ventures	-	19,174	-	14,238
Current tax assets	-	-	527	-
Deferred tax assets	-	916	-	1,402
Assets held for sale	32	-	10	-
Trade and other receivables	1,853	441	1,744	17
Other assets	948	-	861	-
Total Assets	**572,103**	**1,377,057**	**467,561**	**1,251,027**
Financial liabilities - held for trading	12,035	-	16,716	-
Financial liabilities designated at FVPL	1,112	197	12,308	975
Financial liabilities measured at AC	998,131	775,336	905,648	628,988
Deposits from banks	247,102	15,867	103,342	8,748
Deposits from customers	746,997	677,961	735,783	558,885
Debt securities issued	-	81,509	60,095	61,356
Other financial liabilities	4,031	-	6,427	-
Finance lease liabilities	773	3,406	605	3,288
Hedge derivatives	-	3,693	29	4,505
Provisions	-	3,427	-	3,441
Current tax liabilities	528	-	-	-
Other liabilities	5,204	-	6,551	-
Total Liabilities	**1,017,783**	**786,059**	**941,857**	**641,197**

56 Net debt reconciliation

The table below sets out an analysis of debt of the Bank (i.e. debt securities issued and lease liabilities) and the movements in the Bank's debt for each of the periods presented. The debt items are those that are reported as financing in the statement of cash flows.

Cash-flows from debt securities issued

in CZK million	2024	2023
Opening balance of debt securities issued as of 1 January	121,451	77,262
Cash-flows reported within the cash-flow from financing activities	(41,194)	42,855
thereof interest paid from debt securities issued	(3,291)	(3,883)
Non-cash adjustment	1,252	1,334
Closing balance of debt securities issued as of 31 December	**81,509**	**121,451**

Non-cash adjustments consist mainly of accrued interest and FX impact.

Cash-flows from lease liabilities

in CZK million	2024	2023
Opening balance of lease liabilities as of 1 January	3,893	4,129
Cash-flows reported within the cash-flow from financing activities	(856)	(808)
Non-cash adjustments	1,142	572
Closing balance of lease liabilities as of 31 December	**4,179**	**3,893**

Non-cash adjustments include the interest expense and the lease liability from the newly concluded and modified contracts in 2024 and 2023.

57 Events after the balance sheet date

The company CEE Property Development Portfolio B.V. was liquidated and deleted from the Commercial Register on 6 February 2025.

Report on Relations between Related Parties

Pursuant to Section 82 of Act No. 90/2012 Coll., on Business Corporations for the accounting period from 1. 1. 2024 to 31. 12. 2024

The Board of Directors of Česká spořitelna, a.s., with its registered office in Prague 4, Olbrachtova 1929/62, 140 00, IČ: 45244782, entered in the Commercial Register, Section B, Insert 1171, kept by the Municipal Court in Prague (hereinafter 'Česká spořitelna' or the 'Bank'), prepared the following report on relations in compliance with the provisions of Section 82 of Act No. 90/2012 Coll., On Business Corporations (hereinafter referred to as the 'Business Corporations Act') for the accounting period of the calendar year 2024 (hereinafter 'Reporting period').

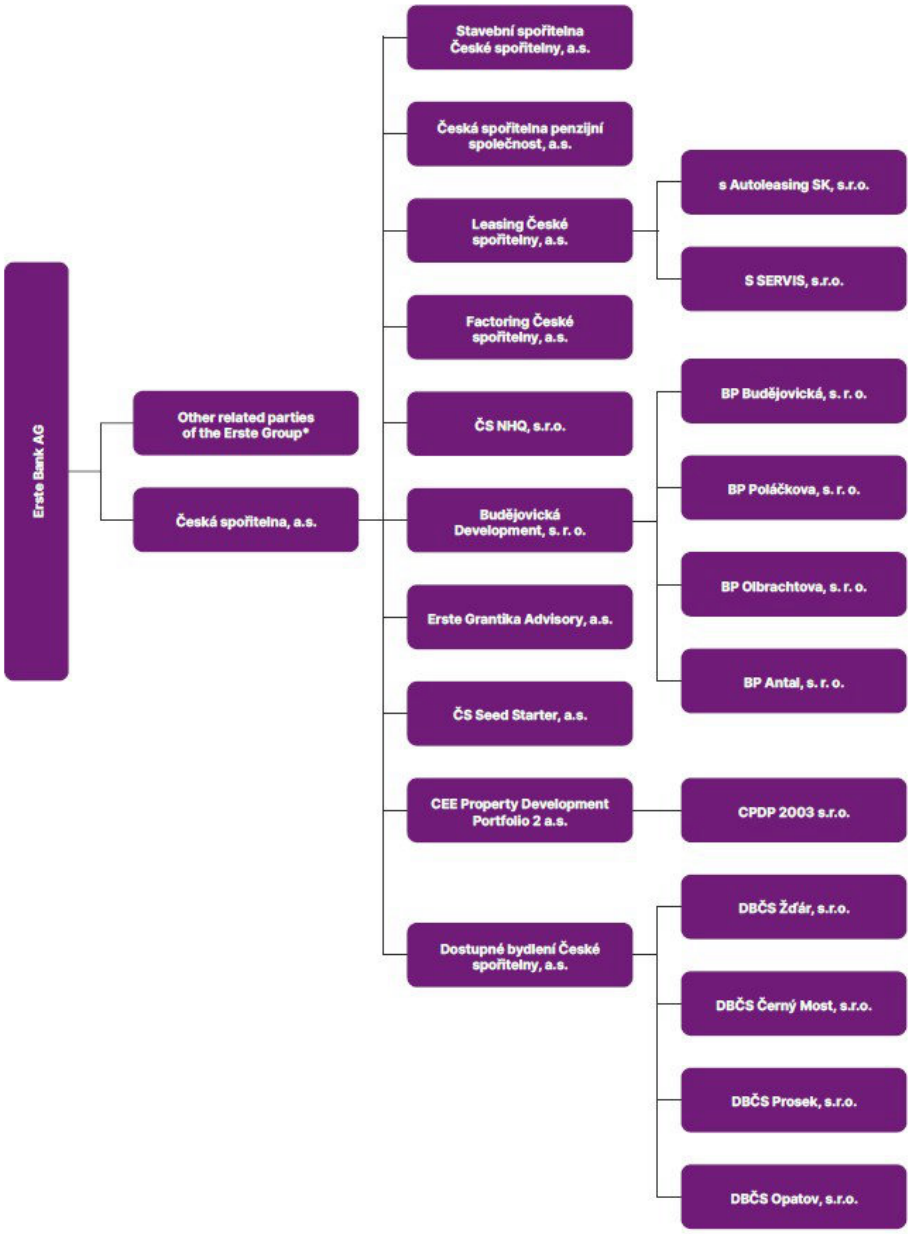
Česká spořitelna, a. s. is a member of a business group in which the described relationships exist between Česká spořitelna and controlling parties, and between Česká spořitelna and parties controlled by the same controlling parties (hereinafter referred to as 'Related Parties').

The valid agreements set out below were made by and between Česká spořitelna and the parties stated below, and the described legal acts and other factual measures were taken in that period. The Report on Relations features a financial expression of relationships with related parties for the reporting period from 1 January 2024 to 31 December 2024.

A Financial Group of Česká spořitelna, a.s.

Česká spořitelna was part of the Group in which Erste Group Bank AG is the controlling entity throughout the relevant period (the 'Group' or the 'Erste Group'). Data on persons belonging to the Group are presented as of 31 December 2024.

The structure of relations in the Erste Group is graphically illustrated in the following chart:



* Enterprises listed in Part C, Other related parties, Erste Group Bank AG.

** Companies listed in chart with 100% ownership of Česká spořitelna, a.s.

B Controlling Party

Erste Group Bank AG, Am Belvedere 1, Vienna, Austria ('Erste Group Bank')

Erste Group Bank is the ultimate parent company of the Erste Group and sole shareholder of Česká spořitelna during the Reporting period, which includes directly or indirectly controlled companies. Erste Group Bank shares are traded on the Vienna, Prague and Budapest stock exchanges. Information on the shareholder structure of Erste Group Bank is published in the financial statements of Erste Group Bank for the year 2024 and current information is also available on the Erste Group Bank website (www.erstegroup.com).

C Other Related Parties

Controlled by Erste Group Bank	Address
Banca Comerciala Romana s.a.	Orhideelor Road 15D, Bucharest, Romania
Banka Sparkasse d.d.	Cesta v Kleče 15, Lublin, Slovenia
Erste & Steiermärkische Bank d.d.	Jadranski Trg 3a, 51000 Rijeka, Croatia
Erste Asset Management GmbH	Am Belvedere 1, 1100 Vienna, Austria
REICO investiční společnost Erste Asset Management, a.s.	Antala Staška 2027, Prague 4, Czech Republic
Erste Bank der oesterreichischen Sparkassen AG	Am Belvedere 1, 1100 Vienna, Austria
Erste Bank Hungary Zrt	Népfürdő u. 24-26, Budapest, Hungaria
Erste Befektetesi Zrt.	Nepfuerd Utca 24-26. 8. EM, Budapest, Hungaria
Erste Digital GmbH	Am Belvedere 1, 1100 Vienna, Austria
Erste Group Card Processor d.o.o.	Radnička cesta 45, Zagreb, Croatia
Erste Group Immorent ČR s.r.o.	Budějovická 1518/13a, Prague 4, Czech Republic
Erste Group Immorent GmbH	Am Belvedere 1, 1100 Vienna, Austria
Erste Operations GmbH, OZ	Národní třída 44, Hodonin, Czech Republic
Erste Securities Polska S.A.	ul. Królewska 16, Warsaw, Polland
Intermarket Bank AG	Am Belvedere 1, 1100 Vienna, Austria
Omega Immorent s.r.o. in liquidation	Budějovická 1518/13a, 140 00 Prague 4, Czech Republic
Österreichische Sparkassenakademie Gmbh	Am Belvedere 1, 1100 Vienna, Austria
Procurement Services CZ, s.r.o.	Budějovická 1912/64b, Prague 4, Czech Republic
Slovenská sporiteľňa a.s.	Tomášikova 48, Bratislava, Slovak Republic
Sparkasse Bank AD Skopje	Makedonija br. 34, 1000 Skopje, Macedonia
Sparkasse Bank dd BiH	Zmaja od Bosne 7, Sarajevo, Bosnia and Herzegovina
Sparkasse Oberösterreich Bank AG	Promenade 11 - 13, 4020 Linz, Austria
Waldviertler Sparkasse Bank AG	Sparkassenplatz 3, Zwett, Austria
Wiener Neustädter Sparkasse	Neunkirchner Str. 4, 2700 Wiener Neustadt, Austria

Controlled by Česká Spořitelna	Address
BP Antal, s.r.o.	Olbrachtova 1929/62, Krč, 140 00 Prague 4, Czech Republic
BP Budějovická, s. r. o.	Olbrachtova 1929/62, Krč, 140 00 Prague 4, Czech Republic
BP Olbrachtova, s. r. o.	Olbrachtova 1929/62, Krč, 140 00 Prague 4, Czech Republic
BP Poláčkova, s. r. o.	Olbrachtova 1929/62, Krč, 140 00 Prague 4, Czech Republic
Budějovická Development, s. r. o.	Olbrachtova 1929/62, Krč, 140 00 Prague 4, Czech Republic
CEE Property Development Portfolio 2 a.s.	Olbrachtova 1929/62, Krč, 140 00 Prague 4, Czech Republic
CPDP 2003 s.r.o.	Olbrachtova 1929/62, Krč, 140 00 Prague 4, Czech Republic
Česká spořitelna - penzijní společnost, a.s.	Poláčkova 1976/2, Krč, 140 00 Prague 4, Czech Republic
ČS NHQ, s.r.o.	Olbrachtova 1929/62, Krč, 140 00 Prague 4, Czech Republic
ČS Seed Starter, a.s.	Olbrachtova 1929/62, Krč, 140 00 Prague 4, Czech Republic
Dostupné bydlení České spořitelny, a.s.	Budějovická 1912/64b, Krč, 140 00 Prague 4, Czech Republic
DBČS Černý Most, s. r. o.	Budějovická 1912/64b, Krč, 140 00 Prague 4, Czech Republic
DBČS Opatov, s. r. o.	Budějovická 1912/64b, Krč, 140 00 Prague 4, Czech Republic
DBČS Prosek, s. r. o.	Budějovická 1912/64b, Krč, 140 00 Prague 4, Czech Republic
DBČS Žďár, s. r. o.	Budějovická 1912/64b, Krč, 140 00 Prague 4, Czech Republic
Erste Grantika Advisory, a.s.	Palachovo náměstí 726/2, Starý Lískovec, 625 00 Brno, Czech Republic
Factoring České spořitelny, a.s.	Budějovická 1912/64b, Krč, 140 00 Prague 4, Czech Republic
Holding Card Service s.r.o.	Olbrachtova 1929/62, Krč, 140 00 Prague 4, Czech Republic
Leasing České spořitelny, a.s.	Budějovická 1912/64B, Prague 4, Czech Republic
s Autoleasing SK, s.r.o	Vajnorská 100/A 831 04 Bratislava, Slovakia
S SERVIS, s.r.o.	Kosmákova 3952/2, 669 02 Znojmo, Czech Republic
Stavební spořitelna České spořitelny, a.s.	Antala Staška 1292/32, Prague 4, Czech Republic

D Structure of Relations between Related Parties, Role of the Controlled Party, Method and Means of Control

Česká spořitelna is a member of the Erste Group, with the ultimate parent being Erste Group Bank. The Česká spořitelna Financial Group ('FSČS') is a business grouping of legal entities in which Česká spořitelna is the controlling party, within the meaning of the applicable provisions of Act No. 90/2012 Coll., on business corporations and cooperatives (the Corporations Act) and other members of FSČS are the controlled parties. The FSČS is the group formed for the purpose of attaining long-term prosperity and stability. The structure of relations in the Erste Group and in the FSČS is graphically depicted in Sections A to C.

FSČS members apply a uniform group management system, whose goal is to ensure the influence of the managing party in advancing individual group policies and in the policy management of major components or activities in the group's business. The uniform group management system is embodied primarily in the group standards.

Criteria for including a company into the FSČS are as follows:

1. a comprehensive offer of financial and complementary services for target client segments,
2. a high level of cooperation and synergies,
3. shared distribution and communication channels,
4. co-responsibility for FSČS's consolidated results,
5. shared services.

FSČS members form the foundation of the consolidated group unit that is characterised by group strategic goals, consolidated results and reports, consolidated risk management rules, regulatory restrictions, and consolidated supervision.

Relations with the related parties bring benefits for Česká spořitelna in terms of the use of available resources (human, technical, material) in the field of sales and supporting activities, knowledge of back-ground and the systems used, etc. Unified systems and processes then enable broad synergies across the related parties.

Centralisation of business support activities of FSČS members could involve a certain level of risk in exceptional situations; to that end, Česká spořitelna has drawn up and tests Business Continuity Plans.

E Transactions with Related Parties

Česká spořitelna identified relationships with the related parties listed in Sections B and C and grouped them into the following categories.

Related Party Transactions Impacting Česká spořitelna's Income Statement

Item of Income statement in million CZK	Type of contract	Controlling Party	Other Related Parties
Net interest income	Agreements on the provision of loans, term deposits, maintenance of current accounts, overdrafts, accepted loans, agreements on the sale of bonds and other securities issued by Česká spořitelna, a.s.	-7,864	927
Net fee and commission income	Agreements on the provision of loans, term deposits, maintenance of current accounts, overdrafts, accepted loans, agreements on the sale of bonds and other securities issued by Česká spořitelna, a.s.	86	2,525
Dividend income	Related party share distribution agreements.	-	2,567
Net trading result	Agreements on the provision of derivatives for trading, contracts for the acquisition of derivatives for trading.	-1,339	5
Other administrative expenses	Non-banking contracts	-176	-1,451
Other operating result	Non-banking contracts	14	891

Related Party Transactions Recorded on the Asset Side of Česká spořitelna's Statement of Financial Position

Item of Statement of Financial Position in million CZK	Type of contract	Controlling Party	Other Related Parties
Cash and cash balances	Agreement on the establishment and maintenance of current, term, deposit and investment accounts.	267	42
Financial assets held for trading	Agreements on the acquisition of bonds and similar securities, contracts for the acquisition of derivatives for trading.	6,792	-
Non-trading financial assets at fair value through profit and loss	Loan agreement, agreement on long-term deposits, agreement on the establishing and maintenance of current accounts, overdrafts.	691	-
Financial assets at amortised costs	Loan agreement, agreement on long-term deposits, agreement on the establishing and maintenance of current accounts, overdrafts.	1,727	40,797
Hedge accounting derivates	Hedging derivative contracts	2,864	-
Right to use assets	Non-banking contracts	-	724
Financial lease receivables, trade and other receivables, other assets	Non-banking contracts	117	354

Related Party Transactions Recorded on the Liability Side of Česká spořitelna's Statement of Financial Position

Item of Statement of Financial Position in million CZK	Type of contract	Controlling Party	Other Related Parties
Financial liabilities held for trading	Derivative trading agreements	7,384	-
Financial liabilities at amortised costs	Agreement on the establishment and maintenance of current and term accounts, contracts on the sale of bonds and other securities issued by Česká spořitelna, a.s.	229,140	1,439
Lease liabilities	Non-banking contracts	-	824
Hedge accounting derivates	Derivative derivative contracts	3,607	-
Other liabilities	Non-banking contracts	-	75

Other Banking and Trading Relationships with Related Parties

Item out of Statement of financial position/ Income statement in million CZK	Type of contract	Controlling Party	Other Related Parties
Guarantees Provided	Guarantee agreements	163	15,730
Net position of derivatives notional amount	Derivative contracts	659,517	-
Equity investments with Related Parties	Related party share distribution agreements	2,713	-
Dividends	Decision of the sole shareholder of 17 April 2024	15,519	2,609
Additional Tier 1 Notes interest	Decision of the sole shareholder of 17 April 2024	561	-

F Contractual Relationships

In previous accounting periods, Česká spořitelna, a.s. entered into agreements of a banking and non-banking nature with related parties listed in Part B and Part C, whose financial statements for the accounting period are set out in Part E. All banking agreements were concluded under standard conditions according to the ČS price list with regard to creditworthiness of individual clients within the conditions usual in business or interbank transactions, and all non-bank contracts were concluded under standard business conditions. During the accounting period, ČS did not incur any damage from these contracts.

AGREEMENTS BETWEEN THE COMPANY AND THE CONTROLLING ENTITY, WHICH WERE APPLICABLE AT THE APPLICABLE PERIOD CONTRACTUAL

RELATIONS OF THE STANDARD BANKING CHARACTER

Contractual party	Name	Description	Date	Detriment
Erste Group Bank AG	ESTR, SFTR, BAIL IN	GMRA (SFTR)	2021	None incurred
Erste Group Bank AG	ESTR, BAIL IN	ISDA, ISMA (1992)	2021	None incurred
Erste Group Bank AG	Process Agent - change notification	Change OO, PV without IDOP	2021	None incurred
Erste Group Bank AG	MASTER AGREEMENT ON CERTIFICATES OF DEPOSIT ČESKÁ SPOŘITELNA, A.S.	Other	2020	None incurred
Erste Group Bank AG	Clearing Framework Agreement	Other	2020	None incurred
Erste Group Bank AG	Annex to Clearing Framework Agreement ('Framework Agreement') for indirect clearing	Other	2020	None incurred
Erste Group Bank AG	EUR Agreement on Current Account	Cash Management	2020	None incurred
Erste Group Bank AG	Client Account Agreement (nostro accounts) inc. Amendments	Cash Management	2020	None incurred
Erste Group Bank AG	Authorized persons for concluding transactions	Other	2019	None incurred
Erste Group Bank AG	Global Master Securities Lending Agreement	GMSLA	2019	None incurred
Erste Group Bank AG	CZK Agreement on Current Account	Cash Management	2019	None incurred
Erste Group Bank AG	Electronic Trading Agreement - ČS is a client	Other	2018	None incurred
Erste Group Bank AG	Electronic Trading Agreement - EGB is a client	Other	2018	None incurred
Erste Group Bank AG	Business24 - Light	Cash Management	2018	None incurred
Erste Group Bank AG	Global Master Repurchase Agreement	GMRA	2017	None incurred
Erste Group Bank AG	Variation Margin CSA	ISDA, ISMA (1992)	2017	None incurred
Erste Group Bank AG	Notification of the change of the counterparty 's registered office	ISDA, ISMA (1992)	2016	None incurred
Erste Group Bank AG	Zentai + Böwing signature patterns	Other	2015	None incurred
Erste Group Bank AG	Agent in England	Other	2013	None incurred
Erste Group Bank AG	ISDA EMIR protocol	ISDA, ISMA (1992)	2013	None incurred
Erste Group Bank AG	Amendment - change in issue. allowances	ISDA, ISMA (1992)	2013	None incurred
Erste Group Bank AG	Commission Agent´s Contract on Arranging the Purchase or Sale of Securities	Commission agreement	2011	None incurred
Erste Group Bank AG	Global Custody Agreement	Custody	2010	None incurred
Erste Group Bank AG	ISDA - Annex on Emission Allowances	ISDA, ISMA (1992)	2009	None incurred
Erste Group Bank AG	Commission Agent´s Contract on Arranging the Purchase or Sale of Securities	Commission agreement	2007	None incurred
Erste Group Bank AG	II. AGREEMENT on the issuance and use of debit cards of Česká spořitelna, a.s.	Other	2007	None incurred
Erste Group Bank AG	Framework Agreement for Handling Options & Futures	Other	2005	None incurred
Erste Group Bank AG	Pledge Agreement	Other	2003	None incurred
Erste Group Bank AG	Mandate Agreement on Entering into Derivate Transaction	Commission agreement	2003	None incurred
Erste Group Bank AG	Agreement on Fees	Other	2002	None incurred
Erste Group Bank AG	Commission Agent´s Contract on Arranging Purchase or Sale	Other	2002	None incurred
Erste Group Bank AG	Agreement on Classes of Fully Capitalized Units	Other	2002	None incurred
Erste Group Bank AG	Contract On Arranging for the Purchase Price Playments for the Transfer of Securities	Other	2001	None incurred
Erste Group Bank AG	Contract On intermediation of Sale and Purchase of Securities	Other	2001	None incurred
Erste Group Bank AG	Custody Agreement with Česká Spořitelna, a.s.	Other	2001	None incurred

CONTRACTUAL RELATIONS OF THE STANDARD NON – BANK CHARACTER

Contractual party	Name	Description	Date	Detriment
Erste Group Bank AG	Data - driven Compliance	Other	2024	None incurred
Erste Group Bank AG	Service Level Agreement – Synthetic Securitisation	Other	2024	None incurred
Erste Group Bank AG	License Agreement (Erste Group Brands)	Other	2024	None incurred
Erste Group Bank AG	Data processing agreement- Synthetic Securitisation	Other	2024	None incurred
Erste Group Bank AG	Cost Reimbursement Agreement	Other	2023	None incurred
Erste Group Bank AG	Service Level Agreement KYC4FI	Other	2023	None incurred
Erste Group Bank AG	SFTR, BAIL IN, ESTR FALL BACK	GMSLA	2021	None incurred
Erste Group Bank AG	Omnibus Reporting Agreement	Other	2021	None incurred
Erste Group Bank AG	MIFID II Indirect clearing account type selection for ETD	Other	2020	None incurred
Erste Group Bank AG	Service Level Agreement	Other	2019	None incurred
Erste Group Bank AG	Cooperation agreement-Hong Kong branch	Other	2019	None incurred
Erste Group Bank AG	Service Level Agreement MIFID II	Other	2018	None incurred
Erste Group Bank AG	Funded Subparticipation Agreement dated October 29, 2018 between Erste Group Bank AG and ČS a.s.	Syndicated financing	2018	None incurred
Erste Group Bank AG	Service Level Agreement - Amendment Nr. 7	Other	2018	None incurred
Erste Group Bank AG	Service Level Agreement - Amendment 6	Other	2018	None incurred
Erste Group Bank AG	Service Level Agreement - Amendment 5	Other	2018	None incurred
Erste Group Bank AG	Service Level Agreement - Amendment 4	Other	2018	None incurred
Erste Group Bank AG	Service Level Agreement - Appendix No. 1	Other	2017	None incurred
Erste Group Bank AG	Funded Subparticipation Agreement dated 27 October 2017 between Erste Group Bank AG and ČS a.s.	Syndicated financing	2017	None incurred
Erste Group Bank AG	Service Level Agreement for Care Order Execution	Other	2016	None incurred
Erste Group Bank AG	Distribution Agreement	Other	2013	None incurred
Erste Group Bank AG	Memorandum of understanding	Other	2013	None incurred
Erste Group Bank AG	Cooperation agreement	Other	2011	None incurred
Erste Group Bank AG	Sub-Distribution Agreement	Other	2011	None incurred
Erste Group Bank AG	AML - Credit- / Fin. Ins. Working Instruction	Other	2010	None incurred
Erste Group Bank AG	Cooperation Agreement	Other	2009	None incurred
Erste Group Bank AG	Cooperation Agreement - Profit Transfer Matrix	Other	2008	None incurred
Erste Group Bank AG	Service level agreement	Other	2008	None incurred
Erste Group Bank AG	Notice of change of contact details	Other	2005	None incurred

G Contracts concluded between the company and other persons controlled by the controlling entity

CONTRACTUAL RELATIONS OF THE STANDARD BANKING CHARACTER

Contracts for the establishment and maintenance of current, term, deposit and investment accounts

The Bank provided the following banking services in various currencies in the given accounting period. For these banking services, the contracting parties paid a contractual fee in the form of fees and interest in the case of a debit balance on the account.

– **Agreement on the establishment and maintenance of current accounts (incl. escrow accounts)** - BP Antal, s. r. o. (1x), BP Budějovická, s. r. o. (4x), BP Olbrachtova, s. r. o. (4x), BP Poláčkova, s. r .o. (4x), Budějovická Development, s. r. o. (1x), CEE Property Development Portfolio 2 a.s. (1x), ČS NHQ, s.r.o. (2x), Česká spořitelna - penzijní společnost, a.s. (2x), Erste Asset Management GmbH, Czech branch (1x), Factoring České spořitelny, a.s. (1x),

Holding Card Service s.r.o. (1x), REICO investiční společnost Erste Asset Management, a.s. (1x), Stavební spořitelna České spořitelny, a.s. (4x), S SERVIS, s.r.o. (1x), Leasing ČS, a.s. (1x), ČS Seed Starter, a. s. (1x), Erste Befektetesi Zrt. (1x), Erste Grantika Advisory a.s. (1x), Erste Group Immorent ČR s.r.o. (1x), Intermarket Bank AG (1x), Omega Immorent s.r.o. in liquidation (1x), Dostupné bydlení České spořitelny, a.s. (2x), DBČS Černý Most, s. r. o. (1x), DBČS Opatov, s. r. o. (1x), DBČS Prosek, s. r. o. (2x), DBČS Žďár, s. r. o. (1x), Erste Operations GmbH, OZ (1x), Erste Bank der oesterreichischen Sparkassen AG (1x), CPDP 2003 s.r.o. (3x), Procurement Services CZ, s.r.o. (2x).

- **Agreement on the establishment and maintenance of a term account** – Česká spořitelna - penzijní společnost, a.s. (1x), REICO investiční společnost Erste Asset Management, a.s. (1x), CEE Property Development Portfolio 2 a.s. (1x), Erste Group Immorent ČR s.r.o. (1x), BP Olbrachtova, s. r. o. (1x), BP Poláčkova, s. r. o. (1x), BP Budějovická, s. r. o. (1x), Budějovická development, s. r. o. (1x), ČS NHQ, s.r.o. (1x), CPDP 2003 s.r.o. (1x), Erste Grantika Advisory, a.s. (1x), ČS Seed Starter, a. s. (1x), Dostupné bydlení České spořitelny, a.s. (1x).
- **Margin accounts** - Erste Asset Management GmbH, Czech branch (in respect of mutual funds).
- **International cash pooling** – Slovenská sporiteĺňa, a.s.; Erste Group Bank AG; Erste & Steiermarkische Bank D.D.; Erste Bank Hungary Zrt.; Erste Bank der oesterreichischen Sparkassen AG; Banca Comerciala Romana s.a.

Loans, guarantee and other receivables

In the given accounting period, the Bank provided performance based on agreements related to credit products: loans, placement of term deposits, interbank loans, permitted overdraft and guarantees. The contracting parties paid contractual fees and interest for these loan products.

- **Loan or guarantee agreements** - Leasing České spořitelny a.s. (1x), Factoring České spořitelny a.s. (1x), ČS Seed Starter, a. s. (1x), BP Olbrachtova, s. r. o. (1x), BP Poláčkova, s. r. o. (1x), BP Budějovická, s. r. o. (1x), Erste Group Immorent ČR s.r.o. (1x), REICO investiční společnost Erste Asset Management, a.s. (1x), ČS NHQ, s.r.o. (1x), CPDP 2003 s.r.o. (1x).
- **Overdraft agreement** - Erste Asset Management GmbH, Czech branch (in respect of mutual funds 15x), Erste Operations GmbH, OZ (1x).
- **Collateral agreements** - BP Budějovická, s. r. o. (5x), BP Olbrachtova, s. r. o. (5x), BP Poláčkova, s. r. o. (5x), Budějovická Development, s. r. o (3x), Erste Asset Management GmbH, Czech branch (1x), CPDP 2003 s.r.o. (6x).

Investment and investment services

In the given accounting period, the Bank provided performance on the basis of an agreement on the purchase or sale of investment instruments, agreements on custody and deposit of securities, settlement of trades in investment instruments, securities management, depository activities and records of book-entry units. The consideration provided by the counterparties consisted of fees and contractual fees.

- **Framework agreement on trading on the financial market** - CEE Property Development Portfolio 2 a.s. (1x), Erste Asset Management GmbH, Czech branch (3x), Česká spořitelna - penzijní společnost, a.s. (1x), ČS NHQ, s.r.o. (1x), REICO investiční společnost Erste Asset Management, a.s. (3x), ČS Seed Starter, a. s. (1x), Stavební spořitelna České spořitelny, a.s. (2x), Leasing České spořitelny, a.s. (1x).
- **Custody agreements (incl. keeping separate records)** - Česká spořitelna - penzijní společnost, a.s. (1x), Erste Asset Management GmbH, Czech branch (3x), REICO investiční společnost Erste Asset Management, a.s. (4x), Stavební spořitelna České spořitelny, a.s. (2x), ČS NHQ, s.r.o. (1x).

Other banking services

In the given accounting period, the Bank provided performance on the basis of contracts relating to other banking services, such as contracts for the provision of internet banking services, contracts for the provision of advisory services. The consideration provided by the counterparties consisted of fees and contractual fees.

– **Safety deposit box** - Factoring České spořitelny, a.s. (1x), Stavební spořitelna České spořitelny, a.s. (1x), Erste Grantika Advisory, a.s. (1x), Leasing České spořitelny, a.s. (1x), Česká spořitelna - penzijní společnost, a.s. (1x)

– **Internet banking** – BP Antal, s. r. o., (1x), BP Budějovická, s. r. o. (1x), BP Olbrachtova, s. r. o. (1x), BP Poláčkova, s. r. o. (1x), Budějovická Development, s. r. o (1x), ČS NHQ, s.r.o. (1x), Stavební spořitelna České spořitelny, a.s. (2x), Holding Card Service s.r.o. (1x), Factoring České spořitelny, a.s. (1x), Česká spořitelna - penzijní společnost, a.s., (1x), Erste Operations GmbH, OZ (1x), DBČS Černý Most, s. r. o. (2x), DBČS Prosek, s. r. o. (2x), DBČS Opatov, s. r. o. (1x).

CONTRACTUAL RELATIONS OF THE STANDARD NON-BANK CHARACTER

Contractual party	Name	Description	Date	Detriment
BP Antal, s.r.o.	Agreement on provision of headquarters services	Agreement on provision of headquarters services	2024	None incurred
BP Antal, s.r.o.	Sale of the building	Sale of Antal Stašek's building	2024	None incurred
BP Antal, s.r.o.	Lease of the building	Lease of the Antal Stašek building	2024	None incurred
BP Budějovická, s. r. o.	Headquarters service contract	Residence	2022	None incurred
BP Budějovická, s. r. o.	Lease agreement	Lease agreement	2020	None incurred
BP Budějovická, s. r. o.	Agreement on subordination of BP Budějovická, s.r.o.	Subordination agreement	2020	None incurred
BP Olbrachtova, s. r. o.	Headquarters service contract	Residence	2022	None incurred
BP Olbrachtova, s. r. o.	Lease agreement	Lease agreement	2020	None incurred
BP Olbrachtova, s. r. o.	Agreement on subordination of BP Olbrachtova s.r.o.	Subordination agreement	2020	None incurred
BP Poláčkova, s. r. o.	Headquarters service contract	Residence	2022	None incurred
BP Poláčkova, s. r. o.	Lease agreement	Lease agreement	2020	None incurred
BP Poláčkova, s. r. o.	Agreement on subordination of BP Poláčkova s.r.o.	Subordination agreement	2020	None incurred
Budějovická Development, s. r. o	Agreement on subordination of BP Budějovická, s.r.o.	Subordination agreement	2020	None incurred
Budějovická Development, s. r. o	Agreement on subordination of BP Olbrachtova, s.r.o.	Subordination agreement	2020	None incurred
Budějovická Development, s. r. o	Agreement on subordination of BP Poláčkova s.r.o.	Subordination agreement	2020	None incurred
Budějovická Development, s. r. o	Headquarters service contract	Residence	2019	None incurred
Budějovická Development, s. r. o	Cooperation agreement	Real estate transaction cooperation agreement	2019	None incurred
Budějovická Development, s. r. o	Contract for provision of outsourcing services	Outsourcing services provided by ČS	2024	None incurred
Budějovická Development, s. r. o	Agreement on the provision of a surcharge outside the share capital of the company and purchase of building	Agreement on the provision of a surcharge outside the share capital of the company and purchase of building, konfirmation	2024	None incurred
CEE Property Development Portfolio 2 a.s.	Non-residential lease agreement (including amendments)	Contract for the lease of commercial space	2018	None incurred
CEE Property Development Portfolio 2 a.s.	Contract for provision of outsourcing services	Outsourcing services provided by ČS	2022	None incurred
CEE Property Development Portfolio 2 a.s.	Service contract	Contract for the provision of telephone and data services	2014	None incurred
CPDP 2003 s.r.o.	Residence	Residence	2017	None incurred

Contractual party	Name	Description	Date	Detriment
Česká spořitelna - penzijní společnost, a.s.	Personal Data Processing Agreement (GDPR)	Rights and obligations of the parties in the field of personal data processing	2018	None incurred
Česká spořitelna - penzijní společnost, a.s.	Agreement on the provision of outsourcing services for 1. securing certain obligations of the pension company related to fund management, 2. bookkeeping of pension, mutual funds and transformed fund, 3. selected administrator activities	Outsourcing of selected activities	2023	None incurred
Česká spořitelna - penzijní společnost, a.s.	Agency agreement	Sales representation for the branch network	2016	None incurred
Česká spořitelna - penzijní společnost, a.s.	Contract for the provision of outsourcing services for the processing of requests for cooperation and the processing of execution orders	Outsourcing of selected activities	2014	None incurred
Česká spořitelna - penzijní společnost, a.s.	Agreement on the provision of outsourcing services for the area of processing and payment of commissions and securing activities in product support and management of central partners	Outsourcing of selected activities	2013	None incurred
Česká spořitelna - penzijní společnost, a.s.	Agreement on providing activities in the field of information technology	Outsourcing of IT activities	2012	None incurred
Česká spořitelna - penzijní společnost, a.s.	Cooperation agreement	Participation in the financing of the Pension Solutions 2 campaign	2011	None incurred
Česká spořitelna - penzijní společnost, a.s.	Post-warranty service agreement Česká spořitelna, a.s.	Post-warranty hardware service	2011	None incurred
Česká spořitelna - penzijní společnost, a.s.	Master Agreement for the Provisioning of IT Services for PFČS post-warranty service	Provision of cooperation agreement	2011	None incurred
Česká spořitelna - penzijní společnost, a.s.	Agreement on mutual exchange of information through special access to the CLIENT application	Using the CLIENT application service	2009	None incurred
Česká spořitelna - penzijní společnost, a.s.	Cooperation agreement	Providing CS Client Center services for CSPS	2005	None incurred
Česká spořitelna - penzijní společnost, a.s.	Agreement on access to the ČS Intranet	Intranet access for ZC ČSPS	2003	None incurred
Česká spořitelna - penzijní společnost, a.s.	Confidential Information Agreement	Protection of confidential information between partners	2003	None incurred
Česká spořitelna - penzijní společnost, a.s.	Software License and Support Terms Agreement	Application Tableua	2019	None incurred
Česká spořitelna - penzijní společnost, a.s.	IT cost sharing agreement for the Reporting Module and the Limits Module	SW Arbes Topas	2019	None incurred
Česká spořitelna - penzijní společnost, a.s.	Contract for the provision of outsourcing services	Outsourcing of selected activities	2019	None incurred

Contractual party	Name	Description	Date	Detriment
Česká spořitelna - penzijní společnost, a.s.	Agreement on payments arrangement of ČSPS clients	Responsibllites for payments to ČSPS clients	2020	None incurred
Česká spořitelna - penzijní společnost, a.s.	Service contract	Sending tax receipts, confirmation letters	2003	None incurred
Česká spořitelna - penzijní společnost, a.s.	Contract for the lease of non-residential premises and movables	Lease of the Poláčkova 1976/2 building, Prague	2000	None incurred
Česká spořitelna - penzijní společnost, a.s.	Contract on communication services	External communication	2021	None incurred
Česká spořitelna - penzijní společnost, a.s.	Contract for the provision of outsourcing services	Outsourcing of selected activities	2023	None incurred
Česká spořitelna - penzijní společnost, a.s.	Sublicense agreement	Sublicense agreement	2024	None incurred
ČS NHQ, s.r.o.	Agreement on the provision of a surcharge outside the share capital of the company	Providing a surcharge outside the share capital	2022, 2023	None incurred
ČS NHQ, s.r.o.	Contract for the provision of IT services	Provision of IT services	2019	None incurred
ČS NHQ, s.r.o.	Contract for the lease of business premises	Commercial space for rent in Prague 4, Olbrachtova	2021	None incurred
ČS NHQ, s.r.o.	Contract for the lease of business premises	Commercial space for rent in Prague 4, Budějovická 1912	2022	None incurred
ČS NHQ, s.r.o.	Contract for the provision of services related to the employee share program	Services connected with the realization of the employee share program	2022	None incurred
ČS NHQ, s.r.o.	Contract for the lease of vehicle	Contract for the lease of vehicle Škoda Octavia	2023	None incurred
ČS NHQ, s.r.o.	Statement of Work	Statement of Work	2023	None incurred
ČS NHQ, s.r.o.	Agreement on the sublease of a parking space (incl. Appendixes)	Agreement on the sublease of a parking space	2022	None incurred
ČS NHQ, s.r.o.	Outsourcing services (incl. Appendix)	Outsourcing services provided by ČS	2024	None incurred
ČS NHQ, s.r.o.	Agreement on sublease of space used for business	Agreement on sublease of space used for business (Budějovická 1912)	2024	None incurred
ČS NHQ, s.r.o.	Power of Attorney	Power of attorney related to financial accounting	2024	None incurred
ČS NHQ, s.r.o.	Agreement on sublease of premises used for business	Agreement on sublease of premises used for business (Trianon)	2024	None incurred
ČS Seed Starter, a. s.	2x Agreement on the provision of a surcharge outside the share capital of the company	Providing a surcharge outside the share capital	2022	None incurred
ČS Seed Starter, a. s.	Agreement on providing activities in the field of information technology	Outsourcing of IT activities	2022	None incurred
ČS Seed Starter, a. s.	Cooperation agreement	Mutual cooperation and synergies in relation to the financing of the client application	2022	None incurred
ČS Seed Starter, a. s.	Contract for the sublease of business premises	Sublease of business premises	2021	None incurred

Contractual party	Name	Description	Date	Detriment
ČS Seed Starter, a. s.	Contract for the provision of services related to the employee share program	Services connected with the realization of the employee share program	2022	None incurred
ČS Seed Starter, a. s.	Contract for the provision of IT services	IT services provided by ČS	2023	None incurred
ČS Seed Starter, a. s.	Contract for provision of outsourcing services (inc. Appendix)	Outsourcing services provided by ČS	2024	None incurred
ČS Seed Starter, a. s.	2x Agreement on the provision of a surcharge outside the share capital of the company	2x Agreement on the provision of a surcharge outside the share capital of the company	2024	None incurred
ČS Seed Starter, a. s.	Sublicense agreement	Sublicense agreement	2024	None incurred
Dostupné bydlení České spořitelny, a.s.	3x Agreement on the provision of a surcharge outside the share capital of the company	Providing a surcharge outside the share capital	2022	None incurred
Dostupné bydlení České spořitelny, a.s.	Agreement on sublease of premises used for business	Sublease space used for business	2022	None incurred
Dostupné bydlení České spořitelny, a.s.	Agreement on the sublease of a parking space	Sublease a parking space	2022	None incurred
Dostupné bydlení České spořitelny, a.s.	Contract for the provision of services related to the employee share program	Services connected with the realization of the employee share program	2022	None incurred
Dostupné bydlení České spořitelny, a.s.	Contract for the provision of IT services	Contract for the provision of IT services	2023	None incurred
Dostupné bydlení České spořitelny, a.s.	4x Agreement on the provision of a surcharge outside the share capital of the company	Providing a surcharge outside the share capital	2023	None incurred
Dostupné bydlení České spořitelny, a.s.	Contract for provision of outsourcing services	Outsourcing services provided by ČS	2024	None incurred
Dostupné bydlení České spořitelny, a.s.	Garage lease	Garage lease Budějovická	2024	None incurred
Dostupné bydlení České spořitelny, a.s.	Lease agreement	Lease agreement Budějovická	2024	None incurred
Dostupné bydlení České spořitelny, a.s.	Sublicense agreement	Sublicense agreement	2024	None incurred
Dostupné bydlení České spořitelny, a.s.	Providing a surcharge outside the share capital	Providing a surcharge outside the share capital	2024	None incurred
Dostupné bydlení České spořitelny, a.s.	Agreement on the processing of personal data	Agreement on the processing of personal data	2024	None incurred
Dostupné bydlení České spořitelny, a.s.	Contract for the provision of IT services	Contract for the provision of IT services	2024	None incurred
DBČS Žďár, s.r.o.	Contract for provision of outsourcing services (incl. Appendices)	Outsourcing services provided by ČS	2024	None incurred
DBČS Černý Most, s.r.o.	Contract for provision of outsourcing services (incl. Appendices)	Outsourcing services provided by ČS (incl. Appendices)	2024	None incurred
DBČS Černý Most, s.r.o.	Power of Attorney	Power of attorney related to financial accounting	2024	None incurred
Erste & Steiermarkische Bank D.D.	SA FASCOR (incl. amendments)	Provision of services	2016, 2018, 2022	None incurred
Erste & Steiermarkische Bank D.D.	Utilization of analytics	Analytical tools	2019	None incurred

Contractual party	Name	Description	Date	Detriment
Erste Asset Management GmbH, branch ČR	Cooperation agreement (call center Prostějov)	Providing services of call centrum Prostějov	2005	None incurred
Erste Asset Management GmbH, branch ČR	Agreement on ensuring the daily calculation of PL's equity, calculation of current unit values, mutual fund accounting and related affairs. Activities (incl. Supplements)	Ensuring NAV calculation and fund accounting	2012	None incurred
Erste Asset Management GmbH, branch ČR	IT service agreement (including amendments)	Contract for IT services (including amendments)	2013	None incurred
Erste Asset Management GmbH, branch ČR	Storage contract	Archival storage	2015	None incurred
Erste Asset Management GmbH, branch ČR	Agreement on securing selected back-office activities (incl. Amendments)	Providing selected back-office activities - selected activities of the fund administrator	2016	None incurred
Erste Asset Management GmbH, branch ČR	Contract for sublease of premises used for business (Trianon) incl. Appendices - Lease Agreement - Trianon building	Sublease Trianon - office + parking	2016	None incurred
Erste Asset Management GmbH, branch ČR	Agreement on distribution of mutual funds and provision of related services (incl. Amendments)	Distribution agreement setting out the conditions of services relating to collective investment	2017	None incurred
Erste Asset Management GmbH, branch ČR	Personal Data Processing Agreement (GDPR)	GDPR to the contract on keeping separate records	2017	None incurred
Erste Asset Management GmbH, branch ČR	Personal Data Processing Agreement (GDPR)	Processing of personal data in connection with contracts for the provision of Outsourcing Services - HR (GDPR)	2018	None incurred
Erste Asset Management GmbH, branch ČR	Agreement on the provision of outsourcing services for the area of asset management of ČS clients (incl. Appendices)	DPM contract	2018	None incurred
Erste Asset Management GmbH, branch ČR	Personal Data Processing Agreement (GDPR)	GDPR to the DPM contract	2018	None incurred
Erste Asset Management GmbH, branch ČR	IT cost sharing agreement for the Reporting Module and the Arbes Topas SW Limits Module	Cost sharing for the implementation of the reporting module and the limits module and for licenses (between EAM, ČS, REICO and ČSPS)	2019	None incurred
Erste Asset Management GmbH, branch ČR	Service Level Agreement (SLA)	Sales suppot and fund distribution	2020	None incurred
Erste Asset Management GmbH, branch ČR	Rental contract - HW	Hardware rent - laptops	2020	None incurred

Contractual party	Name	Description	Date	Detriment
Erste Asset Management GmbH, branch ČR	Contract for the provision of services related to the employee share program	Services connected with the realization of the employee share program	2022	None incurred
Erste Asset Management GmbH, branch ČR	Outsourcing Services Agreement (Including Supplements)	AGREEMENT FOR THE PROVISION OF OUTSOURCING SERVICES - The subject of the agreement is the provision of outsourcing services by Česká spořitelna to Erste Asset Management GmbH, Czech Republic, in selected areas.	2023	None incurred
Erste Asset Management GmbH, branch ČR	Custody Web Portal Contract (Pilot)	Electronical service - Custody Web Portal	2023	None incurred
Erste Asset Management GmbH, branch ČR	Contract for the provision of outsourcing services	Contract for the provision of outsourcing services	2024	None incurred
Erste Bank der oesterreichischen Sparkassen AG	GROUP MASTER AGREEMENT Standard Software and Technical Support	Technical support	2008, 2022	None incurred
Erste Bank Hungary Zrt	Service Agreement - FASCOR (including amendments)	Provision of services	2018	None incurred
Erste Digital GmbH	76x OSOW - Operating statement of work, incl. ammendments (for various applications)	Software maintenance and operations support	2016 - 2024	None incurred
Erste Digital GmbH	39x PSOW - Project statement of work, incl. ammendments (for various applications)	Software project development	2020 - 2024	None incurred
Erste Digital GmbH	PURCHASE AGREEMENT for Hardware and its accessories	HW purchase	2019	None incurred
Erste Digital GmbH	Contract for provision of outsourcing services	Outsourcing services provided by ČS	2024	None incurred
Erste Digital GmbH	2x TOM - Target operating model George	Target operation model	2020, 2022	None incurred
Erste Digital GmbH	3x Data processing agreement	Data processing	2019	None incurred
Erste Digital GmbH	Contract for the provision of IT services	IT services	2017	None incurred
Erste Digital GmbH	MSA - Master Service Agreement	Master service agreement	2023	None incurred
Erste Digital GmbH	Agreement on sublease of space serving the business	Agreement on sublease of space serving the business	2024	None incurred
Erste Grantika Advisory, a.s.	Contract for the provision of consulting services	Agreement on the provision of consulting services to Česká spořitelna	2022	None incurred
Erste Grantika Advisory, a.s.	Non-residential sublease agreement	Sublease Campus, Palachovo	2020	None incurred
Erste Grantika Advisory, a.s.	Contract for the lease of commercial space	Rental warehouse contract Jánská 10, Brno	2020	None incurred
Erste Grantika Advisory, a.s.	The insurance contract	Management insurance	2020	None incurred
Erste Grantika Advisory, a.s.	Parking space sublease agreement 2020/2300/428	Parking Prague, Trianon	2020	None incurred

Contractual party	Name	Description	Date	Detriment
Erste Grantika Advisory, a.s.	Economic risk insurance - sml.7721139436	Economic risk insurance	2018	None incurred
Erste Grantika Advisory, a.s.	Consulting contract No. OP12 / 0081 / P01	Inostart	2012	None incurred
Erste Grantika Advisory, a.s.	Personal Data Processing Agreement (GDPR)	Processing of personal data in connection with contracts for the provision of outsourcing services	2018	None incurred
Erste Grantika Advisory, a.s.	Provision of IT services (including supplements)	Operation of IT services and support	2013, 2017	None incurred
Erste Grantika Advisory, a.s.	Contract for the provision of services related to the employee share program	Services connected with the realization of the employee share program	2022	None incurred
Erste Grantika Advisory, a.s.	Contract for the provision of consulting services (ESG)	Agreement on the provision of consulting services to Česká spořitelna	2023	None incurred
Erste Grantika Advisory, a.s.	Contract for provision of outsourcing services (incl. Appendix)	Contract for provision of outsourcing services	2024	None incurred
Erste Grantika Advisory, a.s.	Sub-license agreement	Sublicense agreement - logo	2024	None incurred
Erste Grantika Advisory, a.s.	Contract for the lease of business premises	Contract for the lease of business premises Trianon	2024	None incurred
Erste Group Card Processor d.o.o.	Data processing agreement	Provision of services	2018	None incurred
Erste Group Card Processor d.o.o.	Card Processing Services Agreement (including amendments)	Services related to card processing	2016, 2018, 2021	None incurred
Erste Group Card Processor d.o.o.	Gateway service contract (including amendments)	Service of data gateaway toward international card payment schemes VISA and MasterCard	2014, 2022	None incurred
Erste Group Immorent ČR s.r.o.	Agreement on the provision of IPT services	Providing IP telephone services for the operation of telephone services and infrastructure operation	2014	None incurred
Erste Group Immorent ČR s.r.o.	Contract for the provision of outsourcing services for the area of property management	Property management	2013	None incurred
Erste Group Immorent ČR s.r.o.	Lease agreement for non-residential premises	Lease agreement for non-residential premises	2014, 2023	None incurred
Erste Group Immorent ČR s.r.o.	Agreement to terminate the contract	agreement to terminate the contract of outsourcing services	2023	None incurred
Erste Group Immorent GmbH	Cooperation Framework Agreement: Erste Group Entities and EGI	Cooperation services	2011	None incurred
Erste Operations GmbH, OZ	Provision of IT services (including supplements)	Operation of IT services and support	2013, 2014, 2016	None incurred
Erste Operations GmbH, OZ	Service level agreement	Providing selected services	2010	None incurred
Erste Operations GmbH, OZ	Contract for the provision of IT services - HW lease	HW rental	2020	None incurred

Contractual party	Name	Description	Date	Detriment
Erste Operations GmbH, OZ	Non-residential lease agreement (including amendments)	Rental of non-residential premises	2010, 2019	None incurred
Erste Operations GmbH, OZ	Contract for the provision of services related to the employee share program	Services connected with the realization of the employee share program	2022	None incurred
Erste Operations GmbH, OZ	Contract for the provision of outsourcing services	Contract for the provision of outsourcing services	2024	None incurred
Erste Operations GmbH, OZ	Sublicense agreement	Sublicense agreement	2024	None incurred
Factoring České spořitelny, a.s.	Agreement on the provision of IPT services	Providing IP telephone services for the operation of telephone services and infrastructure operation	2014, 2016	None incurred
Factoring České spořitelny, a.s.	Cooperation agreement	Receivables monitoring	2013 - 2017	None incurred
Factoring České spořitelny, a.s.	Cooperation agreement	Exchange of information through the CLIENT application as amended	2008, 2019	None incurred
Factoring České spořitelny, a.s.	Subparticipation agreements	Risk participation in selected clients, as amended	2005 - 2018	None incurred
Factoring České spořitelny, a.s.	Service contract	Agreement on the assignment of the right to exercise the right to use the company logo, as amended	2002 - 2006	None incurred
Factoring České spořitelny, a.s.	License agreements	Software License and Support Terms Agreement - Tableau server	2019	None incurred
Factoring České spořitelny, a.s.	Lease agreement	Sublease of parking spaces agreement - Trianon, as amended	2019 - 2022	None incurred
Factoring České spořitelny, a.s.	Lease agreement	Sublease of non-residential premises - Budějovická 1912 / 64b incl. appendixes	2019	None incurred
Factoring České spořitelny, a.s.	Agreement on the processing of personal data	Personal data processing agreement - GDPR in relation to the monitoring of receivables and leases	2018	None incurred
Factoring České spořitelny, a.s.	Subparticipation agreement	Framework agreement on subparticipation for reverse factoring incl. Appendixes	2018	None incurred
Factoring České spořitelny, a.s.	License agreement	Use of the "Sparkassen" brand	2017	None incurred
Factoring České spořitelny, a.s.	Cooperation agreement	Agreement on business cooperation in the area of approval of factoring transactions	2017	None incurred
Factoring České spořitelny, a.s.	Cooperation agreement	Verification of pledged invoices; monitoring and evaluation of clients / pledges, as amended	2015 - 2021	None incurred
Factoring České spořitelny, a.s.	Service contract	Created system environment of Linux server farm.	2010	None incurred
Factoring České spořitelny, a.s.	Service contract	Agreement on the use of the ISIR_CS application and	2009	None incurred

Contractual party	Name	Description	Date	Detriment
		its development, support and operation		
Factoring České spořitelny, a.s.	Cooperation agreement	Resolution of risky receivables	2009	None incurred
Factoring České spořitelny, a.s.	Cooperation agreement	Restructuring factoring cooperation agreement	2009 - 2020	None incurred
Factoring České spořitelny, a.s.	IT cost sharing agreement	Sharing of IT costs for the supply of data to Erste Group, provision of data discovery services and statutory and risk reporting	2022	None incurred
Factoring České spořitelny, a.s.	Agreement on issuing banking cards	Banking cards issuing, as amended	2005 - 2018	None incurred
Factoring České spořitelny, a.s.	Contract for the provision of services related to the employee share program	Services connected with the realization of the employee share program	2022	None incurred
Factoring České spořitelny, a.s.	Agreement on access to the ČS Intranet	Intranet access for Factoring employees	2003	None incurred
Factoring České spořitelny, a.s.	Contract for the provision of outsourcing services	Contract for the provision of outsourcing services	2024	None incurred
Factoring České spořitelny, a.s.	Sublicense agreement	Sublicense agreement	2024	None incurred
Holding Card Service s.r.o.	Contract for provision of outsourcing services (including amendments)	Outsourcing services provided by ČS	2022	None incurred
Holding Card Service s.r.o.	Providing capital contribution outside the registered capital of the company	Providing capital contribution outside the registered capital of the company	2023	None incurred
Leasing České spořitelny, a.s.	Agreement on mutual exchange of information through special access to the CLIENT application (including amendments)	Using the CLIENT application	2008	None incurred
Leasing České spořitelny, a.s.	Agreement on the sublease of parking spaces	Agreement on the sublease of parking spaces	2018	None incurred
Leasing České spořitelny, a.s.	Contract for the provision of IT services	Provision of HW and SW infrastructure	2014	None incurred
Leasing České spořitelny, a.s.	Oracle Services and License Agreement	Oracle licence support	2012	None incurred
Leasing České spořitelny, a.s.	IT cost sharing agreement	Sharing of IT costs for the supply of data to Erste Group, provision of data discovery services and statutory and risk reporting	2020	None incurred
Leasing České spořitelny, a.s.	Software license and support agreement	Determination of the terms of use of the software, maintenance and servers	2021	None incurred
Leasing České spořitelny, a.s.	Agreement on business cooperation	Agreement on business cooperation	2021	None incurred
Leasing České spořitelny, a.s.	Contract for the lease of a business premises	Rent of business premises - Prague	2016	None incurred
Leasing České spořitelny, a.s.	Contract for the provision of services related to the employee share program	Services connected with the realization of the employee share program	2022	None incurred

Contractual party	Name	Description	Date	Detriment
Leasing České spořitelny, a.s.	Agreement on cooperation in monitoring the portfolio of receivables	Agreement on cooperation in monitoring the portfolio of receivables	2022	None incurred
Leasing České spořitelny, a.s.	Contract for provision of outsourcing services (incl. Appendices)	Contract for provision of outsourcing services (incl. Appendices)	2023	None incurred
Leasing České spořitelny, a.s.	Statement of work	Statement of work - ESPIS	2023	None incurred
Leasing České spořitelny, a.s.	Sublicense agreement	Sublicense agreement - Branding	2024	None incurred
Leasing České spořitelny, a.s.	Agency Agreement	Agency Agreement	2024	None incurred
Procurement Services CZ, s.r.o.	Lease agreement (including amendments)	Rental of parking spaces in the Trianon building	2015 - 2017	None incurred
Procurement Services CZ, s.r.o.	Provision of IT services (including supplements)	Operation of IT services and support	2013, 2017	None incurred
Procurement Services CZ, s.r.o.	Contract for the lease of commercial space	Rental of non-residential premises	2015	None incurred
Procurement Services CZ, s.r.o.	Master Agreement for the Provision of Services	Provision of services in the area of purchasing, sourcing, managing contracts/orders.	2018, 2021	None incurred
Procurement Services CZ, s.r.o.	Contract for the provision of services related to the employee share program	Services connected with the realization of the employee share program	2022	None incurred
Procurement Services CZ, s.r.o.	Contract for provision of outsourcing services	Outsourcing services provided by ČS	2024	None incurred
Procurement Services CZ, s.r.o.	Contract for the lease of commercial space	Contract for the lease of commercial space - Budejovicka	2024	None incurred
REICO investiční společnost Erste Asset Management, a.s.	Contract for provision of outsourcing services	Outsourcing services provided by ČS	2024	None incurred
REICO investiční společnost Erste Asset Management, a.s.	Agreement on providing activities in the field of information technology	Providing services in the field of information technology	2015	None incurred
REICO investiční společnost Erste Asset Management, a.s.	Contract for the provision of outsourcing services for the area of file services and company documentation	Activities related to the management of the company's archives	2014	None incurred
REICO investiční společnost Erste Asset Management, a.s.	Contract for the lease of business premises No. 2014/2310_02 / 1357	Sublease of non-residential premises to provide a replacement workplace	2014	None incurred
REICO investiční společnost Erste Asset Management, a.s.	Agreement on access to the ČS intranet	Providing access to the company's intranet to the ČS intranet	2007	None incurred
REICO investiční společnost Erste Asset Management, a.s.	Contract on distribution of share certificates and related services	Distribution of share certificats managed funds	2016	None incurred
REICO investiční společnost Erste Asset Management, a.s.	Contract for the provision of services related to the employee share program	Services connected with the realization of the employee share program	2022	None incurred
REICO investiční společnost Erste Asset Management, a.s.	Lease agreement for non-residential premises	Lease for non-residential premises	2023	None incurred

Contractual party	Name	Description	Date	Detriment
REICO investiční společnost Erste Asset Management, a.s.	Agreement on distribution of unit certificates and provision of related activities	Distribution of unit certificates and related activities	2023	None incurred
REICO investiční společnost Erste Asset Management, a.s.	Contract for the provision of activities related to the management and administration of funds (incl. supplements)	Services related to the management and administration of funds	2023	None incurred
REICO investiční společnost Erste Asset Management, a.s.	Contract for the provision of outsourcing services	Contract for the provision of outsourcing services	2024	None incurred
REICO investiční společnost Erste Asset Management, a.s.	Sublicense agreement	Sublicense agreement	2024	None incurred
s Autoleasing SK, s. r. o.	Sublicense agreement	Sublicense agreement	2024	None incurred
Slovenská sporiteľňa, a.s.	License Agreement	Licence usage	2015	None incurred
Slovenská sporiteľňa, a.s.	Agreement on the processing and protection of confidential information and personal data	Protection of confidential information and personal data	2016, 2024	None incurred
Slovenská sporiteľňa, a.s.	Utilization of analytics	Analytical tools	2019	None incurred
Slovenská sporiteľňa, a.s.	Provision of communication and decentralized services	Provision of services	2018	None incurred
Slovenská sporiteľňa, a.s.	Aggregation API	Pilot and license	2018	None incurred
Slovenská sporiteľňa, a.s.	E-Commerce - Issuing	Provision of services	2018	None incurred
Slovenská sporiteľňa, a.s.	SA FASCOR (incl. ammendments)	Provision of services	2018	None incurred
Slovenská sporiteľňa, a.s.	Concern agreement (incl.amendments)	Core banking systems utilization	2015, 2022	None incurred
Slovenská sporiteľňa, a.s.	Framework contract for the provision of services	Framework contract for the provision of services	2024	None incurred
Slovenská sporiteĺňa, a.s.;Erste Group Bank AG;Banca Comerciala Romana s.a.;Global Payments, s.r.o.	Marketing Alliance Agreement	Marketing cooperation	2021	None incurred
S SERVIS, s.r.o.	Lease agreement	Lease agreement	2021	None incurred
S SERVIS, s.r.o.	Sublicense agreement	Sublicense agreement	2024	None incurred
Stavební spořitelna České spořitelny, a.s.	Contract on the processing of personal data	Personal data processing	2021	None incurred
Stavební spořitelna České spořitelny, a.s.	Contract for the lease of commercial space	Lease of non-residential premises, ČS branch at the SSČS headquarters	2018	None incurred
Stavební spořitelna České spořitelny, a.s.	Contract for the lease of commercial space	Leaving non-residential premises (Central Education Team) for use	2018	None incurred
Stavební spořitelna České spořitelny, a.s.	Confidential Information Agreement	Protection of confidential information	2018	None incurred
Stavební spořitelna České spořitelny, a.s.	Application Access Agreement	Access to Visual Analytics	2017	None incurred
Stavební spořitelna České spořitelny, a.s.	Service contract	LIC application services agreement	2017	None incurred

Contractual party	Name	Description	Date	Detriment
Stavební spořitelna České spořitelny, a.s.	Outsourcing contract for internal audits	Outsourcing agreement on the performance of internal audits in Stavební Spořitelna Česká Spořitelna, a. S. Concluded in connection with Article 5.1.1 of Part III. Holding standards No. 9 Management and control system and internal audit of the Česká spořitelna Financial Group.	2017	None incurred
Stavební spořitelna České spořitelny, a.s.	Agency agreement (including amendments)	Developing activities aimed at concluding contracts for a building savings product	2016	None incurred
Stavební spořitelna České spořitelny, a.s.	IT Cooperation Agreement	Mutual cooperation in IT area	2016, 2019	None incurred
Stavební spořitelna České spořitelny, a.s.	Contract for sublease of office space and two parking spaces	Office space for rent and parking spaces in the Trianon building	2016	None incurred
Stavební spořitelna České spořitelny, a.s.	Service Agreement @ FACTURE 24	Modification of rights and obligations in the provision of the @ FAKTURA 24 service within the scope of the Business Conditions for the @ FAKTURA 24 ČS service; transfer of documents to electronic banking applications and other services specified in the conditions	2015	None incurred
Stavební spořitelna České spořitelny, a.s.	Sublease agreement for business premises	Sublease agreement for business premises	2015	None incurred
Stavební spořitelna České spořitelny, a.s.	DWH Data Transfer Agreement (including amendments)	Modification of mutual rights and obligations related to the transfer of Risk Data and SSČS Data and further handling of them	2015, 2017, 2018	None incurred
Stavební spořitelna České spořitelny, a.s.	Agreement on the provision of IPT services (including amendments)	Providing IP telephone services for the operation of telephone services and infrastructure operation	2015, 2017, 2019, 2021	None incurred
Stavební spořitelna České spořitelny, a.s.	Agreement on the access of Česká spořitelna, a.s. employees to the Intranet of Stavební spořitelna Česká spořitelna, a.s.	Enabling access to the Intranet	2015	None incurred
Stavební spořitelna České spořitelny, a.s.	Implementation agreement on commercial representation Personal account of Česká spořitelna	Implementation agreement on commercial representation Personal account of Česká spořitelna	2015	None incurred
Stavební spořitelna České spořitelny, a.s.	Cooperation agreement (including amendments)	Cooperation in the operation of the CPS application (Central Workplace Sporoservis) to support the process of approving credit transactions	2014	None incurred

Contractual party	Name	Description	Date	Detriment
Stavební spořitelna České spořitelny, a.s.	Cooperation agreement - tripartite agreement (as amended)	adjustment of cooperation - confirmation of Kooperativa's obligations as an insurer) in favor of ČS or SSČS; encumbrance of the indemnity means: in the event of an insured event from the Kooperativa real estate insurance, ČS or SSČS will pay the indemnity exceeding the amount specified in the encumbrance document	2014, 2016, 2017	None incurred
Stavební spořitelna České spořitelny, a.s.	Payment brokerage agreement	Mediation of payments that SSČS pays to authorized persons (processing of the submitted list; mediation of payment within the relevant tranche at ČS branches; processing of the list after the end of payments; return of unpaid funds to the SSČS account)	2013	None incurred
Stavební spořitelna České spořitelny, a.s.	Agreement on cooperation in the operation of the REV module	Modification of the rights and obligations of the contracting parties from the use of the module for SSČS credit products	2013	None incurred
Stavební spořitelna České spořitelny, a.s.	Cooperation agreement	Cooperation in the field of processing SSČS secured loans	2011	None incurred
Stavební spořitelna České spořitelny, a.s.	Service Level Agreement	Provision of services - certificates and certification services	2009	None incurred
Stavební spořitelna České spořitelny, a.s.	Agreement on the conditions of using the Client application service (including amendments)	Determining the conditions for using the Client application service	2008, 2019	None incurred
Stavební spořitelna České spořitelny, a.s.	Contract for the provision of services for the area of file and shredding services for product documentation	Services in the field of file and shredding services of product documentation	2008	None incurred
Stavební spořitelna České spořitelny, a.s.	Contract for the lease of commercial space	Leaving non-residential premises (offices) to use	2006	None incurred
Stavební spořitelna České spořitelny, a.s.	Power of Attorney	Power of attorney to conclude the "Agreement on the processing of acts in the field of building savings made through the direct banking services SERVIS 24"	2006	None incurred
Stavební spořitelna České spořitelny, a.s.	Intranet access agreement	Employee access to Česká spořitelna Intranet	2006	None incurred
Stavební spořitelna České spořitelny, a.s.	Data processing contract	Data processing, printing of forms, personalization, completion of shipments, wrapping and delivery to the Czech Post for sending	2005	None incurred

Contractual party	Name	Description	Date	Detriment
Stavební spořitelna České spořitelny, a.s.	Cooperation agreement	Collaboration in data transfer from XEF templates	2004	None incurred
Stavební spořitelna České spořitelny, a.s.	Agreement on the conditions of granting access	Modification of conditions to allow access to the Customer file	2003	None incurred
Stavební spořitelna České spořitelny, a.s.	Agreement on the assignment of the right to exercise the right to use the logo	Assignment of the right to exercise the right to use the logo and trade name	2001	None incurred
Stavební spořitelna České spořitelny, a.s.	Agreement on cooperation	Agreement on cooperation in the operation of the Partner 24 servic	2013	None incurred
Stavební spořitelna České spořitelny, a.s.	Framework insurance contract	Reporting of insurance contract, price allocation	2012, 2020	None incurred
Stavební spořitelna České spořitelny, a.s.	IT cost sharing agreement	Sharing of IT costs for the supply of data to Erste Group, provision of data discovery services and statutory and risk reporting	2020, 2021	None incurred
Stavební spořitelna České spořitelny, a.s.	Contract on communication services	External communication	2021	None incurred
Stavební spořitelna České spořitelny, a.s.	Executive Agency Agreement for mortgage loans	Business cooperation in respect of mortgage loans	2015	None incurred
Stavební spořitelna České spořitelny, a.s.	Executive Agency Agreement for personal loans	Business cooperation in respect of personal loans	2015	None incurred
Stavební spořitelna České spořitelny, a.s.	Executive Agency Agreement for business loans	Business cooperation in respect of business loans	2015	None incurred
Stavební spořitelna České spořitelny, a.s.	Executive Agency Agreement for investment loans	Business cooperation in respect of investment loans	2015	None incurred
Stavební spořitelna České spořitelny, a.s.	Executive Agency Agreement for private business loans	Business cooperation in respect of private business loans	2015	None incurred
Stavební spořitelna České spořitelny, a.s.	Agreement on the provision of an additional capital outside the share capital	Provision of aditional capital outside of the share capital	2022	None incurred
Stavební spořitelna České spořitelny, a.s.	Agreement on the transfer of shares between SSČS and ČS	Transfer of shares between SSČS and ČS	2022	None incurred
Stavební spořitelna České spořitelny, a.s.	Contract for the provision of services related to the employee share program	Services connected with the realization of the employee share program	2022	None incurred
Stavební spořitelna České spořitelny, a.s.	Agreement on the provision of a surcharge outside the share capital of the company	Providing a surcharge outside the share capital	2022	None incurred
Stavební spořitelna České spořitelny, a.s.	Agreement on the IT services	Providing IT services dceRA Signer	2023	None incurred
Stavební spořitelna České spořitelny, a.s.	Agreement on the provision of a surcharge outside the share capital of the company	Providing a surcharge outside the share capital	2023	None incurred
Stavební spořitelna České spořitelny, a.s.	Contract for provision of outsourcing services (incl. Appendix)	Outsourcing services provided by ČS	2024	None incurred
Stavební spořitelna České spořitelny, a.s.	Sublicense agreement	Sublicense agreement	2024	None incurred
Stavební spořitelna České spořitelny, a.s.	Consulting contract	Contract for subsidy consultancy to the KCP	2024	None incurred

Contractual party	Name	Description	Date	Detriment
		Grant Team from the Buřinka website		
Stavební spořitelna České spořitelny, a.s.	Cooperation Agreement	Cooperation agreement on the Financial health program from the website www.burinka.cz/dotace	2024	None incurred
Stavební spořitelna České spořitelny, a.s.	Cooperation Agreement	Subsidy service with Buřinka for clients with a Mortgage for the future	2024	None incurred

H Overview of Actions Performed at the Initiative of the Controlling Party

During the accounting period, no actions were taken at the direct initiative of the controlling entity, which would concern assets exceeding 10% of equity within the meaning of Section 82 of Act No. 90/2012 Coll., On Business Corporations, paragraph 2 d). The only exception is conduct made at the direct initiative of the controlling entity (in the form of the exercise of shareholder rights at the General Meeting), namely the payment of dividends specified in point E. The ratio of dividends paid to Česká spořitelna's average equity is 12,2 %.

I Other Legal Acts

During 2024, companies BP Antal, s.r.o. and DBČS Opatov, s.r.o. were established and company DBČS Prosek, s.r.o. was acquired and renamed. On 1 April 2024, company Smíchov Campus s.r.o. merged with company ČS NHQ, s.r.o.. On 20 December 2024, company REICO investiční společnost České spořitelny, a.s. was sold and become part of company Erste Asset Management GmbH and remains part of the parent company Erste Group Bank AG. There was a liquidation and deletion from the Commercial Register of DINESIA a.s., in liquidation on December 2, 2024.

The company CPP Lux S´ar.l., in liquidation entered to liquidation on March 28, 2024 and was deleted from the Commercial Register on 7 January 2025. The company CEE Property Development Portfolio B.V. was liquidated and deleted from the Commercial Register on 6 February 2025.

Česká spořitelna did not accept or carry out any other legal actions in the interest or at the initiative of related parties during the accounting period.

J Other de facto Measures

Within Erste Group Bank, Česká spořitelna takes part in group projects whose common aim is to fully exploit the business potential of Central European markets in all segments as well as economies of scale and cost synergies, the concentration of support activities within the group, fulfilment of regulatory requirements in respect of being member of Erste Group and performance measurement transparency and comparability. These projects cover, for example, information technology, risk management, and service activity. Česká spořitelna incurred no detriment as a result of its involvement in the foregoing group projects.

K Conclusion

It can be concluded, based on the disclosed information and review of the legal relationships between Česká spořitelna and its related parties and also including the controlling party, that Česká spořitelna incurred no detriment as a result of contracts, other legal acts or other measures executed, effected or adopted by Česká spořitelna during the accounting period from 1 January 2024 to 31 December 2024 to the benefit or at the initiative of individual related parties, including the controlling party.

Prague 17 March 2025

Tomáš Salomon
Chairman of the Board of Directors

Ivan Vondra
Member of the Board of Directors

Česká spořitelna Financial Group

Česká spořitelna Financial Group

An overview of major members of the Česká spořitelna Financial Group. Unaudited figures reported in accordance with International Financial Reporting Standards (IFRS), unless otherwise stated

Stavební spořitelna České spořitelny, a.s.

Stavební spořitelna České spořitelny, a.s. (the “Building Society of Česká spořitelna”) was established on 22 June 1994. Its registered office is at Antala Staška 1292/32, 140 00 Prague 4. It also operates under the brand “Buřinka” (the “Bowler Hat”). Its line of business is the provision of financial services pursuant to Act No. 96/1993 Coll., offering clients building savings with government support and a statutory right to a building savings loan. Since the end of 2014, Česká spořitelna, a.s. has been its sole shareholder.

At the end of 2024, Stavební spořitelna České spořitelny (SSČS) maintained approximately 130,000 loan accounts, having lent its clients CZK 73.7 billion for obtaining better housing. It was also managing over 567,000 building savings accounts for its clients with a target amount of CZK 222 billion and current savings of CZK 57.5 billion.

In 2024, the overall building societies lending market grew by 45% year-on-year. At SSČS, loan volume production increased by 48% y/y in 2024. SSČS saw a 19% y/yincrease in the number of loan agreements concluded. Across the market, the number of loan agreements concluded increased by 8% year-on-year. Regarding the building savings product, Buřinka achieved a 31% year-on-year increase, in contrast to the overall market, which declined by 6% y/y.

Thanks to newly established cooperation with the State Environmental Fund, Buřinka focused even more on sustainable housing. It set up a new subsidy consulting team, which assisted approximately 5,400 clients in navigating state subsidies in 2024. Since March, it has also been providing a co-financed loan, "Repair Your Grandmother's House with Buřinka", to beneficiaries of the Repair Your Grandmother's House programme.

In terms of the number of new building savings contracts, including increases in existing ones, Buřinka ranked second in the market in 2024. Although the number of new building savings contracts, including increases, declined across the market following a reduction in state support in 2023, Buřinka achieved an increase of 31%. Throughout 2024, it continued promotional offers launched in 2023, including the dominant promotion of doubling state support. Thanks to the digitisation of processes, it introduced several new enhancements for clients in George, such as changes to the target amount or state support. In the second half of the year, it also launched a digital process for terminating building society savings contracts with a retention offer.

In marketing and communications, Buřinka strengthened its position as an expert in energy-efficient housing across all communications and marketing activities during 2024. In 2024, the video and article series "Energy-efficient Housing with Buřinka" won third place in the Lemur PR Award in the Financial Services and Markets category. As part of Buřinka's Innovation by Buřinka platform in the "Samorost" ("Wild Growth”) project in cooperation with the National Technical Library, Buřinka organised the exhibition “Do hloubi houby” ("Into the Depths of the Mushroom") featuring the construction of the first house made from mycelium.

In corporate social responsibility initiatives, Buřinka celebrated the 25th anniversary of its support for sheltered housing for people with mental disabilities in partnership with Portus Praha. It covered the rent for "Šatník Praha" ("Prague Wardrobe"), which helps single parents. In support of home-based palliative care, Buřinka collaborated with the Mobile Hospice Forum and the Palliative Medicine Clinic Foundation to distribute grants and scholarships for the strategic development of home-based hospices. It also became a general partner of "Papučový den" ("Slippers Day"), an initiative highlighting the importance of home care for the terminally ill.

Stavební spořitelna České spořitelny, a.s.	**2024**	**2023**	**2022**	**2021**	**2020**
Share capital (CZK m)	750	750	750	750	750
Total assets (CZK bn)	80.3	73.8	71.5	74.5	73.9
Receivables from clients (CZK bn)	73.7	68.1	63.7	56.6	50.2
Amounts owed to clients (CZK bn)	57.5	58.5	62.0	64.2	63.8
Net profit (CZK m)	912	921	1,268	832	746
Number of accounts (m)	0.7	0.7	0.7	0.7	0.7
Average headcount	158	171	185	184	186

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Česká spořitelna – penzijní společnost, a.s.

Česká spořitelna – penzijní společnost, a.s. (the "Pension Savings Company of Česká spořitelna") was incorporated on 1 January 2013 through the transformation of Penzijní fond České spořitelny, a.s., which had been established by a founding deed as a joint-stock company on 24 August 1994 and legally formed upon registration in the Commercial Register of the Court in Prague on 23 December 1994. Since March 2001, Česká spořitelna, a.s. has been its sole shareholder. Until the Company's transformation, its main line of business was the provision of supplementary pension insurance pursuant to Act No. 42/1994 Coll., on State-Contributory Supplementary Pension Insurance, as amended by Act No. 170/1999 Coll. and Act No. 36/2004 Coll. Since 2013, Česká spořitelna – penzijní společnost has been maintaining the savings of transformed fund participants, offering supplementary pension savings, pursuant to Act No. 427/2011 Coll., as amended by Act No. 377/2015 Coll. The purpose of the public role of Česká spořitelna – penzijní společnost is to secure a supplementary income for individuals beyond their productive years.

Česká spořitelna – penzijní společnost (hereinafter ČSPS) has long been the market leader in supplementary pension savings, managing the two largest participant funds in the pension market: the Balanced Fund, with assets of CZK 26.1 billion, and the Conservative Fund, with assets of CZK 21.2 billion. The Ethical Participation Fund, which aims to appreciate pension savings exclusively by investing in responsible and sustainable companies and industries, reached over CZK 4.5 billion. As of the end of 2024, the Company had over 893 thousand unique participants, with a total volume of funds just under CZK 129 billion.

In summary, 2024 was a highly successful investment year for all participating pension funds of ČSPS, as they achieved appreciation of clients' funds across both equity and bond portfolios. Most of ČSPS pension funds were also able to outperform inflation in 2024, thereby protecting and increasing the value of clients' investment portfolios. ČSPS pension funds with conservative investment strategies ended 2024 with above-average appreciation: the Conservative Fund gained 3.2%, while the Ethical Fund gained 2.5% over the year. More dynamic investment strategies with a large equity component in the portfolio performed even better in 2024. The Balanced Fund gained 6.0% over the same period, while the Dynamic Fund, which has a predominant equity component, achieved an appreciation of 9.6%.

Česká spořitelna - penzijní společnost, a.s.	**2024**	**2023**	**2022**	**2021**	**2020**
Share capital (CZK m)	50	50	350	350	350
Total assets (CZK bn)	3.3	2.8	3.0	3.2	2.6
Volume of funds in individual funds (CZK m)					
Transformed Fund	62,833	76,422	81,527	81,043	77,954
Conservative Participation Fund	21,240	15,270	13,632	13,140	12,199
Ethical Participation Fund (since 1. 11. 2017)	4,537	3,558	2,691	2,041	1,372
Balanced Participation Fund	26,057	18,232	13,249	11,055	8,442
Dynamic Participation Fund	14,356	9,033	5,871	4,559	3,083
Net profit (CZK m)	1,063	782	538	529	389
Number of unique participants (thousand)	893	927	964	970	949
Average headcount	61	66	65	65	65

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Leasing České spořitelny, a.s.

Leasing České spořitelny was incorporated on 6 October 2003. Česká spořitelna is its sole shareholder. The Company's registered office is at Budějovická 1912/64b in Prague 4. The Company has a share capital of CZK 500 million. On 1 January 2021, the Company merged nationally with its sister company, Erste Leasing, which subsequently ceased to exist. The successor company, Leasing České spořitelny, repositioned itself as a leasing company with a broader focus, maintaining a strong share of financing for vehicles of up to 3.5 tonnes, as well as agricultural machinery and equipment, in its aggregate portfolio.

In 2024, Leasing České spořitelny generated a profit of CZK 311 million. Over the year, the Company financed new transactions, with the aggregate amount of initial debt reaching CZK 16,072 million. The Company mitigates all known risks arising from its portfolio of concluded agreements, including those associated with economic downturns related to the ongoing war in Ukraine and the armed conflict in the Middle East, by creating allowances. A key factor that may positively impact the achievement of the Company's business objectives in the coming years is the intensification of cooperation with its parent bank.

In 2024, Leasing České spořitelny continued to implement its strategy, focusing on strengthening its position in the non-banking financing market, expanding its business, and supporting digital sales. It completed the process of digital loan agreements within George internet banking. It also finalised the development of digital signatures for loan applications and contractual documentation across all business channels and for all target client groups.

Leasing České spořitelny also placed significant emphasis on client advisory services. Its efforts were directed at promoting electromobility, particularly among corporate clients. In cooperation with its sister company, Erste Grantika Advisory, it provided expert advice on utilising subsidies for the purchase of electric vehicles and charging stations. Additionally, it continued to expand its collaboration with Česká spořitelna. In 2024, the mobility products of Leasing České spořitelny became an integral part of the product offering across the entire branch network of Česká spořitelna. The product portfolio for business and corporate clients was also expanded through a white-label partnership to include the operational leasing product of Arval BNP Paribas.

In 2024, Leasing České spořitelny also prioritised corporate social responsibility activities, including elderly care and promoting safety for children and young people. Funds were directed to the Children's Traffic Foundation, which supports orphans of traffic accident victims and children who have suffered permanent health consequences due to traffic accidents. Financial support was also provided to the municipality of Velká Kraš, which was affected by devastating floods, to purchase dehumidifiers and cover the long-term rental of a vehicle for municipal purposes.

Leasing České spořitelny, a.s.	2024	2023	2022	2021	2020
Share capital (CZK m)	500	500	500	500	500
Total assets (CZK bn)	37.1	32.4	28.0	23.9	12.9
Amount of newly concluded transactions (CZK bn)	16.1	14.7	13.7	11.3	5.1
Net profit / loss (CZK m)	311	264	184	115	81
Number of newly concluded agreements	17,450	16,421	13,749	14,129	10,242
Number of POS owned	2	2	2	2	1
Average headcount	156	166	171	168	111

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Factoring České spořitelny, a.s.

Factoring České spořitelny, a.s. was incorporated in 1995. It has been a 100% subsidiary of Česká spořitelna since 2001. With regard to the amount of equity, it is a significant subsidiary within the Financial Group of Česká spořitelna. The Company is also a founding member of the Association of Factoring Companies of the Czech Republic, a member of the Czech Leasing and Finance Association, and a long-standing member of the international association FCI (Factors Chain International). The Company's registered office is at Budějovická 1912/64b in Prague 4.

Factoring České spořitelny is one of the largest factoring companies in the Czech market. In 2024, the Company's turnover increased by 2.7% year-on-year reaching a total of CZK 86.1 billion. This result was primarily driven by the continued growth of non-recourse factoring, which is becoming increasingly popular among clients due to its financial health benefits. For smaller and medium-sized enterprises, this type of factoring primarily addresses the risk of customers' unwillingness or inability to pay, while large corporate clients mainly utilise it for its off-balance sheet effect and optimisation of working capital.

Factoring České spořitelny has long focused on providing comprehensive financing solutions for supplier-client relationships, known as Supply Chain Financing, to a broad range of corporate clients across various industries, trade, and services. In addition to offering traditional factoring, along with comprehensive management and monitoring of receivables, the Company also provides financing for clients' payables through reverse factoring and the Post Financing product, with maximum support for process automation and digitisation. With an emphasis on customised service solutions, Factoring České spořitelny delivers significant financial and business benefits to its clients, contributing to their financial health and success in their respective markets.

Factoring České spořitelny, a.s.	2024	2023	2022	2021	2020
Share capital (CZK m)	114	114	114	114	114
Equity (CZK m)	2,199	2,042	1,861	1,326	1,278
Total assets (CZK m)	10,456	10,228	9,506	8,482	5,831
Contracted amount (CZK m)	86,068	83,778	83,958	61,167	37,097
Net profit (CZK m)	158	181	135	49	44
Average headcount	40	43	41	39	41

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Definitions of Alternative Performance Indicators

in line with the General Directive issued by ESMA (European Securities and Markets Authority) are Alternative Performance Indicators defined as financial indicators of historical or future financial performance, financial position or cash flow

Alternative Performance Indicators that Can Be Determined Directly from the Consolidated Financial Statement

Alternative Performance Indicator		Financial Statement
Net interest income	A	Consolidated income statement
Net fee and commission income	B	Consolidated income statement
Dividend income	C	Consolidated income statement
Net trading result	D	Consolidated income statement
Gains/losses from financial instruments measured at fair value through profit or loss	E	Consolidated income statement
Net result from equity method investments	F	Consolidated income statement
Rental income from investment properties and other operating leases	G	Consolidated income statement
Operating income	**H=A+B+C+D+E+F+G**	**Consolidated income statement**
Personnel expenses	I	Consolidated income statement
Other administrative expenses	J	Consolidated income statement
Depreciation and amortisation	K	Consolidated income statement
Operating expenses	**L=I+J+K**	**Consolidated income statement**
Operating result	**H+L**	**Consolidated income statement**
Cost/Income ratio	**-L/H**	**Consolidated income statement**
Non-interest operating income/Operating income	**(B+C+D+E+F+G)/H**	**Consolidated income statement**
Non-trading financial assets at fair value through profit or loss - loans and advances to customers	M	Consolidated statement of financial position
Financial assets at amortised costs - loans and advances to customers	N	Consolidated statement of financial position
Finance lease receivables	O	Consolidated statement of financial position
Trade and other receivables	P	Consolidated statement of financial position
Financial liabilities at fair value through profit or loss - deposits from customers	Q	Consolidated statement of financial position
Financial liabilities at amortised cost - deposits from customers	R	Consolidated statement of financial position

Alternative Performance Indicator		Financial Statement
Loans and advances to customers	S=M+N+O+P	Consolidated statement of financial position
Deposits from customers	T=Q+R	Consolidated statement of financial position
Loans and advances to customers/Deposits from customers	U=S/T	Consolidated statement of financial position

The Purpose of the Alternative Performance Indicators

Operating Income

Operating income shows the amount of bank income from common business activities.

Operating Expenses

Operating expenses express the volume of bank costs used for common business activities.

Operating Result

Operating result gives information about the bank´s success rate of common business activity. It shows the amount of financial resources that was earned from common business activity.

Cost/Income Ratio

This indicator expresses the volume of operating expenses consumed to achieve the operating income. The ratio gives a clear view of how efficiently the bank is being run – the lower it is, the more profitable the bank is.

Non-interest Operating Income/Operating Income

The indicator shows the share of income other than interest income on total operating income.

Loans to Customers/Deposits from Customers

The indicator shows the share of customer deposits used for funding of customer loans.

Alternative Performance Indicators that Cannot Be Determined Directly from the Consolidated Financial Statements

ROA

The ROA (Return on Assets) indicator shows how efficient a Bank's management is at using its assets to generate earnings. It is calculated as a ratio of consolidated net profit in the accounting period attributable to the owners of the parent company (Consolidated income statement) to the average monthly volume of total assets (internal figure for 13 periods – considers balances as at 1 January of the respective year and the last days of all months of the respective year).

ROE

The ROE (Return on Equity) indicator measures the efficiency of equity utilization, and its final value expresses the share of the net profit attributed to one Czech koruna of the equity. It is calculated as a ratio of the consolidated net profit in the accounting period attributable to the owners of the parent company (Consolidated income statement) net of the Additional Tier 1 (AT1) coupons to the average monthly volume of equity attributable to the owners of the parent (internal figure for 13 periods – considers balances as at 1 January of the respective year and the last days of all months of the respective year) net of the Additional Tier 1 (AT1) capital.

Net Interest Margin

Česká spořitelna uses this indicator as the representative of the profitability of interest-bearing assets. It is calculated as a ratio where the numerator is the sum of the consolidated Net Interest Income, Dividend Income, Net result from equity method investments and Rental income from investment properties and other operating leases decreased by the depreciation of these assets (Consolidated income statement), and the denominator is the average monthly volume (internal figure for 13 periods – considers balances as at 1 January of the respective year and the last days of all months of the respective year) of the sum of Non-trading financial assets at fair value through profit or loss, Financial assets at fair value through profit or loss, Financial assets at fair value through other comprehensive income, Financial assets at amortised costs, Loans and receivables to credit institutions, Loans and receivables to customers, Finance lease receivables to customers, Trade and other receivables, Investments in associates and Investment properties.

Ratio of Defaulted Receivables from Clients to Total Volume of Receivables from Clients

The indicator is the basic indicator of the quality of bank loan portfolio. It is calculated as a ratio of consolidated gross loans and advances to defaulted customers to consolidated gross loans and advances to customers.

Ratio of Loss Allowances to NPL Coverage

The indicator expresses the volume of provisions relative to non-performing loans and is used as one of the basic indicators for monitoring of the credit risk coverage. It is calculated as a ratio of consolidated impairment loss allowances to customers to consolidated gross loans and advances to defaulted customers.

Ratio of Loss Allowances and Collateral to NPL Coverage

This indicator shows the volume of loss allowances and collateral relative to non-performing loans. It is used as one of the basic indicators for the monitoring of the credit risk coverage. The indicator is calculated as a ratio of consolidated impairment loss allowances for loans and advances to customers and consolidated volume of eligible collateral received for loans and advances to defaulted customers to consolidated gross loans and advances to defaulted customers.

ČESKÁ spořitelna

Consolidated Sustainability Statement 2024

Independent auditor's limited assurance report on the Consolidated Sustainability Statement of Česká spořitelna, a.s.

To the shareholder of Česká spořitelna, a.s.

Limited assurance conclusion

We have conducted a limited assurance engagement on the Consolidated Sustainability Statement of Česká spořitelna, a.s. (the "Bank"), included in the section Consolidated Sustainability Statement of the annual report for the year ended 31 December 2024 (the "Consolidated Sustainability Statement"), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Statement is not prepared, in all material respects, in accordance with § 32k of the Act no. 563/1991 Coll. on Accounting implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Bank to identify the information reported in the Consolidated Sustainability Statement (the "Process") is in accordance with the description set out in note Impact, Risk and Opportunity Management; and
- compliance of the disclosures in subsection EU Taxonomy Disclosures within the Environmental Information of the Consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Auditor's responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Act on Auditors and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by the Chamber of Auditors of the Czech Republic, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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PricewaterhouseCoopers Audit, s.r.o., registered seat Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Licence No. 021.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the Consolidated Sustainability Statement

The Board of Directors of the Bank is responsible for designing and implementing a process to identify the information reported in the Consolidated Sustainability Statement in accordance with the ESRS and for disclosing this Process in note Impact, Risk and Opportunity Management of the Consolidated Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The Board of Directors of the Bank is further responsible for the preparation of the Consolidated Sustainability Statement, in accordance with § 32k of the Act no. 563/1991 Coll. on Accounting implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in subsection EU Taxonomy Disclosures within the Environmental Information of the Consolidated Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that the Board of Directors determines is necessary to enable the preparation of the Consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The Supervisory Board and the Audit Committee of the Bank are responsible for overseeing the Group's sustainability reporting process.

Inherent limitations in preparing the Consolidated Sustainability Statement

In reporting forward-looking information in accordance with ESRS, the Board of Directors of the Bank is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions of the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Auditor's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Consolidated Sustainability Statement, in relation to the Process, include:

- obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- designing and performing procedures to evaluate whether the Process is consistent with the Bank's description of its Process set out in note Impact, Risk and Opportunity Management.

Our other responsibilities in respect of the Consolidated Sustainability Statement include:

- identifying where material misstatements are likely to arise, whether due to fraud or error; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the Consolidated Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Consolidated Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- obtained an understanding of the Process by:
    - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
    - reviewing the Bank's internal documentation of its Process; and

- evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Bank was consistent with the description of the Process set out in note Impact, Risk and Opportunity Management.

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Statement, we:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its Consolidated Sustainability Statement by:
    - obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the Consolidated Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
    - reviewing the Group's internal documentation related to the preparation of the Consolidated Sustainability Statement;
- evaluated whether the information identified by the Process is included in the Consolidated Sustainability Statement;
- evaluated whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the ESRS;
- performed inquires of relevant personnel and analytical procedures on selected information in the Consolidated Sustainability Statement;
- performed substantive assurance procedures on selected information in the Consolidated Sustainability Statement;
- where applicable, compared disclosures in the Consolidated Sustainability Statement with the corresponding disclosures in the consolidated financial statements and other parts of the annual report for the year ended 31 December 2024;
- evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- obtained an understanding of the Group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement.

31 March 2025

PricewaterhouseCoopers Audit, s.r.o.
represented by Partner

Eva Loulová
Statutory Auditor, Licence No. 1981

This document is a copy of the independent auditor's report issued on 31 March 2025 on the consolidated sustainability statement of Česká spořitelna, a.s. which is included in the statutory consolidated annual report as prepared in accordance with the provisions of the ESEF Regulation. The attached copy of the consolidated annual report is not prepared in accordance with the ESEF Regulation and therefore does not constitute a statutory consolidated annual report and like this copy of the auditor's report, is not a statutory binding document. The original of the consolidated sustainability statement including our audit report is published together with the statutory consolidated annual report, of which it is an integral part, in the Central Storage of Regulated Information on the website of the Czech National Bank.

General Information

Basis for Preparation

BP-1 – General Basis for Preparation of the Sustainability Statement

This Consolidated Sustainability Statement for the year ended 31 December 2024 has been prepared in accordance with Articles 32(h), paragraphs 3-10, 32(i), and 32(k) of Act No. 563/1991 Coll., as amended, on Accounting, which transposes the requirements of the Corporate Sustainability Reporting Directive (EU) 2022/2464 (CSRD), in accordance with the European Sustainability Reporting Standards (ESRS), as required by Article 32(h), paragraph 9 of the Act on Accounting, and in accordance with Article 8 of Regulation (EU) 2020/852 ("EU Taxonomy"). The Group has not used the exemption from the obligation to disclose information relating to future developments or matters in the course of negotiation, as set out in Article 32(h), paragraph 8 of the Act on Accounting.

Reporting Period

The reporting period for this Consolidated Sustainability Statement is consistent with the reporting period for the Consolidated Financial Statements.

Comparative Information

The Group is preparing the Consolidated Sustainability Statement for the first time for the year ended 31 December 2024. The Group has decided not to present comparative information under the transitional provisions of ESRS 1 General Requirements unless such information is required and/or necessary to understand the Group's progress against targets.

Consolidation Perimeter

The consolidation perimeter is identical to that of the Group's Consolidated Financial Statements, which are prepared in accordance with IFRS as adopted by the EU, as described in Note 62 Details of Companies Wholly or Partly Owned by Česká spořitelna, a.s to the Consolidated Financial Statements, with the exception of the Group's associates, in which the Group has significant influence and consolidates them using the equity method for Consolidated Financial Statements. Where this is not the case, this is indicated in the text. The Group does not have operational control over these entities and, therefore, it considers them part of the Group's value chain.

No sustainability information is included in the Consolidated Sustainability Statement for intermediate holding companies, Holding Card Service s.r.o., and Budějovická development s.r.o., as they are fully eliminated upon consolidation. Nevertheless, sustainability information for the subsidiaries of these entities where the Bank has control is included in the Consolidated Sustainability Statement.

Similarly, no sustainability information is included in the Consolidated Sustainability Statement for CEE Property Development Portfolio 2 a.s., CEE Property Development Portfolio B.V., and CPP Lux S.A.R.L., as these companies are in liquidation and are not engaged in commercial activities, nor do they create impacts, incur risks and exploit opportunities. The Group has not identified any material impacts or risks relating to the legacy assets of these entities in liquidation.

The Group does not include any subsidiaries that are obliged to prepare a Sustainability Statement in accordance with the CSRD, ESRS, and EU Taxonomy for the year ended 31 December 2024.

The Group has chosen not to omit any information related to intellectual property, know-how, or the results of innovation.

Value Chain

Regarding the value chain, the Group applied Article 32(h), paragraph 6 of Act No. 563/1991 Coll., as amended, on Accounting, which transposes the requirements of the Corporate Sustainability Reporting Directive (EU) 2022/2464 (CSRD). The Group also applied the transitional provision outlined in ESRS 1, section 10.2, concerning value chain reporting. The Group assessed upstream and downstream value chain information as part of its Double Materiality Assessment (DMA). No sustainability information is presented for the Group's value chain in the metrics, except for indirect Scope 3, Category 15 – Investments emissions of the portion of the Group's loan portfolio and Scope 3, Category 13 - Downstream leased assets emissions.

The Group is currently analysing the information available for its upstream and downstream value chain. The Group is also assessing material categories of expenditure from the perspective of carbon footprint and the requirements of ESRS S2 Workers in the Value Chain. Additionally, the Group is reviewing current information requirements from its suppliers and considering changes. The Group expects the aforementioned analysis to be completed in 2025.

Units of Measure

Monetary amounts are expressed in CZK milions, consistent with the Group's Consolidated Financial Statements.

Physical units of measure are described when presented.

BP-2 – Disclosures in Relation to Specific Circumstances

Time Horizons

The definitions for short-, medium-, and long-term horizons for the reporting were set in accordance with the definition given in ESRS 1, section 6.4. The time horizons are:

- Short-term: Up to 1 year
- Medium-term: 1 to 5 years
- Long-term: Over 5 years

Use of Estimates

Preparation of the Consolidated Sustainability Statement requires the use of estimates when quantitative metrics and monetary amounts, including but not limited to upstream and downstream value chain information, cannot be measured directly. The use of estimates is necessary to achieve the objectives set out by the ESRS and the Group's sustainability reporting policies in the absence of the possibility of direct measurement of risks, impacts, opportunities and/or other metrics. The use of estimates leads to estimation uncertainty. Developing the estimates involves the use of judgements or assumptions based on the latest available, reliable information.

Data and assumptions used in preparing the Consolidated Sustainability Statement are consistent, to the maximum extent possible, with the corresponding financial data and assumptions used in the Group's Consolidated Financial Statements.

The extent of the use of judgement, data, and assumptions applied in the preparation of individual estimated metrics and monetary amounts is disclosed in the chapters of the Consolidated Sustainability Statement where the estimated metrics and monetary amounts are presented. This includes estimates and emission factors used for the calculation of own operations emissions, where not all data were available at the date of preparation of this Consolidated Sustainability Statement and financed emissions calculations, where estimates of clients' CO_2 emissions levels were used, as detailed in chapter E1 Climate Change, most specifically E1-6. No monetary amounts with high level of measurement uncertainties are disclosed.

This is the first Consolidated Sustainability Statement from the Group that provides information fully in accordance with the ESRS. As such, the structure, as well as parts of the disclosure, has changed compared to Sustainability Reports issued in previous periods, which were presented on a standalone basis for, Česká spořitelna, a.s. only.

In the preparation of this Consolidated Sustainability Statement, no additional legislation or frameworks have been applied beyond those prescribed by the ESRS.

As the Group has more than 750 employees, the possible omissions described in BP-2 §17 are not applicable.

The following disclosure requirements of ESRS have been incorporated by reference:

Incorporation by reference

List of disclosure requirements	Page number	Incorporated by reference to chapter	Section	Page number
GOV-1 – The Role of the Administrative, Management and Supervisory Bodies	407	Board of Directors of Česká spořitelna	-	21
	407	Supervisory Board of Česká spořitelna	-	28
	407	Declaration of Česká spořitelna, a.s.	A. Organisation of the Bank	84
G1 GOV-1, §5(b) – The Role of the Administrative, Supervisory and Management bodies; (b) the expertise of the administrative, management and supervisory bodies on business conduct matters.	621	Declaration of Česká spořitelna, a.s.	A. Organisation of the Bank	84
	621	Board of Directors of Česká spořitelna	-	21
	621	Supervisory Board of Česká spořitelna	-	28
GOV-2 – Information and Sustainability Aspects Dealt with by the Company's Administrative, Management and Supervisory Bodies	408	Declaration of Česká spořitelna, a.s.	A. Organisation of the Bank	84
GOV-3 – Integration of Sustainability-Related Performance in Incentive Schemes	408	Other Information for Shareholders	Principles of Remuneration of Managers and Members of the Supervisory Board, Section 118 (4) (f), (g), (h), (i), in the sub-section Variable Remuneration of Managers	76
		Supervisory Board of Česká spořitelna	-	28
E1 GOV-3, §15 – Integration of Sustainability-Related Performance in Incentive Schemes	570	Other Information for Shareholders	Principles of Remuneration of Managers and Members of the Supervisory Board, Section 118 (4) (f), (g), (h), (i), in the sub-section Variable Remuneration of Managers	76
GOV-5 – Risk Management and Internal Controls Over Sustainability Reporting	409	Declaration of Česká spořitelna, a.s.	Principles of Internal Control and Rules for Accepting Risk in the Sustainability Reporting Process	91
SBM-1 – Strategy, Business Model and Value Chain	410	Strategic Objectives and Plans for the Future	Sustainability	60

The Group has chosen to apply the following phased-in disclosure requirements:

List of applied Phased-in Disclosure Requirements

ESRS	Disclosure Requirement	Full Name of the Disclosure Requirement	Phase-in or effective date (including the first year)
ESRS 2	SBM-1	Strategy, business model and value chain	The undertaking shall report the information prescribed by ESRS 2 SBM-1 paragraph 40(b) (breakdown of total revenue by significant ESRS sector) and 40(c) (list of additional significant ESRS sectors) starting from the application date specified in a Commission Delegated Act to be adopted pursuant to article 29b(1) third subparagraph, point (ii), of Directive 2013/34/EU.
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	The undertaking may omit the information prescribed by ESRS 2 SBM-3 paragraph 48(e) (anticipated financial effects) for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS 2 SBM-3 paragraph 48(e) by reporting only qualitative disclosures for the first 3 years of preparation of its sustainability statement, if it is impracticable to prepare quantitative disclosures.
ESRS E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	The undertaking may omit the information prescribed by ESRS E1-9 for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS E1-9 by reporting only qualitative disclosures for the first 3 years of preparation of its sustainability statement, if it is impracticable to prepare quantitative disclosures.
ESRS E4	E4-6	Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities	The undertaking may omit the information prescribed by ESRS E4-6 for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS E4-6 by reporting only qualitative disclosures, for the first 3 years of preparation of its sustainability statement.
ESRS S1	S1-7	Characteristics of non-employee workers in the undertaking's own workforce	The undertaking may omit reporting for all datapoints in this Disclosure Requirement for the first year of preparation of its sustainability statement.
ESRS S1	S1-13	Training and skills development	The undertaking may omit the information prescribed by

ESRS	Disclosure Requirement	Full Name of the Disclosure Requirement	Phase-in or effective date (including the first year)
			ESRS S1-13 for the first year of preparation of its sustainability statement.
ESRS S1	S1-14	Health and safety	The undertaking may omit reporting on non-employees for the first year of preparation of its sustainability statement.
ESRS S1	S1-15	Work-life balance	The undertaking may omit the information prescribed by ESRS S1-15 for the first year of preparation of its sustainability statement.

Governance

GOV-4 – Statement on Due Diligence

The Group has firmly embedded the concept of sustainability in the corporate business strategy and relies on sustainable, value-driven and responsible business practices that enable the Group to generate stable returns for all stakeholders over the long term. In the table below, a reference to other parts of the Consolidated Sustainability Statement that address the core elements of the Group's due diligence process can be found.

Core elements of due diligence

	Paragraphs in the Consolidated Sustainability Statement	Page number
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 – Information and Sustainability Aspects Dealt with by the Company's Administrative, Management and Supervisory Bodies	408
	ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes	408
	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	412
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2 – Information and Sustainability Aspects Dealt with by the Company's Administrative, Management and Supervisory Bodies	408
	ESRS 2 SBM-2 – Interests and views of stakeholders	411
	ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities	417
	E1-2 – Policies related to climate change mitigation and adaptation	575
	S1-1 – Policies related to own workforce	597
	S1-2 – Processes for engaging with own workforce and workers' representatives about impacts	599
	S4-2 – Processes for engaging with consumers and end-users about impacts	614
	G1-1 – Business conduct policies and corporate culture	621
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities	417
d) Taking actions to address those adverse impacts	E1-3 – Actions and resources in relation to climate change mitigation and adaptation	577
	S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce and effectiveness of those actions	601
	S4-4 – Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users and effectiveness of those actions	615
e) Tracking the effectiveness of these efforts and communicating	E1-4 – Targets related to climate change mitigation and adaption	580
	E1-5 – Energy consumption and mix	584
	E1-6 – Gross Scopes 1, 2, 3 and Total GHG Emissions	585
	S1-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	604

	Paragraphs in the Consolidated Sustainability Statement	Page number
	S1-9 – Diversity metrics	608
	S1-14 – Health and safety metrics	608
	S1-16 – Remuneration metrics (pay gap and total remuneration)	609
	S1-17 – Incidents, complaints and severe human rights impacts	610
	S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	615
	S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	615
	S4-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	618
	G1-4 – Incidents of corruption or bribery	625

GOV-1 – The Role of the Administrative, Management and Supervisory Bodies

To avoid redundancies and duplications throughout this report, disclosures related to GOV-1, specifically regarding the role of the Board of Directors and the Supervisory Board, are described in the chapter Board of Directors of Česká spořitelna, in the introduction of the chapter Declaration of Česká spořitelna a.s. and its section A. Organization of the Bank and section D. Committees of Bank Statutory Bodies.

Governance over Impacts, Risks and Opportunities Management Process

Role of the Sustainability Office

The Bank's Sustainability Office is part of the Strategy organisational unit, and its Chief Sustainability Officer reports directly to the Bank's Director of Strategy. The Chief Sustainability Officer and their team are responsible for:

- Conducting the double materiality assessment of ESG risks, impacts and opportunities;
- Nominating Material Sustainability Topic Owners for the Board's approval;
- Coordinating the work of the Material Sustainability Topic Owners;
- Formulating the sustainability strategy;
- Designing the governance over sustainability matters;
- Assisting individual divisions and organisational units of the Bank and the Group in defining and setting sustainability targets and monitoring progress against them;
- Supporting the management of the Bank and the Group, as well as all other organizational units in the Bank and the Group, with sustainability know-how and expertise;
- Monitoring performance on sustainability targets.

The Sustainability Office represents the Bank and the Group within the sustainability community and conducts outreach on their behalf. Additionally, the office proposes new policies and reviews all policies significantly impacting sustainability matters. The Sustainability Office reports quarterly to the Board of Directors on the Bank's and the Group's progress in sustainability matters and collaborates with the Accounting organisational unit to prepare the Consolidated Sustainability Statement.

The Sustainability Office oversees and coordinates the process of setting Sustainability Targets and monitors performance against these Sustainability Targets. The process is part of the standard Strategic and Budget Dialogue processes, which result in the approval by the Board of Directors of targets, including Sustainability Targets, and the budget, including resources dedicated to the Sustainability Action Plans.

Role of the Accounting Organisational Unit

The Bank's Accounting organisational unit is responsible for the preparation of the Consolidated Sustainability Statement in accordance with CSRD and EU Taxonomy, as required by Article 32(h), paragraph 9 of Act on Accounting.

The unit is also responsible for designing appropriate and adequate controls over the preparation of the Consolidated Sustainability Statement. These controls include various measures to ensure the accuracy and completeness of the data used in the preparation of the Consolidated Sustainability Statement, data quality indicators (DQIs) evaluations, reviews by Material Topic Owners and the Sustainability Office and reconciliations of input data to the Bank's general ledger and the Group's Consolidated Financial Statements.

Role of the Strategic Risk Organisational Unit

The Strategic Risk organisational unit is responsible for incorporating ESG risks into the Group's risk management strategy, risk management, and lending policies, for measuring and reporting downstream leased assets emissions (Scope 3 Category 13) and financed emissions (Scope 3 Category 15) of its loan portfolio, and for reporting progress against its portfolio decarbonisation targets.

ESG risks have been incorporated into the Bank's annual Risk Materiality Statement and Risk Control Self-Assessment (RCSA) procedure. In 2024, the Bank incorporated sustainability risk into its Risk Appetite Statement (RAS) and its Internal Capital Adequacy Assessment Process (ICAAP) and developed climate risk stress testing capabilities.

Role of the Non-financial Risk Organizational unit

The Non-Financial Risk organisational unit is responsible for identifying, assessing, and managing risks related to privacy, compliance, operational incidents, and reputational issues, including overseeing privacy breaches and ensuring proper mitigation, monitoring, and compliance with relevant regulations.

Role of the Material Sustainability Topic Owners

The Material Sustainability Topic Owners are B-1 managers (exceptionally, members of management below the B-1 level may be nominated) designated by the Board of Directors. The Material Sustainability Topic Owners are responsible for designing the Bank's and the Group's approach to managing the Material Sustainability Topic with the assistance of the Sustainability Office.

The People and Culture organisational unit is responsible for the Bank's relations with its workforce, trade unions, and remuneration.

The Property Management unit is responsible for reporting and managing the carbon footprint of own operations (Scope 1 and Scope 2 emissions).

The Retail Banking and Wholesale divisions are responsible for meeting sustainable financing targets.

The Security organisational unit is responsible for monitoring and mitigating emerging cyber threats, safeguarding client assets and personal data, and overseeing the Bank's digital security education programme.

The Office of the Ombudsman is responsible for managing internal filings related to employees or other persons operating within the Group, ensuring confidentiality, impartiality, and proper resolution of concerns, complaints, or suggestions.

The Customer Experience organisational unit is responsible for the financial health of the Bank's clients by providing complex solutions combining both personal and digital advisory services for all clients.

The majority of sustainability targets are set at the level of the entire Erste Group Bank and, through a budget dialogue process, allocated and assigned to individual Erste Group Bank members including the Bank and the Group.

GOV-2 – Information and Sustainability Aspects Dealt with by the Company's Administrative, Management and Supervisory Bodies

To avoid redundancies and duplications throughout this report, disclosures related to GOV-2 Information and Sustainability Aspects Dealt with by the Company's Administrative, Management and Supervisory Bodies are described in the chapter Declaration of Česká spořitelna, a.s., in section A. Organisation of the Bank.

GOV-3 – Integration of Sustainability-Related Performance in Incentive Schemes

To avoid redundancies and duplications throughout this report, disclosures related to GOV-3 Integration of

Sustainability-Related Performance in Incentive Schemes are described in the chapter Other Information for Shareholders, in section Principles of Remuneration of Managers and Members of the Supervisory Board, Section 118 (4) (f), (g), (h), (i), in the sub-section Variable Remuneration of Managers.

GOV-5 – Risk Management and Internal Controls over Sustainability Statement

To avoid redundancies and duplications throughout this report, disclosures related to GOV-5 Risk Management and Internal Controls over Sustainability Statement are described in the chapter Declaration of Česká spořitelna, a.s., in section G. Principles of Internal Control and Rules for Accepting Risk in the Sustainability Reporting Process.

Strategy

SBM-1 – Strategy, Business Model and Value Chain

The Bank, as the parent company of all its subsidiaries, defines and coordinates the sustainability strategy for the entire Group, ensuring a unified approach across all Group entities. While references are made solely to the Bank, its sustainability initiatives are centrally managed by the Bank's Sustainability Office, a dedicated team responsible for their implementation and alignment throughout the Group.

The Bank operates as a credit institution within the financial sector, focusing on three primary segments: retail banking, corporate banking, and financial markets. The outlook for each segment is provided in the chapter Strategic Plans for the Future. The Bank is primarily funded by its diverse client base. Its business model extends beyond lending and includes a wide range of financial services, such as deposit-taking, payment services, investment products, and advisory services. The Bank offers a diverse portfolio of products and services to meet various client needs, without relying on any single key product.

The Bank's upstream value chain consists mainly of the suppliers from IT services, marketing and consulting. The Bank's operational model is designed to be self-sufficient and adaptable, without dependence on any external key suppliers, ensuring resilience and flexibility in its operations. The IT sector, which supports the Bank's technological infrastructure and digital services, is considered the key suppliers sector. Information on the headcount of employees is provided in chapter S1-6.

To avoid redundancies and duplications throughout this report, other disclosures related to SBM-1 Strategy, Business Model and Value Chain are described in the chapter Strategic Plans for the Future, in section Sustainability.

SBM-2 – Interests and Views of Stakeholders

The Bank, as the parent company of all its subsidiaries, defines and coordinates the sustainability strategy for the entire Group, ensuring a unified approach across all Group entities. While references are made solely to the Bank, its sustainability initiatives are centrally managed by the Bank's Sustainability Office, a dedicated team responsible for their implementation and alignment throughout the Group.

To ensure that the Bank meets its ambitious sustainability and business targets, an open dialogue and close cooperation with stakeholders are essential. Engaging a diverse range of stakeholders—employees, subsidiaries, large enterprises, SMEs, investors, the financial and public sectors, suppliers, non-profit organisations, sustainability experts, and governing bodies—allows the Bank to align its goals with their needs and expectations. Trust and support from these stakeholders are vital for the Bank to continue developing its business successfully and contributing to the sustainable transition and social inclusion.

The administrative, management, and supervisory bodies are actively informed about stakeholders' interests and sustainability-related impacts. The Board of Directors holds weekly formal meetings and operational sessions, with the agenda set up in a way to meet stakeholders' interests. Board members are briefed on significant sustainability topics and, if necessary, approve key decisions in this area. Additionally, individual Board members address specific relevant matters during meetings with their B-1 managers.

Cross-divisional collaboration also plays a vital role, particularly between the Risk Department and divisions responsible for corporate clients and the retail sector, which meet to ensure a comprehensive approach to stakeholder concerns. The Supervisory Board convenes quarterly, where key stakeholder topics are consistently presented, ensuring alignment with the Bank's sustainability strategy.

Key Stakeholder Management

The Bank collaborates with a diverse group of key stakeholders to ensure its strategy and business model are aligned with their interests and priorities.

Customers: The Bank supports people in achieving financial independence and is committed to ensuring accessibility to its products and services for everyone. Strong engagement with customers enables the Bank to understand their needs and anticipate market trends, forming the foundation for sustainable business success. The Bank develops its offerings based on these needs, including responsible product development, transparency, data protection, privacy, and respect for human rights. Tools such as client surveys, advisory sessions, conferences, and customer experience programmes facilitate this connection, allowing the Bank to adjust its products and services accordingly. Key topics include customer experience, products and services, innovation and digitization.

Employees: The Bank recognizes its workforce as a key stakeholder group whose interests, views, and rights directly shape its strategy and business model. It fosters an open dialogue, incorporating employee perspectives to adapt its strategy and business model, mitigating adverse impacts while continuously improving opportunities for growth and development. Employee feedback is collected twice a year through employee satisfaction surveys, the results of which guide the development of training, coaching, and mentorship programmes. The Bank integrates respect for employee human rights into its core strategy and operational practices, maintaining a fair and inclusive work environment. Key topics include people development, diversity, equity and inclusion, employee health and work-life balance and employee engagement.

Investors, Analysts, and Rating Agencies: The Bank conducts investor presentations and attends conferences to enhance transparency in external reporting and ensure a clear understanding of the Bank's performance and strategy. These events also provide valuable insights into stakeholders' expectations and perspectives. Key topics include performance and strategy, climate change, diversity, equity and inclusion, risk management and transparency.

Supervisory and Regulatory Authorities: Through proactive dialogue with national and European authorities, the Bank adapts processes and increases transparency to meet supervisory expectations. Key topics include performance and strategy, climate change, diversity, equity and inclusion, risk management and transparency.

Academic Institutions and Non-Governmental Organizations (NGOs): The Bank engages in content-driven debates with academic institutions and environmental and social NGOs at conferences and events. This collaboration helps identify current and future priorities, allowing the Bank to reflect these insights early in its strategic planning. Key topics include climate change, diversity, equity and inclusion and transparency.

SBM-3 – Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model

This chapter provides an overview of the Group's material risks, opportunities, and impacts, following the double materiality assessment (see IRO-1), and how they interact with the strategy and business model. In the table below, all material IROs (Impacts, Risks, and Opportunities) are listed based on the sustainability matter they relate to, the type of IRO, the position in the value chain, and the time horizon in which the materiality has been detected.

The Group operates within the Czech Republic, serving a diverse client base, including retail clients, corporate clients, public sector entities, high-net-worth private clients, and institutional clients. This diversity is reflected in the assessment of the IROs.

Sustainability Matter	Type of IRO	IRO Description	Value chain	Time horizon
E1-Climate change adaptation	Positive impact	Through the financing of climate change adaptation solutions, the Group can make a positive contribution to reducing vulnerabilities to climate change impacts.	Portfolio	Long-term
	Risk	The Group faces a higher credit risk as climate-related physical and transition risks can lead to a devaluation of collateral and/or to negative effects on business models and, ultimately, the financial stability of debtors. The consequences are increased risk provisions for the Group and associated negative impacts on its P&L and own funds.	Portfolio	Medium- and long-term
	Opportunity	Leveraging its market-leading position, the Group is well-positioned to play a pivotal role in supporting the transformation of the Czech industry and the economy by fostering and financing solutions for adapting to climate change. Clients who have adapted to climate change become more resilient and competitive, creating opportunities for the Group to support and finance their growth.	Portfolio	Medium- and long-term
E1-Climate change mitigation	Negative impact	The CO_2 emissions from the Group's own operations and in the upstream value chain contribute to climate change and, consequently, to global warming.	Upstream & Own operations	Long-term
	Negative impact	Investing in and financing energy-intensive companies that still rely on fossil fuels lead to high CO_2 emissions, contributing to climate change.	Portfolio	Long-term
	Risk	The Group is exposed to climate-related risks primarily through its financed portfolio, potentially affecting creditworthiness and collateral value. Without mitigation, these risks could increase credit risk or lead to the termination of business relationships. In its own operations, the risks are limited to reputational risk and the risk of higher operating costs.	Portfolio	All time horizons
	Opportunity	The Group can gain financial opportunities by investing in and financing customers who are decarbonising and transitioning to sustainability.	Portfolio	Medium- and long-term
E1-Energy	Negative impact	If the Group continues to consume excessive energy or transitions its own banking operations too slowly to renewable energy sources, it may contribute to an increase in physical climate risks (e.g. heatwaves, floods). Setting a poor example for its clients and the economy could slow down the transformation in Czechia.	Upstream & Own operations	Long-term
	Negative impact	Investing in and financing energy-intensive companies that still rely on fossil fuels lead to high CO_2 emissions, contributing to climate change.	Portfolio	Long-term
	Positive impact	The Group's financing of energy efficiency and renewable energy projects reduces climate risks and enables CO_2-neutral energy production, which is essential for transitioning to a sustainable economic system.	Portfolio	All time horizons
	Risk	The Group faces energy risks due to geopolitical tensions and the shift to sustainable energy. Geopolitical issues have driven up energy prices and may affect the bank's credit risk as clients' fixed energy contracts expire. Climate change will increase energy costs through higher energy allowances. Investments in sustainable energy could lower profit margins and raise capital expenditures, heightening credit risk. However, energy risks in the Group's own operations are minimal.	Portfolio	All time horizons
	Opportunity	Financing the energy transition is a key aspect of climate-related financing opportunities and presents significant financial prospects for the Group. The Group has already demonstrated its commitment through various initiatives. Advancing these efforts can position the Group as a frontrunner in financing the energy transition.	Portfolio	Medium- and long-term
E4-Soil sealing	Negative impact	Financing real estate, public infrastructure and investments in factories converting natural habitats can significantly reduce species populations. The Group's investment in large monoculture agricultural companies may also negatively impact biodiversity.	Portfolio	All time horizons
S1-Work-life balance	Positive impact	Promoting the compatibility of career and family positively impacts the quality of life and satisfaction of employees.	Own operations	Short-term
S1-Health and safety	Positive impact	By promoting healthy lifestyle education and accessible preventative healthcare, the Group enhances	Own operations	Short-term

Sustainability Matter	Type of IRO	IRO Description	Value chain	Time horizon
		employee well-being, reduces absenteeism, and boosts effectiveness and engagement.		
S1-Gender equality and equal pay for work of equal value	Negative impact	Incorrectly set guidelines on gender equality and equal pay can lead to disparities in employee remuneration. Accepting an unbalanced approach may hinder professional development and reduce employee capital.	Own operations	Short-term
S1-Training and skills development	Positive impact	Training and further education enhance employee qualifications, boosting personal satisfaction and effectively preventing fraudulent behaviour.	Own operations	Short-term
	Opportunity	Training and further education can increase employee motivation, improve professional skills and qualifications and lead to greater employee loyalty and productivity over time.	Own operations	Medium- and long-term
S1-Diversity	Positive impact	The Group fosters an inclusive work environment where diverse backgrounds are respected, boosting morale, creativity, and decision-making. This diversity-friendly atmosphere enhances innovation, employee satisfaction, and retention.	Own operations	Short-term
S4-Financial Health (entity specific)	Positive impact	By promoting financial health and inclusion, the Group enhances customer loyalty, boosts financial literacy, and reduces inequalities, contributing to community prosperity and economic stability.	Own operations	Long-term
	Opportunity	By actively supporting customers' financial health, the Group increases satisfaction and loyalty, enhancing its financial performance and market position. This also improves satisfaction and loyalty among employees and potential candidates.	Own operations & Downstream	Medium-term
S4-Privacy	Negative impact	Data breaches or cyberattacks could compromise individuals' sense of security and privacy, leading to the leakage of private and financial data of affected customers.	Own operations	Short-term
S4-Access to products and services	Positive impact	By making banking products and services accessible to socially vulnerable groups (e.g. people with disabilities and the elderly), the Group promotes their autonomy, social and professional integration and active community participation.	Own operations	All time horizons
G1-Corporate Culture	Positive impact	A positive corporate culture fosters a healthy work environment, boosting employee satisfaction.	Upstream & Own operations	Short-term
G1-Protection of whistle-blowers	Positive impact	Whistleblower protection within the Group has a positive impact by encouraging the reporting of misconduct, leading to a safer and more compliant work environment.	Upstream & Own operations	Short-term
G1-Prevention and detection including training	Positive impact	Training all employees helps prevent corruption and bribery, benefiting everyone and fostering a trustworthy workplace. A clear policy supports this prevention.	Upstream & Own operations	Short-term

As this is the Group's first Consolidated Sustainability Statement in accordance with CSRD regulation, no changes to the previous material IROs can be depicted.

Following the materiality assessment, the material IROs were assessed to gain insights into their potential effects on, or the necessity to adapt, the Group's business model, value chain, and strategy. At this time, no changes based on the material IROs have been implemented.

Identified short-term horizon risks did not have material current financial effects on the Group's 2024 financial position, performance or cash flow. The Group does not have any short-term opportunities identified and others did not have material current financial effects.

Resilience of the Group's Strategy and Business Model Regarding its Capacity to Address Its Material Impacts and Risks

Business Environment Scan:

The resilience of the Group's strategy and business model in addressing material IROs is closely monitored through the Business Environment Scan (BES), conducted annually by Erste Group Bank for its core markets, including the Czech Republic.

The purpose of the annual BES is to outline the approach and perform a comprehensive scan of the business environment concerning climate and environmental

risks that influence the Group. This process is crucial for identifying:

- Threats to the business model arising from climate change and environmental risks;
- Business opportunities arising from the economic transformation, client transitions, and adaptive measures to mitigate physical risks.

The scan considers macroeconomic changes, the competitive landscape, policy and regulation, technology, societal/demographic developments, and geopolitical trends, as well as physical changes in the business environment regarding climate and other environmental drivers.

The outcome of this assessment provides the basis for further analysis:

- Identified threats (if deemed relevant) must inform and be further analysed in the risk materiality assessment;
- Identified opportunities (if deemed relevant) must inform business strategy and business planning.

Both outcomes inform industry strategies and the decarbonization process. The scan is conducted holistically, ensuring completeness and sufficient granularity to draw conclusions for:

- Segments/sectors contributing most to the Group's revenue base;
- Products and industries relevant to the Group's business model.

The scan is intended as a high-level instrument focusing on business model analysis. Unlike the risk materiality assessment, the BES does not quantify impacts. Instead, it indicates where vulnerabilities, potential threats, and opportunities exist across time horizons.

Risk Materiality Assessment:

The purpose of the annual Risk Materiality Assessment is to identify new risks and assess existing risks within the Group. This includes the evaluation of the potential impact of climate and environmental risk drivers on various risk types. Material risks must be covered by allocated capital (under Pillar 2 / ICAAP) or mitigated by other means. The findings from this process also serve as one of the inputs into the DMA, ensuring that any significant impacts are identified and appropriately reflected.

Despite rapid and unpredictable changes in the world and the region, the Group understands the importance and necessity of a rapid and well-managed transition towards sustainability. The Group closely partners with its clients to support their decarbonization plans by providing sustainable finance and investment, emissions assessment tools, and guidance on their journey.

Results:

Erste Group Bank has scanned the environment in which it operates and performed an analysis to assess the resilience of its business model to threats and opportunities resulting from the necessary transformation to a lower-carbon economy. Furthermore, Erste Group Bank has explored potential impacts and opportunities resulting from climate change and environmental risks. Based on this assessment, it concludes that Erste Group Bank and its subsidiaries, including Česká spořitelna Financial Group, are capable of managing all identified IROs without compromising their resilience, provided that reasonable efforts are maintained. The findings applicable to the Group are as follows:

1. Net zero commitment: The European Union's ambitious goal of reaching Net Zero by 2050 depends on decarbonisation efforts by all member states, including the Czech Republic;
2. Investment needs: The transformation required within the Group involves investments, risk-sharing schemes, and cross-border collaboration, emphasising the need for shared financing from both EU funds and the private sector, in addition to the Group's own investments;
3. Regulatory compliance: Evolving climate change regulations pressure clients to adopt sustainable practices and meet stringent environmental standards, requiring significant adjustments in their operations, supply chains, and reporting. These regulations similarly necessitate compliance and adaptation within the Group, integrating new requirements into the business model, enhancing transparency, and implementing robust sustainability strategies;
4. Energy transition: Fundamental for decarbonising power generation, heating, and all other energy-intensive industries. This transition will reduce emissions, promote economic growth, fuel innovation, and create jobs;
5. Real estate decarbonisation: Improving the energy performance of buildings through renovations is crucial. Overcoming challenges such as limited subsidies, financial affordability, and technical barriers is essential;

6. Fiscal management: Striking a balance between transition speed and social/economic costs is critical;
7. Addressing physical risks: River floods and heat stress pose significant risks. Adaptation measures must be expanded, creating business opportunities. On the risk side, the insurance coverage gap needs to be closely monitored and well-managed;
8. Environmental risks: Opportunities arise in areas like biodiversity loss, pollution, waste, and water management, offering growth potential in sustainable financing;
9. Transition and sustainable financing: The growing demand for green bonds, loans, and transition finance – along with the Group's commitment to sustainable financing – supports its role as a leader in the transition to a low-carbon economy.

By focusing on these areas, the Group can effectively support and lead the necessary transformation in the Czech Republic, ensuring long-term sustainability and competitive advantage.

Impact, Risk and Opportunity Management

IRO-1 – Description of the Process to Identify and Assess Material Impacts, Risks and Opportunities

For the compilation of the 2024 Consolidated Sustainability Statement the Group has performed a DMA in accordance with the requirements of ESRS 1 and 2. Consequently, the performed analysis covered the identification and assessment of impacts (impact materiality) as well as risks and opportunities (financial materiality) under the IFRS consolidation scope.

The assessment was centred around the list of sustainability topics, sub-topics, and sub-sub-topics as outlined in ESRS 1 AR 16. However, this list was enriched by entity-specific topics (such as Financial Health) and reduced based on an initial relevance check to appropriately reflect the Group's business model, portfolio, and strategic positioning. A detailed Impact, Risk and Opportunity (IRO) assessment was performed for the remaining items on the list.

Methodology-wise, regarding to impacts, the value chain relevance and the time horizon of their assumed occurrence were identified, along with their status as either actual or potential impacts. Based on this input, impacts were assessed in terms of scale, scope, irremediability (each evaluation dimension on a five-notch scoring scale from 0 to 5), and likelihood. Positive and negative impacts were evaluated separately, with the dimension of irremediability only relevant for negative impacts.

Similarly to the above, identified risks and opportunities were also complemented by time horizon information and evaluated separately towards the magnitude of their financial effect (on a three-notch scoring scale from 0 to 3), and their probability of occurrence.

Central assumptions as part of the evaluation:

- Impacts were defined as either positive or negative. If multiple but deviating impacts (e.g. positive and negative) were identified for a sustainability matter, both were evaluated separately;
- No methodological deviation exists between potential and actual impacts. However, for actual impacts, their likelihood was consistently set to 100%;
- Scales for the evaluation dimensions related to the financial materiality assessment (outside-in) were defined as Group-specific;
- In order to derive the final score per assessed IRO, the scores per evaluated dimension were averaged and multiplied by the likelihood, unless one of the relevant dimensions was evaluated at its maximum score, in which case the final score of the respective IRO was represented at the maximum score;
- For a sustainability matter to be deemed material, only one material IRO is sufficient, regardless of the number of additional immaterial IROs, its state as actual or potential, its allocated time horizon, or value chain relevance.

Process-wise, the initial generation of the list of relevant sustainability matters was led by the Bank's Sustainability Office, considering inputs from Accounting, Strategy, Risk Management, Corporates and Markets, People and Culture, Compliance and Procurement. Subsequent impact evaluations were conducted under the lead of the Bank's Sustainability Office, engaging in expert interviews with in-house representatives of identified stakeholder groups, setting scores based on evidence and/or expert opinion.

The executed process comprised a preliminary interview with external experts. Information concerning affected external stakeholders was also considered via the above-mentioned in-house experts and their exchanges with externals (i.e. customers, NGOs, rating agencies, and investors).

The impact materiality assessment was performed separately for the Group's value chain as well as the Group's business relationships (i.e. the financed portfolio). It was executed without any predefined focus on specific activities, business relationships, geographies or other factors that give rise to heightened risk of adverse impacts.

The scoring system was supported by interpretation guidance concerning the respective scales to ensure comparable assessments. An example concerning the dimension of scope represents a specified threshold per notch, defining the number of people affected by the impact. This ensures that the broader society impacted by the Group's (financed) GHG emissions leads to a higher score than the Group's own workforce impacted by the Group's workforce-related practices.

The result of this approach was a final score per impact, which was quality assured by a central expert jury led

by the Sustainability Office. For an impact to be deemed material, the final score had to exceed the value of 2.5 on a five-notch scale.

Likewise, the process for the assessment of risks and opportunities began with the generation of the list of relevant sustainability matters. Risks and opportunities were then defined and evaluated under the lead of the Bank's Sustainability Office, engaging in expert interviews with in-house representatives (i.e. Risk Management – Strategic and Operational, Strategy, Business Development, and sector-specific experts), setting scores based on evidence and expert opinion.

Risks and opportunities were identified separately and evaluated for their materiality. The exercise considered risks and opportunities related to the operational value chains well as the financed portfolio. Only sustainability-related risks were considered for this assessment – other types of risks were excluded.

In addition, as the exercise was governed centrally, it was ensured that – where applicable – risks and opportunities were also identified in connection with or related to identified impacts (e.g. the negative impact resulting from the Group's financed carbon footprint, simultaneously results in a financial risk for the Group, which is bound to the transition risk its clients with carbon-intensive business models are facing).

The scoring system was supported by interpretation guidance, which was based on an annual risk materiality assessment and operational risk assessments, complemented by additional qualitative thresholds.

In addition, to ensure comparable assessments, inputs used for the risk materiality assessment were reused for the underlying DMA (e.g. portfolio heatmaps, ESG stress testing results, carbon footprint data, and aggregated ESG questionnaire data collected in regular client exchanges).

The result was a final score per evaluated risk and opportunity, which was quality assured by a central expert jury led by the Sustainability Office in a final step.

For a risk or opportunity to be deemed material, the final score had to exceed the value of 1.5 on a three-notch scale. For information concerning the final score computation per IRO and the materiality judgement of a connected sustainability matter, please refer to the central assumptions paragraph.

The final scoring per IRO was quality assured by a central expert jury. Subsequent to these steps, the results were visualised in a matrix, summarised in an executive presentation, and concluded by the Bank's Board of Directors.

The Group's DMA process is intertwined with the overall risk management process. The identification and evaluation of risks of this year's DMA result considered information stemming from the Group's annual risk materiality assessment (2023), in which ESG risks and risk drivers were already included and evaluated due to regulatory requirements. In turn, the results and final evaluations were also shared back with the respective risk management units for their consideration.

Input parameters for the DMA included:

- Engagement with affected stakeholder groups and expert interviews;
- Consultation with the internal expert jury and workshops with the subsidiaries (completeness check);
- Peer benchmarking;
- Group's Risk Materiality Assessment results;
- Spend for purchased Goods & Services (Upstream);
- Mapping of sectoral credit exposures and financed emissions (Portfolio);
- Analysis of the Group's strategy and related business activities;
- Desk analysis of sustainability matters.

The Group assessed upstream and downstream value chain information. In addition, for own operations, the full IFRS scope of consolidation was considered, except for subsidiaries described in chapter BP-1 General Basis for Preparation of the Sustainability Statement, and further assessed whether operational control for participations which are not fully consolidated exists. In the 2024 DMA process, no direct consultations with affected communities were conducted. The assessment was mainly performed by the Group's experts in alignment with internal stakeholders.

For the upstream and downstream (portfolio) mapping, the Group analysed the flow of activities, processes, and value creation within its organization.

During 2024, the DMA process was executed for the first time according to the ESRS. As such, it deviates from the materiality assessment of prior periods by adhering to all requirements of ESRS 1 and 2, and especially by introducing financial materiality as a second materiality perspective. The Group plans to update the materiality assessment process on a regular basis, with the frequency

and formal framework to be determined and established in 2025.

IRO-1 – E1 Climate Change

All sub-topics, including climate change mitigation, climate change adaptation and energy, were deemed relevant to the Group's own operations, upstream value chain, as well as its financed portfolio.

The Group is calculating and reporting GHG emissions for both its own operations (scope 1, 2) and its financed portfolio (financed scope 3 emissions). Methodologies used are in line with the GHG Protocol Corporate Accounting and Reporting Standard, as well as the Partnership for Carbon Accounting Financials (PCAF) methodology respectively. Details regarding the computations and calculation scope are described in chapter E1-6.

During the Group's DMA, the current total carbon footprint was considered as an input. For the sub-topic of climate change mitigation, as well as in the sub-topic of energy, negative impacts were identified, which, due to their actual and global nature, received a high-notch evaluation and hence were deemed material. The negative impacts in the sub-topic of energy are, on the one hand, driven by the energy mix consumed by the Group (described in chapter E1-5), leading to CO_2 emissions, and, on the other hand, its financing of energy-intensive companies. A major part of the Group's overall emissions stems from the financed emissions in the portfolio. As such, these are closely monitored.

On the other hand, the Group already finances renewable energy projects supporting the transition of the economy. It does so based on its Responsible Financing Policy, which sets out financing exclusions for high-emitting sectors. Based on the actual and global nature of CO_2 emissions, this positive portfolio-related impact was assessed as material.

Concerning the sub-topic of climate change adaptation, the financing of adaptation solutions was assessed to be very likely in the focus of the Group's future financing strategy. Given the position of the Bank as the largest bank in the Czech Republic, based on the size of the corporate loans and bonds portfolio, the evaluation of the significance of the effect resulted in a material positive potential impact.

The financial impact of risks related to the Group's own GHG emissions has been assessed as low, except for the reputational risk in the event that no action is taken to address its own emissions. This risk is assessed as medium. The main risks are reputational risk and the risk of increased operating costs.

Risks related to financed emissions are assessed on the long-term horizon as almost certain, with a medium impact. In the long term, risks related to climate-related financing are likely, with a high impact. Risks related to energy in the portfolio are assessed in the medium term as likely, with a high impact. The risks are both in transition and physical categories of climate risks.

Energy-related risks are assessed as direct impacts on the creditworthiness of the Group's clients through higher energy prices due to geopolitical and transition risks.

Physical Risks

For the purpose of the DMA, physical risks are identified and assessed under the sub-topic of climate change adaptation. Due to its essential importance to the Group as a credit institution, the focus of the assessment was centered on the financed portfolio and the transmission channel of credit risk. Acute risks can damage collateral and, together with chronic physical risks, can impact the viability of business models.

The assessment of the portfolio was informed by multiple inputs. The results of the 2023 risk materiality assessment, taking into account the results of the comprehensive stress testing exercise, including a flood risk scenario, as well as the results of a portfolio screening based on external data from Munich Re Location Risk Intelligence data, were used as the basis for the materiality assessment. Further details are described in chapter E1 SBM-3.

Transition Risks and Opportunities

For the purpose of the double materiality assessment, transition risks are identified and assessed under the sub-topic of climate change mitigation and energy. Due to its essential importance to the Group as a credit institution, the focus of the assessment was centered on the financed portfolio and the transmission channel of credit risk, as transition events such as policy changes can impact the viability and profitability of business models of its customers.

For the DMA, the evaluation of the portfolio was again informed by multiple inputs. The results of the risk materiality assessment take into account the current distribution of the portfolio based on its carbon intensity. The rationale applied in this case was that the higher the current GHG emissions, the more investments and costs are likely to be incurred for reducing emissions or

improving energy efficiency, which can have a negative impact on credit quality.

The current portfolio state in relation to the above-mentioned indicators led to transition risks being identified under the sub-topics of climate change mitigation as well as energy – the latter focusing especially on potential decreased profitability and liquidity shortage due to increasing energy costs and related default risk.

Given the fact that the decarbonization of the portfolio for the Group, as part of the Erste Group Bank, which is a member of the Net Zero Banking Alliance dedicated to the Paris Agreement and limiting global temperature increase to 1.5 degrees, will be a long-term exercise, transition risks resulting from the financed portfolio were also assessed to be prominent over all time horizons (short, medium and long-term). Further details on the climate-related scenarios used, their range, and their application are described in chapter E1 SBM-3.

The Group has identified some assets and business activities that might be incompatible with or need significant efforts to be compatible with a transition to a climate-neutral economy, e.g. providing loans to customers operating within the sectors with high exposure to the transition risk, such as the coal industry. Due to this fact, the Group has intensified focus on these clients by requiring the high impact sectors customers to provide their climate transition plans. This is further described in chapter E1-2.

IRO-1 – E2 Pollution

Potentially relevant impacts were identified in relation to the pollution of air, water, and soil. Other potential effects related to pollution were excluded from the assessment, as they were either already considered as part of the assessment related to the pollution of air, water, and soil, or they lacked general relevance based on the business conducted by the Group.

The identification and evaluation of IROs related to the sub-topics of pollution of air, water, and soil were restricted to the financed portfolio. The Group's own operations and upstream value chain, as a financial services provider and credit institution, were deemed to have no significant connection to the pollution of air, water, and soil, especially when compared to the pollution-related impacts, risks, and opportunities of other industries.

For the financed portfolio, a risk analysis was conducted based on the current business strategy and portfolio structure, combined with the results of the Group's risk materiality assessment and the underlying ESG sector risk heatmap. The risks assessed focused on the potential deterioration of clients' capacities to repay their debt due to additional costs related to implementing pollution prevention mechanisms, or a loss of revenue due to non-compliance or controversies. Given the industry mix of the Group's corporate and SME (small and medium-sized enterprises) business, the risks were evaluated as below the materiality threshold.

Based on the current portfolio composition and available data, the related impacts and risks have been assessed as immaterial, with plans to enhance data collection.

Regarding opportunities, the financing of and investments in clients developing innovative solutions that minimize or remediate air pollution were considered possible within the Group's business focus. However, based on internal expert judgement and the expected financial effect, these opportunities were assessed as not material.

In terms of impacts, multiple positive and negative potential impacts were identified based on the Group's portfolio. However, none of these impacts were attributed sufficiently high evaluations in the assessment dimensions to be considered material.

Since no material impacts, risks, or opportunities were identified, no information in relation to E2 IRO-1 AR1-9 is published.

IRO-1 – E3 Water and Marine Resources

Potentially relevant impacts were identified in relation to water consumption, withdrawals, and discharges. Any potential impacts related to marine resources were excluded from the assessment due to their lack of general relevance to the Group's business activities.

The identification and evaluation of IROs related to water consumption, withdrawals, and discharges were restricted to the financed portfolio. The Group's own operations and upstream value chain, as a financial services provider and credit institution, were deemed to have no significant connection to water-related matters, especially when compared to the water-related impacts, risks, and opportunities of other industries.

For the financed portfolio, risk analysis was conducted based on the current business strategy and portfolio structure, combined with the results of the Group's risk materiality assessment. The risks addressed focused on the potential deterioration of clients' capacity to repay their debt due to higher production costs driven by water scarcity, fines, or loss of revenue due to non-compliance

or controversies. Given the industry mix of the Group's corporate and SME business, the financial risks were evaluated as low and immaterial.

Regarding opportunities, the financing of and investments in clients focused on the treatment and recycling of grey or rainwater, or on new products aimed at generating less wastewater, were considered possible within the Group's business focus. However, based on internal expert judgement and the expected financial effect, these opportunities were evaluated as immaterial.

In terms of impacts, multiple positive and negative potential impacts were identified based on the Group's portfolio. However, none of these impacts were attributed sufficiently high evaluations in the assessment dimensions to be considered material.

Based on the Group's business model and the fact that no material impacts, risks, or opportunities were identified, no information in relation to E3- IRO-1 AR6 / 7 /10 & 15 is published.

IRO-1 – E4 Biodiversity and Ecosystems

For the sub-sub-topics related to "Direct impact drivers of biodiversity loss", materiality evaluations were either already performed as part of the evaluations of E1 (climate change) and E2 (pollution) standard-related topics or were dismissed from further assessment, as these sub-sub-topics were considered to have no significant connection to the Group's business and operating model as a financial institution. This reasoning also applies to the sub-topics of "Impacts on the state of species" and "Impacts and dependencies on ecosystem services."

Concerning the sub-topic of "Impacts on the extent and condition of ecosystems," IROs were identified in relation to the financed portfolio. For risks, potential stricter regulations on land degradation and soil sealing (transition risk) were considered, impacting the Group's mortgage and project developer portfolio due to higher compliance costs and barriers to construction. No physical or systemic risks were identified. Regarding opportunities, the increased offering of mortgages that support the renovation and refurbishment of buildings instead of new construction was considered. However, none of the risks and opportunities exceeded the materiality threshold. Furthermore, no dependencies related to biodiversity and ecosystems have been identified.

Evaluations were based on internal expert judgement and desk analysis of sustainability matters related to biodiversity and ecosystems. The Group has tools in place to collect ESG data and risk metrics not only for climate-related risks but also for other environmental risks, such as biodiversity. To quantitatively manage and address these risks, ongoing data collection and investments into IT infrastructure to source climate-related data are essential. With the redesign of the lending process (e.g., real estate valuations, Technical Object Rating/TOR, Energy Performance Certificates/EPCs) and the implementation of ESG questionnaires for large corporates and corporate real estate segments, data collection is already in progress.

Regarding impacts, the Group's focus on financing real estate and public infrastructure projects was acknowledged to have a potential negative impact on biodiversity. This includes soil sealing and land degradation, which can lead to increased flooding risks, climate change exacerbation, and possible health issues due to decreased air and water quality.

Given the size of the Group's related portfolio and the potentially significant nature of the impacts on ecosystems, the impact was assessed as material. This evaluation was based on expert judgement. In order to better assess and quantitatively manage these risks, ongoing data collection and investments into IT infrastructure are necessary. Furthermore, developing internal quantitative methods incorporating climate and environmental risk-specific drivers requires a longer period of data collection. An initiative to define and collect relevant risk drivers is currently in its initiation phase. Given the materiality of potential impacts on biodiversity and ecosystem matters being restricted to the financed portfolio and thus being of an indirect nature, no direct consultations with affected communities were conducted.

The Group has no sites (own premises) located in or near biodiversity-sensitive areas, and no material impacts were identified related to its own operations affecting any biodiversity-sensitive areas. Consequently, no biodiversity-related mitigation measures are deemed necessary.

IRO-1 – E5 Resource Use and Circular Economy

The analysis took into account the Group's business model, focused on the provision of financial services. This resulted in the determination that the sub-topics of resource inflows and outflows were relevant only through the financed portfolio, whereas the sub-topic of waste was deemed relevant for both the Group's own operations and the upstream value chain.

For the financed portfolio, risk analysis was conducted based on the current business strategy and portfolio structure, combined with the results of the Group's

risk materiality assessment. Inputs considered for the evaluation of risks were drawn from these sources, leading to the identification of low risks and, consequently, no material risks for the Bank.

Based on the current portfolio composition and available data, the related impacts and risks have been assessed as immaterial, with plans to enhance data collection.

Regarding identified opportunities, such as the increased financing or investment needs of clients to comply with stricter resource use and waste treatment regulations, their respective potential positive financial effects were evaluated to be low based on internal expert judgement. As a result, none of these opportunities were deemed material.

In terms of impacts related to the Group's own operations, the waste management practices were considered, leading to the conclusion that there were no material potential or actual impacts. The same holds true for actual or potential impacts related to the financed portfolio, with evaluations based on the industry mix of the Group's corporate and SME portfolio. Given the immateriality of the impacts, risks, and opportunities as assessed by internal experts, no direct consultations were conducted with affected communities.

Since no material impacts, risks, or opportunities were identified, no information in relation to E5 IRO-1 AR7 is published.

IRO-1 – G1 Business Conduct

Inputs considered for the evaluation of risks were drawn from the Group's risk materiality assessment, which led to no material risks being detected. Concerning identified opportunities, their respective potential positive financial effects were evaluated to be low based on internal expert judgment, resulting in none of them being deemed material.

In relation to impacts, all sub-topics except for animal welfare were generally deemed relevant for the Group's own operations and upstream value chain. An analysis was performed considering the Bank's existing governance setup, compliance status, and its role as a tightly supervised and regulated financial institution and financial services provider.

The evaluation was performed based on internal expert judgment, leading to three material positive impacts in connection to corporate culture, protection of whistle-blowers and the prevention of corruption and bribery, described in chapter SBM-3.

IRO-2 – Disclosure Requirements in ESRS Covered by the Undertaking's Sustainability Statement

List of disclosure requirements

After the completion of the DMA the respective material sustainability matters were allocated to the relevant disclosure requirements and data points by using the EFRAG Guidance. Additionally, the Group discloses entity specific information following the policy, action and target structure for the sustainability matter of financial health. Metrics were disclosed where required.

The list of disclosure requirements and their location in the Consolidated Sustainability Statement can be found below. The Group has not omitted any disclosure requirements due to its immateriality other than through process of double materiality assessment. The Group has not set up any thresholds for determining material information. All information required by disclosure requirements are reported.

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	BP-2	Disclosures in relation to specific circumstances	402
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	GOV-2	Information and sustainability aspects dealt with by the company's administrative, management and supervisory bodies	408
	GOV-3	Integration of sustainability-related performance in incentive schemes	408
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ESRS Standard	Disclosure Requirement	Description	Page number
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List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure requirements and related datapoint

Disclosure Requirement	Data Point		SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
ESRS 2 GOV-1	21 (d)	Board's gender diversity	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27) , Annex II		407
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		407
ESRS 2 GOV-4	30	Statement on due diligence	Indicator number 10 Table #3 of Annex 1				406
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (28) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29) , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1	574
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector,	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g) and Article 12.2		574

Disclosure Requirement	Data Point		SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
				emissions and residual maturity			
ESRS E1-4	34	GHG emission reduction targets	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		580
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Not material
ESRS E1-5	37	Energy consumption and mix paragraph	Indicator number 5 Table #1 of Annex 1				584
ESRS E1-5	40 to 43	Energy intensity associated with activities in high climate impact sectors	Indicator number 6 Table #1 of Annex 1				Not material
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		585
ESRS E1-6	53 to 55	Gross GHG emissions intensity	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		585
ESRS E1-7	56	GHG removals and carbon credits				Regulation (EU) 2021/1119, Article 2(1)	Not material
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Material with applied phase-in

Disclosure Requirement	Data Point		SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
ESRS E1-9	66 (a) 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Material with applied phase-in
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Material with applied phase-in
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		Material with applied phase-in
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material
ESRS E3-1	9	Water and marine resources	Indicator number 7 Table #2 of Annex 1				Not material
ESRS E3-1	13	Dedicated policy	Indicator number 8 Table 2 of Annex 1				Not material
ESRS E3-1	14	Sustainable oceans and seas	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4	28 (c)	Total water recycled and reused	Indicator number 6.2 Table #2 of Annex 1				Not material
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	Indicator number 6.1 Table #2 of Annex 1				Not material
ESRS 2- IRO 1 - E4	16 (a) i		Indicator number 7 Table #1 of Annex 1				421

Disclosure Requirement	Data Point		SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
ESRS 2- IRO 1 - E4	16 (b)		Indicator number 10 Table #2 of Annex 1				421
ESRS 2- IRO 1 - E4	16 (c)		Indicator number 14 Table #2 of Annex 1				421
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	Indicator number 11 Table #2 of Annex 1				593
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4-2	24 (d)	Policies to address deforestation	Indicator number 15 Table #2 of Annex 1				593
ESRS E5-5	37 (d)	Non-recycled waste	Indicator number 13 Table #2 of Annex 1				Not material
ESRS E5-5	39	Hazardous waste and radioactive waste	Indicator number 9 Table #1 of Annex 1				Not material
ESRS 2- SBM3 - S1	14 (f)	Risk of incidents of forced labour	Indicator number 13 Table #3 of Annex I				Not material
ESRS 2- SBM3 - S1	14 (g)	Risk of incidents of child labour	Indicator number 12 Table #3 of Annex I				Not material
ESRS S1-1	20	Human rights policy commitments	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				597
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		597
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	Indicator number 11 Table #3 of Annex I				597
ESRS S1-1	23	Workplace accident prevention policy or management system	Indicator number 1 Table #3 of Annex I				597
ESRS S1-3	32 (c)	Grievance/ complaints handling mechanisms	Indicator number 5 Table #3 of Annex I				600
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		608
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	Indicator number 3 Table #3 of Annex I				608

Disclosure Requirement	Data Point		SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
ESRS S1-16	97 (a)	Unadjusted gender pay gap	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		609
ESRS S1-16	97 (b)	Excessive CEO pay ratio	Indicator number 8 Table #3 of Annex I				609
ESRS S1-17	103 (a)	Incidents of discrimination	Indicator number 7 Table #3 of Annex I				610
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		610
ESRS 2- SBM3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain	Indicators number 12 and n. 13 Table #3 of Annex I				Not material
ESRS S2-1	17	Human rights policy commitments	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material
ESRS S2-1	18	Policies related to value chain workers	Indicator number 11 and n. 4 Table #3 of Annex 1				Not material
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S3-1	16	Human rights policy commitments	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material

Disclosure Requirement	Data Point		SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
ESRS S3-4	36	Human rights issues and incidents	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S4-1	16	Policies related to consumers and end-users	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				612
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		612
ESRS S4-4	35	Human rights issues and incidents	Indicator number 14 Table #3 of Annex 1				615
ESRS G1-1	10 (b)	United Nations Convention against Corruption	Indicator number 15 Table #3 of Annex 1				621
ESRS G1-1	10 (d)	Protection of whistleblowers	Indicator number 6 Table #3 of Annex 1				621
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		625
ESRS G1-4	24 (b)	Standards of anti- corruption and anti- bribery	Indicator number 16 Table #3 of Annex 1				625

Environmental Information

EU Taxonomy Disclosures

Legal Framework at EU Level

The European Union's Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (hereinafter referred to as the "EU Taxonomy Regulation") serves as a basis for redirecting capital flows towards sustainable economic activities and as fundamental support for the transition to a sustainable European economy. This is achieved, on the one hand, through the introduction of a common classification system for sustainable economic activities, and on the other hand, through the introduction of specific reporting obligations for both financial and non-financial undertakings.

The EU Commission's Delegated Regulation (EU) 2021/2178 (hereinafter referred to as the "EU Taxonomy Disclosures Regulation") addresses the requirements of Article 8 of the EU Taxonomy Regulation by specifying the content and presentation of information to be disclosed concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation. Additionally, in 2021 and 2023, two further delegated regulations were issued, establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to each of the six environmental objectives defined by the EU Taxonomy Regulation, as well as for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

Furthermore, the EU Commission's Delegated Regulation (EU) 2022/1214 provides for further specific disclosures as regards certain economic activities in the fossil gas and nuclear energy sectors, applicable to both non-financial undertakings directly involved in such economic activities and financial undertakings financing such non-financial undertakings.

Applicability to Credit Institutions

By reference to the above-described regulatory framework, it follows that, in order to be considered environmentally sustainable (hereinafter referred to as "Taxonomy-aligned"), financing of economic activities by credit institutions – whether in the form of term lending or non-trading investments in securities – needs to be further directed by the related banking clients or issuers towards revenue-generating activities or capital expenditure that can be assessed as simultaneously (a) making a substantial contribution (SC) to at least one of the six EU environmental objectives, (b) not significantly harming other environmental objectives (DNSH), and (c) being compliant with minimum social safeguards (MSS). When, by reference to the related contractual clauses, the use of the related proceeds cannot be specifically connected to such activities or capital expenditure projects, the Taxonomy alignment of the related general-purpose financing is statistically determined, i.e. via weighting by the applicable Taxonomy KPIs publicly disclosed by the related banking clients or issuers.

The Green Asset Ratio (GAR) represents the ratio of the Taxonomy-aligned assets or economic activities financed by the Group in relation to the total "covered assets". Covered assets are the total assets of the Group, except for assets with respect to central governments and supranational issuers, as well as exposures towards central banks and the trading book. Covered financial assets are included in the numerator of this KPI if either the related counterparties are themselves undertakings obligated to publish a corporate sustainability report as of the current year-end (CSRD-obligated) at either individual or consolidated level or belong to a group headed by a CSRD-obligated undertaking. Such financial assets, provided that they are neither held for trading nor derivative assets, are further considered in the GAR numerator as follows:

- In full, if the purpose of the financing is known ("use of proceeds known") and the financed economic activities demonstrably meet all technical screening criteria of the classification system (e.g. project financing) and are MSS compliant; or
- Weighted by the counterparty's (or, if unavailable, by the counterparty's group's) most recently published Taxonomy-alignment KPI if the purpose of the financing is unknown ("general-purpose financing", e.g. working capital loans).

Additionally, "use of proceeds known" non-trading, non-derivative financial assets with counterparties that are households or local governments (namely, public authority bodies or agencies other than those directly run by the related country's central government, e.g. municipalities or local councils) are also included in the GAR numerator if the financed economic activities demonstrably meet all the applicable technical screening criteria.

Another significant KPI is the Taxonomy-eligibility KPI. This KPI puts the covered assets of the Group classified as Taxonomy-eligible in relation to the total assets covered by the GAR. Similarly to the GAR, covered financial assets

are included in the numerator of this KPI if either the related counterparties are themselves CSRD-obligated at either individual or consolidated level or belong to a group headed by a CSRD-obligated undertaking. Such financial assets, provided that they are neither held for trading nor derivative assets, are further considered in the numerator of the Taxonomy-eligibility KPI as follows:

- In full, if the purpose of the financing is known and the economic activities financed are found to be Taxonomy-eligible by corresponding to the activities described in the classification system, regardless of whether all technical criteria are met (e.g. project financings); or
- Weighted by the counterparty's (or, if unavailable, by the counterparty's group's) most recently published Taxonomy-eligibility KPI if the purpose of the financing is unknown ("general-purpose financing" e.g. working capital loans).

Additionally, "use of proceeds known" non-trading, non-derivative financial assets with counterparties that are households or local governments are also included in the numerator of the Taxonomy-eligibility KPI if the financed economic activities are demonstrably found to be Taxonomy-eligible by corresponding to the activities described in the classification system, regardless of whether all technical criteria are met.

Overview of the Group's Taxonomy Disclosures and KPIs

Scope of the Published EU Taxonomy Reporting Templates

The Group has prepared the EU Taxonomy disclosures on a consolidated basis, in accordance with the CRR consolidation scope, which differs insignificantly from the Group's IFRS scope of consolidation (as disclosed in the related Annex to this Annual Report), notably in terms of impact on the consolidated Taxonomy disclosures based on the Group's total consolidated assets. Thus, the Group's total consolidated assets as at 31 December 2024, in accordance with the CRR scope of consolidation, amount to CZK 2,030,013 million (net of related credit loss allowances in the amount of CZK 20,365 million, which are grossed up for EU Taxonomy reporting purposes, along with adjustments to other balance sheet items as further detailed in the sub-chapter "Reporting methodology and underlying assumptions and interpretations" below), while they amount to CZK 20,030,076 million according to the IFRS consolidation scope. This slight difference is due to a few entities qualifying as subsidiaries under the IFRS scope of consolidation only.

The Group, as a credit institution, applies Annexes V and VI of the EU Taxonomy Disclosures Regulation. The Group did not identify any material differences between the KPIs for the Group as a whole and any of its subsidiaries that would justify or require a separate presentation of their KPIs, which is in line with expectations driven by the limitations of the prudential scope of consolidation, only comprising institutions, financial institutions and, if consolidated supervision is required, ancillary service undertakings.

The Group has opted not to publish comparative figures.

Selected KPIs' Overview

As of 31 December 2024, the Group's total eligibility KPI and total GAR can be summarized as follows:

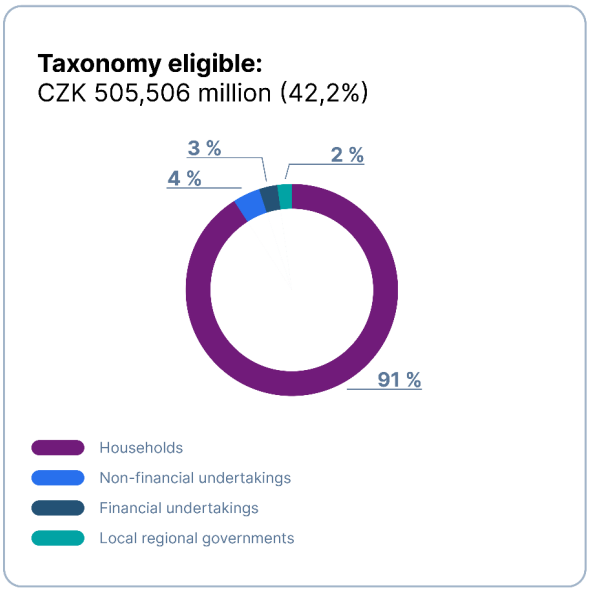
Turnover View

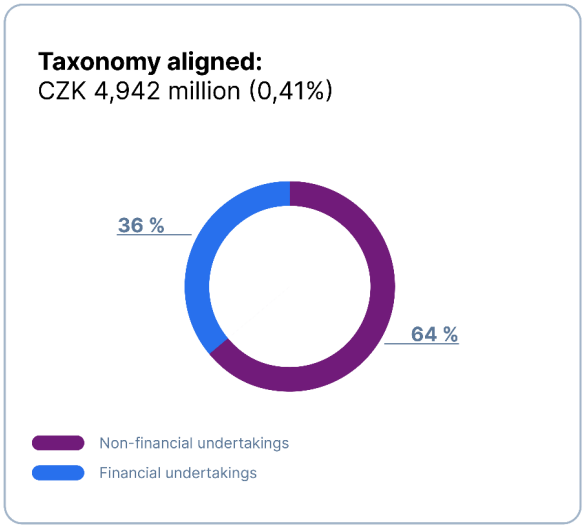
- The Group's consolidated Taxonomy-eligible assets amount to CZK 505,506 million, representing 42,2% of the total covered assets.
- The Group's consolidated Taxonomy-aligned assets amount to CZK 4,942 million, representing 0,41% of the total covered assets.

Capex View

- The Group's Taxonomy-eligible assets amount to CZK 513,545 million, representing 42,9% of the total covered assets;
- The Group's Taxonomy-aligned assets amount to CZK 11,255 million, representing 0,94% of the total covered assets.

In the turnover view, the total eligibility KPI and total GAR as of 31 December 2024 are further comparatively analyzed and presented in the charts below:





Thus, as of 31 December 2024, the Group's total Taxonomy-eligibility KPI consists of the following main components:

- Financing to households in the amount of CZK 659,706 million, the purpose of which corresponds to Taxonomy-eligible activities in the real estate and car loans;
- Use of proceeds known and unknown financing to non-financial undertakings in the amount of CZK 46,709 million and to financial undertakings in the amount of CZK 37,236 million, with the use of proceeds unknown financing classified proportionately as Taxonomy-eligible based on the eligibility KPIs published by the respective counterparties;
- Financing to local and regional governments in the amount of CZK 23,139 million, the purpose of which corresponds to Taxonomy-eligible activities.

GAR Structural Constraints and Limitations in Data Availability

The Taxonomy disclosures and KPIs of the Group as of 31 December 2024 are inherently influenced by both structural constraints arising from the legal design of the GAR and the restricted scope of the CSRD, as well as by various other data availability limitations outlined below.

GAR Structural Constraints

Due to the extensive information required to evaluate the applicable Taxonomy alignment technical criteria (SC, DNSH), as well as MSS compliance, the scope of application of the EU Taxonomy Disclosures Regulation is limited by legislation (at EU level: CSRD) – as far as qualifying exposures to undertakings are concerned – to those that are CSRD-obligated as at the current reporting year-end, as well as to any subsidiaries thereof. For the Group, as a universal bank, this means that a significant part of the portfolio (small and medium-sized enterprises not CSRD-obligated or part of such a group) cannot currently be considered in the numerators of the Taxonomy-eligibility KPI and the GAR, with most of them expected to indefinitely qualify for the respective denominators only ("GAR structural asymmetry")

Additionally, general-purpose exposures to households and local governments inherently fall outside the scope of any such evaluation. This means that general-purpose exposures to households and local governments, along with qualifying exposures to CSRD non-obligated undertakings, cannot contribute to the GAR numerator while still being included in the GAR denominator.

Limitations in Data Availability

For real estate and vehicle financing for households, credit institutions may rely on credible third-party evaluations to assess climate risk and vulnerability in alignment with the central DNSH criterion. The Group is currently working on integrating the physical risk data of one of the world's leading reinsurance companies into the Taxonomy evaluation process, with the target of applying fully-fledged data and related methodologies from year-end 2025 onwards. With regard to year-end 2024 Taxonomy disclosures, the Group therefore continues to report

all household exposures as non-aligned. Furthermore, regarding both new and existing business with CSRD-obligated undertakings and local governments – despite considerable efforts to further advance the examination of individual transactions – in many cases, there is still insufficient information and data available on the customer side to determine whether these transactions can be classified as Taxonomy-aligned. In particular, with regard to environmental objectives 3-6, while the Draft Commission Notice dated 28 November 2024 has indeed provided further clarifications regarding the related Taxonomy assessment, interpreting and applying the mentioned guidance currently leads to relatively few instances of "use of proceeds known" financing being assigned as eligible by reference to these environmental objectives as at 31 December 2024.

Reporting Methodology and Underlying Assumptions and Interpretations

(Gross) Carrying Amounts of Assets

Regarding the (gross) carrying amounts of assets represented in Template 1, the following approach was taken:

- For all relevant financial assets at amortised cost and debt securities at FVOCI (Fair Value Through Other Comprehensive Income), the cost carried forward before the adjustment value adjustments was used – regardless of the counterparty type;
- For all other assets falling into lines 1-48 of Template 1, the gross carrying amount, i.e., the amount actually accounted for and used in the CRR-consolidated IFRS FINREP balance sheet, was used. This means:
  - For performing debt instruments at FVPL (Fair Value Through Profit or Loss), the gross carrying amount corresponds to the fair value. For non-performing debt instruments at FVPL, the gross carrying amount corresponds to the fair value after adding back any accumulated negative changes in fair value due to credit risk;
  - For all investments in associates and joint ventures, the carrying value in accordance with IAS28/IFRS 11 is used;
  - For all equity instruments at FVPL, the fair value is used;
  - For all non-financial assets ("Collateral obtained by taking possession" or "Other categories of assets"), the carrying amounts disclosed according to IFRS are used.

CSRD-Obligated Financial and Non-Financial Undertakings and Use of Their KPIs

All companies considered to be public interest entities and employing more than 500 people at either individual or consolidated level have been obligated to report EU Taxonomy disclosures as at 31 December 2023 under the NFRD and continue to be so as at 31 December 2024 under the CSRD. Financial and non-financial undertakings that are parents of obligated groups must publish their KPIs on a consolidated basis. These KPIs are used for the purpose of determining the Group's KPIs for qualifying exposures towards all subsidiaries of this group ("closest reporting parent") unless KPIs are available for the specific single counterparty.

Flow

For the purpose of Template 4 (GAR Flow), Template 5 (FinGuar Flow and AuM Flow), as well as for retrieving the "flow" views of the Nuclear & Gas templates, "flow" has been defined as a subset of "stock", limited to related asset deals having been initially recognized during the current reporting period. The two exceptions to this approach are as follows:

- Non-financial assets and financial assets not having the nature of loans and advances, debt securities or equity instruments: "flow" has been deemed zero;
- Underlying debt securities and equity instruments in off-balance investment funds or other portfolios under management: "flow" is to be determined by any positive year-on-year net increase in the number of units held at the underlying ISIN level, within each relevant investment fund or other portfolio under management.

Significant Notes for the Consideration of Assets in Template 1

Accepted for the numerator of the GAR and therefore relevant for the Taxonomy-eligibility or -alignment review are non-trading loans and advances, debt securities, and equity instruments having CSRD-obligated financial or non-financial undertakings as counterparties (or subsidiaries thereof), as well as real estate and car financing to households, use of proceeds known financing with local governments, and real estate collateral obtained through taking possession.

Financial and Non-Financial Undertakings:

- Qualifying assets in relation to financial and non-financial undertakings are included in the numerator of the GAR if the direct counterparty is CSRD-obligated or a subsidiary of a CSRD-obligated group;
- Financing to non-CSRD-obligated financial and non-financial undertakings, which are not part of a CSRD-obligated group, is considered in the denominator, irrespective of their domicile (EU or non-EU);
- Financing to Multilateral Development Banks listed in the paragraphs in Article 117(1) or Article 117(2) of Regulation (EU) 575/2013 (CRR) is considered credit institutions according to the clarifications of the "Environmental Act" and is eligible for the numerator, provided they are based in the EU.

Households:

- Financing to households subject to further assessment for Taxonomy eligibility or alignment comprises only real estate-related financing or car loans (the latter from 1 January 2022). The remaining exposures to households (essentially: general-purpose financing) are included in the "Households" section of Template 1 only for the purpose of the column "(gross) carrying amount", meaning that they inherently cannot contribute to the numerator of either the Eligibility KPI or GAR, while being included in the denominator of both;
- Financing of building renovation and loans collateralized by residential immovable property are solely included in the row "of which building renovation loans" to avoid double counting.

Local & Regional Governments

Financing to local or regional governments subject to further assessment for Taxonomy eligibility or alignment comprises only financing where the respective use of proceeds is known. Financing without a known use of proceeds is included in the "Local Governments" section of Template 1 only for the purpose of the column "(gross) carrying amount", meaning that they inherently cannot contribute to the numerator of either the Eligibility KPI or GAR, while being included in the denominator of both.

Fund Assets of Erste Group Bank

The non-trading fund assets of Erste Group Bank are distributed on a pro-rata basis across the applicable rows of Template 1 according to the composition of the respective fund (i.e., the underlying assets in that fund). To derive this distribution, the underlying assets in the funds were individually analyzed (look-through approach).

Assets under Management

Off-balance sheet items ("Assets under management") are also reported based on a look-through approach. As relevant assets in this regard, however, only securities issued by CSRD-obligated issuers are considered.

Significant Information for Template Population of the Supplemental Delegated Climate Regulation

- In the portfolio of the Group, there are no instances of "use of proceeds known" financing related to the activities in the area of nuclear energy and fossil gas listed in Commission Delegated Regulation (EU) 2022/1214. Consequently, populating the respective tables is based on the KPIs published by the related counterparties (namely, CSRD-obligated energy companies or CSRD-obligated banks or insurers directly exposed to such energy companies) in their respective similar templates;
- The supplementary templates addressing direct or indirect financings of specific activities in the nuclear energy and fossil gas sectors relate to all Taxonomy KPIs of credit institutions (GAR Stock and Flow, FinGuar KPI Stock and Flow, AuM KPI Stock and Flow), as applicable (turnover and CapEx views).

EU Taxonomy Tables

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

	in CZK million	Total environmentally sustainable assets	KPI Turnover	KPI CapEx	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	4,942	0.41%	0.94%	58.41%	21.01%	41.59%

		Total environmentally sustainable activities	KPI Turnover	KPI CapEx	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Additional KPI	*GAR (flow)*	1,858	0.61%	1.55%	38.89%	19.63%	61.11%
	Trading book						
	Financial guarantees	1	0.13%	6.08%			
	Assets under management	1,210	4.75%	8.28%			
	Fees and commissions income						

1. Assets for the calculation of GAR, turnover-based view

		Year ending on 31 December 2024									
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
		Total [gross] carrying amount in CZK million			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0010**	**0020**	**0030**	**0040**	**0050**	**0060**	**0070**	**0080**	**0090**	**0100**
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**766,790**	**504,876**	**4,862**	**-**	**1,537**	**2,017**	**411**	**70**	**-**	**-**
0020	**Financial undertakings**	**37,236**	**14,964**	**1,737**	**-**	**326**	**893**	**290**	**31**	**-**	**-**
0030	Credit institutions	**20,721**	**5,171**	**349**	**-**	**26**	**27**	**96**	**1**	**-**	**-**
0040	Loans and advances	3,089	992	16	-	4	5	-	-	-	-
0050	Debt securities, including UoP	17,632	4,179	333	-	22	22	96	1	-	-
0060	Equity instruments	-	-	-		-	-	-	-		-
0070	Other financial corporations	16,514	9,792	1,388	-	299	866	194	30	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-	-		-	-	-	-		-
0120	of which management companies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0130	Loans and advances	-	-	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-	-		-	-	-	-		-
0160	of which insurance undertakings	**678**	**14**	**2**	**-**	**-**	**-**	**194**	**30**	**-**	**-**
0170	Loans and advances	137	3	-	-	-	-	39	6	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0190	Equity instruments	541	11	2		-	-	155	24		-
0200	**Non-financial undertakings**	**46,709**	**18,054**	**3,125**	**-**	**1,212**	**1,124**	**121**	**39**	**-**	**-**
0210	Loans and advances	37,040	10,875	2,642	-	1,063	898	118	38	-	-

		Year ending on 31 December 2024									
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Total [gross] carrying amount in CZK million	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0010**	**0020**	**0030**	**0040**	**0050**	**0060**	**0070**	**0080**	**0090**	**0100**
0220	Debt securities, including UoP	9,202	7,179	483	-	149	226	4	1	-	-
0230	Equity instruments	467	-	-		-	-	-	-		-
0240	**Households**	**659,706**	**460,638**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0250	of which loans collateralised by residential immovable property	440,310	432,384	-	-	-	-	-	-	-	-
0260	of which building renovation loans	28,254	28,254	-	-	-	-	-	-	-	-
0270	of which motor vehicle loans	4,353	-	-	-	-	-				
0280	**Local governments financing**	**23,139**	**11,221**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0290	Housing financing	-	-	-	-	-	-	-	-	-	-
0300	Other local government financing	23,139	11,221	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0320	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**430,778**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0330	**Financial and Non-financial undertakings**	**387,014**									
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	**380,952**									
0350	Loans and advances	370,703									
0360	of which loans collateralised by commercial immovable property	151,262									
0370	of which building renovation loans	3,823									

		Year ending on 31 December 2024									
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Total [gross] carrying amount in CZK million	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling	
	GAR - Covered assets in both numerator and denominator	**0010**	**0020**	**0030**	**0040**	**0050**	**0060**	**0070**	**0080**	**0090**	**0100**
0380	Debt securities	8,728									
0390	Equity instruments	1,521									
0400	Non-EU country counterparties not subject to NFRD disclosure obligations	**6,062**									
0410	Loans and advances	4,994									
0420	Debt securities	1,068									
0430	Equity instruments	-									
0440	**Derivatives**	**2,930**									
0450	**On demand interbank loans**	**601**									
0460	**Cash and cash-related assets**	**14,411**									
0470	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**25,822**									
0480	**Total GAR assets**	**1,197,569**	**504,876**	**4,862**	**-**	**1,537**	**2,017**	**411**	**70**	**-**	**-**
0490	**Assets not covered for GAR calculation**	**852,752**									
0500	**Central governments and Supranational issuers**	**391,790**									
0510	**Central banks exposure**	**448,051**									
0520	**Trading book**	**12,910**									
0530	**Total assets**	**2,050,320**	**504,876**	**4,862**	**-**	**1,537**	**2,017**	**411**	**70**	**-**	**-**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-
0540	Financial guarantees	1,019	169	1	-	-	-	-	-	-	-
0550	Assets under management	**25,452**	**7,692**	**1,190**	**-**	**167**	**514**	**82**	**14**	**-**	**3**
0560	Of which debt securities	15,133	5,023	603	-	112	283	27	3	-	2
0570	Of which equity instruments	10,320	2,669	587	-	55	232	54	11	-	1

		Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0110**	**0120**	**0130**	**0140**	**0150**	**0160**	**0170**	**0180**
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**14**	**3**	**-**	**-**	**110**	**2**	**-**	**-**
0020	**Financial undertakings**	**4**	**1**	**-**	**-**	**-**	**-**	**-**	**-**
0030	Credit institutions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	4	1	-	-	-	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	**Non-financial undertakings**	**10**	**3**	**-**	**-**	**110**	**2**	**-**	**-**
0210	Loans and advances	8	2	-	-	110	2	-	-
0220	Debt securities, including UoP	2	-	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-		-
0240	**Households**					**-**	**-**	**-**	**-**
0250	of which loans collateralised by residential immovable property					-	-	-	-
0260	of which building renovation loans					-	-	-	-
0270	of which motor vehicle loans								

		Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0110	0120	0130	0140	0150	0160	0170	0180
0280	**Local governments financing**	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
0320	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-	-	-	-
0330	**Financial and Non-financial undertakings**								
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations								
0350	Loans and advances								
0360	of which loans collateralised by commercial immovable property								
0370	of which building renovation loans								
0380	Debt securities								
0390	Equity instruments								
0400	Non-EU country counterparties not subject to NFRD disclosure obligations								
0410	Loans and advances								
0420	Debt securities								
0430	Equity instruments								
0440	**Derivatives**								
0450	**On demand interbank loans**								
0460	**Cash and cash-related assets**								
0470	**Other categories of assets (e.g. Goodwill, commodities etc.)**								
0480	**Total GAR assets**	14	3	-	-	110	2	-	-
0490	**Assets not covered for GAR calculation**								
0500	**Central governments and Supranational issuers**								
0510	**Central banks exposure**								

		Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0110**	**0120**	**0130**	**0140**	**0150**	**0160**	**0170**	**0180**
0520	**Trading book**								
0530	**Total assets**	**14**	**3**	**-**	**-**	**110**	**2**	**-**	**-**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
0540	Financial guarantees	-	-	-	-	-	-	-	-
0550	Assets under management	**3**	**2**	**-**	**-**	**85**	**3**	**-**	**2**
0560	Of which debt securities	2	2	-	-	21	-	-	-
0570	Of which equity instruments	1	-	-	-	64	3	-	2

		Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0190	0200	0210	0220	0230	0240	0250	0260
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**95**	**4**	**-**	**-**	**-**	**-**	**-**	**-**
0020	**Financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0030	Credit institutions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	-	-	-	-	-	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	**Non-financial undertakings**	**95**	**4**	**-**	**-**	**-**	**-**	**-**	**-**
0210	Loans and advances	95	4	-	-	-	-	-	-
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-		-
0240	**Households**								

		Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0190	0200	0210	0220	0230	0240	0250	0260
0250	of which loans collateralised by residential immovable property								
0260	of which building renovation loans								
0270	of which motor vehicle loans								
0280	**Local governments financing**	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
0320	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-	-	-	-
0330	**Financial and Non-financial undertakings**								
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations								
0350	Loans and advances								
0360	of which loans collateralised by commercial immovable property								
0370	of which building renovation loans								
0380	Debt securities								
0390	Equity instruments								
0400	Non-EU country counterparties not subject to NFRD disclosure obligations								
0410	Loans and advances								
0420	Debt securities								
0430	Equity instruments								
0440	**Derivatives**								
0450	**On demand interbank loans**								
0460	**Cash and cash-related assets**								
0470	**Other categories of assets (e.g. Goodwill, commodities etc.)**								
0480	**Total GAR assets**	95	4	-	-	-	-	-	-
0490	**Assets not covered for GAR calculation**	-	-	-	-	-	-	-	-
0500	**Central governments and Supranational issuers**								

		Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0190	0200	0210	0220	0230	0240	0250	0260
0510	**Central banks exposure**								
0520	**Trading book**								
0530	**Total assets**	**95**	**4**	**-**	**-**	**-**	**-**	**-**	**-**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
0540	Financial guarantees	-	-	-	-	-	-	-	-
0550	Assets under management	**15**	**1**	**-**	**1**	**2**	**-**	**-**	**-**
0560	Of which debt securities	9	1	-	1	-	-	-	-
0570	Of which equity instruments	6	-	-	-	2	-	-	-

		Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator	0270	0280	0290	0300	0310
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**505,506**	**4,942**	**-**	**1,537**	**2,017**
0020	**Financial undertakings**	**15,258**	**1,768**	**-**	**326**	**893**
0030	Credit institutions	**5,267**	**350**	**-**	**26**	**27**
0040	Loans and advances	993	16	-	4	5
0050	Debt securities, including UoP	4,275	334	-	22	22
0060	Equity instruments	-	-		-	-
0070	Other financial corporations	9,990	1,419	-	299	866
0080	of which investment firms	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-
0110	Equity instruments	-	-		-	-
0120	of which management companies	**-**	**-**	**-**	**-**	**-**
0130	Loans and advances	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-
0150	Equity instruments	-	-		-	-
0160	of which insurance undertakings	**208**	**32**	**-**	**-**	**-**
0170	Loans and advances	42	6	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-
0190	Equity instruments	166	26		-	-
0200	**Non-financial undertakings**	**18,389**	**3,173**	**-**	**1,212**	**1,125**
0210	Loans and advances	11,205	2,689	-	1,063	898
0220	Debt securities, including UoP	7,184	484	-	149	226
0230	Equity instruments	-	-		-	-
0240	**Households**	**460,638**	**-**	**-**	**-**	**-**
0250	of which loans collateralised by residential immovable property	432,384	-	-	-	-

		Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator	0270	0280	0290	0300	0310
0260	of which building renovation loans	28,254	-	-	-	-
0270	of which motor vehicle loans	-	-	-	-	-
0280	**Local governments financing**	**11,221**	**-**	**-**	**-**	**-**
0290	Housing financing	-	-	-	-	-
0300	Other local government financing	11,221	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**
0320	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**
0330	**Financial and Non-financial undertakings**					
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations					
0350	Loans and advances					
0360	of which loans collateralised by commercial immovable property					
0370	of which building renovation loans					
0380	Debt securities					
0390	Equity instruments					
0400	Non-EU country counterparties not subject to NFRD disclosure obligations					
0410	Loans and advances					
0420	Debt securities					
0430	Equity instruments					
0440	**Derivatives**					
0450	**On demand interbank loans**					
0460	**Cash and cash-related assets**					
0470	**Other categories of assets (e.g. Goodwill, commodities etc.)**					
0480	**Total GAR assets**	**505,506**	**4,942**	**-**	**1,537**	**2,017**
0490	**Assets not covered for GAR calculation**					
0500	**Central governments and Supranational issuers**					
0510	**Central banks exposure**					

		Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0270**	**0280**	**0290**	**0300**	**0310**
0520	**Trading book**					
0530	**Total assets**	**505,506**	**4,942**	**-**	**1,537**	**2,017**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-
0540	Financial guarantees	169	1	-	-	-
0550	Assets under management	**7,880**	**1,210**	**-**	**167**	**520**
0560	Of which debt securities	5,083	609	-	112	286
0570	Of which equity instruments	2,797	601	-	55	235

2. GAR sector information, turnover-based view

Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	in CZK million	Of which environmentally sustainable (CCM)	in CZK million	Of which environmentally sustainable (CCM)	in CZK million	Of which environmentally sustainable (CCA)	in CZK million	Of which environmentally sustainable (CCA)
GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080
C10.61	6	-			-	-		
C11.07	5	-			-	-		
C19.20	6	2			-	-		
C20.16	209	-			-	-		
C22.19	24	-			-	-		
C22.29	108	54			-	-		
C28.99	7	-			-	-		
C29.20	18	-			-	-		
C29.32	1,029	165			-	-		
C33.11	60	40			-	-		
C33.12	10	3			-	-		
D35.11	3,346	2,595			-	-		
D35.22	22	8			-	-		
D35.30	444	-			-	-		
F41.10	523	-			-	-		
G45.11	274	4			-	-		
G45.20	25	-			-	-		
H49.10	3,680	-			-	-		
H49.20	2	-			-	-		
H49.50	4,658	-			-	-		
J62.01	2	-			-	-		
J62.09	3	-			-	-		
L68.20	2,365	180			1	-		
M71.12	192	-			-	-		
N77.11	1,026	73			2	-		
C33.17	1	-			-	-		

Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	in CZK million	Of which environmentally sustainable (CCM)	in CZK million	Of which environmentally sustainable (CCM)	in CZK million	Of which environmentally sustainable (CCA)	in CZK million	Of which environmentally sustainable (CCA)
H49.31	1	-			-	-		
Q86.10	7	-			-	-		

Breakdown by sector - NACE 4 digits level (code and label)	Water and marine resources (WTR)				Circular economy (CE)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	in CZK million	Of which environmentally sustainable (WTR)	in CZK million	Of which environmentally sustainable (WTR)	in CZK million	Of which environmentally sustainable (CE)	in CZK million	Of which environmentally sustainable (CE)
GAR - Covered assets in both numerator and denominator	0090	0100	0110	0120	0130	0140	0150	0160
C10.61	-	-			-	-		
C11.07	-	-			-	-		
C19.20	-	-			-	-		
C20.16	-	-			-	-		
C22.19	-	-			-	-		
C22.29	-	-			-	-		
C28.99	-	-			-	-		
C29.20	-	-			-	-		
C29.32	-	-			-	-		
C33.11	2	2			4	2		
C33.12	-	-			-	-		
D35.11	7	1			-	-		
D35.22	-	-			-	-		
D35.30	-	-			-	-		
F41.10	-	-			-	-		
G45.11	-	-			-	-		
G45.20	-	-			-	-		
H49.10	-	-			-	-		
H49.20	-	-			-	-		
H49.50	-	-			-	-		
J62.01	-	-			-	-		
J62.09	-	-			-	-		
L68.20	-	-			-	-		
M71.12	-	-			-	-		
N77.11	-	-			-	-		

Breakdown by sector - NACE 4 digits level (code and label)	Water and marine resources (WTR)				Circular economy (CE)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	in CZK million	Of which environmentally sustainable (WTR)	in CZK million	Of which environmentally sustainable (WTR)	in CZK million	Of which environmentally sustainable (CE)	in CZK million	Of which environmentally sustainable (CE)
C33.17	-	-			-	-		
H49.31	-	-			-	-		
Q86.10	-	-			3	-		

Breakdown by sector - NACE 4 digits level (code and label)	Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
	Non-Financial corporates (Subject to NFRD)		Collateral received and financial guarantees received		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	in CZK million	Of which environmentally sustainable (PPC)	in CZK million	Of which environmentally sustainable (PPC)	in CZK million	Of which environmentally sustainable (BIO)	in CZK million	Of which environmentally sustainable (BIO)
GAR - Covered assets in both numerator and denominator	0170	0180	0190	0200	0210	0220	0230	0240
C10.61	-	-			-	-		
C11.07	-	-			-	-		
C19.20	-	-			-	-		
C20.16	-	-			-	-		
C22.19	-	-			-	-		
C22.29	-	-			-	-		
C28.99	-	-			-	-		
C29.20	-	-			-	-		
C29.32	-	-			-	-		
C33.11	6	4			-	-		
C33.12	-	-			-	-		
D35.11	-	-			-	-		
D35.22	-	-			-	-		
D35.30	-	-			-	-		
F41.10	-	-			-	-		
G45.11	-	-			-	-		
G45.20	-	-			-	-		
H49.10	-	-			-	-		
H49.20	-	-			-	-		
H49.50	-	-			-	-		
J62.01	-	-			-	-		
J62.09	-	-			-	-		
L68.20	-	-			-	-		
M71.12	-	-			-	-		
N77.11	-	-			-	-		

Breakdown by sector - NACE 4 digits level (code and label)	Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
	Non-Financial corporates (Subject to NFRD)		Collateral received and financial guarantees received		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	in CZK million	Of which environmentally sustainable (PPC)	in CZK million	Of which environmentally sustainable (PPC)	in CZK million	Of which environmentally sustainable (BIO)	in CZK million	Of which environmentally sustainable (BIO)
C33.17	-	-			-	-		
H49.31	-	-			-	-		
Q86.10	89	-			-	-		

Breakdown by sector - NACE 4 digits level (code and label)	TOTAL (CCM + CCA + WMR + CE + P + BE)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount	
	in CZK million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	in CZK million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
GAR - Covered assets in both numerator and denominator	0250	0260	0270	0280
C10.61	6	-		
C11.07	5	-		
C19.20	6	2		
C20.16	209	-		
C22.19	24	-		
C22.29	108	54		
C28.99	7	-		
C29.20	18	-		
C29.32	1,029	165		
C33.11	72	48		
C33.12	10	3		
D35.11	3,353	2,596		
D35.22	22	8		
D35.30	444	-		
F41.10	523	-		
G45.11	274	4		
G45.20	25	-		
H49.10	3,680	-		
H49.20	2	-		
H49.50	4,660	-		
J62.01	2	-		
J62.09	3	-		
L68.20	2,366	180		
M71.12	192	-		
N77.11	1,028	73		
C33.17	1	-		
H49.31	1	-		

Breakdown by sector - NACE 4 digits level (code and label)	TOTAL (CCM + CCA + WMR + CE + P + BE)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount	
	in CZK million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	in CZK million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
Q86.10	99	-		

3. GAR KPI stock turnover-based view

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080	0090
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	65.84%	0.63%	0.00%	0.20%	0.26%	0.05%	0.01%	0.00%	0.00%
0020	**Financial undertakings**	40.19%	4.66%	0.00%	0.87%	2.40%	0.78%	0.08%	0.00%	0.00%
0030	Credit institutions	24.96%	1.68%	0.00%	0.13%	0.13%	0.46%	0.00%	0.00%	0.00%
0040	Loans and advances	32.13%	0.51%	0.00%	0.13%	0.16%	0.00%	0.00%	0.00%	0.00%
0050	Debt securities, including UoP	23.70%	1.89%	0.00%	0.13%	0.12%	0.54%	0.01%	0.00%	0.00%
0060	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
0070	Other financial corporations	59.30%	8.40%	0.00%	1.81%	5.24%	1.18%	0.18%	0.00%	0.00%
0080	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0090	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0100	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0110	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
0120	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0130	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0140	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0150	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
0160	of which insurance undertakings	2.03%	0.33%	0.00%	0.01%	0.06%	28.61%	4.42%	0.00%	0.00%
0170	Loans and advances	2.02%	0.33%	0.00%	0.01%	0.06%	28.48%	4.40%	0.00%	0.00%
0180	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0190	Equity instruments	2.03%	0.33%		0.01%	0.06%	28.65%	4.42%		0.00%
0200	**Non-financial undertakings**	38.65%	6.69%	0.00%	2.59%	2.41%	0.26%	0.08%	0.00%	0.00%
0210	Loans and advances	29.36%	7.13%	0.00%	2.87%	2.42%	0.32%	0.10%	0.00%	0.00%
0220	Debt securities, including UoP	78.01%	5.25%	0.00%	1.62%	2.46%	0.04%	0.01%	0.00%	0.00%
0230	Equity instruments	0.01%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
0240	**Households**	69.82%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0010**	**0020**	**0030**	**0040**	**0050**	**0060**	**0070**	**0080**	**0090**
0250	of which loans collateralised by residential immovable property	98.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0260	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0270	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%				
0280	**Local governments financing**	48.49%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0300	Other local government financing	48.49%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	**Total GAR assets**	42.16%	0.41%	0.00%	0.13%	0.17%	0.03%	0.01%	0.00%	0.00%

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0100**	**0110**	**0120**	**0130**	**0140**	**0150**	**0160**	**0170**
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%
0020	**Financial undertakings**	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0030	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0040	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0050	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0060	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0070	Other financial corporations	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0080	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0090	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0100	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0110	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0120	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0130	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0140	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0150	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0160	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0170	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0180	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0190	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0200	**Non-financial undertakings**	0.02%	0.01%	0.00%	0.00%	0.23%	0.01%	0.00%	0.00%
0210	Loans and advances	0.02%	0.01%	0.00%	0.00%	0.30%	0.01%	0.00%	0.00%
0220	Debt securities, including UoP	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0230	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0100**	**0110**	**0120**	**0130**	**0140**	**0150**	**0160**	**0170**
0240	**Households**					0.00%	0.00%	0.00%	0.00%
0250	of which loans collateralised by residential immovable property					0.00%	0.00%	0.00%	0.00%
0260	of which building renovation loans					0.00%	0.00%	0.00%	0.00%
0270	of which motor vehicle loans								
0280	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0300	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	**Total GAR assets**	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0180**	**0190**	**0200**	**0210**	**0220**	**0230**	**0240**	**0250**
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0030	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0040	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0050	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0060	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0070	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0080	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0090	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0100	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0110	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0120	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0130	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0140	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0150	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0160	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0170	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0180	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0190	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0200	**Non-financial undertakings**	0.20%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0210	Loans and advances	0.26%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0220	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0230	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0240	**Households**								
0250	of which loans collateralised by residential immovable property								
0260	of which building renovation loans								

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0180**	**0190**	**0200**	**0210**	**0220**	**0230**	**0240**	**0250**
0270	of which motor vehicle loans								
0280	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0300	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	**Total GAR assets**	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator	**0260**	**0270**	**0280**	**0290**	**0300**	**0310**
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	65.92%	0.64%	0.00%	0.20%	0.26%	37.40%
0020	**Financial undertakings**	40.98%	4.75%	0.00%	0.87%	2.40%	1.82%
0030	Credit institutions	25.42%	1.69%	0.00%	0.13%	0.13%	1.01%
0040	Loans and advances	32.13%	0.51%	0.00%	0.13%	0.16%	0.15%
0050	Debt securities, including UoP	24.24%	1.90%	0.00%	0.13%	0.12%	0.86%
0060	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
0070	Other financial corporations	60.50%	8.59%	0.00%	1.81%	5.24%	0.81%
0080	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0090	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0100	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0110	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
0120	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0130	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0140	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0150	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
0160	of which insurance undertakings	30.64%	4.75%	0.00%	0.01%	0.07%	0.03%
0170	Loans and advances	30.50%	4.72%	0.00%	0.01%	0.07%	0.01%
0180	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0190	Equity instruments	30.68%	4.75%		0.01%	0.07%	0.03%
0200	**Non-financial undertakings**	39.37%	6.79%	0.00%	2.59%	2.41%	2.28%
0210	Loans and advances	30.25%	7.26%	0.00%	2.87%	2.43%	1.81%
0220	Debt securities, including UoP	78.07%	5.26%	0.00%	1.62%	2.46%	0.45%
0230	Equity instruments	0.01%	0.00%		0.00%	0.00%	0.02%
0240	**Households**	69.82%	0.00%	0.00%	0.00%	0.00%	32.18%
0250	of which loans collateralised by residential immovable property	98.20%	0.00%	0.00%	0.00%	0.00%	21.48%

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator	**0260**	**0270**	**0280**	**0290**	**0300**	**0310**
0260	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	1.38%
0270	of which motor vehicle loans						
0280	**Local governments financing**	48.49%	0.00%	0.00%	0.00%	0.00%	1.13%
0290	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0300	Other local government financing	48.49%	0.00%	0.00%	0.00%	0.00%	1.13%
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	**Total GAR assets**	42.21%	0.41%	0.00%	0.13%	0.17%	37.40%

4. GAR KPI flow turnover-based view

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0010**	**0020**	**0030**	**0040**	**0050**	**0060**	**0070**	**0080**	**0090**
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	37.88%	1.20%	0.00%	0.28%	0.67%	0.10%	0.03%	0.00%	0.00%
0020	**Financial undertakings**	61.21%	3.25%	0.00%	0.32%	2.40%	0.47%	0.07%	0.00%	0.00%
0030	Credit institutions	32.38%	1.22%	0.00%	0.16%	0.17%	0.01%	0.00%	0.00%	0.00%
0040	Loans and advances	40.25%	0.22%	0.00%	0.01%	0.10%	0.00%	0.00%	0.00%	0.00%
0050	Debt securities, including UoP	30.97%	1.40%	0.00%	0.18%	0.19%	0.01%	0.00%	0.00%	0.00%
0060	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
0070	Other financial corporations	77.88%	4.43%	0.00%	0.41%	3.68%	0.74%	0.12%	0.00%	0.00%
0080	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0090	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0100	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0110	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
0120	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0130	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0140	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0150	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
0160	of which insurance undertakings	2.03%	0.33%	0.00%	0.01%	0.06%	28.65%	4.42%	0.00%	0.00%
0170	Loans and advances	2.03%	0.33%	0.00%	0.01%	0.06%	28.65%	4.42%	0.00%	0.00%
0180	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0190	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
0200	**Non-financial undertakings**	25.41%	8.02%	0.00%	2.10%	4.23%	0.56%	0.18%	0.00%	0.00%
0210	Loans and advances	20.76%	8.44%	0.00%	2.19%	4.48%	0.61%	0.20%	0.00%	0.00%
0220	Debt securities, including UoP	76.99%	3.33%	0.00%	1.05%	1.55%	0.00%	0.00%	0.00%	0.00%
0230	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
0240	**Households**	37.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0250	of which loans collateralised by residential immovable property	95.90%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0010**	**0020**	**0030**	**0040**	**0050**	**0060**	**0070**	**0080**	**0090**
0260	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0270	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%				
0280	**Local governments financing**	61.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0300	Other local government financing	61.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	**Total GAR assets**	18.76%	0.59%	0.00%	0.14%	0.33%	0.05%	0.01%	0.00%	0.00%

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0100**	**0110**	**0120**	**0130**	**0140**	**0150**	**0160**	**0170**
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.01%	0.00%	0.00%	0.00%	0.05%	0.00%	0.00%	0.00%
0020	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0030	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0040	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0050	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0060	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0070	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0080	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0090	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0100	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0110	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0120	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0130	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0140	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0150	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0160	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0170	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0180	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0190	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0200	**Non-financial undertakings**	0.04%	0.01%	0.00%	0.00%	0.42%	0.01%	0.00%	0.00%
0210	Loans and advances	0.04%	0.01%	0.00%	0.00%	0.46%	0.01%	0.00%	0.00%
0220	Debt securities, including UoP	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0230	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0240	**Households**					0.00%	0.00%	0.00%	0.00%

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0100**	**0110**	**0120**	**0130**	**0140**	**0150**	**0160**	**0170**
0250	of which loans collateralised by residential immovable property					0.00%	0.00%	0.00%	0.00%
0260	of which building renovation loans					0.00%	0.00%	0.00%	0.00%
0270	of which motor vehicle loans								
0280	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0300	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	**Total GAR assets**	0.00%	0.00%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0180**	**0190**	**0200**	**0210**	**0220**	**0230**	**0240**	**0250**
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0030	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0040	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0050	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0060	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0070	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0080	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0090	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0100	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0110	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0120	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0130	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0140	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0150	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0160	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0170	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0180	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0190	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0200	**Non-financial undertakings**	0.03%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0210	Loans and advances	0.03%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0220	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0230	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0240	**Households**								

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0180**	**0190**	**0200**	**0210**	**0220**	**0230**	**0240**	**0250**
0250	of which loans collateralised by residential immovable property								
0260	of which building renovation loans								
0270	of which motor vehicle loans								
0280	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0300	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	**Total GAR assets**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
		Of which environmentally sustainable (Taxonomy-aligned)					
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator	**0260**	**0270**	**0280**	**0290**	**0300**	**0310**
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	38.04%	1.23%	0.00%	0.28%	0.67%	19.26%
0020	**Financial undertakings**	61.68%	3.33%	0.00%	0.32%	2.40%	1.04%
0030	Credit institutions	32.38%	1.22%	0.00%	0.16%	0.17%	0.38%
0040	Loans and advances	40.25%	0.22%	0.00%	0.01%	0.10%	0.06%
0050	Debt securities, including UoP	30.98%	1.40%	0.00%	0.18%	0.19%	0.32%
0060	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
0070	Other financial corporations	78.63%	4.55%	0.00%	0.41%	3.68%	0.66%
0080	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0090	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0100	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0110	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
0120	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0130	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0140	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0150	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
0160	of which insurance undertakings	30.68%	4.75%	0.00%	0.01%	0.07%	0.02%
0170	Loans and advances	30.68%	4.75%	0.00%	0.01%	0.07%	0.02%
0180	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0190	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
0200	**Non-financial undertakings**	26.46%	8.25%	0.00%	2.10%	4.24%	2.45%
0210	Loans and advances	21.90%	8.69%	0.00%	2.19%	4.48%	2.25%
0220	Debt securities, including UoP	77.01%	3.33%	0.00%	1.05%	1.55%	0.20%
0230	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
0240	**Households**	37.81%	0.00%	0.00%	0.00%	0.00%	15.46%
0250	of which loans collateralised by residential immovable property	95.90%	0.00%	0.00%	0.00%	0.00%	5.88%

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
		Of which environmentally sustainable (Taxonomy-aligned)					
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator	**0260**	**0270**	**0280**	**0290**	**0300**	**0310**
0260	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.20%
0270	of which motor vehicle loans						
0280	**Local governments financing**	61.88%	0.00%	0.00%	0.00%	0.00%	0.30%
0290	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0300	Other local government financing	61.88%	0.00%	0.00%	0.00%	0.00%	0.30%
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	**Total GAR assets**	18.84%	0.61%	0.00%	0.14%	0.33%	19.26%

5. KPI off-balance sheet exposures turnover-based view, stock

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	16.59%	0.13%	0.00%	0.02%	0.04%	0.00%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	30.22%	4.67%	0.00%	0.66%	2.02%	0.32%	0.06%	0.00%	0.01%

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	
0010	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	0.01%	0.01%	0.00%	0.00%	0.33%	0.01%	0.00%	0.01%

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	0.06%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds		Of which transitional	Of which enabling
0010	Financial guarantees (FinGuar KPI)	16.59%	0.13%	0.00%	0.02%	0.04%
0020	Assets under management (AuM KPI)	30.96%	4.75%	0.00%	0.66%	2.04%

5. KPI off-balance sheet exposures turnover-based view, flow

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	8.11%	0.06%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	28.13%	5.64%	0.00%	0.72%	1.97%	0.21%	0.02%	0.00%	0.00%

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	
0010	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	0.02%	0.01%	0.00%	0.00%	0.71%	0.03%	0.00%	0.02%

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	0.03%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds		Of which transitional	Of which enabling
0010	Financial guarantees (FinGuar KPI)	8.11%	0.06%	0.00%	0.00%	0.01%
0020	Assets under management (AuM KPI)	29.11%	5.71%	0.00%	0.72%	2.00%

1. Assets for the calculation of GAR, CapEx-based view

		Year ending on 31 December 2024									
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
		Total [gross] carrying amount in CZK million			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080	0090	0100
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**766,790**	**512,240**	**10,852**	**-**	**2,312**	**6,221**	**1,091**	**362**	**-**	**2**
0020	**Financial undertakings**	**37,236**	**16,878**	**4,093**	**-**	**462**	**2,820**	**406**	**141**	**-**	**2**
0030	Credit institutions	**20,721**	**5,234**	**416**	**-**	**30**	**47**	**211**	**111**	**-**	**2**
0040	Loans and advances	3,089	1,005	24	-	5	8	0	0	-	-
0050	Debt securities, including UoP	17,632	4,229	393	-	26	39	211	111	-	2
0060	Equity instruments	-	-	-		-	-	-	-		-
0070	Other financial corporations	16,514	11,644	3,676	-	431	2,773	195	30	-	0
0080	of which investment firms	-	-	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-	-		-	-	-	-		-
0120	of which management companies	**-**	**-**	**-**	**-**	**- 0**	**-**	**-**	**-**	**-**	**-**
0130	Loans and advances	-	-	-	-	- 0	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-	-		-	-	-	-		-
0160	of which insurance undertakings	**678**	**14**	**3**	**-**	**0**	**1**	**194**	**30**	**-**	**0**
0170	Loans and advances	137	3	1	-	0	0	39	6	-	0
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
0190	Equity instruments	541	11	2		0	0	155	24		0
0200	**Non-financial undertakings**	**46,709**	**23,503**	**6,760**	**-**	**1,851**	**3,401**	**685**	**220**	**-**	**0**
0210	Loans and advances	37,040	15,549	5,556	-	1,634	2,608	669	215	-	0
0220	Debt securities, including UoP	9,202	7,954	1,204	-	217	792	16	5	-	0
0230	Equity instruments	467	0	0		0	0	-	-		-
0240	**Households**	**659,706**	**460,638**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

		Year ending on 31 December 2024									
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
		Total [gross] carrying amount in CZK million		Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling	
	GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080	0090	0100
0250	of which loans collateralised by residential immovable property	440,310	432,384	-	-	-	-	-	-	-	-
0260	of which building renovation loans	28,254	28,254	-	-	-	-	-	-	-	-
0270	of which motor vehicle loans	4,353	-	-	-	-	-				
0280	**Local governments financing**	**23,139**	**11,221**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0290	Housing financing	-	-	-	-	-	-	-	-	-	-
0300	Other local government financing	23,139	11,221	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0320	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**430,778**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0330	**Financial and Non-financial undertakings**	**387,014**									
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	**380,952**									
0350	Loans and advances	370,703									
0360	of which loans collateralised by commercial immovable property	151,262									
0370	of which building renovation loans	3,823									
0380	Debt securities	8,728									
0390	Equity instruments	1,521									
0400	Non-EU country counterparties not subject to NFRD disclosure obligations	**6,062**									
0410	Loans and advances	4,994									
0420	Debt securities	1,068									
0430	Equity instruments	-									
0440	**Derivatives**	**2,930**									
0450	**On demand interbank loans**	**601**									
0460	**Cash and cash-related assets**	**14,411**									
0470	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**25,822**									

		Year ending on 31 December 2024									
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Total [gross] carrying amount in CZK million	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling	
	GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080	0090	0100
0480	**Total GAR assets**	**1,197,569**	**512,240**	**10,852**	**-**	**2,312**	**6,221**	**1,091**	**362**	**-**	**2**
0490	**Assets not covered for GAR calculation**	**852,752**									
0500	**Central governments and Supranational issuers**	**391,790**									
0510	**Central banks exposure**	**448,051**									
0520	**Trading book**	**12,910**									
0530	**Total assets**	**2,050,320**	**512,240**	**10,852**	**-**	**2,312**	**6,221**	**1,091**	**362**	**-**	**2**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-
0540	Financial guarantees	1,019	236	62	-	0	6	0	-	-	-
0550	Assets under management	**25,452**	**8,543**	**2,072**	**-**	**287**	**1,252**	**109**	**30**	**-**	**8**
0560	Of which debt securities	15,133	5,000	1,125	-	161	659	37	14	-	5
0570	Of which equity instruments	10,320	3,543	947	-	126	593	73	15	-	3

		Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0110	0120	0130	0140	0150	0160	0170	0180
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**37**	**30**	**-**	**0**	**127**	**3**	**-**	**-**
0020	**Financial undertakings**	**10**	**10**	**-**	**-**	**-**	**-**	**-**	**-**
0030	Credit institutions	**0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	0	-	-	-	-	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	10	10	-	-	-	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	**Non-financial undertakings**	**27**	**19**	**-**	**0**	**127**	**3**	**-**	**-**
0210	Loans and advances	22	14	-	0	127	3	-	-
0220	Debt securities, including UoP	5	5	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-		-
0240	**Households**					**-**	**-**	**-**	**-**

		Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0110	0120	0130	0140	0150	0160	0170	0180
0250	of which loans collateralised by residential immovable property					-	-	-	-
0260	of which building renovation loans					-	-	-	-
0270	of which motor vehicle loans								
0280	**Local governments financing**	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
0320	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-	-	-	-
0330	**Financial and Non-financial undertakings**								
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations								
0350	Loans and advances								
0360	of which loans collateralised by commercial immovable property								
0370	of which building renovation loans								
0380	Debt securities								
0390	Equity instruments								
0400	Non-EU country counterparties not subject to NFRD disclosure obligations								
0410	Loans and advances								
0420	Debt securities								
0430	Equity instruments								
0440	**Derivatives**								
0450	**On demand interbank loans**								
0460	**Cash and cash-related assets**								
0470	**Other categories of assets (e.g. Goodwill, commodities etc.)**								
0480	**Total GAR assets**	37	30	-	0	127	3	-	-
0490	**Assets not covered for GAR calculation**								
0500	**Central governments and Supranational issuers**								

		Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0110	0120	0130	0140	0150	0160	0170	0180
0510	**Central banks exposure**								
0520	**Trading book**								
0530	**Total assets**	**37**	**30**	**-**	**0**	**127**	**3**	**-**	**-**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
0540	Financial guarantees	-	-	-	-	-	-	-	-
0550	Assets under management	**5**	**3**	**-**	**0**	**59**	**1**	**-**	**1**
0560	Of which debt securities	4	3	-	0	14	0	-	0
0570	Of which equity instruments	1	0	-	0	45	1	-	1

		Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0190	0200	0210	0220	0230	0240	0250	0260
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**50**	**8**	**-**	**-**	**-**	**-**	**-**	**-**
0020	**Financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0030	Credit institutions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0040	Loans and advances	-	-	-	-	-	-	-	-
0050	Debt securities, including UoP	-	-	-	-	-	-	-	-
0060	Equity instruments	-	-		-	-	-		-
0070	Other financial corporations	-	-	-	-	-	-	-	-
0080	of which investment firms	-	-	-	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-	-	-	-
0110	Equity instruments	-	-		-	-	-		-
0120	of which management companies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0130	Loans and advances	-	-	-	-	-	-	-	-
0140	Debt securities, including UoP	-	-	-	-	-	-	-	-
0150	Equity instruments	-	-		-	-	-		-
0160	of which insurance undertakings	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
0170	Loans and advances	-	-	-	-	-	-	-	-
0180	Debt securities, including UoP	-	-	-	-	-	-	-	-
0190	Equity instruments	-	-		-	-	-		-
0200	**Non-financial undertakings**	**50**	**8**	**-**	**-**	**-**	**-**	**-**	**-**
0210	Loans and advances	50	8	-	-	-	-	-	-
0220	Debt securities, including UoP	-	-	-	-	-	-	-	-
0230	Equity instruments	-	-		-	-	-		-
0240	**Households**								

		Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0190	0200	0210	0220	0230	0240	0250	0260
0250	of which loans collateralised by residential immovable property								
0260	of which building renovation loans								
0270	of which motor vehicle loans								
0280	**Local governments financing**	-	-	-	-	-	-	-	-
0290	Housing financing	-	-	-	-	-	-	-	-
0300	Other local government financing	-	-	-	-	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
0320	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-	-	-	-
0330	**Financial and Non-financial undertakings**								
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations								
0350	Loans and advances								
0360	of which loans collateralised by commercial immovable property								
0370	of which building renovation loans								
0380	Debt securities								
0390	Equity instruments								
0400	Non-EU country counterparties not subject to NFRD disclosure obligations								
0410	Loans and advances								
0420	Debt securities								
0430	Equity instruments								
0440	**Derivatives**								
0450	**On demand interbank loans**								
0460	**Cash and cash-related assets**								
0470	**Other categories of assets (e.g. Goodwill, commodities etc.)**								
0480	**Total GAR assets**	50	8	-	-	-	-	-	-
0490	**Assets not covered for GAR calculation**								
0500	**Central governments and Supranational issuers**								

		Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0190	0200	0210	0220	0230	0240	0250	0260
0510	**Central banks exposure**								
0520	**Trading book**								
0530	**Total assets**	**50**	**8**	**-**	**-**	**-**	**-**	**-**	**-**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
0540	Financial guarantees	-	-	-	-	-	-	-	-
0550	Assets under management	**13**	**1**	**-**	**1**	**0**	**0**	**-**	**-**
0560	Of which debt securities	7	1	-	1	0	-	-	-
0570	Of which equity instruments	6	0	-	0	0	0	-	-

		Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator	0270	0280	0290	0300	0310
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**513,545**	**11,255**	**-**	**2,312**	**6,223**
0020	**Financial undertakings**	**17,293**	**4,244**	**-**	**462**	**2,822**
0030	Credit institutions	**5,445**	**527**	**-**	**30**	**49**
0040	Loans and advances	1,005	24	-	5	8
0050	Debt securities, including UoP	4,440	504	-	26	41
0060	Equity instruments	-	-		-	-
0070	Other financial corporations	11,849	3,717	-	431	2,773
0080	of which investment firms	-	-	-	-	-
0090	Loans and advances	-	-	-	-	-
0100	Debt securities, including UoP	-	-	-	-	-
0110	Equity instruments	-	-		-	-
0120	of which management companies	**-**	**-**	**-**	**- 0**	**-**
0130	Loans and advances	-	-	-	- 0	-
0140	Debt securities, including UoP	-	-	-	-	-
0150	Equity instruments	-	-		-	-
0160	of which insurance undertakings	**208**	**33**	**-**	**0**	**1**
0170	Loans and advances	42	7	-	0	0
0180	Debt securities, including UoP	-	-	-	-	-
0190	Equity instruments	166	26		0	0
0200	**Non-financial undertakings**	**24,392**	**7,011**	**-**	**1,851**	**3,401**
0210	Loans and advances	16,417	5,797	-	1,634	2,608
0220	Debt securities, including UoP	7,975	1,214	-	217	792
0230	Equity instruments	0	0		0	0
0240	**Households**	**460,638**	**-**	**-**	**-**	**-**
0250	of which loans collateralised by residential immovable property	432,384	-	-	-	-

		Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator	0270	0280	0290	0300	0310
0260	of which building renovation loans	28,254	-	-	-	-
0270	of which motor vehicle loans	-	-	-	-	-
0280	**Local governments financing**	**11,221**	**-**	**-**	**-**	**-**
0290	Housing financing	-	-	-	-	-
0300	Other local government financing	11,221	-	-	-	-
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**
0320	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**
0330	**Financial and Non-financial undertakings**					
0340	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations					
0350	Loans and advances					
0360	of which loans collateralised by commercial immovable property					
0370	of which building renovation loans					
0380	Debt securities					
0390	Equity instruments					
0400	Non-EU country counterparties not subject to NFRD disclosure obligations					
0410	Loans and advances					
0420	Debt securities					
0430	Equity instruments					
0440	**Derivatives**					
0450	**On demand interbank loans**					
0460	**Cash and cash-related assets**					
0470	**Other categories of assets (e.g. Goodwill, commodities etc.)**					
0480	**Total GAR assets**	**513,545**	**11,255**	**-**	**2,312**	**6,223**
0490	**Assets not covered for GAR calculation**					
0500	**Central governments and Supranational issuers**					
0510	**Central banks exposure**					

		Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0270**	**0280**	**0290**	**0300**	**0310**
0520	**Trading book**					
0530	**Total assets**	**513,545**	**11,255**	**-**	**2,312**	**6,223**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-
0540	Financial guarantees	236	62	-	0	6
0550	Assets under management	**8,729**	**2,107**	**-**	**287**	**1,262**
0560	Of which debt securities	5,062	1,144	-	161	665
0570	Of which equity instruments	3,667	963	-	126	597

2. GAR sector information, CapEx-based view

Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	in CZK million	Of which environmentally sustainable (CCM)	in CZK milion	Of which environmentally sustainable (CCM)	in CZK million	Of which environmentally sustainable (CCA)	in CZK milion	Of which environmentally sustainable (CCA)
GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080
C10.51	42	11			-	-		
C10.61	6	1			-	-		
C11.05	11	-			-	-		
C11.07	147	-			-	-		
C19.20	24	17			**0**	**0**		
C20.16	253	-			-	-		
C22.19	150	-			-	-		
C22.29	219	69			-	-		
C23.13	6	-			-	-		
C28.99	7	1			-	-		
C29.20	20	2			-	-		
C29.32	1,378	314			-	-		
C33.11	77	41			-	-		
C33.12	42	29			**0**	**0**		
C33.17	2	-			-	-		
D35.11	6,926	5,607			-	-		
D35.22	41	31			-	-		
D35.30	1,146	208			-	-		
F41.10	523	-			-	-		
G45.11	289	25			-	-		
G45.20	27	3			-	-		
G47.72	6	-			**2**	**0**		
H49.10	4,156	-			-	-		
H49.20	4	-			-	-		
H49.31	3	-			-	-		
H49.50	3,959	-			-	-		

Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	in CZK million	Of which environmentally sustainable (CCM)	in CZK milion	Of which environmentally sustainable (CCM)	in CZK million	Of which environmentally sustainable (CCA)	in CZK milion	Of which environmentally sustainable (CCA)
I56.10	157	-			**-**	**-**		
J62.01	3	-			**-**	**-**		
J62.09	3	0			**0**	**0**		
L68.20	2,367	295			**1**	**0**		
M71.12	343	9			**-**	**-**		
N77.11	1,050	97			2	1		
Q86.10	115	-			-	-		

Breakdown by sector - NACE 4 digits level (code and label)	Water and marine resources (WTR)				Circular economy (CE)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	in CZK milion	Of which environmentally sustainable (WTR)	in CZK milion	Of which environmentally sustainable (WTR)	in CZK million	Of which environmentally sustainable (CE)	in CZK milion	Of which environmentally sustainable (CE)
GAR - Covered assets in both numerator and denominator	0090	0100	0110	0120	0130	0140	0150	0160
C10.51	**7**	**-**			**10**	**-**		
C10.61	**-**	**-**			**-**	**-**		
C11.05	**-**	**-**			**-**	**-**		
C11.07	**-**	**-**			**-**	**-**		
C19.20	**-**	**-**			**0**	**-**		
C20.16	**-**	**-**			**-**	**-**		
C22.19	**-**	**-**			**-**	**-**		
C22.29	**-**	**-**			**-**	**-**		
C23.13	**-**	**-**			**47**	**-**		
C28.99	**-**	**-**			**-**	**-**		
C29.20	**-**	**-**			**-**	**-**		
C29.32	**-**	**-**			**-**	**-**		
C33.11	**1**	**1**			**5**	**3**		
C33.12	**-**	**-**			**0**	**-**		
C33.17	**-**	**-**			**-**	**-**		
D35.11	**19**	**19**			**-**	**-**		
D35.22	**-**	**-**			**-**	**-**		
D35.30	**-**	**-**			**-**	**-**		
F41.10	**-**	**-**			**-**	**-**		
G45.11	**-**	**-**			**-**	**-**		
G45.20	**-**	**-**			**-**	**-**		
G47.72	**-**	**-**			**-**	**-**		
H49.10	**-**	**-**			**-**	**-**		
H49.20	**-**	**-**			**-**	**-**		
H49.31	**-**	**-**			**-**	**-**		
H49.50	**-**	**-**			**-**	**-**		
I56.10	**-**	**-**			**52**	**-**		
J62.01	**-**	**-**			**-**	**-**		

Breakdown by sector - NACE 4 digits level (code and label)	Water and marine resources (WTR)				Circular economy (CE)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	in CZK milion	Of which environmentally sustainable (WTR)	in CZK milion	Of which environmentally sustainable (WTR)	in CZK million	Of which environmentally sustainable (CE)	in CZK milion	Of which environmentally sustainable (CE)
J62.09	**-**	**-**			**-**	**-**		
L68.20	**-**	**-**			**-**	**-**		
M71.12	**-**	**-**			**-**	**-**		
N77.11	-	-			-	-		
Q86.10	-	-			13	-		

Breakdown by sector - NACE 4 digits level (code and label)	Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
	Non-Financial corporates (Subject to NFRD)		Collateral received and financial guarantees received		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	in CZK million	Of which environmentally sustainable (PPC)	in CZK milion	Of which environmentally sustainable (PPC)	in CZK million	Of which environmentally sustainable (BIO)	in CZK milion	Of which environmentally sustainable (BIO)
GAR - Covered assets in both numerator and denominator	0170	0180	0190	0200	0210	0220	0230	0240
C10.51	-	-			-	-		
C10.61	-	-			-	-		
C11.05	-	-			-	-		
C11.07	-	-			-	-		
C19.20	**0**	-			-	-		
C20.16	-	-			-	-		
C22.19	-	-			-	-		
C22.29	-	-			-	-		
C23.13	-	-			-	-		
C28.99	-	-			-	-		
C29.20	-	-			-	-		
C29.32	-	-			-	-		
C33.11	**10**	**8**			-	-		
C33.12	**0**	-			-	-		
C33.17	-	-			-	-		
D35.11	-	-			-	-		
D35.22	-	-			-	-		
D35.30	-	-			-	-		
F41.10	-	-			-	-		
G45.11	-	-			-	-		
G45.20	-	-			-	-		
G47.72	-	-			-	-		
H49.10	-	-			-	-		
H49.20	-	-			-	-		
H49.31	-	-			-	-		

Breakdown by sector - NACE 4 digits level (code and label)	Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
	Non-Financial corporates (Subject to NFRD)		Collateral received and financial guarantees received		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	in CZK million	Of which environmentally sustainable (PPC)	in CZK milion	Of which environmentally sustainable (PPC)	in CZK million	Of which environmentally sustainable (BIO)	in CZK milion	Of which environmentally sustainable (BIO)
H49.50	-	-			-	-		
I56.10	-	-			-	-		
J62.01	-	-			-	-		
J62.09	-	-			-	-		
L68.20	-	-			-	-		
M71.12	-	-			-	-		
N77.11	-	-			-	-		
Q86.10	40	-			-	-		

Breakdown by sector - NACE 4 digits level (code and label)	TOTAL (CCM + CCA + WMR + CE + P + BE)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount	
	in CZK million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	in CZK million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
GAR - Covered assets in both numerator and denominator	0250	0260	0270	0280
C10.51	**59**	**11**	-	-
C10.61	**6**	**1**	-	-
C11.05	**11**	**-**	-	-
C11.07	**147**	**-**	-	-
C19.20	**24**	**17**	-	-
C20.16	**253**	**-**	-	-
C22.19	**150**	**-**	-	-
C22.29	**219**	**69**	-	-
C23.13	**53**	**-**	-	-
C28.99	**7**	**1**	-	-
C29.20	**20**	**2**	-	-
C29.32	**1,378**	**314**	-	-
C33.11	**93**	**53**	-	-
C33.12	**42**	**30**	-	-
C33.17	**2**	**-**	-	-
D35.11	**6,945**	**5,625**	-	-
D35.22	**41**	**31**	-	-
D35.30	**1,146**	**208**	-	-
F41.10	**523**	**-**	-	-
G45.11	**289**	**25**	-	-
G45.20	**27**	**3**	-	-
G47.72	**8**	**0**	-	-
H49.10	**4,156**	**-**	-	-
H49.20	**4**	**-**	-	-
H49.31	**3**	**-**	-	-

Breakdown by sector - NACE 4 digits level (code and label)	TOTAL (CCM + CCA + WMR + CE + P + BE)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount	
	in CZK million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	in CZK million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
H49.50	**3,959**	**-**	-	-
I56.10	**209**	**-**	-	-
J62.01	**3**	**-**	-	-
J62.09	**3**	**0**	-	-
L68.20	**2,367**	**295**	-	-
M71.12	**343**	**9**	-	-
N77.11	1,052	98		
Q86.10	168	-		

3. GAR KPI stock CapEx-based view

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080	0090
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	66.80%	1.42%	0.00%	0.30%	0.81%	0.14%	0.05%	0.00%	0.00%
0020	**Financial undertakings**	45.33%	10.99%	0.00%	1.24%	7.57%	1.09%	0.38%	0.00%	0.01%
0030	Credit institutions	25.26%	2.01%	0.00%	0.15%	0.23%	1.02%	0.54%	0.00%	0.01%
0040	Loans and advances	32.53%	0.76%	0.00%	0.15%	0.26%	0.01%	0.00%	0.00%	0.00%
0050	Debt securities, including UoP	23.99%	2.23%	0.00%	0.15%	0.22%	1.19%	0.63%	0.00%	0.01%
0060	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
0070	Other financial corporations	70.51%	22.26%	0.00%	2.61%	16.79%	1.18%	0.18%	0.00%	0.00%
0080	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0090	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0100	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0110	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
0120	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0130	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0140	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0150	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
0160	of which insurance undertakings	2.11%	0.43%	0.00%	0.02%	0.09%	28.64%	4.42%	0.00%	0.00%
0170	Loans and advances	2.10%	0.43%	0.00%	0.02%	0.09%	28.50%	4.40%	0.00%	0.00%
0180	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0190	Equity instruments	2.11%	0.43%		0.02%	0.09%	28.67%	4.43%		0.00%
0200	**Non-financial undertakings**	50.32%	14.47%	0.00%	3.96%	7.28%	1.47%	0.47%	0.00%	0.00%
0210	Loans and advances	41.98%	15.00%	0.00%	4.41%	7.04%	1.81%	0.58%	0.00%	0.00%
0220	Debt securities, including UoP	86.44%	13.08%	0.00%	2.36%	8.61%	0.18%	0.06%	0.00%	0.00%
0230	Equity instruments	0.01%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
0240	**Households**	69.82%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0010**	**0020**	**0030**	**0040**	**0050**	**0060**	**0070**	**0080**	**0090**
0250	of which loans collateralised by residential immovable property	98.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0260	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0270	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%				
0280	**Local governments financing**	48.49%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0300	Other local government financing	48.49%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	**Total GAR assets**	42.77%	0.91%	0.00%	0.19%	0.52%	0.09%	0.03%	0.00%	0.00%

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0100**	**0110**	**0120**	**0130**	**0140**	**0150**	**0160**	**0170**
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%
0020	**Financial undertakings**	0.03%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0030	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0040	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0050	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0060	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0070	Other financial corporations	0.06%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0080	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0090	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0100	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0110	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0120	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0130	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0140	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0150	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0160	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0170	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0180	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0190	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0200	**Non-financial undertakings**	0.06%	0.04%	0.00%	0.00%	0.27%	0.01%	0.00%	0.00%
0210	Loans and advances	0.06%	0.04%	0.00%	0.00%	0.34%	0.01%	0.00%	0.00%
0220	Debt securities, including UoP	0.06%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0230	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0100	0110	0120	0130	0140	0150	0160	0170
0240	**Households**					0.00%	0.00%	0.00%	0.00%
0250	of which loans collateralised by residential immovable property					0.00%	0.00%	0.00%	0.00%
0260	of which building renovation loans					0.00%	0.00%	0.00%	0.00%
0270	of which motor vehicle loans								
0280	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0300	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	**Total GAR assets**	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0180**	**0190**	**0200**	**0210**	**0220**	**0230**	**0240**	**0250**
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0030	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0040	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0050	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0060	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0070	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0080	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0090	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0100	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0110	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0120	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0130	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0140	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0150	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0160	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0170	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0180	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0190	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0200	**Non-financial undertakings**	0.11%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0210	Loans and advances	0.14%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0220	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0230	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0180	0190	0200	0210	0220	0230	0240	0250
0240	**Households**								
0250	of which loans collateralised by residential immovable property								
0260	of which building renovation loans								
0270	of which motor vehicle loans								
0280	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0300	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	**Total GAR assets**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator	**0260**	**0270**	**0280**	**0290**	**0300**	**0310**
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	66.97%	1.47%	0.00%	0.30%	0.81%	37.40%
0020	**Financial undertakings**	46.44%	11.40%	0.00%	1.24%	7.58%	1.82%
0030	Credit institutions	26.28%	2.55%	0.00%	0.15%	0.23%	1.01%
0040	Loans and advances	32.53%	0.77%	0.00%	0.15%	0.26%	0.15%
0050	Debt securities, including UoP	25.18%	2.86%	0.00%	0.15%	0.23%	0.86%
0060	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
0070	Other financial corporations	71.75%	22.51%	0.00%	2.61%	16.79%	0.81%
0080	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0090	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0100	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0110	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
0120	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0130	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0140	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0150	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
0160	of which insurance undertakings	30.74%	4.85%	0.00%	0.02%	0.09%	0.03%
0170	Loans and advances	30.60%	4.83%	0.00%	0.02%	0.09%	0.01%
0180	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0190	Equity instruments	30.78%	4.85%		0.02%	0.09%	0.03%
0200	**Non-financial undertakings**	52.22%	15.01%	0.00%	3.96%	7.28%	2.28%
0210	Loans and advances	44.32%	15.65%	0.00%	4.41%	7.04%	1.81%
0220	Debt securities, including UoP	86.67%	13.19%	0.00%	2.36%	8.61%	0.45%
0230	Equity instruments	0.01%	0.00%		0.00%	0.00%	0.02%
0240	**Households**	69.82%	0.00%	0.00%	0.00%	0.00%	32.18%
0250	of which loans collateralised by residential immovable property	98.20%	0.00%	0.00%	0.00%	0.00%	21.48%

	% (compared to total covered assets in the denominator)	Year ending on 31 December 2024					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator	**0260**	**0270**	**0280**	**0290**	**0300**	**0310**
0260	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	1.38%
0270	of which motor vehicle loans						
0280	**Local governments financing**	48.49%	0.00%	0.00%	0.00%	0.00%	1.13%
0290	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0300	Other local government financing	48.49%	0.00%	0.00%	0.00%	0.00%	1.13%
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	**Total GAR assets**	42.88%	0.94%	0.00%	0.19%	0.52%	37.40%

4. GAR KPI flow CapEx-based view

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0010**	**0020**	**0030**	**0040**	**0050**	**0060**	**0070**	**0080**	**0090**
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	40.15%	2.98%	0.00%	0.43%	2.06%	0.44%	0.14%	0.00%	0.00%
0020	**Financial undertakings**	64.56%	9.70%	0.00%	0.43%	8.30%	0.47%	0.08%	0.00%	0.00%
0030	Credit institutions	32.56%	1.52%	0.00%	0.20%	0.31%	0.00%	0.01%	0.00%	0.00%
0040	Loans and advances	40.36%	0.33%	0.00%	0.10%	0.11%	0.00%	0.00%	0.00%	0.00%
0050	Debt securities, including UoP	31.17%	1.73%	0.00%	0.22%	0.34%	0.01%	0.01%	0.00%	0.00%
0060	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
0070	Other financial corporations	83.06%	14.44%	0.00%	0.56%	12.93%	0.75%	0.12%	0.00%	0.00%
0080	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0090	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0100	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0110	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
0120	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0130	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0140	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0150	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
0160	of which insurance undertakings	2.11%	0.43%	0.00%	0.02%	0.09%	28.67%	4.43%	0.00%	0.00%
0170	Loans and advances	2.11%	0.43%	0.00%	0.02%	0.09%	28.67%	4.43%	0.00%	0.00%
0180	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0190	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
0200	**Non-financial undertakings**	41.83%	19.28%	0.00%	3.20%	12.69%	3.22%	1.04%	0.00%	0.00%
0210	Loans and advances	37.34%	20.28%	0.00%	3.35%	13.34%	3.51%	1.13%	0.00%	0.00%
0220	Debt securities, including UoP	91.55%	8.24%	0.00%	1.52%	5.45%	0.00%	0.00%	0.00%	0.00%
0230	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
0240	**Households**	37.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0250	of which loans collateralised by residential immovable property	95.90%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0010**	**0020**	**0030**	**0040**	**0050**	**0060**	**0070**	**0080**	**0090**
0260	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0270	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%				
0280	**Local governments financing**	61.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0300	Other local government financing	61.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	**Total GAR assets**	19.88%	1.48%	0.00%	0.21%	1.02%	0.22%	0.07%	0.00%	0.00%

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0100**	**0110**	**0120**	**0130**	**0140**	**0150**	**0160**	**0170**
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.01%	0.01%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%
0020	**Financial undertakings**	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0030	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0040	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0050	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0060	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0070	Other financial corporations	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0080	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0090	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0100	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0110	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0120	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0130	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0140	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0150	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0160	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0170	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0180	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0190	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0200	**Non-financial undertakings**	0.08%	0.08%	0.00%	0.00%	0.23%	0.02%	0.00%	0.00%
0210	Loans and advances	0.08%	0.08%	0.00%	0.00%	0.25%	0.02%	0.00%	0.00%
0220	Debt securities, including UoP	0.04%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0230	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0240	**Households**					0.00%	0.00%	0.00%	0.00%

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0100**	**0110**	**0120**	**0130**	**0140**	**0150**	**0160**	**0170**
0250	of which loans collateralised by residential immovable property					0.00%	0.00%	0.00%	0.00%
0260	of which building renovation loans					0.00%	0.00%	0.00%	0.00%
0270	of which motor vehicle loans								
0280	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0300	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	**Total GAR assets**	0.01%	0.01%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	**0180**	**0190**	**0200**	**0210**	**0220**	**0230**	**0240**	**0250**
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0030	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0040	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0050	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0060	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0070	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0080	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0090	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0100	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0110	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0120	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0130	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0140	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0150	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0160	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0170	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0180	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0190	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0200	**Non-financial undertakings**	0.05%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0210	Loans and advances	0.06%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0220	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0230	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
0240	**Households**								
0250	of which loans collateralised by residential immovable property								
0260	of which building renovation loans								
0270	of which motor vehicle loans								

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	0180	0190	0200	0210	0220	0230	0240	0250
0280	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0290	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0300	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	**Total GAR assets**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
		Of which environmentally sustainable (Taxonomy-aligned)					
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator	**0260**	**0270**	**0280**	**0290**	**0300**	**0310**
0010	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	40.63%	3.13%	0.00%	0.43%	2.06%	19.26%
0020	**Financial undertakings**	65.04%	9.79%	0.00%	0.43%	8.30%	1.04%
0030	Credit institutions	32.57%	1.52%	0.00%	0.20%	0.31%	0.38%
0040	Loans and advances	40.36%	0.33%	0.00%	0.10%	0.11%	0.06%
0050	Debt securities, including UoP	31.18%	1.74%	0.00%	0.22%	0.34%	0.32%
0060	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
0070	Other financial corporations	83.82%	14.57%	0.00%	0.56%	12.93%	0.66%
0080	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0090	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0100	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0110	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
0120	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0130	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0140	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0150	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
0160	of which insurance undertakings	30.78%	4.85%	0.00%	0.02%	0.09%	0.02%
0170	Loans and advances	30.78%	4.85%	0.00%	0.02%	0.09%	0.02%
0180	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0190	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
0200	**Non-financial undertakings**	45.41%	20.45%	0.00%	3.20%	12.69%	2.45%
0210	Loans and advances	41.24%	21.55%	0.00%	3.35%	13.34%	2.25%
0220	Debt securities, including UoP	91.58%	8.27%	0.00%	1.52%	5.45%	0.20%
0230	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
0240	**Households**	37.81%	0.00%	0.00%	0.00%	0.00%	15.46%
0250	of which loans collateralised by residential immovable property	95.90%	0.00%	0.00%	0.00%	0.00%	5.88%

	% (compared to flow of total eligible assets)	Year ending on 31 December 2024					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
		Of which environmentally sustainable (Taxonomy-aligned)					
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator	**0260**	**0270**	**0280**	**0290**	**0300**	**0310**
0260	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.20%
0270	of which motor vehicle loans						
0280	**Local governments financing**	61.88%	0.00%	0.00%	0.00%	0.00%	0.30%
0290	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0300	Other local government financing	61.88%	0.00%	0.00%	0.00%	0.00%	0.30%
0310	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0320	**Total GAR assets**	20.12%	1.55%	0.00%	0.21%	1.02%	19.26%

5. KPI off-balance sheet exposures CapEx-based view, stock

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	23.12%	6.08%	0.00%	0.02%	0.57%	0.00%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	33.57%	8.14%	0.00%	1.13%	4.92%	0.43%	0.12%	0.00%	0.03%

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	
0010	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	0.02%	0.01%	0.00%	0.00%	0.23%	0.00%	0.00%	0.00%

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds		Of which transitional	Of which enabling
0010	Financial guarantees (FinGuar KPI)	23.12%	6.08%	0.00%	0.02%	0.57%
0020	Assets under management (AuM KPI)	34.30%	8.28%	0.00%	1.13%	4.96%

5. KPI off-balance sheet exposures CapEx-based view, flow

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	30.62%	19.68%	0.00%	0.01%	0.14%	0.01%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	38.21%	9.84%	0.00%	1.62%	5.25%	0.37%	0.04%	0.00%	0.01%

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	
0010	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	0.03%	0.02%	0.00%	0.00%	0.60%	0.01%	0.00%	0.01%

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024							
		Pollution Prevention and Control (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
0010	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0020	Assets under management (AuM KPI)	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total eligible off-balance sheet assets)	Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds		Of which transitional	Of which enabling
0010	Financial guarantees (FinGuar KPI)	30.63%	19.68%	0.00%	0.01%	0.14%
0020	Assets under management (AuM KPI)	39.23%	9.91%	0.00%	1.62%	5.27%

Additional Disclosures Addressing Direct and Indirect Financing of Specific Activities in the Nuclear and Fossil Gas Sectors

This subchapter presents all relevant EU Taxonomy reporting templates, as required by Annex XII of Delegated Regulation 2021/2178, for each applicable Taxonomy KPI of the Group, including GAR Stock and Flow, FinGuar KPI Stock and Flow, and AuM KPI Stock and Flow. For each of the mentioned applicable Taxonomy KPIs, Templates 2-5 are each distinctly presented in both the turnover and the CapEx view.

The Group's portfolios of lending products, securities investments, financial guarantee products, and assets under management contain no instances of "use of proceeds known" financing specifically related to nuclear energy or fossil gas activities. The filling of the relevant tables is therefore based on the KPIs published by the respective counterparties in the corresponding tables. The Nuclear & Gas KPIs of related counterparties, as shown in their Template 2, were included in calculating the amounts shown below in both Template 2 and Template 3 of each template set, based on the relevant KPIs mentioned above.

GAR

Template 1 Nuclear and fossil gas related activities, GAR stock

Row	Nuclear energy related activities	Yes/No
		0010
0010	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	Yes
0020	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
0030	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
0040	**Fossil gas related activities**	
0050	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
0060	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
0070	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 2 Taxonomy-aligned economic activities (denominator), GAR stock, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,076	0.17%	2,076	0.17%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**2,855**	**0.24%**	**2,785**	**0.23%**	**70**	**0.01%**
0080	**Total applicable KPI**	**4,931**	**0.41%**	**4,861**	**0.40%**	**70**	**0.01%**

Template 3 Taxonomy-aligned economic activities (numerator), GAR stock, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2,076	42.10%	2,076	42.70%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**2,855**	**57.90%**	**2,785**	**57.30%**	**70**	**100.00%**
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**4,931**	**100.00%**	**4,861**	**100.00%**	**70**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities, GAR stock, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0040	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3,739	0.31%	3,739	0.31%	-	0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	307	0.03%	307	0.03%	-	0.00%
0060	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%	1	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**496,233**	**41.25%**	**495,892**	**41.22%**	**341**	**0.03%**
0080	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**500,280**	**41.59%**	**499,939**	**41.56%**	**341**	**0.03%**

Template 5 Taxonomy non-eligible economic activities, GAR stock, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount in CZK million	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	25	0.00%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	17	0.00%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	24	0.00%
0070	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**697,366**	**57.98%**
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**697,432**	**57.98%**

Template 2 Taxonomy-aligned economic activities (denominator), GAR stock, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	269	0.02%	269	0.02%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,685	0.22%	2,685	0.22%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	50	0.00%	50	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**8,208**	**0.68%**	**7,846**	**0.65%**	**362**	**0.03%**
0080	**Total applicable KPI**	**11,212**	**0.92%**	**10,850**	**0.89%**	**362**	**0.03%**

Template 3 Taxonomy-aligned economic activities (numerator), GAR stock, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	269	2.40%	269	2.48%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2,685	23.94%	2,685	24.74%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	50	0.45%	50	0.46%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**8,208**	**73.21%**	**7,846**	**72.32%**	**362**	**100.00%**
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**11,212**	**100.00%**	**10,850**	**100.00%**	**362**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities, GAR stock, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0040	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,137	0.09%	1,137	0.09%	-	0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3,970	0.33%	3,970	0.33%	-	0.00%
0060	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%	1	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**496,933**	**41.31%**	**496,204**	**41.25%**	**729**	**0.06%**
0080	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**502,041**	**41.73%**	**501,312**	**41.67%**	**729**	**0.06%**

Template 5 Taxonomy non-eligible economic activities, GAR stock, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount in CZK million	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0070	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**689,395**	**57.31%**
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**689,395**	**57.31%**

Template 1 Nuclear and fossil gas related activities, GAR FLOW

Row	Nuclear energy related activities	Yes/No
		0010
0010	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	Yes
0020	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
0030	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
0040	**Fossil gas related activities**	
0050	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
0060	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
0070	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 2 Taxonomy-aligned economic activities (denominator), GAR flow, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	541	0.18%	541	0.18%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,308**	**0.43%**	**1,267**	**0.42%**	**41**	**0.01%**
0080	**Total applicable KPI**	**1,849**	**0.61%**	**1,808**	**0.60%**	**41**	**0.01%**

Template 3 Taxonomy-aligned economic activities (numerator), GAR flow, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	541	29.24%	541	29.91%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**1,308**	**70.76%**	**1,267**	**70.09%**	**41**	**100.00%**
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1,849**	**100.00%**	**1,808**	**100.00%**	**41**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities, GAR flow, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0040	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,430	0.47%	1,430	0.47%	-	0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	117	0.04%	117	0.04%	-	0.00%
0060	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**53,948**	**17.69%**	**53,843**	**17.66%**	**105**	**0.03%**
0080	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**55,495**	**18.20%**	**55,390**	**18.17%**	**105**	**0.03%**

Template 5 Taxonomy non-eligible economic activities, GAR flow, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount in CZK million	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5	0.00%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	0.00%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.00%
0070	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**247,460**	**81.16%**
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**247,475**	**81.16%**

Template 2 Taxonomy-aligned economic activities (denominator), GAR flow, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	103	0.03%	103	0.03%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	644	0.21%	644	0.21%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	19	0.01%	19	0.01%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**3,940**	**1.29%**	**3,734**	**1.22%**	**206**	**0.07%**
0080	**Total applicable KPI**	**4,706**	**1.54%**	**4,500**	**1.47%**	**206**	**0.07%**

Template 3 Taxonomy-aligned economic activities (numerator), GAR flow, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	103	2.19%	103	2.29%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	644	13.68%	644	14.30%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	19	0.41%	19	0.43%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**3,940**	**83.72%**	**3,734**	**82.98%**	**206**	**100.00%**
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**4,706**	**100.00%**	**4,500**	**100.00%**	**206**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities, GAR flow, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0040	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	439	0.14%	439	0.14%	-	0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,519	0.50%	1,519	0.50%	-	0.00%
0060	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%	1	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**54,622**	**17.91%**	**54,169**	**17.76%**	**453**	**0.15%**
0080	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**56,581**	**18.55%**	**56,128**	**18.40%**	**453**	**0.15%**

Template 5 Taxonomy non-eligible economic activities, GAR flow, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount in CZK million	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0070	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**243,558**	**79.88%**
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**243,558**	**79.88%**

FinGuar KPI

Template 1 Nuclear and fossil gas related activities – FinGuar KPI Stock 19

Row	Nuclear energy related activities	Yes/No
		0010
0010	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
0020	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
0030	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
0040	**Fossil gas related activities**	

Row	Nuclear energy related activities	Yes/No
		0010
0050	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
0060	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
0070	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 2 Taxonomy-aligned economic activities (denominator) - FINGUAR KPI STOCK, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.01%	-	0.01%	-	0.00%
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1**	**0.12%**	**1**	**0.12%**	**-**	**0.00%**
0080	**Total applicable KPI**	**1**	**0.13%**	**1**	**0.13%**	**-**	**0.00%**

Template 3 Taxonomy-aligned economic activities (numerator) - FINGUAR KPI STOCK, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	9.29%	0	9.29%	-	0.00%
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**1**	**90.71%**	**1**	**90.71%**	**-**	**0.00%**
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1**	**100.00%**	**1**	**100.00%**	**-**	**0.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities - FINGUAR KPI STOCK, turnover-based view 22

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0040	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.01%	0	0.01%	-	0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.02%	-	0.02%	-	0.00%
0060	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**167**	**16.42%**	**167**	**16.42%**	**-**	**0.00%**
0080	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**167**	**16.45%**	**167**	**16.45%**	**-**	**0.00%**

Template 5 Taxonomy non-eligible economic activities, FINGUAR KPI STOCK, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount in CZK million	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.01%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0070	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**850**	**83.40%**
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**850**	**83.41%**

Template 2 Taxonomy-aligned economic activities (denominator) - FINGUAR KPI STOCK, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.01%	0	0.01%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**62**	**6.07%**	**62**	**6.07%**	**-**	**0.00%**
0080	**Total applicable KPI**	**62**	**6.08%**	**62**	**6.08%**	**-**	**0.00%**

Template 3 Taxonomy-aligned economic activities (numerator) - FINGUAR KPI STOCK, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.20%	0	0.20%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**62**	**99.80%**	**62**	**99.80%**	**-**	**0.00%**
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**62**	**100.00%**	**62**	**100.00%**	**-**	**0.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities - FINGUAR KPI STOCK, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**174**	**17.04%**	**174**	**17.04%**	**-**	**0.00%**
0080	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**174**	**17.04%**	**174**	**17.04%**	**-**	**0.00%**

Template 5 Taxonomy non-eligible economic activities - FINGUAR KPI STOCK, CapEx-based view 27

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount in CZK million	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0070	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**783**	**76.88%**
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**783**	**76.88%**

Template 1 Nuclear and fossil gas related activities - FINGUAR KPI FLOW

Row	Nuclear energy related activities	Yes/No
		0010
0010	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
0020	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
0030	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
0040	**Fossil gas related activities**	
0050	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
0060	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
0070	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 2 Taxonomy-aligned economic activities (denominator) - FINGUAR KPI FLOW, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**-**	**0.06%**	**-**	**0.06%**	**-**	**0.00%**
0080	**Total applicable KPI**	**-**	**0.06%**	**-**	**0.06%**	**-**	**0.00%**

Template 3 Taxonomy-aligned economic activities (numerator) - FINGUAR KPI FLOW, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.27%	-	0.27%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**0**	**99.73%**	**0**	**99.73%**	**-**	**0.00%**
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**0**	**100.00%**	**0**	**100.00%**	**-**	**0.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities - FINGUAR KPI FLOW, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0040	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.01%	-	0.01%	-	0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**23**	**8.04%**	**23**	**8.04%**	**-**	**0.00%**
0080	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**23**	**8.05%**	**23**	**8.05%**	**-**	**0.00%**

Template 5 Taxonomy non-eligible economic activities - FINGUAR KPI FLOW, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount in CZK million	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.01%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0070	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**259**	**91.88%**
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**259**	**91.89%**

Template 2 Taxonomy-aligned economic activities (denominator) - FINGUAR KPI FLOW, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**56**	**19.68%**	**56**	**19.68%**	**-**	**0.00%**
0080	**Total applicable KPI**	**56**	**19.68%**	**56**	**19.68%**	**-**	**0.00%**

Template 3 Taxonomy-aligned economic activities (numerator) - FINGUAR KPI FLOW, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**56**	**100.00%**	**56**	**100.00%**	**-**	**0.00%**
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**56**	**100.00%**	**56**	**100.00%**	**-**	**0.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities - FINGUAR KPI FLOW CapEx-based vie

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0040	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**31**	**10.95%**	**31**	**10.95%**	**-**	**0.00%**
0080	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**31**	**10.95%**	**31**	**10.95%**	**-**	**0.00%**

Template 5 Taxonomy non-eligible economic activities - FINGUAR KPI FLOW, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount in CZK million	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0070	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**196**	**69.37%**
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**196**	**69.37%**

AUM KPI

Template 1 Nuclear and fossil gas related activities – AuM KPI Stock

Row	Nuclear energy related activities	Yes/No
		0010
0010	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	Yes
0020	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
0030	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
0040	**Fossil gas related activities**	
0050	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
0060	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
0070	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 2 Taxonomy-aligned economic activities (denominator) - AuM KPI Stock, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	136	0.53%	136	0.53%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,068**	**4.20%**	**1,054**	**4.14%**	**14**	**0.06%**
0080	**Total applicable KPI**	**1,204**	**4.73%**	**1,190**	**4.67%**	**14**	**0.06%**

Template 3 Taxonomy-aligned economic activities (numerator) - AuM KPI Stock, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	136	11.27%	136	11.40%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**1,068**	**88.73%**	**1,054**	**88.60%**	**14**	**100.00%**
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1,204**	**100.00%**	**1,190**	**100.00%**	**14**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities - AuM KPI Stock, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0040	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	354	1.39%	354	1.39%	-	0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	50	0.20%	50	0.20%	-	0.00%
0060	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5	0.02%	5	0.02%	-	0.00%
0070	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**6,161**	**24.21%**	**6,093**	**23.94%**	**68**	**0.27%**
0080	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**6,570**	**25.82%**	**6,502**	**25.55%**	**68**	**0.27%**

Template 5 Taxonomy non-eligible economic activities - AUM KPI STOCK, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount in CZK million	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.01%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0070	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**17,569**	**69.03%**
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**17,573**	**69.04%**

Template 2 Taxonomy-aligned economic activities (denominator) - AUM KPI STOCK, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	25	0.10%	25	0.10%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	160	0.63%	160	0.63%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7	0.03%	7	0.03%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,911**	**7.51%**	**1,881**	**7.39%**	**30**	**0.12%**
0080	**Total applicable KPI**	**2,103**	**8.27%**	**2,073**	**8.15%**	**30**	**0.12%**

Template 3 Taxonomy-aligned economic activities (numerator) - AUM KPI STOCK, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	25	1.19%	25	1.21%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	160	7.59%	160	7.70%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	7	0.34%	7	0.34%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**1,911**	**90.88%**	**1,881**	**90.75%**	**30**	**100.00%**
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**2,103**	**100.00%**	**2,073**	**100.00%**	**30**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities - AUM KPI STOCK, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0040	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	111	0.44%	111	0.44%	-	0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	384	1.51%	384	1.51%	-	0.00%
0060	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9	0.04%	9	0.04%	-	0.00%
0070	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**6,046**	**23.75%**	**5,966**	**23.44%**	**80**	**0.31%**
0080	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**6,550**	**25.74%**	**6,470**	**25.43%**	**80**	**0.31%**

Template 5 Taxonomy non-eligible economic activities - AUM KPI STOCK, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount in CZK million	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0070	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**16,721**	**65.69%**
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**16,724**	**65.69%**

Template 1 Nuclear and fossil gas related activities - AUM KPI FLOW

Row	Nuclear energy related activities	Yes/No
		0010
0010	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	Yes
0020	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
0030	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
0040	**Fossil gas related activities**	
0050	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
0060	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
0070	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 2 Taxonomy-aligned economic activities (denominator) - AUM KPI FLOW, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	40	0.66%	40	0.66%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**303**	**5.01%**	**302**	**4.99%**	**1**	**0.02%**
0080	**Total applicable KPI**	**343**	**5.67%**	**342**	**5.65%**	**1**	**0.02%**

Template 3 Taxonomy-aligned economic activities (numerator) - AUM KPI FLOW, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	40	11.60%	40	11.64%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**303**	**88.40%**	**302**	**88.36%**	**1**	**100.00%**
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**343**	**100.00%**	**342**	**100.00%**	**1**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities - AUM KPI FLOW, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0040	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	105	1.74%	105	1.74%	-	0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	17	0.29%	17	0.29%	-	0.00%
0060	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.01%	0	0.01%	-	0.00%
0070	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,249**	**20.64%**	**1,237**	**20.45%**	**12**	**0.19%**
0080	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**1,371**	**22.68%**	**1,359**	**22.49%**	**12**	**0.19%**

Template 5 Taxonomy non-eligible economic activities - AUM KPI FLOW, turnover-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount in CZK million	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.01%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0070	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**4,286**	**70.88%**
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**4,286**	**70.89%**

Template 2 Taxonomy-aligned economic activities (denominator) - AUM KPI FLOW, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7	0.12%	7	0.12%	-	0.00%
0020	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	47	0.77%	47	0.77%	-	0.00%
0040	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.03%	2	0.03%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**541**	**8.95%**	**539**	**8.91%**	**2**	**0.04%**
0080	**Total applicable KPI**	**597**	**9.87%**	**595**	**9.83%**	**2**	**0.04%**

Template 3 Taxonomy-aligned economic activities (numerator) - AUM KPI FLOW, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	7	1.24%	7	1.24%	-	0.00%
0020	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	47	7.83%	47	7.86%	-	0.00%
0040	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2	0.34%	2	0.34%	-	0.00%
0050	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0060	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0070	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**541**	**90.59%**	**539**	**90.56%**	**2**	**100.00%**
0080	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**597**	**100.00%**	**595**	**100.00%**	**2**	**100.00%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities - AUM KPI FLOW, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in CZK million	%	Amount in CZK million	%	Amount in CZK million	%
		0010	0020	0030	0040	0050	0060
0010	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0020	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0030	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
0040	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	35	0.58%	35	0.58%	-	0.00%
0050	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	110	1.82%	110	1.82%	-	0.00%
0060	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.01%	1	0.01%	-	0.00%
0070	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,590**	**26.29%**	**1,570**	**25.95%**	**20**	**0.34%**
0080	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**1,736**	**28.70%**	**1,716**	**28.36%**	**20**	**0.34%**

Template 5 Taxonomy non-eligible economic activities - AUM KPI FLOW, CapEx-based view

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	
		Amount in CZK million	%
		0010	0020
0010	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0020	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0030	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0040	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0050	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0060	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
0070	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**3,675**	**60.76%**
0080	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**3,675**	**60.76%**

Climate Change

As part of the Group's sustainability strategy and in accordance with the ESRS, special focus is placed on the topic of climate change. Through its double materiality analysis, the Group has identified climate change as one of the key issues that impact its business and stakeholders. As the Group operates in the banking and finance sector, it has an impact on the behaviour of people and its current or potential customers. Respect for the environment and environmental sustainability is fundamental to responsible investment and business practices. The Group aims to support the sustainable transformation of the economy not only by financing sustainable activities and projects in line with the Group's sustainability strategy but also by offering a range of sustainable and environmentally friendly products, along with high-quality ESG advisory services. Additionally, the Group is taking the necessary measures to improve the energy efficiency of its operations, aiming to further decarbonise its own operations within Scope 1 and Scope 2 emissions.

Details regarding disclosure requirement related to ESRS2 GOV-3 specifically 13, are described in the chapter Other Information for Shareholders, specifically in section Principles of Remuneration of Managers and Members of the Supervisory Board, Section 118 (4) (f), (g), (h), (i), in the sub-section Variable Remuneration of Managers in paragraph 2.

Sustainability Matter	Type of IRO	IRO Description	Value chain	Time horizon
E1-Climate change adaptation	Positive impact	Through the financing of climate change adaptation solutions, the Group can make a positive contribution to reducing vulnerabilities to climate change impacts.	Portfolio	Long-term
	Risk	The Group faces a higher credit risk as climate-related physical and transition risks can lead to a devaluation of collateral and/or to negative effects on business models and, ultimately, the financial stability of debtors. The consequences are increased risk provisions for the Group and associated negative impacts on its P&L and own funds.	Portfolio	Medium- and long-term
	Opportunity	Leveraging its market-leading position, the Group is well-positioned to play a pivotal role in supporting the transformation of the Czech industry and the economy by fostering and financing solutions for adapting to climate change. Clients who have adapted to climate change become more resilient and competitive, creating opportunities for the Group to support and finance their growth.	Portfolio	Medium- and long-term
E1-Climate change mitigation	Negative impact	The CO_2 emissions from the Group's own operations and in the upstream value chain contribute to climate change and, consequently, to global warming.	Upstream & Own operations	Long-term
	Negative impact	Investing in and financing energy-intensive companies that still rely on fossil fuels lead to high CO_2 emissions, contributing to climate change.	Portfolio	Long-term
	Risk	The Group is exposed to climate-related risks primarily through its financed portfolio, potentially affecting creditworthiness and collateral value. Without mitigation, these risks could increase credit risk or lead to the termination of business relationships. In its own operations, the risks are limited to reputational risk and the risk of higher operating costs.	Portfolio	All time horizons

Sustainability Matter	Type of IRO	IRO Description	Value chain	Time horizon
	Opportunity	The Group can gain financial opportunities by investing in and financing customers who are decarbonising and transitioning to sustainability.	Portfolio	Medium- and long-term
E1-Energy	Negative impact	If the Group continues to consume excessive energy or transitions its own banking operations too slowly to renewable energy sources, it may contribute to an increase in physical climate risks (e.g. heatwaves, floods). Setting a poor example for its clients and the economy could slow down the transformation in Czechia.	Upstream & Own operations	Long-term
	Negative impact	Investing in and financing energy-intensive companies that still rely on fossil fuels lead to high CO_2 emissions, contributing to climate change.	Portfolio	Long-term
	Positive impact	The Group's financing of energy efficiency and renewable energy projects reduces climate risks and enables CO_2-neutral energy production, which is essential for transitioning to a sustainable economic system.	Portfolio	All time horizons
	Risk	The Group faces energy risks due to geopolitical tensions and the shift to sustainable energy. Geopolitical issues have driven up energy prices and may affect the bank's credit risk as clients' fixed energy contracts expire. Climate change will increase energy costs through higher energy allowances. Investments in sustainable energy could lower profit margins and raise capital expenditures, heightening credit risk. However, energy risks in the Group's own operations are minimal.	Portfolio	All time horizons
	Opportunity	Financing the energy transition is a key aspect of climate-related financing opportunities and presents significant financial prospects for the Group. The Group has already demonstrated its commitment through various initiatives. Advancing these efforts can position the Group as a frontrunner in financing the energy transition.	Portfolio	Medium and long-term

SBM-3 – Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model

Resilience of the Business Model

The resilience of the Group's business model has been assessed at the level of Erste Group Bank, across all its core markets, including the Czech Republic. The Group's business model does not differ from that of the parent company and, therefore, the outcomes of the analysis are applicable.

In 2024, the Erste Group Bank conducted a comprehensive assessment of the resilience of its business model to climate-related and environmental risks as an integral part of the strategic planning and risk management process. The assessment of Climate and Environment (CE) risks is conducted in the short, medium and long term, in accordance with the definition given in ESRS. The identification and analysis of current and probable future developments are performed from two perspectives: (1) impact on risk profile and (2) business opportunities.

The resilience analysis starts (STEP 1) with a Business Environment Scan (BES) to identify potential threats or opportunities resulting from the transition to a climate-neutral economy or physical risks (arising from climate change and the environment). The main objective of the BES is to understand the changes in the environment in which Erste Group Bank operates, the drivers and transmission channels of CE risk events, and their implications for clients and, consequently, business model.

During this analysis, Erste Group Bank identifies the sub-portfolios, business lines, and industry sectors, as well as regions/geographic areas, which may be exposed to elevated risks, based on scientific and socio-economic research as well as technological and demographic trends. Erste Group Bank applies the same approach to identify areas that present business opportunities. The scope of the resilience analysis covers the entire portfolio of Erste Group Bank's business. By analyzing each sector in detail, Erste Group Bank also captures the effects of climate risks on the value chain of its customers and assesses all relevant transition and physical risk drivers.

The quantification of the impacts is conducted using scenario analyses (STEP 2). Scenario analyses help Erste Group Bank understand the implications of CE risks for its business model in a quantitative manner (i.e. in terms of economic losses: ECL, RWA Pillar 2 and/or P&L impact). Several scenarios are applied: (1) Net Zero Transition, (2) Delayed Transition, (3) Below 2°C as well as (4) Hot House World. The applied scenarios are inspired by the Network for Greening the Financial System (NGFS) but internally adapted to reflect the specifics of Erste Group Bank's business model, drawing on insights from the BES across relevant sectors (industries) and portfolios. They are aligned with the current scientific understanding of the Intergovernmental Panel on Climate Change (IPCC) in terms of plausible emission pathways. The scenarios cover one case aligned with a transition to 1.5 degrees (Net Zero) and one case of a high-emission scenario with significant physical risk (Hot House World). While the overall narrative follows the vision of intergovernmental bodies and standard-setters regarding a disorderly transition, Erste Group Bank refines the details—such as narrative elements, risk parameters, and transmission channels—to reflect the characteristics of its business model and clientele, as well as the geographic context in which it operates. Additionally, the scenario incorporates an extra layer of narrative and downside risk assumptions for societal transitions unrelated to climate, i.e. environmental risks, acknowledging that such shifts could realistically occur alongside climate transition efforts.

The assessment methodology focuses on the impact of increasing (shadow) carbon prices on the financial position of counterparties. This (shadow) carbon price encompasses a multitude of risk drivers related to transition risk and is, therefore, a prudent way to quantify the risk impact. The modelling reflects the direct impact of a higher carbon price on Erste Group Bank's counterparties, as well as the indirect effects of macroeconomic developments. The macroeconomic parameters were derived from the regulatory scenarios as well as the economic research department of Erste Group Bank and cover each critical sector individually in a projection of the gross value added. The developments are based on each scenario's narrative, tailored to the current economic starting points of its key markets. Critical assumptions regarding developments are, therefore, aligned with regulatory as well as scientific scenarios.

For transition risks, the impacts are assessed in the short, medium and long term, spanning from the next year in five-year steps until 2050.

As Erste Group Bank does not plan, from a strategic point of view, any major changes to its business model (i.e. maintaining the same geographic focus and stable composition of the balance sheet), it assumes for quantification purposes a constant balance sheet in terms of exposure and counterparty composition.

The scope of the quantitative analyses covers the most relevant parts of Erste Group Bank's portfolio and its business model.

For **transition risk,** these are:

- Customers: Segment Corporates (incl. SME & CRE) and Segment Retail (Mortgages);
- Own operations.

For **physical risk,** these are:

- Loans collateralised by real estate (commercial and residential);
- Own operations (i.e. headquarters including critical facilities like data centers).

An extension of the physical risk analyses to the Corporate Segment is planned but depends on the availability of geolocation data for clients' assets (i.e. major production sites) and their key suppliers. The process for collecting geolocation data is currently ongoing. As soon as the data becomes available, the analysis of physical risks will be further enhanced.

Physical risks from climate change are expected to materialize mostly from the middle of the century due to the lag in the global climate system. Consequently, the short- and medium-term horizons show similar physical outcomes, and substantial differences are largely apparent in the long-term horizon (2050 and beyond). With the ambition to further stress the significance of the long-term outlook, Erste Group has implemented an additional time horizon (2050 – 2100) for physical risks to allow for a more comprehensive understanding of future risks and to better

prepare Erste Group for the full spectrum of (non-)climate-related physical risks.

The impact of physical risks is assessed based on MunichRe data and uses IPCC's climate scenario, Representative Concentration Pathway (RCP) 4.5.

In the risk materiality assessment (STEP 3), Erste Group Bank evaluated and outlined the impact of relevant climate and environmental risk drivers (identified in STEP 1) on various risk types (credit, market, liquidity, operational, strategic, and reputational risks) and the overall risk profile. While assessing materiality, Erste Group Bank conducted analyses at different levels: (1) for clients/ portfolios and (2) for its own operations and suppliers (e.g. including data centres and outsourcing partners). The assessment of transition risks is based primarily on the outcomes of the scenario analyses (Transition Risk Stress Test). Physical risks are evaluated based on both quantitative analyses (MunichRe data and Internal Stress Test / ECB Climate Stress Test) and qualitative assessments by experts and the ESG Heatmap.

In addition, Erste Group considered the estimated quantitative impact of a transition risk stress test on its Pillar 2 coverage potential. The scenario considered under the risk materiality assessment was based on the short-term transition risk scenario calculated under the ECB Climate Stress Test 2022 methodology. The short-term disorderly transition risk scenario assesses Banks' short-term vulnerabilities triggered by a sharp, abrupt increase in the price of carbon emissions. The scenario aims to capture tail risks in a situation suitable for stress testing and should thus be considered a severe but plausible representation of a disorderly transition.

To evaluate the resilience of the business model, it is important not only to quantify the gross impact of CE risk drivers on Erste Group Bank's business model but also to evaluate the effectiveness of the strategic response and mitigation actions (the net impact). This involves comparing the financial impact of the transition risk scenario with and without mitigating actions (i.e. decarbonisation strategy). This helps Erste Group Bank ascertain whether its strategies are effective and provide the expected cost-benefits as well as resilience for its business model.

The **outcomes of the resilience analysis** relevant to the Group are as follows:

- Erste Group Bank's current decarbonisation strategy is well aligned with the NGFS scenarios "Net Zero 2050" and "Below 2°C". The strategy also performs well in the NGFS scenario "Delayed Transition". The established decarbonisation pathways for key transition risk sectors therefore effectively safeguard Erste Group from material credit risk losses in a Paris-aligned transition scenario to 1.5°C;
- Physical risks are a material driver for credit and strategic risk (qualitative assessment) only in the long term due to the expectation that physical risk hazards (primarily climate-related) will increase from mid-century and will impact the portfolio and strategic position. In the short and medium term, physical risks are immaterial;
- For physical risks, Erste Group Bank has established a monitoring framework on collaterals, which serves as an early warning for any physical risk concentrations and increases Erste Group's resilience in a key vulnerable business segment under the long-term high-emission-aligned scenario "Hot House World" (RCP 8.5);
- For operational risk: Transition risks are evaluated as material due to the potential impact of regulatory requirements and behavioural changes, as misselling risk might increase with the aspiring commitments on future ESG performance coupled with increasing regulatory scrutiny driving conduct risk. Furthermore, behavioural changes of consumers, suppliers, and employees might have a material impact on operational risk;
- From a market, liquidity, strategic, and reputational risk perspective, Erste Group Bank is positioned safely across all time horizons (risk exposures are assessed as immaterial) from both transition and physical risk perspectives.

In summary, Erste Group Bank has established a comprehensive management framework aimed at mitigating the transition risk drivers for all time horizons (short-, medium-, and long-term), which is reflected in internally defined action plans and initiatives. Some of these include an established and continuously refined decarbonisation strategy, introduced via a decarbonisation KPI quantitative indicator to support its commitment to climate action and to enable proactive steering of portfolio development along the defined decarbonisation path.

Erste Group Bank has also embedded CE factors in underwriting and collateral management processes. To mitigate physical risks, Erste Group Bank continuously monitors and reports on collaterals and conducts forward-looking analyses (country view for exposure in very high-risk areas). Lastly, Erste Group has enhanced its lending principles (e.g. to avoid increased portfolio exposure to high-risk physical hazard zones/areas).

To safeguard the business model from an operational risk perspective, Erste Group Bank has integrated physical risks into its business continuity plans and assessments as well as established a monitoring framework to prevent misselling and greenwashing.

In the Česká spořitelna Group, physical risk related to floods is included in the real estate collateral valuation. Other types of the physical risk will be implemented in 2025, however the Group does not expect significant impacts as the flood risk is currently considered to be the only relevant physical risk which could have impact on the collaterals value.

E1-1 – Transition Plan for Climate Change Mitigation

The Group is part of Erste Group Bank, which is a member of the Net-Zero Banking Alliance, a group of banks formed by the UN dedicated to attaining a zero-emissions balance by 2050 or earlier by aligning their lending and investment portfolios with the targets set by the Paris Agreement on climate change. Therefore, the Group is committed to the Paris Agreement and is prepared to contribute towards limiting global warming to 1.5 degrees. The Bank is a credit institution as defined by Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms (CRR) and has not been excluded from the EU Paris-aligned Benchmarks in line with Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Regulation), Articles 12.1 (d) to (g) and 12.2.

Own Portfolio Financed Emissions

The Group is dedicated to reaching Net Zero (1.5° target) for the following sectors within the portfolio:

- Electricity production;
- Heat and steam production;
- Oil and gas extraction;
- Automotive production;
- Iron and steel production;
- Cement production.

All except two of the Group's targets are compatible with limiting global warming to 1.5°C in line with the Paris Agreement. The two targets that are not currently aligned are commercial real estate and mortgage loans, where we will move from 1.75 to 1.5 degrees in 2025.

The level of GHG emissions produced by borrowers, referred to as financed or Portfolio emissions, represents a key driver of the Group's carbon footprint. The following are the decarbonisation levers the Group has identified with respect to its loan portfolio:

- Decreasing selective financing for high GHG-emitting sectors;
- Increasing financing to low- or zero-emissions projects or sectors;
- Increase the share of transition financing, i.e. providing financing to borrowers who are also decarbonising.

All of the above measures constitute the decarbonisation of the Group's downstream value chain. The Group's ability to act is constrained by the availability of low-carbon technologies, the commercial viability of low-carbon technologies, and the willingness and ability of borrowers to invest in and deploy these technologies. The willingness and ability of borrowers to invest are influenced by public sector support for investment in the development and deployment of low-carbon technologies and the degree of regulatory pressure to decarbonise the economy while protecting competitiveness.

The Group is addressing the reduction of financing to high-impact (high GHG-emitting) sectors through an action plan to eliminate the financing of coal, as described in the chapter E1-3.

The Group aims to increase financing to low- or zero-emission projects or sectors using its sustainable financing targets, as described in the chapter E1-4.

The Bank requires the largest customers in high-impact sectors to provide their climate transition plans to inform its credit decisions on which loans to provide and where financing will be constrained. This is further described in the chapter E1-2.

As a member of the Net-Zero Banking Alliance, Erste Group Bank committed to publishing its first portfolio emission reduction targets by April 2023 when it joined in October 2021. In 2021, the Group took its initial step by tightening its lending policy in the critical energy and coal sectors as described in the chapter E1-2.

Together with Erste Group Bank, in 2022 the Group began modelling net zero emission targets for its portfolios by 2050.

In 2023, the Group set financed emissions (portfolio emissions) reduction targets in line with net zero pathways

defined by the International Energy Agency (IEA) for relevant economic sectors. These targets were approved by the Board of Directors in December 2023 and apply to the subset of portfolios covered by the Group's financed Emissions calculation. The Bank is actively developing specific actions with respect to lending policies for the individual sub-portfolios. In 2024, it developed a detailed strategy for the heating sub-portfolio. This strategy was not subject to formal approval of the Board of Directors and Supervisory Board.

The aim of the Group is that the portfolio emissions reduction targets will be embedded within its business strategy and financial planning. The Group plans that within the next three years, the decarbonisation targets will be:

- Taken into consideration, together with other financial and non-financial metrics, in setting the annual budget during the annual budget dialogue process with its shareholder;
- Linked to the new lending and new products strategy.

The Group currently does not separately analyse or manage locked-in GHG emissions within its portfolio. However, the general strategy of achieving net zero by 2050, along with measures gradually adopted to meet this goal – such as active communication with top polluters in the Group portfolio – should ensure that the Group avoids material GHG lock-in. The Group does not consider locked-in emissions from other own assets to be relevant.

Own Operations Emissions

With respect to the Group's own operations, the following decarbonisation lever was identified:

- Energy efficiency improvements.

The Group has set the strategy and action plans to effectively reduce its own operations' emissions footprint by 2030, as described in the chapter Actions and Resources in Relation to Climate Change Policies. The planned move to a brand-new headquarters in Prague will significantly contribute to emission reduction from its own operations.

The Group does not yet quantify investments (Capex), Opex and funding which support the implementation of its transition plan.

E1-2 – Policies Related to Climate Change Mitigation and Adaptation

The Group has adopted the following policies with regard to its material impacts, risks and opportunities:

Responsible Financing Policy

The Bank's Responsible Financing Policy sets out exclusion criteria for specified economic activities that have harmful socio-environmental effects and are therefore excluded from the finance and banking services provided by the Bank. With a special focus on climate action, the Bank pays particular attention to aligning its energy finance activities with the Paris climate targets to limit global warming and prevent extensive environmental degradation.

The Policy relates to the sustainability matters Climate Change Adaptation and Climate Change Mitigation. It addresses the Bank's lending to the energy sector, the defence and weapons industry, biodiversity projects, and the gambling and gaming industry. The energy sector is defined more broadly than the grouping of NACE codes for Electricity, Gas, Steam, and Air Conditioning Supply. It also includes the mining and transportation of energy commodities, as well as the manufacturing of components for the energy sector and the mining and transportation of energy commodities. The Policy aims to reduce the environmental impact of corporate lending – namely financed emissions – by focusing financing on climate change mitigation, EU Taxonomy-eligible projects, or climate transition projects.

The Bank has set internal thresholds for exposures across all products and services in the Corporates and Markets area of the Bank, as well as for a client's turnover for the economic activity in question. Once these thresholds are exceeded, the exposure falls within the scope of the Policy.

The Bank is committed to a progressive reduction of its financing in thermal coal mining and thermal coal power generation, with the ultimate goal of exiting coal financing by 2030. This effort will primarily affect the electricity generation and heating portfolio. However, the Bank will provide such clients with financing for renewable resources, transition finance, and adaptation measures. New financing for clients who use coal for industrial processes such as the production of steel, aluminium, cement, glass, and ceramics is permitted due to the lack of suitable alternatives. The Bank will engage in in-depth discussions with clients until the end of 2025 to set respective transition plans and will support their transition efforts to disengage from the thermal coal sector within the 2030 timeframe.

The Bank acknowledges that the Czech Republic must rely on nuclear power to ensure its energy security. The Bank will only finance new projects if they are aligned with the EU Taxonomy and will finance existing projects related to nuclear power plants if they:

- Increase plant safety standards;
- Finance vital components required for operational safety;
- Relate to decommissioning costs.

The Bank will finance projects related to nuclear power plants only if they are indispensable to a country's energy security and meet the highest safety standards. The Policy also permits the financing of nuclear waste transformation, processing, and storage.

To preserve biodiversity, the Bank refrains from financing arctic oil and gas exploration as well as unconventional extraction methods such as fracking. Finance for renewable energy projects, for instance hydropower projects, will be granted only where designated protection areas (such as Natura 2000) are respected.

In addition, the Policy aims to limit the impact of socially harmful activities, for instance by imposing restrictions on lending in the weapons, gaming, and gambling industries. The Bank finances the gaming and gambling sector with the clear objective of providing financing only for leisure activities while ensuring that no socially harmful risk is taken by the financed client. The Policy sets rules on the financing of the defence weapons industry, while hunting and sporting weapons and firearms are not within its scope.

As part of Erste Group Bank, which is a publicly listed company, the Bank acts in the best long-term sustainable interest of its beneficiaries and other stakeholders. Mitigating ESG risk is, therefore, the key motivator for incorporating policy principles, alongside the Bank's reputation and competitive advantage. The Head of Business Tribes is responsible for implementing the Policy, the principles of which are reviewed at least annually, while the Policy itself must be reviewed bi-annually. The Policy is subject to approval by the member of the Board of Directors responsible for Corporates and Markets. This Policy is available to all employees on the Intranet.

For the purpose of the Bank's Responsible Financing Policy, certain sectors such as oil & gas, nuclear and the defence sector also include portions of the supply chain of end producers. However, for decarbonisation target setting, sector definitions are aligned with definitions from external organisations that develop relevant net-zero scenarios, with the Paris Agreement Capital Transition Assessment (PACTA) used for this purpose.

The Policy is currently applicable only to the Bank and is planned to be implemented in its subsidiaries that provide corporate lending in 2025.

Lending Policy for Renewable Energy

The Bank has a specific Policy to fund renewable energy projects to support its clients with adequate banking products and services on their path towards using less carbon-based technology and increasing reliance on energy from renewable sources. The Policy is aimed at facilitating investments in renewable energy projects and thereby reducing the environmental impact of corporate lending – namely financed emissions.

The Policy relates to the sustainability matters of Climate Change Mitigation and Energy. It covers all client groups, including public sector clients and non-bank financial institutions. The business focus is primarily on wind energy projects, small hydro-power, and solar power plants. The Bank offers various loans, as well as guarantee facilities and subsidy bridge financing. The Policy sets minimum standard requirements for the financing of renewable energy sources and renewable projects deemed creditworthy. The key principles of the Policy are communicated to corporate clients during the credit application process.

This Policy is related to the Responsible Financing Policy and is subject to approval by the manager responsible for the Project Finance unit within the Corporate Banking and Financial Markets Division who is a B-1 level manager. The Policy is reviewed every two years and is available to all employees on the Intranet.

The Policy is currently applicable only to the Bank, with no current plans for implementation in its subsidiaries.

Commercial Real Estate Financing Policy

The objective of the Policy is to define rules and principles for real estate transactions that are essential for ensuring sound real estate credit risk management and responsible corporate banking, as well as to ensure standardisation of the assessment of the creditworthiness of real estate projects. It is aimed at reducing the environmental impact of real estate financing.

The Policy relates to the sustainability matters of Climate Change Adaptation, Climate Change Mitigation, and Energy. The Policy states that ESG factors of financed assets must be taken into account during location and asset quality assessment, which is part of the credit

decision-making process, for all commercial real estate financing above EUR 20 million. For projects below this threshold, assessment is recommended. The factors evaluated include the impacts of the new building on the environment, the energy performance of the building and its impact on potential building value and future rental income, as well as physical climate risks, including any adaptation or impact mitigation measures and their effect on construction costs. These factors are incorporated into the technical rating of the building. Assessment of the social aspects of the asset, such as the accessibility of an object, smart building features, documentation, safety, and location, as well as the client's corporate governance structure, is also part of the analysis.

The Policy applies to all real estate financing transactions with corporate clients, is owned by the Risk Management Division, and is subject to approval by the Chief Risk Officer. The main impacted stakeholder group is corporate clients. The key principles of the Policy are communicated to corporate clients during the credit application process.

The Policy is reviewed every two years and is available to all employees on the Intranet. The Policy is currently applicable only to the Bank, with no current plans for its implementation in its subsidiaries.

Car Policy

The objective of the Car Policy is to contribute to sustainable solutions in the mobility of the Group's employees. The use of company cars contributes to CO_2 emissions and climate change. The Group supports the use of electric cars or conventional cars with low fuel consumption (low CO_2 emissions per km), where distribution makes sense due to the specifics of usage by its employees.

The Policy relates to the sustainability matters of Climate Change Mitigation and Energy. It sets criteria and guidelines for the Group's fleet, including CO_2 limits. The Group's ambition is to reach 25% electric car penetration in the fleet by 2025 and to have only electric cars in the fleet by 2030.

The Policy is owned by the People and Culture department, which is responsible for the implementation of the Policy and is subject to approval from the CEO, following a prior decision by the Board of Directors, while the Property Management department is responsible for managing the fleet according to the Policy requirements.

The Policy is reviewed every two years and is available to all employees on the Intranet. The Policy applies to the Bank and is implemented in all its subsidiaries that have a car fleet.

In addition to disclosed policies, the Group also follows Erste Group Bank Sustainable Finance Guideline, which has not been yet implemented.

E1-3 – Actions and Resources in Relation to Climate Change Policies

Action Plans with Respect to Reducing Financed Emissions

The Group aims to continuously increase financing of the net-zero path and gradually reduce financing provided to high-impact (high GHG emitting) sectors.

Decarbonisation Lever – Decrease Selective Financing for High GHG-Emitting Sectors

Action Plan to Phase out Financing of Coal

Currently, coal is still a relevant factor for energy security in the CEE region and serves as a significant primary energy source in district and retail heating. However, the Paris Agreement limits can only be achieved with the phasing out of the coal sector by 2030.

The Group is committed to a progressive reduction of its financing in thermal coal mining, and thermal coal power generation, with an ultimate target to achieve net-zero exposure by 2030. By the end of 2025, the Group will engage in in-depth discussions with clients to set the respective transition plans and will support their transition efforts to disengage from the thermal coal sector within the 2030 timeframe.

This action plan represents a long-term initiative designed to achieve a sustained impact in climate change mitigation.

Decarbonisation Lever - Increase Financing to Low or Zero-Emissions Projects or Sectors

Action Plan to Increase Sustainable Financing

The Group sets annual targets for the Sustainable Financing Ratio (SFR) separately for the corporate loan portfolio and mortgage portfolio. Corporate relationship managers and retail mortgage advisors actively seek out sustainable financing options. The action plan is aimed at increasing loans with a lower carbon impact in the loan portfolio.

The Group defines sustainable financing as:

- Assets in the loan portfolios that are EU Taxonomy-aligned assets;
- Assets with significant contribution to the EU Taxonomy climate change mitigation objective (but not meeting DNSH and minimum social safeguard standards, mainly due to lack of information);
- Assets aligned with the Erste Group Bank Sustainable Finance Framework;
- European Investment Bank/European Investment Fund Eligibility Criteria, aligned with the EU Taxonomy;
- ICMA Green Bond Principles and LMA Green Loan Principles, which are partially aligned with the EU Taxonomy climate change mitigation objective.

Sustainable financing includes loans with a defined purpose as well as general-purpose loans to clients who currently report EU Taxonomy key performance indicators in line with the EU Taxonomy (portion corresponding to the turnover KPI), i.e. loans that would have been included in the EU Taxonomy Green Assets Ratio (EU Taxonomy GAR).

Decarbonisation Lever – Increase the Share of Transition Financing, i.e. Providing Financing to Borrowers Who Are Decarbonising

Action Plan – Decarbonisation Strategy for Heating Sector (NACE 35.30)

The Group has prepared the strategy with the goal of reducing reported (financed) emissions by 42% compared to the base year 2023, with this target to be achieved by 2030.

The Group estimates that the Czech heating sector will require up to CZK 200 billion of investment by 2030.

The Group plans to achieve its goals by:

- Leading in-depth dialogues with clients and communicating the Group's decarbonisation goals;
- Providing general and sector-specific ESG advisory to respective clients to support their transition plans;
- Prioritising projects with high decarbonisation impacts, aligned with EU taxonomy, and prioritising clients with transition plans for bank financing;
- Financing clients in line with the Responsible Financing Policy, especially regarding fossil fuel utilisation/exits;
- Supporting lending activities through subsidy advisory services provided by the Group's subsidiary Erste Grantika Advisory a.s., which helps clients identify suitable subsidy programmes and implement measures that would otherwise not be economically viable.

The Group has established monthly monitoring of decarbonisation progress and plans to update its strategy regularly, at least on an annual basis.

The Group plans to develop decarbonisation strategies for other significant sectors for which it set decarbonisation targets in 2025.

Action Plan for Supporting Households in Climate Change Mitigation and Adaptation

To support households in climate change mitigation and adaptation, the Bank has established a dedicated call centre with specialised teams that assist clients in understanding available subsidies and the application process. The Bank collaborates with a network of trusted partners who provide expert guidance on renovating older homes and selecting suitable technologies for climate mitigation and adaptation. Solutions provided help clients adapt to climate change while minimising their negative impact on the environment. Efforts focus on increasing the share of sustainable financing, prioritising the financing of low-energy consumption properties for both purchase and construction. These solutions are financed through specialised products, such as the Mortgage for the Future, Loan for the Future with a subsidy, and others.

The Bank actively reaches out to households with low energy efficiency, offering tailored advice on improving their homes' energy performance, including access to government subsidies. While specific calculations are not yet available, the expected result of these actions is a reduction in the carbon footprint of the mortgage portfolio through improving household energy efficiency.

Launched in April 2024, the campaign aims to engage 50,000 households in its first phase, targeting properties with the lowest energy efficiency and addressing financed emissions totalling 210,858.9 tonnes of CO_2e. Approximately one-third of the clients were approached before the end of 2024.

This action represents a long-term initiative designed to achieve a sustained impact in climate change mitigation and adaptation.

Action Plan to Improve Data Quality for the Financed Emissions Calculations

The Group continues to improve data quality for the Financed Emissions calculations by gathering:

- Data on energy (EPC) labels of the properties it provides financing for and/or direct measurement of their energy consumption and retaining this data;
- Data on direct CO_2 emissions or primary energy consumption from EPC labels;
- Data regarding the purpose of financing (use of proceeds) of loans secured by commercial and residential real estate;
- Specific emission data directly from clients via ESG questionnaires and audited annual reports;
- Data on energy (EPC) labels on residential properties during the subsidy advisory and advisory on reducing future energy demand for housing.

This action plan is aimed at obtaining more accurate data to be able to set more relevant and ambitious portfolio decarbonisation targets. This is an ongoing process for improving the data quality score for the reported Financed Emissions targets.

In 2024, the Group developed a model which calculates the effect of climate scenarios on the portfolio of corporate clients. This model shall be used to quantify the impact of climate scenarios, assess the sensitivity of the portfolio and modify the lending strategy accordingly.

This action plan represents a long-term initiative designed to achieve a sustained impact in climate change adaptation and climate change mitigation.

Action Plans with Respect to the Emissions Targets of Own Operations

The Group has a strategy for lowering emissions from its own operations, with a main focus on the car fleet, management and maintenance of properties, energy supply management, and waste management.

Decarbonisation Lever – Energy Efficiency Improvements

Action Plan for Transitioning to an Electric Car Fleet

The Group's goal is the transition to a fully electric (BEV) corporate car fleet by 2030, with a short-term target of 25% by 2025.

The Group's corporate car fleet consists of benefit cars for management (status cars), employee-allocated cars (working cars) for both business travel and private use, and pool cars for employees to conduct business travel. The majority of the corporate car fleet is leased and is presented in line with IFRS 16 Leases in the consolidated statement of financial position under Property, Equipment and Right-of-Use Assets. A minority of the cars are owned directly by the Group.

To achieve the set targets, the Group continuously replaces and optimizes its car fleet with an emphasis on low-emission and zero-emission vehicles and has implemented the following actions:

- Regular monitoring of the electric vehicle market to carry out tenders with the aim of acquiring the most suitable vehicles for operational and business purposes;
- Preparation of an annual distribution plan to minimise the negative impact on operational and business activities, as well as to ensure employees' comfort and safety;
- Implementing a centralised database of the car fleet with technical parameters within internal systems;
- Implementing regular monitoring of car fleet usage, which could lead to the introduction of car-sharing;
- Internal rental will include only electric cars from 2027 (since 2023, it has included only plug-in hybrids or electric cars).

Action Plan for Improving Management and Maintenance of All Properties

The Group's goal is to ensure the optimal and effective use of its premises while minimizing environmental impact, enhancing safety and comfort for users, and reducing operational and maintenance costs. To achieve this goal, the Group plans to:

- Regularly perform energy audits and monitor the sustainability of buildings based on an internally developed matrix and other parameters such as smart meters, energy passports, and other indicators;
- Plan renovations and modernize buildings according to the annually approved maintenance and investment plan;
- Expand the company-owned charging station network for electric cars;
- Install and use renewable energy sources, such as solar panels, heat pumps, or other alternative

sources, where technically and financially feasible and advantageous;

– Install smart meters in all buildings where the Group is a direct energy consumer by 2030 and integrate their readings into a single application to measure the carbon footprint of the buildings in near real-time.

The Group's real estate footprint will be reduced by 2030 in connection with flexible working policies and the planned move to the new headquarters, construction of which was initiated in 2024 and is expected to be completed by the end of 2027. The space-efficient and modernised building, designed to meet strict environmental criteria, will contribute to a reduction in emissions. Additionally, the branch network is being optimised through digitalisation, with branches transitioning to a new format and incorporating sustainability principles into their modernised spaces.

This action plan represents a long-term initiative designed to achieve a sustained impact on energy efficiency.

Implemented action plans are part of the group operational or capital expenses disclosed, however the Group does not report them separately. However, the Group is planning to conduct a comprehensive quantitative assessment of the resources required for implementing climate change mitigation and adaptation action plans in 2025.

E1-4 – Targets Related to Climate Change Mitigation and Adaptation

The Group has set the following key targets with respect to greenhouse gas emissions:

– Portfolio decarbonisation target;

– Sustainable financing targets;

– Own operations emissions target;

– Electric car fleet target.

The Group's targets were approved by the Bank's Board of Directors in 2024 and presented to all its relevant subsidiaries.

Financed Emissions Reduction Targets or Portfolio Decarbonisation Targets

The Group will reduce financed emissions, i.e. Scope 3 Category 15 – Financed Emissions according to the Greenhouse Gas Protocol (GHG protocol) of the loan portfolio along the net zero pathway as defined by International Energy Agency (IEA) so that the loan portfolio has a net zero emissions by 2050. The Portfolio emission reduction target is set for loan portfolios on the Group level, and its measurement has not been validated by any external body other than the assurance provider.

The consolidated Erste Group Bank targets were approved in 2023, based on which the Group set its own decarbonisation targets at the level of loan sub-portfolios. These targets were established using well-documented climate reference scenarios to set minimum targets for the medium term (2030) and long term (2050), compared to the base years 2022 and 2023. These base years mark the completion of the Group's first financed emissions calculations on selected sub-portfolios, enabling it to set portfolio decarbonisation targets for the first time in 2023. This ensures that the loan portfolio emissions align with the Paris Agreement's temperature targets. The Group has verified the achievability of these targets by modelling the portfolio's future development, considering projections for its future growth and the context of the Czech Republic's national plans, specifically in energy and climate**.** The Group used scenarios developed by the International Energy Agency (IEA) to benchmark its targets for electricity generation, heat, and steam generation, and buildings. The Group benchmarked electricity, heat and steam generation against the IEA Net Zero Energy 2050 (NZE2050), which meets the 1.5 degrees Celsius target. Residential and commercial buildings portfolio were compared to the IEA Beyond Two Degree Scenario (B2DS), which aims to limit the global temperature increase to 1.75 degrees Celsius. The Group property models are based on methodologies developed by the Science Based Target Initiative (SBTi) while relying on the Paris Agreement Capital Transition Assessment (PACTA) methodology for the energy sector. Detailed methodology for financial emissions calculation is described in chapter E1-6.

The targets were set and derived from the Erste Group Bank targets, which engaged with the client executives, industry experts and sustainability advisors to ensure that Erste Group Bank's goals are both ambitious and aligned with broader industry standards and expectations.

Starting in 2030, the Group plans to update the base year for GHG emissions reduction targets every five years.

The table below shows the Financed Emissions reduction targets per individual sub-portfolio of the loan portfolio. The sub-portfolios correspond to the sectors of the economy as defined by NACE. This means that loan exposures are included in the sub-portfolio based on the four-digit NACE code. It is the classification of economic activities in the European Union (EU). NACE is a four-digit classification providing the framework for

collecting and presenting statistical data according to economic activity by economic subjects and statistical offices in the EU. The Group uses NACE codes, which are reported to the Bank by customers who are required to provide the NACE code of the most prevalent economic activity they engage in according to the rules of the Czech Statistical Office.

Breakdown of Portfolio decarbonisation targets (Financed Emissions reduction targets)

Sector	Metric	Metho-dology	Scenario/ Pathway	Emission Scope	Base Year	Value	Target		% Reduction	
							2030	2050	2030	2050
Mortgages	$kgCO_2e/m^2$	SBTi SDA	IEAB2DS	1 and 2	2022	48.1	27.6	0.8	-43%	-98%
Commercial Real Estate	$kgCO_2e/m^2$	SBTi SDA	IEAB2DS	1 and 2	2022	68.6	34.4	1.0	-50%	-99%
Electricity Production	$kgCO_2e$/MWh	PACTA	IEANZE2050	1 and 2	2022	520.3	237.6	32.6	-54%	-94%
Heat & Steam production	thousand tCO_2e	SBTi AC	IEA NZE2050	1 and 2	2022	885.8	513.7	88.6	-42%	-90%
Automotive Sector	gCO_2e/km	PACTA	IEA NZE2050	1, 2 and 3	2023	172.0	117.0	40.0	-32%	-77%
Iron and Steel[29]	tCO_2e/ tonne steel	PACTA	IEA NZE2050	1 and 2	2023	1.9	1.5	n/a	-22%	n/a

The table presents financed emissions under Scope 3, Category 15 – Investments, with the "Emissions Scope" column indicating that the reported figures represent the Scope 1 and Scope 2 emissions associated with the portfolio segments, with one case also including Scope 3 emissions.

Progress against Emission reduction (decarbonisation) targets

Sector	Metric	Metho-dology	Scenario/ Pathway	Base Year	Value	2024	Target		% Reduction		
							2030	2050	2024	2030	2050
Mortgages	$kgCO_2e/m^2$	SBTi SDA	IEAB2DS	2022	48.1	56.4	27.6	0.8	17%	-43%	-98%
Commercial Real Estate	$kgCO_2e/m^2$	SBTi SDA	IEAB2DS	2022	68.6	60.8	34.4	1.0	-11%	-50%	-99%
Electricity Production	$kgCO_2e$/MWh	PACTA	IEANZE2050	2022	520.3	335.7	237.6	32.6	-35%	-54%	-94%
Heat & Steam production	thousand tCO_2e	SBTi AC	IEA NZE2050	2022	885.8	443.6	513.7	88.6	-50%	-42%	-90%
Automotive Sector	gCO_2e/km	PACTA	IEA NZE2050	2023	172.0	175.8	117.0	40.0	2%	-32%	-77%
Iron and Steel	tCO_2e/ tonne steel	PACTA	IEA NZE2050	2023	1.9	0.8	1.5	n/a	-57%	-22%	n/a

The Group focuses on the stable growth of the portfolio. The composition of the loan portfolio in terms of economic sectors remains stable over the years and is subject to concentration limits. The Group selected the base years of 2022 and 2023 in line with its sole shareholder's commitment under the Net-Zero Banking Alliance and considers them to be broadly representative. This target is being actively supported through the implementation of the Responsible Financing Policy.

Currently, the Group has no exposure to the cement production sector and, therefore, has not set any decarbonisation targets. The Group is closely monitoring its oil and gas portfolio and has not set a decarbonisation target for this sector. The Group has committed to avoiding the expansion of its exposure to oil and gas exploration financing unless it is crucial for independence from Russia and is indispensable for national energy security within Europe. The Group will provide banking services subject to its Responsible Financing Policy.

(29) No long-term targets for 2050 were set for the iron & steel producers sector, as the technological uncertainties - such as the development of alternative fuels like hydrogen to a competitive, industrial scale - are still too great. Work is ongoing to improve the basis for long-term targets in order to be able to define specific targets up to 2050 in subsequent years.

The car production portfolio includes both original equipment manufacturers (OEM) and final car producers. The decarbonisation target is set only for the final car producer subsector.

The Group recognizes that increasing the share of transition financing, specifically providing financing to borrowers who are decarbonising, is a crucial decarbonisation lever in its climate change mitigation approach. However, at this time, the Group does not quantify the specific contributions of this lever and particular action plans to its GHG emission reduction targets broken down by Scopes 1, 2, and 3.

Metrics development and comparison to the set targets are regularly monitored and presented to management, including the Board of Directors.

Sustainable Financing Targets

The Bank set the SFR target separately for its corporate financing portfolio and retail mortgage portfolio. In addition, each year it sets absolute volume plans for new financing that fulfil the sustainable financing criteria. The SFR target includes new financing that fulfil the sustainable financing criteria granted in the years 2023–2026 and financing outstanding as of 31 December 2022 that fulfil the sustainable financing criteria, but compliance has been assessed retrospectively (SFR Financing). For new financing granted in the years 2023–2026, compliance with the sustainable financing criteria is assessed prior to financing origination. Currently, the target applies only to the Bank and does not include any subsidiaries. The Bank acknowledges the importance of increasing financing for low- or zero-emissions projects and sectors as a significant decarbonisation lever in its climate change mitigation strategy. However, it currently does not track the estimated quantitative contributions of this lever and particular action plans to its GHG emission reduction targets at the detailed level of individual Scopes (1, 2, and 3).

The sustainable financing targets address the challenges of climate change adaptation, mitigation and renewable energy deployment by aiming to minimise credit risks due to climate-related physical risks that lead to devaluation of collateral and negative effects on the business model as well as the financial stability of debtors, capitalize on opportunities such as investments in renewable energy projects, enhance positive impacts by financing climate change adaptation solutions and decarbonization plans of customers and mitigate climate change by reducing financed CO_2e emissions.

Retail Mortgage Portfolio

The Bank's target is to achieve an SFR of 15% in the retail mortgage portfolio by 2027. To achieve this, the Bank sets an annual operational plan to guide progress towards its goal. These operation plans are set in EUR and recalculated for the reporting purposes using FX rate as of 31 December 2024.

For 2024, the plan was set at CZK 2.1 billion and was exceeded, as retail mortgage SFR financing commitments were provided in the amount of CZK 6.3 billion. The Bank's retail mortgage SFR was 6.6% as of 31 December 2024. The operational plan for new SFR in the retail mortgage portfolio in 2025 has been set at CZK 7.0 billion.

Corporate Portfolio

The Bank's target is to achieve an SFR of 25% in the corporate financing portfolio by 2026. To achieve this, the Bank sets an annual operational plan to guide progress towards its goal. These operation plans are set in EUR and recalculated for the reporting purposes using FX rate as of 31 December 2024.

For 2024, the operational plan was set at CZK 9.1 billion and was exceeded, as corporate financing commitments meeting the set criteria were provided in the amount of CZK 25.3 billion. The Bank's corporate SFR as of 31 December 2024 was 20.0%. The operational plan for new financing in 2025 has been set at CZK 21.7 billion.

In 2024, the Bank exceeded its targets for sustainable finance volumes and the sustainable financing ratio, driven primarily by strong performance in financing sustainable real estate projects and renewable energy. Going forward, it will continue supporting clients in their sustainable transformations through advisory services and financing.

Progress against Sustainable financing targets

	Metric	Baseline		2024	Targets			
					Short-term		Mid-term	
		Year	Value		Year	Target	Year	Target
Sustainable corporate financing	% of corporate financing portfolio	-	-	20.0%	-	-	2026	25%
Sustainable retail mortgages	% of retail mortgage portfolio	-	-	6.6%	-	-	2027	15%

The targets were set and derived from the Erste Group Bank targets which collected guidance through bilateral discussions, conferences, dialogues from supervisory and regulatory authorities, investors, analysts and rating agencies as well as NGOs, academic and environmental institutions. The experts' recommendations were subsequently integrated into the target-setting process.

Metrics development and comparison to the set targets are regularly monitored and presented to management, including the Board of Directors.

Own Operations Emissions Targets

Scope 1 and Scope 2 Target

The Group has a target to reduce emissions from its own operations, i.e. Scope 1 and Scope 2 emissions as defined by the GHG Protocol and measured using a market-based approach, by 80% in 2030 from the 2017 baseline of 27,537 tCO_2e. The baseline data from 2017 reflects emissions related to the Bank only, as measurements at that time were limited and did not include subsidiaries. However, the reduction target applies to the Group as a whole, making it even more ambitious. Targets related to Scope 1 and Scope 2 emissions were set in 2021 as a percentage reduction (i.e. not in absolute terms) and in total for Scope 1 and Scope 2, and have not been set as science-based. The Group recognizes energy efficiency improvements as a key decarbonisation lever contributing to its climate change mitigation efforts. However, it currently does not track the estimated quantitative contributions of this lever and particular action plans to its GHG emission reduction targets at the detailed level of individual Scopes (1 and 2).

The Group continuously works on increasing the efficiency of its own operations by consolidating current workspaces and adapting to the more flexible working regime of its employees. In 2024, the Group initiated the construction of its new headquarters in Prague, which will contribute to emission reductions from its own operations. Initiatives such as the launch of its first photovoltaic power plant in Prague, the ongoing installation of smart meters, and increasing the share of renewable energy through biomass and biomethane certificates are actively contributing to the reduction of the Group's carbon footprint. In 2024, a pilot purchase of biomass and biomethane certificates covered 13,450 MWh, accounting for approximately 50% of heat and gas consumption, contributing to a more balanced energy mix, with more details described in chapter E1-6. Electricity consumption is fully covered by certificates of origin from renewable sources, bringing the share of renewable energy across the Group to almost 69%.

The targets were set and derived from the Erste Group Bank targets, which conducts ongoing dialogue with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in Erste Group's and the Group target setting process.

As of 31 December 2024, the reduction in emissions from the Group's own operations, measured using a market-based approach was 86%. Therefore, the Group achieved its goal in 2024.

Electric Car Fleet Target

The Group has set a target to transform its corporate car fleet to be fully electric by 2030, with a medium-term target of 25% in 2025. In addition, to achieve this target, the Group has set a ramp-up curve for the introduction of electromobility in each of the following years. This target is being actively supported through the implementation of the Car Policy.

The ratio of fully electric cars as of 31 December 2024 was 20%.

The target of 100% electric vehicles by 2030, with an intermediate goal of 25% by 2025, is on track through the implementation of action plans, including expanding the electric vehicle fleet to 142 cars in 2024 and expanding the charging network. In 2024, the Group significantly expanded its charging network and achieved a fully electric or hybrid internal rental car fleet, further supporting the transition. Furthermore, the internal rental car fleet is 100% covered by electric cars or plug-in hybrid cars.

Own operations targets

	Metric	Baseline Year	Value	Actual Year	Value	Targets			
						Short-term		Mid-term	
						Year	Target	Year	Target
Total Scope 1 + Scope 2 emissions[30]	% reduction of tCO_2e	2017	-	**2024**	**86%**	2025	-	2030	80%
Electric car fleet	% of e-cars in total carfleet	-	-	**2024**	**20%**	2025	25%	2030	100%

Metrics development and its comparison to the set targets will be regularly monitored and presented to management, including the Board of Directors.

E1-5 – Energy Consumption and Mix

The Group uses the UL360 software programme from UL Solutions to gather energy consumption data. This programme is as well used across the Erste Group. Energy consumption at approximately 1,370 business locations (including ATMs) is individually recorded and evaluated. Annual electricity and heating consumption values in MWh are collected at the individual address level, broken down by the source of electricity and heating type, to enable the total energy consumption to be split into fossil, nuclear and renewable sources. As proof, documents such as supplier invoices or certificates of origin are recorded in the system (invoices are marked as "billed" in the UL360 system). The split between energy from fossil, nuclear, and renewable sources is done directly in the UL360 system following this logic:

– Consumption from 100% renewable sources (e.g. purchased green electricity as defined in the contract with the energy supplier or gas/district heating consumption supply as defined in the contract and covered by certificates) is automatically allocated to "renewables";
– The same applies to energy sources that are 100% from fossil sources (e.g. oil for heating or diesel for emergency generators), which are automatically allocated to "fossil".

The values are not validated by an external body.

Measurement uncertainty can result from the fact that the collection of energy consumption is not linked directly to the meters installed at office or branch locations. For most of the locations, data has to be extrapolated because invoices are received after the reporting deadline or to account for different cut-off periods.

For those locations where consumption values supported by a supplier invoice were unavailable, average consumption is automatically applied and calculated for the individual location based on expert judgement, applying historical energy consumption development and taking into account the net floor area, considering a national average split of energy sources into fossil, nuclear, and renewables.

(30) Total Scope 1 and Scope 2 emissions include REICO investiční společnost České spořitelny, a.s. 2024 emissions. The company was sold on 20 December 2024 outside of the Group.

Energy consumption mix

in MWh	2024
Total fossil energy consumption	18,545
Share of fossil sources in total energy consumption (%)	**32%**
Consumption from nuclear sources	0
Share of consumption from nuclear sources in total energy consumption (%)	0%
Total energy consumption from renewable sources disaggregated by:	**39,617**
-fuel consumption for renewable sources[31]	0
-consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	39,617
-consumption of self-generated non-fuel renewable energy	0
Share of renewable sources in total energy consumption (%)	**68%**
Total energy consumption	**58,162**

The total energy consumption in 2024 amounts to 58,162 MWh with the share of energy from renewable sources of 68,1%.

E1-6 – Gross Scopes 1, 2, 3 and Total GHG Emissions

The three scopes defined by the GHG Protocol are as follows:

- Scope 1: Direct GHG emissions that occur from sources owned or controlled by the reporting company – i.e. fuel combustion in stationary combustion devices, vehicle fuel combustion, and emissions from refrigerant leaks from air conditioning units;
- Scope 2: Indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company. Scope 2 emissions physically occur at the facility where the electricity, steam, heating, or cooling is generated;
- Scope 3: All other indirect GHG emissions (not included in Scope 2) that occur in the value chain of the reporting company. Scope 3 can be broken down into upstream emissions that occur in the supply chain (for example, from the production or extraction of purchased materials) and downstream emissions that occur as a consequence of using the organisation's products or services. The Group reports only Scope 3 Category 13 – Downstream leased assets emissions and Scope 3 Category 15 – Investments emissions, as these are the most relevant for the Group. The remaining Scope 3 categories are not currently prioritized due to their lower relevance to the Group's activities.

The values are not validated by any external body other than the assurance provider.

Carbon Accounting (Carbon Footprint/Emissions Calculations) Methodology

The Group uses the GHG Protocol Accounting and Reporting Standard, the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, and the Global GHG Accounting and Reporting Standard for the Financial Industry, Part A Financed Emissions to estimate its Gross Scopes 1, 2, 3, and Total GHG emissions. The Group refers to these standards collectively as the GHG Protocol. On occasion, the Group only refers to the Global GHG Accounting and Reporting Standard for the Financial Industry, Part A Financed Emissions and uses the PCAF standard abbreviation. Presently, the Group is only reporting GHG emissions it generates, i.e. emissions financed and emitted as defined by the PCAF standard. The Group is not measuring or reporting avoided emissions from its loans, nor does it measure or report on emission removals in its own operations or value chain, including removals from projects in the value chain where the Group may have contributed to such projects.

The Group has not implemented the Global GHG Accounting and Reporting Standard for the Financial Industry, Part B Facilitated Emissions for measuring and reporting GHG emissions associated with capital market issuances for capital market activities, since the Group's activities in this area are not material and are not the primary focus of its operations.

The organisational scope for reporting emissions aligns with the consolidation perimeter described in chapter ESRS 2. Additionally, it includes REICO investiční společnost České spořitelny a.s., which was sold on 20 December 2024, but for which Scope 1 and Scope 2 annual emissions are still reported, as it was part of the Group's consolidation perimeter for most of the year.

The Group has set the operational boundary to include leased assets such as vehicles and buildings in the

(31) incl. biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renew. sources

emissions inventory because they are assets that it controls and operates (operational control approach).

The Group uses the UL360 software programme from UL Solutions to gather Scope 1 and Scope 2 environmental data. The energy consumption of all the Group's business locations is collected and recorded separately. Scope 2 emissions are calculated using a location-based and a market-based method. In the case of the location-based method, grid factors were used to calculate the emissions. In the case of the market-based evaluation approach, the Group considered its actual energy composition based on its own procurement strategy.

The Group is not able to obtain specific emission factors for purchased district heating and therefore uses the same grid emission factor in both market-based and location-based approaches. Therefore, for the market-based approach, the Group uses a specific emission factor of 0 for electricity, biomass, and biomethane purchased certificates, as defined by the GHG Protocol.

For conversion to greenhouse gas equivalents (CO_2e), UL360 uses emission factors from DBEIS 2024 (UK Department for Business, Energy & Industrial Strategy) and the IEA 2024 (International Energy Agency). These factors are applied as they are used across the whole Erste Group Bank.

The Group has been purchasing certificates of origin for all electricity consumption since 2023. In 2024, the Group purchased certificates of origin for 28,813 MWh for a reported total of 26,750 MWh of purchased electricity.

In 2024, the Group began purchasing certificates for biomass and biomethane to partially cover its gas and heating consumption under a pilot project. The Group purchased 13,450 MWh of these certificates for a reported total gas and heating consumption of 12,722 MWh.

The Group ensures certificates of origin for its electricity consumption based on contracts throughout the year for its own buildings and buildings where it holds a head lease. These certificates are valid for the year of purchase, covering both the Group's electricity consumption and that of its lessees, which are third parties and subsidiaries. However, the certificates are purchased and funded by the Bank and thus cover more than its electricity consumption. This is because the lessee share is determined in arrears. Certificates are delivered in arrears, i.e. after the end of the year. The data above includes contracted certificate numbers regardless of the time of delivery. All certificates are cancelled once delivered, with effect as of the calendar year-end for which they are valid.

For CO_2 equivalents (CO_2e), which are the sum of all greenhouse gas emissions, i.e. carbon dioxide, methane and nitrogen oxide, the Group uses the following values of Global Warming Potential to convert to CO_2 equivalents: $CO_2 = 1$; CH_4 (fossil) $= 82.5$; $N_2O = 273$. In the course of the Gross Scope 1, 2, and 3 emission calculations, the Group needs to make judgements, e.g. on what constitutes an emission inventory (identifying sources of emissions), what input data (such as activities and emission factors) to use for the calculation and what calculation methods to apply. Therefore, the Gross Scope 1, 2, and 3 emission calculations are subject to inherent uncertainty because they are in effect estimates formed using judgements based on the latest available and reliable information.

The table below shows overall Gross Scopes 1, 2, and 3 and Total GHG emissions.

Total GHG emissions

in tCO_2eq	Base year[32]	Base year	2024
Scope 1 GHG emissions			
Gross Scope 1 GHG emissions (tCO_2eq)	2017	3,587	1,991
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)		-	-
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emissions (tCO_2eq)	2017	50,742	15,986
Gross market-based Scope 2 GHG emissions (tCO_2eq)	2017	23,950	1,919
Significant scope 3 GHG emissions			
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)		6,578,860	8,260,009
Purchased goods and services		-	-
Capital goods		-	-
Fuel and energy-related activities		-	-
Upstream transportation and distribution		-	-
Waste generated in operations		-	-
Business travels		-	-
Employee commuting		-	-
Downstream leased assets	2022	22,089	20,998
Investments	2022	6,556,771	8,239,011
Total GHG emissions (location-based) (tCO_2eq)		**6,633,189**	**8,277,986**
Total GHG emissions (market-based) (tCO_2eq)		**6,606,397**	**8,263,919**

GHG intensity per net revenue

in tCO_2eq/CZK million	2024
Total GHG emissions (location-based) per net revenue	69.6
Total GHG emissions (market-based) per net revenue	69.4

Net Revenue

Net Revenue is equivalent to the term Net Turnover. When comparing the definition of Net Turnover in Article 2(5) of the Accounting Directive (2013/34/EU) and Articles 28(B) and 43(2)(c) of the Banking Directive (86/635/EEC) with the Finstat structure of the Consolidated Income Statement, the following income statement items are considered relevant:

- Net Interest Income Including Other Similar [Interest] Income;
- Net Fee and Commission Income;
- Dividend Income;
- Net Trading Result;
- Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss;
- Other Operating Result;
- Gains/losses from financial instruments measured at fair value through profit or loss; and
- Rental Income from Investment Properties & Other Operating Leases.

The table below shows the reconciliation of Net Revenue used for the GHG intensity calculation to the amounts in the Consolidated Income Statement.

(32) Base year for Scope 1 and 2 is related to the Bank only.

Reconciliation of net revenue

in CZK million	2024
Interest income	90,771
Other similar income	9,747
Fee and commission income	14,350
Dividend income	59
Net trading result	3,413
Gains/losses from financial instruments measured at fair value through profit or loss	(48)
Net result from equity method investments	241
Rental income from operating leases	232
Other operating result	247
Total net revenue (in financial statements)	**119,012**
Expenses	(87,172)
Pre-tax result from continuing operations	**31,840**

Adjusted GHG Intensity per Net Revenue

The Group also calculated GHG intensity per net revenues related to the Group's individual assets included in the total GHG emission calculation and recognized on the balance sheet as of the reporting date, 31 December 2024. Revenues related to assets not included in the GHG emissions calculation or derecognized during the reporting period are excluded from the calculation. Net revenues include rental income as of 31 December 2024, according to the Consolidated Financial Statements and amount to CZK 36,538 million.

in tCO_2eq/CZK million	2024
Total GHG emissions (location-based) per net revenue	226.6
Total GHG emissions (market-based) per net revenue	226.2

Financed Emissions

PCAF requires that financial institutions include Scope 1 and Scope 2 emissions of borrowers across all sectors in their Financed Emissions calculations. The inclusion of Scope 3 emissions of borrowers and investees is required in line with a staggered timeline for certain economic sectors from 2021 and for all sectors from 2025 onwards. The Group uses NACE codes to define sectors.

The Group has implemented financed emissions calculations for the following PCAF asset classes:

- Commercial Real Estate and Mortgage (Residential);
- Project Finance;
- Business Loans;
- Corporate Bonds (Listed equity is excluded).

The PCAF asset class specifies the following:

- Which GHG emission scopes of investees and borrowers should be included in the Financed Emissions Calculation;
- The attribution factor, which is the proportional share of the GHG emissions of the borrower/investee;
- How the data quality score is calculated.

The Group uses a product mapping table to allocate all loans to the PCAF asset class and therefore to the financed emissions calculation module.

The emissions from loans and equity investments (without operational or financial control) are reported under Scope 3 Category 15 (Investments) emissions, as defined by the GHG Protocol. The Group refers to Scope 3 Category 15 (Investments) emissions in line with the PCAF standard as Financed Emissions. Only loans are included in the Financed Emissions calculations. Equity investments are currently not included in the Financed Emissions.

Scope 3.13 emissions are calculated using the same methodology as for category 15 and is separately shown as a sub-item in the table below, which shows Scope 3 Financed Emissions per individual sub-portfolio.

Overview of the methodology of financed emissions

PCAF asset class/ calculation module	Loans	Attribution factor	GHG emission scopes included in the Financed Emissions calculations	Alternative activity data used when direct measurement of GHG emissions from borrowers is not available	Emission factors used for activity data
Commercial real estate and Mortgage modules	All loans secured by Commercial Real Estate and Residential Real Estate	Outstanding loan amount/property value at origination With updates on loan modification	Absolute Scope 1 emissions related to the energy use of financed buildings during their operation	Building surface value Primary energy demand (per m2) EPC label Year of construction as proxy for EPC label	Energy (emission) conversion factors are based on energy mix in the Czech Republic and emission intensities per energy source
Project finance	Loans with known use of proceeds, projects in construction phase	Outstanding loan/ Total equity and debt of the project, with equity set to 0 when negative	Scope 1 and 2 and 3 project emissions Renewable projects (wind, solar, hydro, geothermal) have 0 emissions	Asset approach (based on physical activity data) when the revenue data for borrower a are not available	Emission factor of construction industry per PCAF database
Business loans and corporate bonds	All loans with unknown use of proceeds	Outstanding loan/ Total equity and debt of the project, with equity set to 0 when negative	Scope 1 and 2 and 3 counterparty emissions	The Physical activity-based approach cannot currently be used due to the unavailability of necessary data Economic approach - both revenue and asset approaches are used Asset approach is only used when turnover of balance sheet date is not available	PCAF Database Both emission factor per revenue and per unit of exposure expressed in EUR

Financed Emissions

	Credit exposure	Credit exposure covered by emissions calculation	Financed emissions, thousand tCO_2e		Emission intensity	Weighted data quality (high=1; low=5)		Weighted Average Carbon Intensity	
	CZK million	CZK million	Scope 1 + Scope 2	Scope 3	tCO_2e/ CZK million	Scope 1 + 2 + 3	Scope 3	Scope 1+2	Scope 3
2024									
per PCAF asset class									
Corporate bonds		13,289	107	66	13	3	3	608	378
Business loans		353,861	2,247	4,406	19	4	4	184	362
Project finance		10,943	77	151	21	4	4	483	949
Mortgages		474,749	1,095	-	2	4	-	-	-
Commercial real estate		89,594	112	-	1	3	-	-	-
Total	**2,280,272**	**942,436**	**3,637**	**4,623**	**9**	**4**	**4**	**202**	**385**
per sector									
Natural resources & commodities	75,052	55,603	679	802	27	4	4	357	499
Energy	64,032	37,721	1,031	594	43	3	3	1,251	723
Construction	70,571	26,457	177	462	24	4	4	126	337
Automotive	41,008	33,724	81	419	15	3	3	107	566
Cyclical consumer goods	43,077	28,247	91	256	12	4	4	64	190
Non-cyclical consumer goods	46,258	33,158	129	814	28	4	4	65	430
Machinery	32,297	17,480	48	273	18	4	4	62	357
Transportation	43,763	26,572	94	412	19	4	4	93	409
TMT	25,793	15,847	30	151	11	4	4	38	194
Healthcare & Services	26,127	19,908	42	120	8	4	4	61	197
Hotels and Leisure	25,723	19,353	47	134	9	4	4	61	216
Real estate	129,271	111,843	204	77	3	4	5	116	90
Public sector	867,916	1	-	-	18	5	5	50	336
Financial institutions	89,360	13,413	5	10	1	4	4	38	82
Private customers	700,022	503,109	981	99	2	4	5	15	88
Other sectors	1	1	-	-	16	5	5	43	326
Total	**2,280,272**	**942,436**	**3,637**	**4,623**	**9**	**4**	**4**	**202**	**385**
of which category 13 (Downstream Leased Assets)		**1,455**	**6**	**15**	**14**	**4**	**4**		
according to risk countries									
Czech Republic		901,761	3,475	4,281	9	4	4	204	383
Luxembourg		4,045	70	56	31	2	2	1,073	858
Poland		2,361	16	45	26	4	4	78	225
Germany		4,756	14	47	13	3	3	145	541
Slovakia		8,606	23	36	7	3	3	116	190
France		2,228	2	35	17	2	3	57	1,069
Spain		2,192	4	33	17	2	3	73	573
Austria		1,100	9	21	27	3	2	269	672
Romania		307	1	21	71	4	4	50	1,115
Hungary		891	4	10	16	4	4	79	208
Remaining Countries		14,190	18	38	4	4	4	70	165
Total	**2,280,272**	**942,436**	**3,637**	**4,623**	**9**	**4**	**4**	**202**	**385**

For setting decarbonisation targets, the Group uses definitions of sectors that correspond to those used by external organisations that develop the relevant Net-Zero scenarios for sectors, such as IEA and PACTA.

The Group is not able to calculate financed emissions for all assets/sub-portfolios in the portfolio. Share of the portfolio for which the Group calculated Financed Emissions is reported in table below.

Share of the loan portfolio covered by Financed Emissions calculations

	Credit exposure	Covered by financed emissions		Not covered by financed emissions	
in CZK milion			**%**		**%**
Off-balance sheet exposures and derivatives HfT	283,009	-	0%	283,009	100%
Central banks	440,098	-	0%	440,098	100%
Central governments	415,050	389,506	93.8%	25,545	6.2%
Credit institutions	42,212	-	0%	42,212	100%
Other financial corporations	43,765	39,277	89.7%	4,487	10.3%
Non-financial corporations	396,419	393,738	99.3%	2,681	0.7%
Households	659,719	509,401	77.2%	150,318	22.8%
Total year 2024	**2,280,272**	**1,331,922**	**58.4%**	**948,350**	**41.6%**

Sovereign Emissions

The decision to report sovereign emissions separately from other financed emissions is driven by the fact that sovereign Scope 1 emissions include the entire production of a country, leading to double counting of financed emissions. Additionally, it is important to note that sovereign emissions will decarbonise automatically when the respective country decarbonises. For the calculation of sovereign emissions, the Group applies the PCAF Database as of March 2024. The database provides mainly 2021 and partially 2020 figures, expressed in USD million. For the calculation of sovereign emissions, the Group converted the emission factor to the USD using the USD/EUR FX rate of the respective emission factor year.

The Group plans to include other financial assets in the financed emissions calculations. It will first include sub-portfolios for which the PCAF standard already exists and then other sub-portfolios in line with the expected extensions of the Global GHG Accounting and Reporting Standard.

	Credit exposure covered by emissions calculation in CZK million	Financed emissions thousand tCO_2e		Emission intensity tCO_2e/CZK million		Weighted data quality (high=1; low=5)**
Country		**Scope 1 incl. LULUCF***	**Scope 1 excl. LULUCF***	**Scope 1 incl. LULUCF***	**Scope 1 excl. LULUCF***	
Czech Republic	366,058	4,352	4,065	12	11	1
Remaining Countries	23,434	285	276	12	12	2
Total	**389,492**	**4,637**	**4,342**	**12**	**11**	**1**

* Land use, land change and forestry (LULUCF)

** No change between incl. & excl LULUCF

Biodiversity and Ecosystems

In accordance with ESRS E4, this chapter focuses on the Group's impact on biodiversity and ecosystems. Biodiversity, or biological diversity, can be understood as the variety of life and refers, quite simply, to the uniqueness of all living things. Recognizing the intrinsic value of natural habitats and the services they provide, the Group is committed to assessing and disclosing its ecological footprint, as well as its efforts to preserve and enhance biodiversity.

Biodiversity loss refers to the extinction of species and the depletion of genetic variations, which can have a far-reaching impact on the food chain and the dynamics of ecosystems, based on which human beings thrive. According to ESRS E4, there are five impact drivers of biodiversity loss: land-use change (e.g. soil sealing), freshwater-change and sea-use change, direct exploitation such as hunting and over-fishing, climate change, pollution, and invasive alien species.

SBM-3 – E4 Biodiversity and Ecosystems

Sustainability Matter	Type of IRO	IRO Description	Value chain	Time horizon
E4-Soil sealing	Negative impact	Financing real estate, public infrastructure and investments in factories converting natural habitats can significantly reduce species populations. The Group's investment in large monoculture agricultural companies may also negatively impact biodiversity.	Portfolio	All time horizons

Soil Sealing

The relationship between biodiversity and financial institutions is indirect. The Group finances companies that are at least partly dependent on ecosystem services for the production of their goods and services and companies whose business activities have potential negative impacts on biodiversity loss drivers. Soil sealing has been identified in the double materiality assessment as a negative impact on biodiversity originating from the Group's portfolio activities, in particular the financing of real estate projects and public infrastructure that seal land. Soil sealing contributes to increased flooding risk, exacerbates climate change, and can lead to potential health issues due to reduced air and water quality.

The Group has no material sites (own premises) located in or near biodiversity sensitive areas, and no material impacts were identified related to its own operations affecting any biodiversity-sensitive areas. Furthermore, the Group does not have any operations that affect threatened species.

E4-1 – Transition Plan and Consideration of Biodiversity and Ecosystems in Strategy and Business Model

Business Environment

A resilience analysis was conducted by Erste Group Bank for its core markets, including the Czech Republic.

This analysis focused on climate change as one of the key drivers of biodiversity loss. An analysis of the operating environment was conducted to assess the resilience of the business model to risks resulting from the necessary transition to a lower carbon economy. Within this framework, biodiversity loss is categorised under other-environmental risks.

As part of the resilience analysis, both physical and transitional risks are tracked and analysed. The analysis includes an assessment of individual countries where Erste Group Bank operates, along with the systemic risks associated with these countries and the respective industries. The Group's own operations and upstream value chain do not have a material impact on biodiversity and are therefore not considered further. In accordance with regulatory guidance, the assessment covers short-, medium-, and long-term horizons. The time horizons which were used for the assessment of the business environment and resilience are as follows:

- Short-term: 0-1 years
- Medium-term: 1-5 years
- Long-term: more than 5 years (up to 2050)

Currently, systematic external stakeholder involvement in the analysis has not yet been established. However, an ongoing dialogue is maintained with relevant stakeholders, such as supervisory and regulatory authorities, investors, analysts, and rating agencies, as well as academic and environmental institutions and NGOs.

Internal stakeholders were asked to provide information to contribute to the analysis of business model resilience.

Results of the Resilience Analysis

The evaluation for the resilience analysis was carried out in a holistic and qualitative manner. The primary goal was to illustrate how the business model of Erste Group Bank, including its core markets, could be influenced by various climate and environmental risk factors. The Group did not identify any significant threats to its business model or strategy when considering biodiversity- and ecosystems-related physical, transition, or systemic risks.

Further details regarding the resilience analysis can be found in the chapter Climate Change, section SBM-3 – E1 Climate Change.

In the transition to clean energy sources, significant challenges arise from inadequate planning processes that often override biodiversity considerations. This underscores the need for strengthened safeguards, including the meaningful enforcement of environmental legislation and a better application of the "do no significant harm" principle of the EU Taxonomy. Such measures are essential to prevent these practices and ensure that the transition to clean energy does not come at the expense of biodiversity.

Additionally, the Group's business activities are dependent on the political landscape in the Czech Republic and the country's future approach to biodiversity. The Group acknowledges that both EU and local regulations play a significant role in influencing its business environment.

At the project level, public concern about the loss of biodiversity should be recognized as an important business risk. A timely response to this concern is a key factor in ensuring that projects are executed without problems or delays. A company known for effectively preventing and mitigating biodiversity impacts at project sites, having robust management systems and policies that address biodiversity considerations, and making positive contributions to conservation, enhances its ability over time to develop a reputation as a strong performer. This, in turn, attracts loyal customers and employees and enhances its brand image.

Real estate plays a significant role in biodiversity loss, particularly through soil sealing, changes in land use, and contributions to pollution and climate change. Continued land-use change or soil sealing implies that investments in large buildings (e.g., greenfield retail parks or logistics facilities) must be carefully considered. These considerations should take into account not only financial aspects but also the impact on biodiversity and potential reputational risks.

Strategy and Business Model

The Group is assessing its strategy and business model on an ongoing basis. It recognizes the importance of stakeholder input, including perspectives on biodiversity and ecosystems, in shaping its approach to new products, services, and risk identification. The Group further plans to incorporate biodiversity aspects more comprehensively into its strategy and policies within the next three years. This enhanced approach will also include the development and implementation of stakeholder engagement.

E4-2 – Policies Related to Biodiversity and Ecosystems

Soil Sealing

The Responsible Financing Policy establishes principles for financing corporates across a broad range of areas, with biodiversity being one of them. In addition to other areas falling under biodiversity, the Policy also addresses deforestation and agricultural practices. The Policy addresses providing financing to agricultural companies that may also negatively impact biodiversity. The full scope of the Policy, including other areas of concern, is described in more detail in chapter E1-2. In this part of the Consolidated Sustainability Statement, the focus is on the Policy's application to the sustainability matter related to biodiversity and ecosystems, specifically to the sub-topic of soil sealing. The Responsible Financing Policy sets out exclusion criteria for specified economic activities that have harmful socio-environmental effects and are therefore excluded from the finance and banking services provided by the Bank. As a result of the double materiality assessment, the Bank has broadened the scope of the Policy and implemented exclusion criteria regarding activities and construction projects in protected areas to reflect the identified negative impact related to soil sealing. The Responsible Financing Policy focuses on the financing business for large corporate clients of the Bank.

The Head of Business Tribes is responsible for the implementation of the Policy, the principles of which are reviewed at least annually, while the Policy itself must be reviewed biannually. The Policy is subject to approval by the member of the Board of Directors responsible for Corporates and Markets. The Responsible Financing Policy is available to all employees on the Intranet. The Policy includes exclusion criteria for UNESCO World Heritage Sites, wetlands of international importance on the Ramsar List, and IUCN-listed protected areas (Category I and II areas, or Natura 2000 sites). The Policy does not explicitly address the social consequences of biodiversity and ecosystems-related impacts.

The Policy currently applies only to the Bank and is planned to be rolled out to its subsidiaries that provide corporate lending in 2025.

E4-3 – Actions and Resources Related to Biodiversity and Ecosystems

Acknowledging the critical importance of biodiversity and ecosystems, the Group is dedicated to thoroughly addressing the negative impact of soil sealing. As this is a newly identified sustainability matter highlighted during the double materiality assessment in 2024, specific action plans have not yet been established. However, this assessment will serve as the basis for defining specific actions to measure progress within the next three years.

E4-4 – Targets Related to Biodiversity and Ecosystems

The Group is dedicated to integrating targets to reduce negative impacts on biodiversity and ecosystems into its strategic framework. While specific targets have not yet been established, the material impact was highlighted during the double materiality assessment conducted in 2024 and will be the basis for more comprehensive disclosures within the next three years.

E4-5 – Impact Metrics Related to Biodiversity and Ecosystems Change

Specific metrics related to the identified material impact of soil sealing in the Group's real estate portfolio have not yet been established. The Group does not consider metrics relating to its own operations to be relevant, as it has no material sites located in or near biodiversity-sensitive areas, and therefore such metrics are not disclosed. No material IROs were identified with regard to the Group's own operations and upstream value chain in relation to biodiversity and ecosystems change. As described in chapter ESRS 2, the Group has applied the transitional provision outlined in ESRS 1, section 10.2, pertaining to the value chain, and therefore does not disclose its metrics for the downstream value chain impacts.

Social Information

Own Workforce

In accordance with ESRS S1, this section focuses on the Group's impact on its own workforce. The Group is one of the largest employers in the Czech Republic and its ambition is to be a market leader in promoting fair and supportive workplace practices that go beyond the minimum legal standards required in the Czech Republic.

The Group's workforce consists of employees employed under various forms of labour contracts and non-employee workers. Operating predominantly in the Czech Republic, with a minor presence in Slovakia, the Group has identified no risks related to child labour, forced or compulsory labour, or human trafficking. Additionally, no marginalised or vulnerable groups of employees have been identified within the Group's workforce, and no conflicting interests have arisen among different worker groups. Engagement with the workforce remains seamless, with no identified barriers.

four key priorities: Leaders, Experience, Adaptability and Processes. However, while these impacts are deeply connected to the strategy, they are not directly tied to the Group's business model. For instance, employee-specific impacts related to diversity, adequate wages, health and safety, or training are general in nature and apply to many industries and business models.

The identified impacts apply only to the Group's own workforce. No material IROs have been identified for individual contractors, i.e. self-employed workers, or workers provided by third party undertakings. The Group has not identified any material negative impacts on its own workforce arising from transition plans for reducing negative environmental impacts and achieving greener and climate-neutral operations.

SBM-3 –S1 Own Workforce

The impact on employees is closely aligned with the Group's People and Culture strategy, which is built around

Sustainability Matter	Type of IRO	IRO Description	Value chain	Time horizon
S1-Work-life balance	Positive impact	Promoting the compatibility of career and family positively impacts the quality of life and satisfaction of employees.	Own operations	Short-term
S1-Health and safety	Positive impact	By promoting healthy lifestyle education and accessible preventative healthcare, the Group enhances employee well-being, reduces absenteeism, and boosts effectiveness and engagement.	Own operations	Short-term
S1-Gender equality and equal pay for work of equal value	Negative impact	Incorrectly set guidelines on gender equality and equal pay can lead to disparities in employee remuneration. Accepting an unbalanced approach may hinder professional development and reduce employee capital.	Own operations	Short-term
S1-Training and skills development	Positive impact	Training and further education enhance employee qualifications, boosting personal satisfaction and effectively preventing fraudulent behaviour.	Own operations	Short-term
	Opportunity	Training and further education can increase employee motivation, improve professional skills and qualifications and lead to greater employee loyalty and productivity over time.	Own operations	Medium- and long-term
S1-Diversity	Positive impact	The Group fosters an inclusive work environment where diverse backgrounds are respected, boosting morale, creativity, and decision-making. This diversity-friendly atmosphere enhances innovation, employee satisfaction, and retention.	Own operations	Short-term

Health & Safety and Work-Life balance

By prioritizing both physical and mental well-being, the Group continually enhances its health services to ensure timely access to medical support. Alongside comprehensive healthcare offerings, it also operates a health centre at its headquarters, further promoting employee well-being. By caring for its employees' physical and mental health, the Group ensures that they can work effectively and avoid health-related disruptions.

Overall, the Group's commitment to promoting a healthy work environment and ensuring fair working conditions is integral to its business strategy. The Group believes that ensuring timely health support for its employees leads to improved health and satisfaction, which, in turn, results in better business performance, reduced absenteeism, and higher engagement levels.

A work environment that fosters employee health and allows employees to achieve a sound work-life balance is essential for the Group´s attractiveness as an employer and for the commitment of its staff.

Gender Equality and Diversity

A work environment that fosters diversity and inclusion leads to higher employee satisfaction and positively impacts employee well-being and retention. In addition, diversity within the organisation enables the Group to leverage a wide variety of perspectives, approaches, and ideas in decision-making, resulting in more innovative solutions and better business outcomes.

The Group believes that successful human resources management encompasses effective diversity and inclusion management. The absence of such measures increases the potential for financial and operational risks arising from a loss of talent and qualified employees, as well as potential negative media coverage. The Group recognises that incorrectly set guidelines on gender equality and equal pay can lead to disparities in employee remuneration and is therefore committed to greater transparency and gender equality in remuneration.

This is closely connected to the Company's business strategy. By promoting diversity, the Group can better serve its diverse customer base, as its employees understand the needs of customers from different backgrounds.

Training and Skills Development

Training and further education enhance the professional qualifications of employees and lead to greater personal satisfaction with a positive impact on employees. The Group's primary focus is centred on providing employees with the best possible support for their ongoing development. It is committed to strategic workforce planning to enable more targeted recruitment and further development measures, as well as flexible skills development.

Talent development within the Group is guided by established leadership dimensions and supported by a structured succession planning process, ensuring a robust pipeline of future leaders and smooth management transitions. Training and further education create opportunities to increase employee motivation, improve their professional skills and qualifications, and lead to consistently greater employee loyalty and productivity.

S1-1 – Policies Related to Own Workforce

The Group adheres to the Constitution of the Czech Republic and the Czech Charter of Fundamental Rights and Freedoms, which prohibit discrimination based on gender, race, skin colour, language, faith, religion, political or other beliefs, national or social origin, membership in a national or ethnic minority, property, birth, or any other status. These fundamental principles also forbid forced labour and stipulate employees' right to fair remuneration for their work and satisfactory working conditions. This is reflected in internal guidelines and policies such as the Collective Agreement, the Code of Ethics, the Internal Labour Guideline, the Principles of the Remuneration Policy, the Diversity and Inclusion Policy, and the Physical Security Policy. Employees are required to familiarise themselves with the Code of Ethics and the AI Usage Code, which prohibit any discriminatory practices. New hires sign their compliance with the Code of Ethics during their onboarding process.

Legal requirements in the Czech Republic with respect to working conditions as defined in the Czech Labour Code (Act No. 262/2006 Coll. as amended) and all accessory laws and regulations, equal treatment and opportunities and other worker-related rights provide for a high level of protection of worker rights. The Group aims to provide additional protection and benefits over and above those required, which it incorporated into the targets it sets to reduce negative impacts and advance positive impacts on its workforce.

The Group's policies related to its own workforce do not explicitly address human trafficking, forced labour, compulsory labour or child labour. However, the Group operates in full compliance with the Czech Labour Code (Act No. 262/2006 Coll. as amended), which strictly prohibits such practices.

In the next two years, the Group plans to work on a due diligence process to assess the alignment of its internal human rights policies and the Bank's Collective Agreement with the requirements of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

In 2015, Erste Group Bank joined the UN Global Compact and committed to adherence to the UN Global Compact principles of ethical and ecological business conduct.

Health and Safety

The Group manages the topic of Health and Safety with a strong emphasis on complying with local regulations and legal requirements, without implementing a specific overarching policy. By prioritizing the physical and mental well-being of its employees, the Group aims to create a positive impact. It provides health services beyond legal requirements, offering preventive healthcare, timely access to medical care, and preventive medical checks. Additionally, employees have access to mental health support platforms and work-life balance initiatives. The Health Centre in Prague offers comprehensive medical support, including general practitioner consultations, telemedicine, and specialist care, with further details described in chapter S1-4.

Gender Equality and Equal Pay for Work of Equal Value

The Principles of the Remuneration Policy promotes equality and ensure equal pay for equal work, thereby creating a secure environment with standardised and adequate wages. The Policy supports equal professional development opportunities and aims to attract and retain competent and committed employees who perform their roles in the long-term interests of the Group, its customers, and its shareholders. It sets the standards, rules, and principles of the Group's remuneration system and remuneration strategy, which are designed to ensure competitive rewards, based on long-term sustainable performance. The Policy defines the remuneration system, including pay components, variable remuneration schemes, performance processes, job structures, salary benchmarking, and monetary and non-monetary rewards which are linked to the Group´s values and respective company strategies. The Policy provides transparency to employees regarding wages, ensuring all employees are aware of their remuneration band, which is mapped to third-party external Hays pay grades. The Group conducts annual benchmarking of its bands and pay grades against wage data published by Korn Ferry.

The Policy ensures equitable pay by fairly rewarding employees based on the value of their roles and ensuring parity for similar roles across the Group. A key opportunity arising from competitive compensation packages is the ability to attract and retain competent and committed employees while enhancing the Group's position and reputation among potential candidates. The associated risk of potentially losing talented employees is thus mitigated.

The Remuneration Committee is responsible for advising on, approving and monitoring remuneration-related policies and remuneration related topics. The Committee is composed of members of the Supervisory Board who do not perform executive functions within the institution. Members of the Committee must collectively possess adequate knowledge, skills and experience in remuneration policies and practices, risk management and control activities, as well as variable remuneration schemes, and the risks associated with them. The Committee takes into account the long-term interests of shareholders, investors and other stakeholders in the Group. The Remuneration Committee holds meetings at least twice a year and aligns remuneration strategies and practices across the Group.

The Policy applies to all employees within the Group. The Remuneration Committee is responsible for overseeing the implementation of the Policy to ensure it functions as intended. The Remuneration Committee operates under delegated authority from the Supervisory Board.

The Policy does not reference any third-party standards or initiatives and is available to all employees on the Intranet. It applies to the Bank and has been implemented in all its subsidiaries that have employees.

Training and Skills Development

The Bank's Suitability and Succession Policy outlines the process for assessing the suitability of individuals who are members of the Board of Directors, Supervisory Board, and their committees, as well as Key Function Holders. It also outlines the succession process for potential members of the Supervisory Board and Board of Directors. This Policy provides a structured framework for defining a diverse succession list of potential candidates for these boards while also monitoring and considering the gender balance targets specified in the Diversity and Inclusion Policy. The Board of Directors, in collaboration with the local People and Culture Department, evaluates respective managers based on performance and potential, using specified criteria outlined in the Policy. The results of these assessments form the basis for the pre-selection of potential successors and are discussed in upcoming succession talks.

The People and Culture Department is responsible for developing and regularly reviewing the succession process. It also initiates the annual succession process and provides instructions and documentation templates. The CEO, all members of the Board of Directors and the Supervisory Boards, People and Culture, and the Nomination Committee share responsibility for implementing the Policy.

Furthermore, the Policy implements the Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU (EBA/GL/2021/06), the EBA Guideline on Internal Governance under Directive 2013/36/EU (EBA/GL/2021/05), the Circular Letter on the Suitability of Members of the Management Board, Supervisory Board, and Key Function Holders, and the ECB Guide to Fit and Proper Assessments.

The Suitability and Succession Policy is available to all employees on the Intranet. The Policy is currently applicable only to the Bank with no plans for its implementation in its subsidiaries at this time, as succession planning in subsidiaries is addressed through Leaders' Sessions, with further details provided in chapter S1-4.

Comprehensive information regarding possibilities for training and skills development are available to all employees on the intranet but are not formalised in a standalone policy.

Diversity

The Bank's Diversity and Inclusion Policy is based on Erste Group Bank's Diversity and Inclusion Policy. It provides managers and employees with guiding principles and directions for effectively integrating diversity management into corporate culture and business practices. It describes roles and responsibilities and provides general guidelines for developing, implementing, and adjusting diversity and inclusion strategies and targets. Furthermore, the Policy mitigates the risk of poor practices concerning equality or cases of discrimination which pose reputational risks.

Promoting diversity within the Group fosters an open and inclusive corporate culture, positively impacting employee well-being. It also seeks to reduce the gender pay gap, enhance employee diversity, and promote an inclusive environment, ultimately enriching the workforce and enhancing creativity and productivity.

The People and Culture team is responsible for the monthly collection of diversity data, such as the share of underrepresented genders in management positions, age distribution, nationality, and levels of education. This data serves as a foundation for fostering an inclusive and diverse environment and guides the strategic focus on diversity and inclusion in collaboration with other internal stakeholders, including the Sustainability Office, Company Affairs, and the Brand Department. The interests of these key stakeholders are considered through ongoing collaboration and regular consultations, including quarterly Ethics Committee meetings involving teams such as People and Culture, Company Affairs, Compliance and Retail.

The Diversity and Inclusion Policy covers the own workforce, consumers, and end-users. The Chief Sustainability Officer (B-2) is the most senior-level executive accountable for its implementation. The Diversity and Inclusion Policy does not reference any third-party standards or initiatives and is available to all employees on the Intranet. The Policy is currently applicable only to the Bank with no plans for its implementation in the subsidiaries at this time.

S1-2 – Processes for Engaging with Own Workforce and Workers' Representatives About Impacts

The Group continuously monitors and enhances employee engagement to better understand their needs and refine initiatives across all relevant areas. Engagement effectiveness is ensured through a range of direct and indirect opportunities. Direct engagement includes a Group-wide employee satisfaction survey, conducted twice a year, providing valuable insights to drive ongoing improvements. Indirect engagement involves workers' representatives. Each organisational unit contributes to increasing employee engagement.

The Board of Directors is responsible for managing the organisation in a manner that serves the best interests of the Company, while also considering the interests of employees.

Direct Engagement

Včelín+

In 2024, the Group launched a brand-new platform Včelín+ along with other communities on the Viva Engage platform. This new social network provides a modern, simple, and intuitive space for all employees – enabling them to share ideas, ask questions, and celebrate joint successes. It serves as an informal hub for collective discussions, open communication, shared inspiration, and support.

Intranet

All important documents, including policies, news, and upcoming changes within the Group, are published and made available on the Intranet, where employees have the opportunity to comment on any particular post.

Intranet channels are regularly monitored by the Communication Department, and any posted suggestions or complaints are forwarded to the appropriate employees for resolution. Subsequently, actions or corrective steps can be taken once approved by management.

Spořka LIVE

The Bank's Board of Directors understands the importance of hearing the employees' voices and regularly organises meetings called Spořka LIVE, which are streamed online and available to all employees. During these meetings, the Board of Directors presents current news and important information from the Group, with a dedicated time for employees' Q&As.

Questions asked during Spořka LIVE are monitored by the Communication Department and assigned to responsible individuals for resolution. Based on these initiatives, the Board of Directors can decide to implement suggestions for improvements raised by employees, as well as changes in processes or remuneration benefits.

Employee Engagement Survey

The People and Culture Department conducts anonymous surveys twice a year to assess employee engagement and their opinions on working conditions. The Tribe Lead of People and Culture (B-1 manager) has operational responsibility for ensuring the engagement surveys are conducted and that the results inform the Group's approach to improving the employee experience.

The output of these surveys, such as the employee Net Promoter Score (eNPS) and the Group engagement index for individual departments, is analysed by the Group's management to inform their actions and evaluate the performance of top management.

The Group also monitors the development of engagement rates, satisfaction levels, survey participation levels and eNPS over time. Its managers and the People and Culture Department analyse specific individual comments and trends. The engagement survey is conducted for all employees and is confidential and voluntary. The Group does not analyse results based on demographic characteristics of employees, such as gender or disability. The results are also discussed with employee representatives.

In addition to the group-wide and organisational-level analysis, team leaders of all organisational units with more than five employees receive the eNPS results. These results are presented to the respective teams, which can subsequently set up action plans to increase satisfaction within their unit.

Indirect Engagement

The People and Culture Department is responsible for conducting collective bargaining and communicating with trade unions, as well as ensuring employee engagement. The Tribe Lead of People and Culture (B-1 manager) has operational responsibility for ensuring these activities are carried out effectively. The results of these efforts help shape the organisation's management approach, primarily in the areas of remuneration and benefits. As part of collective bargaining, regular meetings are held and concluded with a signed collective agreement. In addition to this, ad-hoc negotiations with trade unions on essential topics related to People and Culture, or on issues that unions must be informed about by law, take place throughout the year. Meetings with trade unions ensure that they are informed about all major activities that may have an impact on employees, which improves employee care and engagement.

The terms of the Bank's Collective Agreement also apply to employees of relevant subsidiaries within the Group that do not have a trade union or have not concluded their own collective agreement, through the use of holding norms.

Engagement with Employees on the Impacts of Transitioning to Greener Operations

The Group engages its employees in reducing carbon emissions. Mandatory web-based ESG training is available to all employees of the Group, regardless of their position, and its completion is monitored through the e-learning platform. Employees are provided with a fundamental understanding of the significance of ESG for the entire Group. The Group's activities in reducing carbon emissions and transitioning to greener and climate-neutral operations do not have any negative impact on employment creation. Additionally, the Group supports sustainable mobility among its employees by continuously electrifying the company carpool, with more information available in chapter E1-4.

S1-3 – Processes to Remediate Negative Impacts and Channels for Own Workforce to Raise Concerns

As part of its commitment to fostering a supportive and responsible work environment, the Group has

established comprehensive processes to remediate negative impacts and provide clear channels for its workforce to raise concerns.

The engagement opportunities for employees described in chapter S1-2 are effective procedures for identifying potential negative impacts on individuals within its own workforce and initiating remedial actions. For recurring questions that could suggest any negative impact on employees, the Board of Directors may decide to adopt action plans to mitigate its effects. One example of this, in 2024, was an improvement in the process of ordering multisport cards, aimed at enhancing employee health and safety.

Other channels for raising complaints within the Group include the whistleblowing channel, which addresses cases of unacceptable behaviour as defined in the Whistleblowing Policy, as well as employee representation bodies and the internal filing process with the Group's Ombudsman. More details regarding the whistleblowing process and the Internal Ombudsman are described in chapter G1-1.

Employees have access to a diverse range of communication channels, designed to meet various needs and preferences. Their usage and engagement are continuously monitored to ensure their effectiveness. Employees are informed about the availability of these channels for raising their concerns right from the beginning of their employment as part of the onboarding process and then continuously through direct campaigns. According to the Whistleblowing Policy, reports made through the whistleblower process are completely anonymous. This ensures that employees who raise concerns are protected from retaliation, as are those who submit complaints through the Internal Ombudsman, as described in chapter G1-1.

The Group may from time to time initiate restructuring of its business operations, which may result in mass layoffs, i.e. layoffs of more than 30 employees per calendar month. In such instances, the Group is bound by its legal requirements as stipulated in the Labour Code with respect to notification of the respective authorities and worker representatives and offers additional benefits to impacted employees based on the valid collective agreement. In addition, the Group offers an outplacement assistance package for affected employees. This includes basic legal and psychological support, practical advice regarding necessary steps towards public administration, and active assistance with securing new employment opportunities provided by other companies.

S1-4 – Taking Action on Material Impacts on Own Workforce, and Approaches to Managing Material Risks and Pursuing Material Opportunities Related to Own Workforce, and Effectiveness of Those Actions

The Group actively manages activities related to its own workforce, as it understands that satisfied and motivated employees, a safe and comfortable work environment, and fair conditions and opportunities for everyone enhance productivity, ultimately leading to more efficient operations and improved performance across the entire Group.

The Group has taken various actions to demonstrate its commitment and care for its workforce. These actions are undertaken to pursue identified opportunities, strengthen positive impacts and prevent, mitigate, or remedy negative impacts. Overall, the benefits of these actions include promoting a more diverse and inclusive workplace culture, improving work-life balance and employee satisfaction, increasing productivity and innovation, and reducing healthcare costs and emotional conflicts between family and career. The Group has not identified any material risks related to its own workforce.

Fostering talent management within the Group enhances its positive impacts by providing employees with growth and advancement opportunities, leading to the attraction of new talent, increased job satisfaction, and reduced turnover rates. Comprehensive training programmes, including those on respectful collaboration, promote an inclusive and respectful work environment. The Group also emphasises work-life balance and flexible working hours to help families balance career and personal life, encourage men to participate in childcare, and support women in their reintegration after maternity leave. Preventive health actions further enhance employee well-being, productivity, and satisfaction. Activities addressing the above-mentioned areas are described below.

The People and Culture Department monitors and follows trends in human resource management related to future skills, organisational design, leadership, and performance management concepts to further identify and adapt actions with positive impacts on employees. The Group plans to conduct a comprehensive quantitative assessment of the resources required to manage material impacts on its own workforce, as well as resources allocated to action plans. Implemented action plans are part of the Group operational or capital expenses disclosed, however the

Group does not report them separately. While at this time the Group does not anticipate significant additional OpEx or CapEx for the described measures, this remains subject to thorough evaluation.

Work-Life Balance

Increasing Flexibility of Working Time and Parental Leave

The Group has adopted a number of measures to allow working times to be flexible and accommodate employees' personal needs. Mindful of the high priority of this matter, the Group offers a wide range of family-friendly measures which are regularly reviewed and, when necessary, adjusted to meet the needs of employees. With family-friendly flexitime and work-from-home schemes, the Group enables its employees to balance their parental responsibilities and work commitments. Within each department, defined categories of flexi profiles are available for employees to choose from. In addition to remote work options, most employees benefit from flexible working hours, with core hours set from 9 a.m. to 2 p.m. This structure enables employees to adapt their working hours to better accommodate personal needs while ensuring operational efficiency and team collaboration. Furthermore, the "Flexi DNA" programme is currently in a pilot phase, aiming to provide a clear and comprehensive range of flexibility options for employees.

In addition, a company nursery has been set up for employees in Pardubice, where children are looked after by fully qualified teachers throughout the day. While the nursery operates on a paid basis, this cost is partially compensated through a monthly childcare allowance for parents returning to work, helping with childcare costs for children up to the age of five. The offer is further enhanced by parental leave beyond the scope of the law, which includes additional days off for pregnant women and single parents.

Employees in management positions (responsible for overseeing subordinates), as well as employees in roles such as Product Owner or Domain Lead, are eligible to take a three-month sabbatical, during which they are replaced by interim managers to ensure continuity. In 2024, nine managers utilised this opportunity, resuming their management positions upon their return.

Health and Safety

Preventive Healthcare & Health Centre

Preventive healthcare is a necessary aspect of promoting the overall health of employees and fostering a culture of well-being within the organisation, aimed at achieving a sustained impact. Issues addressed in preventive healthcare include, among others, lifestyle, work-life balance, mental health, stress prevention, and nutrition counselling. A multi-professional team of occupational physicians, psychologists, and physiotherapists assists the Group's employees in all matters of health and well-being. As part of the benefits, the Group has built a Health Centre at its Prague headquarters, offering general practitioner consultations, telemedicine, and specialised care. While located in Prague, the Health Centre is available to all employees across the Group and their families. The Health Centre was launched in November 2023.

The Centre is equipped with advanced technologies and offers a broad spectrum of health benefits by placing an emphasis on preventive medicine. Furthermore, the Health Centre provides support during medical and epidemiological emergencies, offering a platform for employee mass vaccinations against diseases, financed by the Group, and conducting a routine yearly flu vaccination. The medical services at the Health Centre extend even further, as it provides specialised facilities for various health needs. These include massage services by blind masseurs, physiotherapy, nutritional counselling, and optometry. Employees can also relax using a full-body massage chair during work hours, free of charge. Similar massage chairs are available at all major branches of the Bank. The Centre also offers various measurement devices, including InBody analysis, blood pressure measurement, and arrhythmia detection. This enables employees to regularly self-check their health and better understand the medical impact of their lifestyles.

This preventive healthcare programme, including the Health Centre, represents a long-term initiative designed to achieve a sustained impact.

Gender Equality and Equal Pay for Work of Equal Value

Re-Design of Working Positions and Remuneration Structure

In 2024, the Bank initiated a programme focused on revising and accurately defining the responsibilities of individual job positions while ensuring their appropriate integration into the remuneration system. The new framework ensures fair remuneration for all employees by properly comparing, evaluating, and aligning roles, regardless of gender. This programme encompasses all employees of the Bank, placing a strong emphasis on access to opportunities. It is closely linked to other internal processes, such as career path updates and better-targeted professional development opportunities. The aim of this programme is to enhance transparency regarding job descriptions and training opportunities for

employees, while also preventing and mitigating material negative impacts regarding the sustainability matter Gender Equality and Equal Pay for Work of Equal Value.

The programme started in 2024 at the Bank and will be finalised in 2025, at which point it is planned to be implemented in subsidiaries of the Bank that have employees.

Diversity Indexing

A standardised indexing process was carried out across the Bank to collect and analyse data on gender initiatives, with the goal of identifying key areas for action and developing effective measures to ensure a consistent approach. This contributes to the achievement of diversity and inclusion objectives by setting clear targets and measures to promote gender equality within the Bank, preventing and mitigating the material negative impact regarding the sustainability matter Gender Equality and Equal Pay for Work of Equal Value.

The data was collected from internal operations and analysed using standard criteria, such as status and dynamics (e.g. the proportion and age of women in all positions and at all levels), commitments (e.g. internal and external communication measures), and framework (e.g. measures and offers within the organisation), with a focus on the Bank's activities within the Czech Republic. The analysis considered local cultural factors, and stakeholders involved included employees and management engaged in gender and diversity programmes.

Data collection and analysis were completed in 2024, with the results communicated internally and target agreements, along with corresponding measures, defined. The implementation of these measures is expected to continue over the next two years, with periodic reviews and adjustments as necessary. This activity applies to the Bank, with no current plans for implementation in its subsidiaries due to the limited data availability from them at this stage.

Training and Skills Development

Talent Management and Talent Attraction

As a part of Erste Group Bank, the Group offers centrally managed Erste Group-wide learning programmes as well as personalised development offers specific to the Czech Republic. The training programmes cover areas such as corporates & markets, finance (including controlling, asset/liability management, and accounting), data excellence, and AI knowledge.

All courses and programmes are easily accessible and bookable through the internal system AMOS. Learning materials are continually updated to reflect changes in regulations and offer training in fields such as risk management, security, and compliance. The accessibility of learning offerings is constantly enhanced by the extensive implementation of digital learning formats.

Additionally, leadership development is a key focus within the Group's learning and development initiatives. The Group supports its leaders in developing their leadership potential and skills through coaching, mentoring, and customised programmes.

The coaching and mentoring programme features a pool of external senior executive coaches and mentors for high-level positions, primarily B-1 and some B-2, as well as a pool of approximately 30 internal coaches for other employees. This dual approach ensures that all levels of the Group receive tailored support and guidance. The external coaches and mentors bring extensive experience and expertise to help senior leaders navigate complex challenges, while internal coaches and mentors provide accessible and ongoing development opportunities for the broader workforce. This comprehensive coaching and mentoring framework fosters personal and professional growth, enhancing overall performance and driving organisational success.

At its core, the programme centres on one-on-one coaching and mentoring, where experienced professionals in the role of mentors share their insights with mentees in regular monthly meetings. Mentors come from a variety of industries and roles, providing a broad spectrum of perspectives that enrich the learning process. These sessions help mentees build a wide range of skills needed for long-term success. Alongside mentoring, participants also benefit from joint workshops and networking events.

Furthermore, building a Gallup Strengths-based organisation helps the Group increase engagement, productivity, and overall satisfaction among its employees. By focusing on individual strengths, the Group creates an environment where employees feel valued and empowered to contribute their best. So far, around 2,000 individuals have been trained on how to identify, recognise, and leverage their unique strengths. This training not only enhances personal development but also fosters a more collaborative and effective workplace.

The digital skills and AI adoption programme has reached over 8,000 employees in various forms, fostering an internal community that assists with specific use cases. This initiative has generated significant interest, as evidenced by a central webpage, which has recorded

over 80,000 visits. The high engagement reflects the strong commitment within the organisation to embrace digital transformation. This programme not only enhances digital proficiency but also drives innovation and efficiency across the organisation.

Development Talks

Across the Group, talent management is driven by constructive feedback, transparent and fair assessment of individual potential, and high-quality development programmes in partnership with leading international institutions. All employees are invited to an employee appraisal interview with their line managers to define goals for the current year and develop plans to support their further personal development. These interviews are initiated on a yearly basis.

Due to the operating changes, the Group currently does not have a formalised system for tracking the feedback process; however, a new system solution is planned to be implemented in 2025.

Leaders' Sessions

The Group has implemented a strategic initiative focused on transforming leadership practices and enhancing the development of its leaders through an annual evaluation leaders' session. The primary goal of this programme is to integrate the Group's core values into the daily routines of its leaders, ensuring their behaviour aligns with the values framework. By fostering this alignment, the Group aims to cultivate a cohesive company culture, where leadership behaviours set an example for teams and are gradually adopted across the entire organisation.

The programme includes all B-1 managers of the Bank, as well as executives of the Group's subsidiaries, and is structured to provide the Group with valuable insights into their performance in relation to the values framework. It identifies areas for targeted development and highlights leaders who are ready for further career opportunities, with tailored plans to support their advancement. Additionally, the sessions ensure that leadership roles are filled by those who meet the required behavioural standards or have a clear plan in place to reach them. In 2024, 180 B-1 managers and executives participated in the programme.

Diversity

Employer's Human Rights Ten Commandments

This action plan is designed to promote human rights, diversity, and inclusion in the workplace by fostering employer engagement, strengthening collaborative networks, and implementing education and awareness initiatives. The expected outcomes of this initiative include increasing awareness of human rights and diversity among employers and employees, strengthening the network of employers supporting human rights, ESG (Social and Governance), diversity, and inclusion, and actively engaging employers in fulfilling commitments through regular activities and meetings, ensuring a sustained impact over time.

The implementation of this initiative supports education and awareness in the field of human rights and diversity, strengthens cooperation between employers, government institutions, and other stakeholders, and ensures regular evaluation and reporting of activities, contributing to transparency and accountability.

Key activities consist of quarterly Steering Committee meetings to assess progress, the organisation of awareness webinars and conferences to support human rights, conducting educational activities and workshops across regions, and ensuring consistent communication referencing the Employer's Human Rights Ten Commandments through various channels. Additionally, efforts will focus on engaging other signatories, who are the key stakeholders.

Preparations for the initiative, including key planning activities, were completed in 2024. The Steering Committee was established, and the formal signing was completed in 2024. Implementation will commence in the following years and continue thereafter.

S1-5 – Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities

Diversity

The Bank is committed to making constant progress towards gender-balanced management at all levels. In order to achieve this objective, diversity targets have been implemented. These targets were set by the main stakeholder, Erste Group Bank, and subsequently incorporated as targets within the Bank.

The share of the underrepresented gender on the Board of Directors and the Supervisory Board of the Bank is to be 30% by 2028. The share is calculated as the ratio of the underrepresented gender (women) to the total number of members of the Board of Directors and the Supervisory Board.

The share of the underrepresented gender in B-1 level management at the Bank is to be 33% by 2028. The share is calculated as a ratio of the underrepresented gender (women) to the total number of B-1 level management positions.

Diversity and inclusion targets are included in the key performance indicators of the Board of Directors.

The Bank reviews its progress towards diversity targets during the Leaders' Sessions, held twice a year, using the insights gained to identify areas for improvement and refine strategies for achieving its objectives. These targets apply to the Bank only. No base year has been established for comparison, as the targets are based on achieving specific outcomes rather than relative improvements over a defined baseline.

Distribution of top management by gender in the Bank

	As of 31.12.2024			
	Supervisory Board and Board of Directors	%	B-1 Managers	%
Female	**4**	**27%**	**9**	**20%**
Male	11	73%	36	80%
Total number	**15**	**100%**	**45**	**100%**

The Bank is gradually approaching its set goal of increasing female representation in leadership. In 2024, women comprised 20% of the B-1 level and 27% at the Board of Directors and Supervisory Board level. Twice a year, the Bank conducts Leaders' Sessions focused on female representation, reviewing the number and readiness of candidates for advancement. Additionally, various development activities are conducted with talented women identified as successors. This evaluation highlights the progress and ongoing efforts in achieving the diversity goal.

Employee Net Promoter Score (eNPS)

The Group's policy, and also its aim, is to attract, employ and, retain a competent and committed workforce. Employee satisfaction is measured through the eNPS metric which is addressed by all action plans described in chapter S1-4 and therefore covers all material IROs, except for diversity, which is addressed through separate targets.

The eNPS is calculated based on answers to the question of whether it is probable that an employee would recommend the relevant Group entity as an employer to their friends, colleagues, or family members. There is a scale of possible answers ranging from 0 to 10 points. Those assigning scores in the range of 0–6 are classified as detractors, while those assigning either 9 or 10 points are classified as promoters. The remaining responses are deemed neutral, i.e. neither promoters nor detractors.

The eNPS score is calculated as the difference between the ratio of promoters and the ratio of detractors from all the responses (including neutral ones).

In general, eNPS ratio between 50% and 70% is considered excellent. The Group's permanent target is to continuously improve employee satisfaction, aiming to reach the upper end of this range and achieve an eNPS ratio of 70%. The Group regularly analyses eNPS feedback to identify areas for improvement, with managers communicating these results to their teams and implementing changes aimed at enhancing employee satisfaction. As this is a permanent target, no base year has been set, as the focus is on consistent, ongoing improvement rather than relative progress from a specific starting point.

The target is closely monitored by individual team leaders and the Group's management. The Group considers employee satisfaction a top priority and, therefore, sets its policies and executes the described action plans in a way that ensures the achievement and retention of the set target.

Data for eNPS is based on the employee survey conducted in November of the respective year.

Employee Net Promoter Score

	2024
Employee Net Promoter Score (eNPS)	57%

The result of the survey shows that continuous engagement with employee feedback and the

determination of action steps for improvement contribute to progress towards the target. The Group understands this as a process of continuous improvement.

S1-6 – Characteristics of the Undertaking's Employees

The Group has the following types of employees:

Employees

An employee is a natural person who has undertaken to perform work by concluding an employment contract with the Bank or its subsidiaries, in accordance with Section 6 of the Czech Labour Code. The individual is considered an employee from the date of employment until its termination, regardless of whether they work full-time or part-time.

Employees on maternity leave, employees on temporary unpaid leave (for various reasons, including performing a public function), expatriate workers (who have an employment contract with another entity within Erste Group Bank but work in the Bank), and employees whose salary is fully re-invoiced to another company within Erste Group Bank are not included, as the Group does not remunerate these employees and workers. Members of the Board of Directors, who work under the Agreement on the Performance of the Position of the Company's Director, are included in the employee headcount.

Permanent and Temporary Employees

Some of the Group's employees have so-called temporary contracts, which are fixed-term contracts (also referred to as limited contracts). In contrast, permanent contracts have no end date (also sometimes referred to as unlimited contracts). The grounds for dismissal and contract termination differ for these two types of contracts. The type of employment contract does not correlate to whether the employee is working full-time or part-time, as both temporary (limited) and permanent (unlimited) contracts can be either full-time or part-time, except for employees on specific types of employment.

Workers on specific types of employment contracts, such as a work performance agreement ("DPP") and a work activity agreement ("DPČ"), are considered temporary employees. These contracts are for a limited maximum number of hours and are subject to a specific tax, social, and health insurance regime.

Non-Guaranteed Hours Employees

The Group does not employ non-guaranteed hours employees.

Full-time Employees

An employee with a scheduled working time of 5 days per week, 8 hours per day, i.e. 40 hours per week.

The exception is a shift employee who is not scheduled to work 8 hours per day, but by law is considered a full-time employee if they work at least 37.5 hours per week.

Part-Time Employees

An employee who works fewer than 40 hours per week on average, for example, shift workers who work fewer than 37.5 hours per week.

Part-time employees include workers on specific types of employment contracts.

Full-time Employee Equivalent

The unit is obtained by comparing an employee's average number of hours worked to the average number of hours of a full-time employee. A full-time employee is therefore counted as one full-time equivalent (FTE), while a part-time worker receives a score in proportion to the hours they work. For example, a part-time employee working 20 hours a week, where full-time work consists of 40 hours, is counted as a half FTE.

All employees are considered to have guaranteed hours under their employment contracts. The average FTE for employees on specific types of employment contracts is calculated as 0.2 FTE per employee at the end of each month of the reporting period.

Top Management

The Group defines top management differently for the Bank and for the rest of its subsidiaries. For the Bank, top management includes members of the Bank's Board of Directors (also referred to as the Board or Management Board) and managers reporting directly to the Board of Directors, referred to by the Bank as B-1 (one level below the Board) managers. The Bank has a flat management structure that includes only three levels: the Board of Directors, B-1, and B-2. For this reason, the Board of Directors and B-1 levels are considered top management, while the B-2 level is considered middle management.

For the rest of the Group, top management includes only members of the respective Board of Directors and does not include the B-1 level.

The following tables show the employee characteristics of the Group's own workforce. All employees are employed in the Czech Republic.

All figures are reported at the end of the reporting period, with the exception of Table – Average distribution of employees in FTE, which refers to the average FTE, which presents the average of month-end figures for the period. The measurement of employee-related metrics is not subject to external validation beyond the assurance provider.

Employee headcount broken down by gender

	2024
	Number of employees (headcount)
Male	3,534
Female	6,743
Other	0
Not reported	0
Total number of employees	**10,277**

Own workforce headcount by contract type, broken down by gender

in headcount	2024				
	Female	Male	Other	Not disclosed	Total
Number of employees	6,743	3,534	0	0	**10,277**
Number of permanent employees	6,093	3,263	0	0	**9,356**
Number of temporary employees	650	271	0	0	**921**
Number of full-time employees	5,535	3,332	0	0	**8,867**
Number of part-time employees	1,208	202	0	0	**1,410**
Number of non-guaranteed hours employees	0	0	0	0	**0**

Average distribution of employees in FTE

	2024
	FTE
Female	6,263
Male	3,390
Total number of employees	**9,653**

The difference between total employee headcount and average FTE is mainly due to employees on specific types of employment contracts being calculated as 0.2 FTE per employee at the end of each month of the reporting period.

Information about average FTEs can be found in the financial statements Note 6 to the Group Consolidated Financial Statements 2024.

Employee turnover (including retirements)

	2024
New hires	**1,262**
Female	740
Male	522
Other	0
Not reported	0
Leavers	**1,418**
Female	902
Male	516
Other	0
Not reported	0
Turnover rate (%)	**14%**

The employee turnover rate in % is calculated as follows: the number of employees who left the Group (including retirements) during the reporting period (12 months) is divided by the average month-end headcount for the reporting period. The number of leavers does not include employees on parental leave, internal transfers within the Group, or departing trainees and interns. Leavers are reported in the period when their last working day occurred. Therefore, employees who had termination date on 31 December 2024 are counted as leavers even though they were still active on that day.

S1-9 – Diversity metrics

The following table shows the gender distribution of top management in the Group. For the B-1 level, gender distribution is provided only for the Bank, as the Bank's subsidiaries do not have a B-1 management level.

Distribution of top management headcount by gender

	2024			
	Board of Directors	%	B-1 Managers	%
Female	3	12%	9	20%
Male	23	88%	36	80%
Total number	**26**	**100%**	**45**	**100%**

If any person is a member of the Board of Directors of multiple entities of the Group, they are included in the headcount only once.

Distribution of employees by age

	2024	
	Number of employees	Share of employees
Under 30 years old	1,546	15%
Between 30 and 50 years old	6,091	59%
Over 50 years old	2,640	26%
Total employees	**10,277**	**100%**

S1-14 – Health and Safety Metrics

Occupational health and safety is regulated by the Labour Code and the Act Stipulating Further Requirements for Health and Safety at Work (Act No. 309/2006 Coll. as amended), as well as specific decrees issued by the State Labor Inspection Office. All employees regularly undergo occupational health and safety training as required by law. All employees are covered by the Group's internal occupational health and safety system, which is managed by the Department of Physical Security.

Sick Leave and Days Lost

Sick leave includes sick days provided by the Group and the sick leave itself, which is time off from work – paid by the employer, social security, or unpaid – due to the employee's sickness or disability (personal health issues). Sick leave is calculated as the sum of business working days from the first day of leave onwards.

Days lost due to work-related injuries, fatalities from work-related accidents, work-related ill health, and fatalities from ill health include the first full day and last day of absence. The Group discloses days lost using two calculation methods:

- Calendar days, where days on which the affected individual is not scheduled for work (such as weekends and public holidays) are included and count as days lost;
- Business days, where days on which the affected individual is not scheduled for work (such as weekends and public holidays) are not included as days lost.

The rate of work-related accidents is calculated as the respective number of cases divided by the total number of hours worked by employees in the workforce, multiplied by 1,000,000. This rate represents the number of respective cases per one million hours worked. A rate based on 1,000,000 hours worked indicates the number of work-related accidents per 500 full-time employees in the workforce over a one-year timeframe. The average sick leave days is calculated as sick leaves in total business days divided by the employee headcount.

Health and Safety

	2024
The number of cases of recordable work-related ill health	0
Number of recordable work-related accidents	105
Rate of recordable work-related accidents	5
Number of days lost to work-related injuries/ill health/fatalities	1,324
Sick leaves in total business days	108,395
Average Sick leave days	11
Percentage of employees covered by health and safety management system	100%

There were no fatalities in the Group's own workforce or other workers working on the undertaking's sites, such as value chain workers as a result of work-related injuries or work-related ill health in 2024.

The Group offers a benefit to its workforce of five days of fully paid sick leave without requiring medical certification for illness. This benefit is not available for employees on specific types of employment contracts.

The internal Occupational Health and Safety (BOZP) and Fire Protection systems are regularly audited by public bodies responsible for health and safety in the Czech Republic, namely Regional Labour Inspection Offices, Fire Protection Authorities, Regional Public Health Offices, Regional Environmental Inspection Offices and the Banking and Insurance Collective Bargaining Body (sectoral collective bargaining body for banking and insurance).

S1-16 – Remuneration Metrics (Pay Gap and Total Remuneration)

The Group established a methodology to analyse and monitor its gender pay gap. It aligns with transparent communication and coordinates efforts to mitigate potential negative impacts on the Group's workforce related to the gender pay gap within the Group. In 2024, the Bank received the Universal Fair Pay Analyst certificate. The analysis is carried out based on the organisation's internal data and provides the foundation for a precise determination of the further steps necessary to implement fair pay.

Gender Pay Gap

Unadjusted Pay Gap

The unadjusted gender pay gap shows the percentage difference between the average gross annualised remuneration for women and men.

The Group calculates the gender pay gap for its employees based on annualised, full-time equivalent measures, using the difference between average pay of all men and women across the Group and all job levels. The calculation covers all employees in scope where remuneration data was available through payroll systems. Six employees from one subsidiary, whose data is managed through a separate third-party system, are not included in the calculation.

Variable remuneration for performance in 2024 is based on the overall performance of the entity and the individual performance of each employee. Most of the variable remuneration will be granted in April 2025. For the 2024 pay gap calculation, an estimate of variable remuneration based on 2023 performance (granted in 2023 and 2024) had to be conducted to cover total compensation. For long-term incentive bonus schemes, the granted variable remuneration is reported, regardless of whether it is paid out in the reporting year or in the future.

Adjusted Pay Gap

The Group conducts a more detailed analysis of the pay gap to ensure that men and women with comparable jobs or job responsibilities and performing work of similar value receive equal pay.

For the adjusted pay gap, the Group takes into consideration the following adjustment parameters, which target objective reasons for remuneration differences among all employees:

- Position level – Hay method;
- Job Family (both internal definition and external definition according to Korn Ferry);
- Segment;
- Management responsibility; and
- Receiver of incentives.

The adjusted pay gap is calculated as a regression within the groups of employees combined by these parameters, using annualised FTE pay level.

Workers on specific types of employment contracts are excluded from the adjusted pay gap calculation.

Remuneration Ratio

The Group calculates income distribution by comparing the annual fixed and variable remuneration of the highest-paid individual with the median annual fixed remuneration of all employees (excluding the highest-paid individual). The same dataset is used as for the gender pay gap calculation.

The Group has an internal Principles of Remuneration Policy, which defines ranges and a minimum wage for each band. The minimum wage is set at CZK 25,000 per month for FTE or CZK 150 per hour. The Principles of Remuneration Policy is implemented in all relevant Group subsidiaries and therefore covers all its employees. The defined overall minimum wage and the minimum wage for each band contribute to the fair remuneration of Group employees.

Thanks to the Principles of Remuneration and the established minimum wage of CZK 25,000 per month, no employee of the Group was paid the minimum wage defined by the Czech government decree, which was CZK 18,600 per month in 2024.

Gender pay gap

	2024
Gender Pay Gap - Unadjusted	37.5%
Gender Pay Gap - Adjusted	2.0%
Remuneration ratio	50.9

S1-17 – Incidents, Complaints and Severe Human Rights Impacts

There were no severe human rights issues or other incidents of discrimination reported in connection with the Group's workforce.

No material fines, penalties, or compensation were assessed for severe human rights issues or incidents connected to the workforce.

Complaints, Incidents and Fines

	2024
Number of incidents of discrimination	10
Number of complaints filed through channels for people in the underkating's own workforce to raise concerns (including grievance mechanisms)	84
Number of severe human rights incidents	0
Total amount of material fines	CZK 0

Consumer and End-Users

In accordance with ESRS S4, this section focuses on the Group's impact on consumers and end-users. The Group has an impact on its customers through its advisory ecosystem and a range of financial products and services that are carefully designed to promote financial health. Its goal is to enhance customers' financial health by evolving and transitioning its advisory model into the digital scene. This process involves integrating innovative features into the George platform, such as the "FIT zone", as well as focusing on areas such as building financial reserves, retirement savings, financial education, effective loan management, and enhancing business competitiveness.

The Group acknowledges the positive impact that it has on its customer base regarding financial health and access to products and services. Furthermore, the Group recognises the opportunities that improved financial health of its customers presents for its business model. However, a negative impact has been identified in the area of privacy, which is also disclosed in this chapter.

SBM-3 – S4 Consumers and End-Users

There is no particular group of consumers and end-users that would be affected to a greater or lesser extent in the case of privacy concerns or data breaches. To this end, all groups can potentially be negatively impacted regardless of demographic factors related to the individual. All material Impacts, Risks and Opportunities (IRO) relate to the entire customer base of the Group. Therefore, there is no relation to specific groups of consumers and end-users.

The Group's strategy and business model are inherently linked to potential impacts on consumers and end-users, particularly through its products and services. These impacts, identified through the Group's materiality assessment, inform its strategic decision-making and drive continuous adaptation of its business model to enhance customer experience and mitigate risks.

Sustainability Matter	Type of IRO	IRO Description	Value chain	Time horizon
S4-Financial Health (entity specific)	Positive impact	By promoting financial health and inclusion, the Group enhances customer loyalty, boosts financial literacy, and reduces inequalities, contributing to community prosperity and economic stability.	Own operations	Long-term
	Opportunity	By actively supporting customers' financial health, the Group increases satisfaction and loyalty, enhancing its financial performance and market position. This also improves satisfaction and loyalty among employees and potential candidates.	Own operations & Downstream	Medium-term
S4-Privacy	Negative impact	Data breaches or cyberattacks could compromise individuals' sense of security and privacy, leading to the leakage of private and financial data of affected customers.	Own operations	Short-term
S4-Access to products and services	Positive impact	By making banking products and services accessible to socially vulnerable groups (e.g. people with disabilities and the elderly), the Group promotes their autonomy, social and professional integration and active community participation.	Own operations	All time horizons

Financial Health

The Group positively impacts the financial health of its customers by promoting financial health initiatives and inclusion, enhancing their financial literacy and reducing inequalities. These efforts contribute to community prosperity and economic stability. By actively supporting customers' financial well-being, the Group also boosts customer satisfaction and loyalty, which ultimately strengthens its financial performance and market position.

Privacy

The Group must consider its potential negative impacts, such as data breaches or cyberattacks. Such incidents

could compromise the security and privacy of affected customers by exposing their private and financial data.

Access to Products and Services

By making banking products and services accessible to socially vulnerable groups, such as people with disabilities and the elderly, the Group promotes their autonomy, social and professional integration and active community participation. This positive impact remains relevant across all time horizons.

S4-1 – Policies Related to Consumers and End-Users

Under the UN Global Compact, as part of Erste Group Bank, the Group commits to fulfilling its responsibilities regarding human rights and the fight against corruption. The principles which are included within the Group's strategy are derived from the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the United Nations Convention Against Corruption, among others. The Group adheres to the principles of the aforementioned international standards, including the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, within the framework of applicable Czech laws. However, these principles are not explicitly incorporated and mentioned in the Group's policies.

Financial Health

Financial health is the Bank's approach to equipping its customers with both the mindset and tools needed to make informed financial decisions and take control of their future. The financial health framework is currently applied exclusively to the Bank's customers.

As part of Erste Group Bank, the Bank utilises a common financial health framework, which defines minimum standards for financial health solutions for Erste Group Bank's own retail customers, including the Bank's retail customers. Within this framework, activities aim to ensure necessary consistency and quality in financial advice, to measure the financial health status of the Group's customers and highlight areas that require attention. While the framework is a shared asset, it is the Bank's local responsibility to apply its principles to advisory tools in branches and to utilise it for CRM (Customer Relationship Management) campaigns. The Lead of the Personalization Tribe (B-1 manager) is responsible for its implementation at the Bank level, ensuring its effective integration into local operations.

The Bank's monitoring process for financial health is based on six indicators that support its customers to 1) live within means, 2) build a financial reserve, 3) manage debt, 4) manage housing costs, 5) manage risks and 6) grow future wealth. The calculation of these indicators helps the Group to form a personalised approach to supporting each customer.

Customers can book an appointment at any of the Bank's branches to discuss their financial health and determine the steps needed to help reach their financial goals. Further information regarding the framework, including the indicators, is also available online on a dedicated website.

Privacy

The purpose of the Data Protection Policy, along with its associated procedures, is to ensure and sustain the appropriate safeguarding of all personal data in alignment with both regulatory requirements and business needs within the Group and to achieve compliance with the EU General Data Protection Regulation (GDPR) 2016/679. The Data Protection Policy also focuses on the protection of banking secrecy-related data in alignment with the Czech Banking Act.

The processes for monitoring data protection compliance are outlined in the ICS Control Framework, specifically within the Desk Reviews section. This framework provides a structured approach to ensure ongoing adherence to data protection standards and to identify any areas requiring improvement.

The policy is applicable to all organisational units within the Group, encompassing all employees of the Group as well as any Data Processors acting on behalf of any Group entity. The Policy does not reference any third-party standards or initiatives and is available to all employees on the Intranet.

The Policy is approved by the Bank's Board of Directors, with the implementation in the Bank's subsidiaries being the responsibility of the policy owner. The Head of Non-Financial Risk Management (B-1 manager) is accountable for the Policy's implementation. The Policy applies to the Bank and has been implemented in all its subsidiaries that have employees.

In addition to the Data Protection Policy, the following mandatory requirements ensure that data protection governance is effectively implemented across the Group:

– **Data Controller Responsibility Procedure:** The Data Controller Responsibility Procedure aims to

ensure the adequate protection of all personal data and information assets to meet regulatory and business requirements in data processing. The standards require data privacy by design and by default, records of processing activities, technical and organisational security requirements (including data secrecy), responses to data breaches, data protection impact assessments and awareness and training programmes.

- **Data Protection Officer Procedure:** The Data Protection Officer Procedure outlines detailed provisions governing the tasks and other legal functions related to data protection.
- **Data Processing Legitimacy Procedure:** The Data Processing Legitimacy Procedure sets out the fundamental principles for data processing, including data transfer and storage limitations. The standards cover, among other things, key pre-requisites for processing personal data, the commissioning of processors, data transfers to third countries or international organisations as well as time limits for data storage and deletion.
- **Transparency and Data Subjects Rights Procedure:** The Transparency and Data Subjects Rights Procedure defines the functions and conditions relating to data processing transparency and the rights of affected individuals.

The Cyber and Information Security Policy is approved by the Bank's Cyber-Security Management Committee, and it defines security principles, security management objectives, and an overall cyber and information security governance and management framework. Additionally, it outlines the organisational structure, detailing roles and responsibilities, while emphasising the need to establish requirements for data protection, information systems, and infrastructure. This approach aims to support the Group's strategic goals and enhance its reputation as a trustworthy institution.

The Bank's Chief Information Security Officer (CISO), as a subordinate to the Chief Security Officer, is the most senior-level manager accountable for managing and enforcing the measures outlined in the policy. Each subsidiary has its own role equivalent to the CISO function. The primary tasks of the Bank's CISO include designing and implementing approved measures and providing methodological and leadership support across the domain of information security and cooperating on cyber security management within the Group.

The rules and requirements stipulated in the Policy are binding for all the Group's employees, contractors, or service providers who implement, manage, or administer IT solutions used by the Group's subsidiaries and their employees.

The Policy is implemented through a defined Security Strategy and subsequent policies and procedures and is adapted at least once every two years to reflect changing practices and developing technologies, incorporating inputs and consultations with internal stakeholders and experts.

The Policy applies to the Bank and is implemented in all its subsidiaries that have employees, with implementation in ČS NHQ, s.r.o. planned for 2025.

The Cyber and Information Security Policy does not reference any third-party standards or initiatives and is available to all employees on the Intranet.

Access to Products and Services

The Product Development and Approval Process Policy outlines the Group's comprehensive approach to impact and risk assessment in product development, reinforcing its commitment to enhancing customer satisfaction and providing products responsibly. The Policy ensures that new or significantly modified products and services are developed and approved in line with the Group's principles.

The Policy addresses financial risks and product quality, and spans employee training, product delivery, and the ongoing social impact of services. The operational risk management team, with designated Coordinators, diligently guides the Product Approval Process (PAP), where non-financial risks and their impacts are thoroughly evaluated.

Depending on the business line, the product governance stakeholders represent areas that must be taken into account during the product development process and are crucial for the launch of new products or services. Each of the relevant mandatory product stakeholders must provide a statement within their area of responsibility for the PAP to be initiated and concluded. Among other relevant stakeholders, the Sustainability Office is also one of the approvers in the PAP.

By integrating customer needs, product accessibility, and regulatory compliance, the Policy ensures responsible product development. This approach emphasizes the importance of making products and services accessible to a broad range of customers, including those in socially vulnerable groups, thereby fostering inclusivity. This process is a critical aspect of the Group's overall

product management strategy, underlining managerial accountability for the responsible offering of products to customers. Through these practices, the Group is committed to maintaining excellence and integrity across its product range, supporting its primary aim of fostering lasting customer satisfaction and trust.

The Policy does not reference any third-party standards and is available on the Intranet for all employees.

The Non-Financial Risk Management team is responsible for the implementation of the Policy. The principles and rules of the Policy are also applicable to the Bank's subsidiaries. The Policy has been rolled out to all subsidiaries, that offer products and services, with implementation at Factoring České spořitelny, a.s. planned for 2025.

Additionally, the Group is obliged to comply with all laws and regulations regarding access to its products. These include Directive 2014/92/EU, which ensures access to basic payment services and mandates the provision of a document detailing all relevant fees to customers; Czech Act No. 257/2016 Coll. on Consumer Credit, which sets rules for financing retail customers; and Directive 2014/65/EU (MiFID II), which governs the provision of investment services, including cost transparency, product suitability assessments, and restricting services to insufficiently qualified customers.

S4-2 – Processes for Engaging with Consumers and End-Users about Impacts

Processes of Engagement Related to Positive Impacts

The views of its customers have a key impact on the Group's decision making. The Group uses the Net Promoter Score (NPS), as its primary indicator of customer satisfaction. The Group measures NPS quarterly through self-administered online surveys conducted by an independent research agency. These surveys provide valuable insights into customer satisfaction, identifying both strengths and areas for improvement, and serve as a highly valuable mechanism for receiving feedback from customers. NPS results are regularly monitored and reported to the Board of Directors on a quarterly basis. NPS is a key indicator that defines the Group's success, playing a central role in setting strategic objectives and being integrated into employees' performance incentives. The Area Lead of the Customer Experience Team (B-1 manager) has operational responsibility for ensuring that the online surveys are conducted and that the results inform the Group's approach to improving customer experience.

Beyond the Net Promoter Score, the Group also utilises the ECHO measurement to assess customer satisfaction immediately after interactions across various channels. This includes visits to branches, as well as communication via email, customer service calls, digital logins, ATM usage, and engagements on social media and websites. These indicators not only reflect immediate customer reactions but also highlight the deep-seated value of personalised service in fostering financial well-being.

The Group also regularly monitors the number of active customers, which is considered an indicator of customer satisfaction.

Processes of Engagement Related to Negative Impacts

The Group values the privacy of its customers as a top priority, making it a central aspect of its decision-making and business activities. The Group is committed to informing new customers about how their personal data is processed. It avoids any activities that could jeopardize customer privacy and places significant emphasis on providing clear and understandable information about data processing practices. When necessary, the Group obtains prior consent for data processing.

In the event of an identified customer privacy incident assessed by the Group as potentially having a significant negative impact, the Group engages directly with the affected customer, informing them about the incident, its cause, nature, and scale. In justified cases, the Personal Data Protection Office must be notified by the Data Protection Officer who reports to the Head of Non-Financial Risk Management and to the Chief Risk Officer, the most senior person with an operational responsibility for such engagement. This process is further described in chapter S4-3.

The Group treats the privacy of all non-vulnerable adult customers equally and adapts personal data protection and privacy measures for vulnerable groups with special needs, such as customers who are blind, deaf, or disabled, as well as for children. Efforts include ensuring the accessibility of products and services, providing clear and understandable information and ensuring that all products and services are available to everyone, including individuals with physical, sensory, or social disabilities.

S4-3 – Processes to Remediate Negative Impacts and Channels for Consumers and End-Users to Raise Concerns

The Bank and its subsidiaries, as individual controllers, are obliged to handle all submissions, complaints, and requests regarding personal data in a timely manner and according to the GDPR.

In the event of a suspected personal data breach, all employees of the Group are required to complete and submit a report through the internal electronic system for incident management (EMUS), which triggers an investigation process. If the reported event in the Bank suggests a data breach, the employee of the Operational Risk Unit responsible for the investigation must promptly notify the Data Protection Officer. If there are indications that the personal data security violation should be reported to the Personal Data Protection Office (PDPO) or the data subject, the Data Protection Officer must inform and advise the Head of Non-Financial Risk Management. Together, they decide whether the case should be reported to the PDPO or the data subject. The Board of Directors must be informed of all cases reported to the PDPO. In the case of a data breach that also involves a breach of banking secrecy, the Czech National Bank is notified, as required by the Czech Act on Banks. A similar process is implemented in the Bank's relevant subsidiaries.

Customers can report their concerns and complaints regarding data privacy violations through all communication channels used by the Bank or its individual subsidiaries. These include the George application, branches, the 24/7 call centre, email, data box, or the Internal Ombudsman, depending on the channels available within each entity. Any customer complaint concerning data privacy is reported in the internal system with a specific flag, triggering the process described above.

All submitted reports are monitored and tracked in the internal system. The Bank's statistics are reported to the Board of Directors and to Erste Group Bank on a monthly basis, while each subsidiary reports its own statistics to its respective Board of Directors. If there are legal reasons, the controller is obliged to report a breach of personal data to the PDPO or to the data subject directly. A similar process is implemented in the Bank's relevant subsidiaries.

The Group places a strong emphasis on customer awareness and trust in its structures and processes for remediating potential negative impacts. Due to the nature of the business model, retaliation against customers is not possible; therefore, no specific policy is in place to address this.

To monitor the occurrence of complaints, assess the performance of complaint handling, and provide an early warning system for potential issues, two key risk indicators (KRIs) are monitored and further reported to Erste Group Bank:

- Complaint ratio – the number of complaints received per 1,000 active customers. The purpose of this KRI is to measure how well the Bank captures complaints and how prepared it is to receive messages of dissatisfaction. This indicator reflects negative values when either too few or too many complaints are recorded.
- Number of complaints settled in more than 30 days – complaints that are not resolved within this timeframe entail legal risks, making it particularly important to keep the number of such cases to a minimum.

These indicators are further broken down and analysed separately for processes related to privacy and data protection. In 2024, 104 substantiated complaints were filed in relation to privacy and data protection. These cases were identified from the overall set of complaints received by the Internal Ombudsman and have not been validated by any external body other than the assurance provider. The Non-Financial Risk Management Team closely monitors such cases and, should the number of cases rise, will carry out an in-depth analysis to address underlying issues.

S4-4 – Taking Action on Material Impacts on Consumers and End-Users, and Approaches to Managing Material Risks and Pursuing Material Opportunities Related to Consumers and End-Users, and Effectiveness of those Actions

While the identified IROs are relevant for the Group, the following action plans have been developed and applied at the Bank level only.

Privacy

GDPR Compliance and Data Protection

The Bank has taken the necessary actions to ensure its compliance with the GDPR and to strengthen its already robust processes regarding customers' personal data.

Between 2017 and 2018, the Bank ran a comprehensive internal GDPR implementation project, with the objective of aligning all Bank processes with applicable regulatory requirements. The project's success, which was also externally validated with a positive outcome, is reflected in the low number of privacy incidents and the corresponding mitigation of potential negative impacts.

Since then, the Group has monitored the effectiveness of its processes and continues to improve them. It also ensures that internal regulations comply with other legal obligations to avoid causing or contributing to material negative impacts on its customers.

To ensure a strong data protection environment, the Group considers employee awareness and training as a core part of its strategy. The Group uses a mix of channels and methods, including mandatory data protection and cybersecurity e-learning courses, covering obligations and threats, personal data protection, incident and crisis management, and phishing recognition training. The Bank's bankers and contact centre staff receive training to better assist customers with fraud issues, complemented by personal presentations. Internal articles on threats, recommendations, and security updates, such as clean desk policies, are published regularly, and employees undergo regular testing through simulated phishing campaigns. Members of the Board of Directors and the Supervisory Board also receive training on current threats and defensive strategies. Additionally, ad-hoc webinars with external experts are hosted to provide security-relevant information to employees and their families.

The Bank has appointed a Data Protection Officer and established a specific independent GDPR team. However, many other departments are involved in the process to ensure the privacy of customers, such as Operational Risk, Cyber Security teams, the Ombudsman Office, and the Customer Complaints Centre.

The Bank's Computer Security Incident Response Team (CSIRT) fights against internal and external security threats. The Bank proactively conducts frequent security audits and evaluations, assessing the cybersecurity of its systems and practices.

An IT-specialised internal audit team oversees these efforts, aligning with a three-year strategic plan to address and adapt to evolving security challenges. Results and corrective measures are thoroughly documented for governance oversight. The Bank's cybersecurity approach is grounded in legal and regulatory standards, including the Banking Act, Cyber Security Act, and guidance from national authorities, as well as PSD2, SWIFT, and PCI requirements. The Bank also adopts best practices from open standards like CIS Controls, OWASP, and MITRE frameworks, continuously updating its practices in anticipation of new EU regulations and directives.

The Bank continuously identifies and manages IT vulnerabilities at all system levels and throughout their lifecycle. Its security practices include regular assessments and penetration testing with independent external partners, alongside continuous vulnerability scanning. The Bank also uses Threat Intelligence tools to monitor potential security issues. Its layered defence strategy includes independent roles for control and compliance, with improvements guided by regulatory (especially the Czech National Bank) and internal audit feedback.

There have been no severe human rights-related incidents connected to the Group's customers reported in 2024. Potential cases and their causes are always investigated, documented and, remedial actions must take place in a timely manner. Any eventual compensation to customers for material negative impacts caused by a privacy incident is governed by the Czech Civil Code.

Customers' Security

The Bank's customer security strategy is built around a three-pronged defence approach: prevention and education, protection of the George banking platform, and customer support and care.

Through prevention and education, the Bank aims to increase customer awareness of digital security risks, such as phishing, data breaches, and cyberattacks, while encouraging safer online behaviour. The goal is to educate vulnerable customer segments at least four times a year. The Bank tracks the effectiveness of its customer digital education programme through regular checks. This includes monitoring whether the most vulnerable customers, such as those with higher risk profiles, have received education on digital security. The Bank delivers this education via email and internet banking notifications. The system automatically tracks engagement metrics, such as email open rates and the number of users who complete educational modules.

The protection of the George platform focuses on safeguarding mobile and internet banking by identifying and preventing fraudulent transactions and attempts to compromise customer data, with the objective of stopping as many fraudulent activities as possible to protect customer assets. In cases where customers fall victim to cyberattacks or fraudulent scams, the Bank is committed to providing swift and effective assistance to ensure they receive the necessary support. The Bank's advanced security monitoring system continuously evaluates the

risk of each transaction, including both direct and card payments. When fraudulent activity is detected, the payment is immediately halted, and the customer is contacted to inform them and provide guidance on preventing further action. The Bank has clear procedures in place to offer remedies in case of digital security incidents, such as assistance with account recovery, guidance on best practices for password management, and ensuring transparency on how incidents are handled.

The Bank assesses potential or existing negative impacts through security audits and monitoring trends in cyber threats. This helps determine what measures need to be taken to protect customers from digital risks. Upon identifying significant threats to customer security, the Bank promptly updates its digital education materials, modifies its product design, and adjusts its marketing messages. In certain cases, the Bank collaborates with industry partners to develop wider solutions or establish best practices.

The Bank's customer digital education programme is essential for mitigating material risks associated with digital threats. The Bank recognises that providing education empowers its customers to navigate the digital world safely and confidently while using its services. Equipping customers with knowledge about digital security helps reduce the likelihood of incidents such as data breaches and phishing attacks, which can lead to significant financial and reputational harm.

The Customers' Security Team is responsible for the Bank's digital security education efforts and the protection of the George platform, overseeing ongoing educational activities throughout the year and adapting the programme in response to new attack types.

Organised crime continued its attacks on the funds of customers of banks in the Czech Republic in 2024. The overall volume of damages remains stable compared to 2023, both in the entire banking sector and at the Bank. However, the Bank has significantly improved the detection of attacks based on device exploitation. New detection methods have led to a 51% reduction in customer losses from fraudulent transactions initiated by fraudsters, and a 62% reduction in cases related to phishing. In 2024, cases where customers themselves initiate transactions under the manipulation of fraudsters came to the forefront. These represent 63% of the total volume of losses. Throughout the year, the Bank successfully prevented new sophisticated attacks involving the misuse of NFC technology through ATM withdrawals and eliminated fraudulent job offers. Customers of Czech banks frequently encounter fraudsters posing as bankers or security personnel, instructing them to initiate transactions to "save" their money from their accounts. To address this, a new notification feature in the George app alerts customers to genuine calls from the Bank.

Overall, these measures in 2024 protected customer funds valued at over CZK 2.7 billion.

Financial Health & Access to Products and Services

"FIT zone" in George Mobile Banking App

By seamlessly integrating its physical presence with the George digital platform, the Bank offers personalised services that are accessible to everyone, regardless of background or circumstances. The integration of these services with 24/7 support from the contact centre ensures that no customer is left behind. As of 31 December 2024, out of the Bank's 337 branches, 176 were fully barrier-free, meaning that the object or the majority of its area has at least one barrier-free entrance and 106 had partly barrier-free access. Split is based on the definition of the Prague Wheelchair Organisation. This figure has not been validated by any external body other than the assurance provider.

By ensuring access to products and services, the Bank directly contributes to enhancing customers' financial health, which is essential for their long-term economic stability.

To achieve this, the Bank provides complex solutions combining both personal and digital advisory services for all customers. These services are centred around the "FIT Zone" which was introduced to the George mobile banking app in 2023 and redesigned in 2024 to offer a new personalised experience. Built on the Bank's proprietary methodology of Fit indicators, the FIT Zone includes tools such as My Plans, Advisory Scenarios, and many other resources, all designed with the goal of enhancing customers' financial health. The FIT Zone offers customers an up-to-date overview of their financial health and provides simple, actionable steps for improvement. It leverages personalisation by integrating customer data across various solutions and channels. This initiative significantly contributes to achieving a positive impact, as financial health is viewed as a key factor in promoting prosperity and supporting long-term social and economic well-being. By promoting financial health and proactive management, the Bank helps customers reduce risks like loan defaults and ineffective financial planning.

Effectiveness is tracked through user engagement metrics, including the number of unique customers using the FIT Zone with an annual target set for the total number of unique customers who have familiarised themselves with financial health indicators. The FIT Zone is available in the

George mobile banking app to all retail customers as well as to all Erste Premier customers.

Personalization and Refinement of Financial Indicators

With a new 5 Wins strategy for 2030, the Bank, as part of the Erste Group Bank, is focused on creating a comprehensive and personalised framework for financial health that empowers customers to make informed decisions about their finances. The goal is to leverage synergies across the Erste Group Bank's core markets to establish a unified framework for financial health, enabling customers in each country, including those in the Czech Republic, to assess their financial health using the same principles and indicators. This approach allows the Bank to leverage group-wide solutions, scaling the impact for the users of the George mobile banking app in the Czech Republic. By applying a consistent model, the Bank can better understand customers' needs and challenges, allowing it to develop tailored solutions to improve financial health.

To achieve this, the Bank is refining its financial health indicators, simplifying them from six to five, and ensuring they are standardised across all services. These indicators will be displayed in the George mobile banking app, offering customers easy access to their financial health data. Personal bankers will also use tablets with a new FIT Plus section, providing additional context for personalised discussions. This integration of digital tools with personalised advisory ensures customers receive tailored support for improving their financial health.

The action plan focuses on all retail customers, with a similar approach under development for corporate customers.

Effectiveness of the action plan is tracked at an individual customer level by analysing steps taken by the customer in the FIT Zone and providing tailored personalised support in the area of financial health, with monthly reports presented to the Bank's Board of Directors. The Personalisation Tribe is responsible for the development and implementation of the action plan.

The Group is planning to conduct a comprehensive quantitative assessment of resource requirements for managing material impacts on consumers and end-users, as well as resources allocated to action plans. These action plans are already being implemented, and the associated resources are part of the Group's OpEx (or CapEx, where applicable); however, they are not yet tracked separately.

S4-5 – Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities

Financial Health of Customers

The Group emphasises the financial health of its customers. Led by the Bank, the primary activities involve closely monitoring customers' financial health, with a key goal of increasing the number of customers who gain a comprehensive understanding of their financial health through the Bank's tools and services. To achieve this, an assessment system has been developed to monitor six key financial indicators, including spending, reserve, instalments, housing, insurance, and future wealth.

These indicators are calculated for each customer based on their transaction history and are displayed in real time through the George mobile banking app. Personal bankers have access to the same data, enabling them to provide personalised financial advice. A clear understanding of these indicators is fundamental for follow-up consultations, which can take place either digitally or in person, according to the customer's preference.

The key target for measuring customers' awareness of their financial health is the number of unique customers who have familiarised themselves with their financial indicators. This includes customers who have accessed their indicators either digitally through the "Fit Zone" in the George mobile banking app or through in-person consultations with their personal banker during a scheduled advisory meeting. For this purpose, the measurement and analysis of this target encompass the entire retail customer base of the Bank, which is divided into two segments: customers with access to a personal banker and digitally active customers who demonstrate significant engagement in the George mobile banking app. The Bank sets an annual target for this metric, involving internal stakeholders in the target-setting process. This collaborative approach ensures that the target is not an isolated value but is integrated and aligned with initiatives and key results from other organisational units. The results from the previous year are used for the target setting of the next year. The progress is regularly monitored, with results presented quarterly to the Board of Directors. Additionally, these insights help refine the Bank's approach to promoting financial health, ensuring tools and services are better aligned with customers'

needs. For 2024, the target was set at 1.55 million unique customers[33].

Unique customers who are aware of their financial indicators

	2024
Unique customers (in million)	1.08

Financial health indicators were modelled with linear growth in mind. However, acquiring additional unique customers in the second half of the year proved more difficult due to the shift in focus towards more complex segments, including non-digital and less active customers.

Privacy

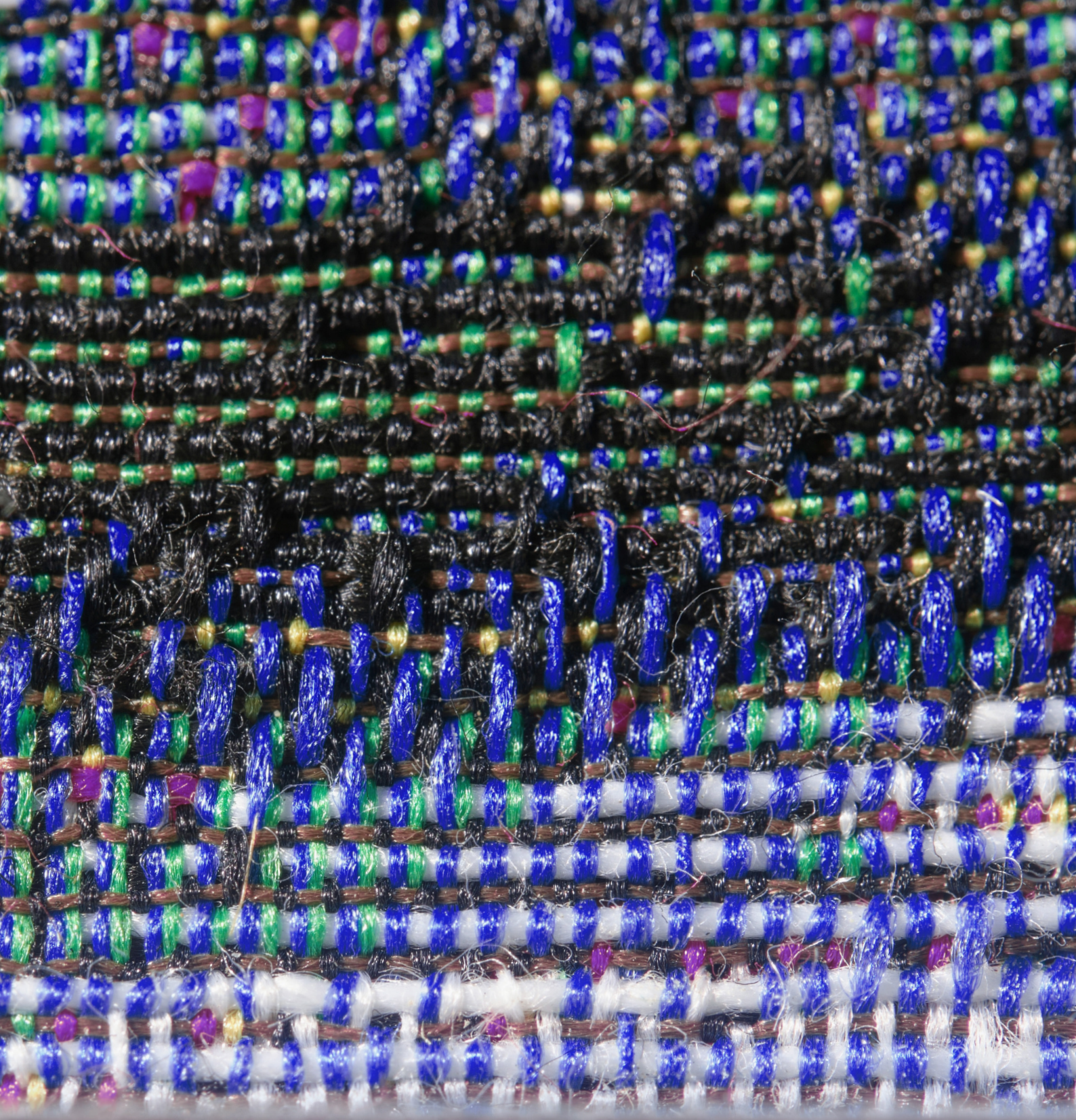
The Group is dedicated to safeguarding privacy and data security, with its web-based training courses being fundamental instruments supporting this commitment. These training courses are designed to raise awareness among employees about the potential impacts of privacy and data security issues, thereby aligning with the Group's Policy objectives to maintain a secure and informed workforce.

Even though there is no formalised target in place for the sustainability matter Privacy, the completion of the Data Security Training is being monitored, and failure to comply with the training requirement might lead to disciplinary proceedings for the employee.

Access to Products and Services

The Group has taken steps to ensure equitable access to products and services. This area is already integrated into the Group's strategic framework, as described in chapter S4-1. However, a specific target has not yet been set, as the focus of the Group has so far been on implementing relevant measures rather than defining a formal quantitative target.

(33) Defined as an individual customer who is counted only once, regardless of the number of accounts, products, or services they have.



Governance Information

Business Conduct

In accordance with the ESRS G1, this chapter focuses on the Group's business conduct and its commitment to ethical behaviour. The Group highly values ethical conduct, viewing it as a fundamental prerequisite for its business activities and strategic priorities. This commitment is embodied in its Code of Ethics, which mandates that employees assess business decisions not only for legality and profitability but also for their ethical integrity. The Code of Ethics is approved by the Board of Directors and sets forth binding rules and ethical principles for all employees and board members. The Code also serves as a guide for leaders to ensure the organisation is fit for the future while adhering to all relevant ethical standards.

Details regarding disclosure requirement related to ESRS2 GOV-1, specifically 5(b), are described in the chapter Declaration of Česká spořitelna, a.s., in section A. Organisation of the Bank, paragraph 1, 13 and 14, as well as in the chapters Board of Directors of Česká spořitelna and Supervisory Board.

In the context of the DMA, three sustainability matters have been identified within Business Conduct, each with positive impacts:

Sustainability Matter	Type of IRO	IRO Description	Value chain	Time horizon
G1-Corporate Culture	Positive impact	A positive corporate culture fosters a healthy work environment, boosting employee satisfaction.	Upstream & Own operations	Short-term
G1-Protection of whistle-blowers	Positive impact	Whistleblower protection within the Group has a positive impact by encouraging the reporting of misconduct, leading to a safer and more compliant work environment.	Upstream & Own operations	Short-term
G1-Prevention and detection including training	Positive impact	Training all employees helps prevent corruption and bribery, benefiting everyone and fostering a trustworthy workplace. A clear policy supports this prevention.	Upstream & Own operations	Short-term

Corporate Culture

A positive corporate culture fosters a healthy work environment built on mutual respect and shared values, enhancing employee satisfaction and collaboration. By promoting ethical behaviour and accountability in its operations, the Group not only supports long-term success and sustainable growth but also strengthens its reputation as a responsible and trustworthy financial institution.

Protection of Whistleblowers

Whistleblower protection within the Group plays a crucial role as it positively impacts the work environment by encouraging the reporting of misconduct. It is essential for maintaining the integrity and ethical standards of the organisation. By providing secure and confidential channels for employees to report unethical behaviour, the Group ensures that potential issues are addressed promptly and effectively. This not only protects the organisation from legal and reputational risks but also promotes a culture of transparency and accountability, leading to a safer and more compliant work environment.

Corruption and Bribery – Prevention and Detection including training

Prevention training offered to all employees is another key component of the Group's strategy for its employees to prevent potential corruption and bribery. By educating employees on the importance of ethical behaviour and providing them with the tools to recognise and prevent corruption, the Group fosters a trustworthy and transparent work environment.

G1-1 – Business Conduct Policies and Corporate Culture

Committed to upholding high ethical and moral standards, the Group aligns with Erste Group Bank's principles, emphasizing ethical conduct, conflict of interest prevention, transparency, and professionalism. The Group's guiding framework includes the Code of Ethics, which addresses ethical business practices, a customer-centric approach, data protection and confidentiality, employee conduct and workplace environment, and corporate social responsibility. This framework, along

with the internal compliance management system, whistleblowing, and other policies described below ensures that its operations are aligned with strict ethical guidelines and legal requirements. At the same time, it fosters a corporate culture built on respect, trust, fairness, and integrity, guiding all business activities of the Group. The Group's governance extends to detailed conduct rules for employees and partners, with an ethics e-learning course being mandatory annually to ensure continuous adherence to and understanding of its ethical standards and policies.

As part of its strategy, the Group seeks to eliminate risks such as money laundering and terrorist financing, while detecting any potentially related undesirable activities. To support these efforts, the Bank has established a dedicated FAQ section on the intranet and set up an AML Help Desk line, where its specialists provide methodical support to employees related to AML matters. Additionally, extensive information is provided to its clients on the Bank's website in the section dedicated to AML. The Group conducts AML workshops, seminars and webinars to educate both internal and external stakeholders.

The Group considers ethical behaviour a crucial part of its business on which it builds clients' trust and its reputation within the banking sector and society as a whole. The Group adheres to strong ethical standards and integrity within its corporate culture, not only to protect its reputation but also to mitigate the risk of financial loss from the departure of business partners, potential fraud or regulatory penalties.

Therefore, the Group has established the role of the Manager of Ethics, whose responsibility is to define the ethical standards and principles of the Group.

Corruption and Bribery - Prevention and Detection including Training

The Policy on Conflict of Interest and Anti-Bribery & Corruption directly addresses the positive impact identified in the materiality assessment, Corruption and Bribery – Prevention and Detection including Training. It outlines responsibilities and establishes standardised procedures within business processes to manage any form of conflicts of interest and anti-bribery and corruption across all levels of the organisation. The Policy implements strict and binding guidelines to prevent corruption and bribery and to avoid conflict of interest, with a zero-tolerance approach to any form of bribery and corruption.

The Policy is binding for all employees of the Group, with the Head of the Compliance Unit (B-1 manager) responsible for its implementation. The Policy is reviewed regularly every two years. This review reflects any changes in legal acts (including soft law or recommendations/opinions of public authorities) to update and improve processes and/or reflects the changes in the Policy by Erste Group Bank. If an urgent need arises, the Policy may be reviewed, and processes be adjusted more frequently.

The Czech Republic is a signatory state to the United Nations Convention against Corruption (UNCAC) and therefore national legislation is expected to be in line with UNCAC principles. As all of the Bank's policies strictly adhere to national law, the Policy on Anti-Bribery & Corruption is in line with UNCAC requirements.

The Policy is available on the Intranet for all employees, and the topic of conflict of interest, anti-bribery and corruption is a part of the annual compulsory compliance e-learning. The Policy applies to the Bank and has been implemented in all its subsidiaries that have employees.

The System of Internal Principles, Procedures and Control Measures to Prevent the Legalization of the Proceeds from Crime and the Financing of Terrorism outlines the general objective of ensuring that all employees understand the concepts of Anti-Money Laundering (AML) and international sanctions and comply with all the relevant requirements, including AML regulations and laws. It guides employees in detecting and reporting suspicious activities that may indicate money laundering.

The Policy implements the Bank's legal obligations arising from EU Directives on AML and Czech national legislations including:

- Act No. 253/2008 Coll. on Certain Measures against Money Laundering and Terrorist Financing
- Act No. 37/2021 Coll. of 19 January 2021 on the Registration of Beneficial Owners
- Act No. 69/2006 Coll. on the Implementation of International Sanctions
- Act No. 1/2023 Coll. of 1 December 2022 on Restrictive Measures against Certain Serious Conduct applied in International Relations (Sanctions Act)
- Decree of the Czech National Bank No. 67/2018 Coll. of 11 April 2018 on Selected Requirements for the System of Internal Rules, Procedures and Control Measures Against Legitimisation of Proceeds of Crime and Financing of Terrorism

It also incorporates the Financial Action Task Force (FATF) Recommendations for combating money laundering, terrorist financing, and proliferation, United Nations Security Council Sanctions, and European Union Sanctions initiatives and industry standards and best practices such as Wolfsberg Group Principles and Basel AML Guidelines.

The Policy is binding for all employees of the Group and by extension, also for entities that participate in the activities of the Bank in ways other than through a basic employment relationship and may encounter suspicious transactions in the course of their activities. The fulfilment of obligations arising from the System of Internal Principles and the AML Policy are the responsibility of the relevant supervisory employee managing an organisational branch, unit, or department.

The Board of Directors is responsible for the implementation of the Policy. The Group has developed internal e-learning modules and interactive tools for its employees to facilitate understanding of the AML Policy, with the completion of the e-learning modules monitored through the e-learning platform.

When setting the AML Policy, careful consideration is given to the interests of key stakeholders to ensure comprehensive compliance and effective risk management. The Policy is available on the Intranet for all employees and is included in the annual compulsory compliance training. In addition to the Policy, regular newsletters and updates inform the employees of any changes or amendments to the Policy.

The AML Policy is prominently displayed on the Bank's website, with sections dedicated to customer support and corporate governance. Client and customer onboarding processes and related documents include information about the Policy and relevant sections are also embedded into contracts and agreements with business partners. Updates of the Policy are also provided to regulatory bodies. The Policy applies to the Bank and is implemented in all its subsidiaries that have employees.

Protection of Whistleblowers

The Whistleblowing Policy outlines the whistleblowing reporting tools and channels through which Group employees are encouraged to promptly notify and report any potential misconduct or raise their complaints. Whistleblowing notifications and information help the Group to detect defective behaviour and misconduct early. The Policy defines the categories under which employees can report potential misconduct while ensuring the anonymity of whistleblowers.

Having a well-established whistleblowing process in the workplace can have significant positive impacts on both employees and the organisation. One of the key benefits of having a whistleblowing process in place is that it can help to create a culture of transparency and accountability. When employees feel they have a safe and confidential way to report any concerns, they may feel encouraged to report misconduct. Without a whistleblowing process, there is a risk of creating an unsafe environment where instances of misconduct may go undetected for an extended period.

In compliance with Directive (EU) 2019/1937, transposed into Czech law as Act No. 171/2023 Coll., on the Protection of Whistleblowers, the Group has measures in place to shield whistleblowers from retaliation, such as ensuring anonymity, preventing conflicts of interest, and safeguarding sensitive information. The Policy covers all groups of whistleblowers, including employees, and the scope of notifications, as required by the relevant Czech legislation, without limitation.

The Whistleblowing Office falls within the competence of the Chief Risk Officer division and is formed by specially qualified and authorised employees. Whistleblowing Officers receive, process, and investigate reports submitted by whistleblowers and propose to the Bank's management appropriate measures to eliminate root causes. They also provide information for other relevant processes (investigations, and disciplinary actions, where applicable).

The Head of the Compliance Unit (B-1 manager) is responsible for the implementation of the Policy. The Policy is implemented with the involvement and support of employee representatives to ensure better acceptance of the program amongst the employees, The Policy is available on the Intranet. In addition, legally required information is published on the Bank's publicly accessible website: Whistleblowing | Česká spořitelna (csas.cz)

The Policy respects rules defined in Czech Act No. 171/2023 Coll. and the Erste Group Bank Risk Policy on Whistleblowing. The Policy applies to the Bank and, in accordance with legal requirements, is implemented in its following subsidiaries: Stavební spořitelna České spořitelny, a.s., Factoring České spořitelny, a.s., Leasing České spořitelny, a.s., Česká spořitelna – penzijní společnost, a.s. and Dostupné bydlení České spořitelny, a.s.). By the end of Q1 2025, the Bank plans to establish a dedicated whistleblowing channel for all its other subsidiaries that have employees, allowing these smaller entities to access this service through the Bank via an outsourcing agreement.

The Internal Rule on Internal Complaints (Internal Filings) defines the process that allows employees and

other persons operating within the Group to submit complaints or concerns regarding the conduct, activities, decisions, or policies of the company as well as suggestions for improvement to the Group's Internal Ombudsman. Internal filing is an important tool not only for ensuring transparency, confidentiality, and proper resolution of issues within the Group but also for supporting open communication and a work environment built on the Group's values.

The internal filings process is not intended to substitute any reports of misconduct, which, by their nature, fall under the Whistleblowing Policy. Instead, it serves as a complementary channel for current or former employees, job applicants, or the Group's external financial partners, all of whom may submit an internal filing.

The Internal Ombudsman is responsible for communication with the person submitting the filing, the objective and dignified process of solving the submission, its objective evaluation and its record-keeping, including information about the result, measures taken, and the person responsible for compliance with the measures taken.

Records about the progress of the investigation are stored in a secured database, accessible only to the Internal Ombudsman and the Manager for Ethics. Anonymised data are used for bi-annual reporting to the Ethics Committee and the Board of Directors, which monitor the Internal Ombudsman's activities. In addition, the Internal Ombudsman's Annual Report is publicly available on the Bank's website.

There are various channels through which the Ombudsman can be contacted, mainly by a dedicated phone number, email, or mail, as well as in person.

The internal rule describing the process related to internal filings and the role of the Internal Ombudsman is available on the Intranet. The internal rule applies to the Bank and all its subsidiaries that have employees, with implementation in Factoring České spořitelny a.s., and ČS NHQ, s.r.o. planned for 2025.

G1-3 – Prevention and Detection of Corruption and Bribery

The Group has established rigorous procedures to prevent, detect, and address risks, allegations, or incidents of corruption and bribery, focusing on ensuring compliance with financial sanctions, embargoes, securities compliance, and good conduct compliance, which includes anti-bribery, conflict of interest and anti-corruption agendas.

These agendas are performed in the Bank by various teams under the Non-Financial Risk Management Department, such as Prevention and Detection, Investigation, AML and International Sanctions, and partially by the Compliance Department, which reports directly to the Chief Risk Officer (CRO). The Investigation Team operates separately and reports its findings through the Compliance Team remaining independent from other teams in the Bank that may be subject to investigation.

The Compliance Department documents and reports all critical cases related to conflicts of interest, bribery, and corruption within the Group and reports its findings to the Board of Directors, the Supervisory Board, and the Compliance Department of Erste Group Bank.

The Group has a mandatory web-based annual compliance training for all employees. This training covers the main rules on conflicts of interest, anti-bribery, and corruption. Upon completing this training, the employee has a basic understanding of how to manage conflicts of interest and the acceptance and provision of benefits. Completion of the compliance training, including a test, is monitored, and any overdue instances are regularly reported to the employee's manager. All individuals are considered at risk for bribery and corruption; therefore, the Group does not differentiate between employees. In addition, ad-hoc training is provided upon request when it is determined that a specific team or segment requires increased awareness in this area. Compliance training is also part of the mandatory onboarding training for all new employees. Compliance training is also mandatory for the members of the Board of Directors. It is not required for the Supervisory Board members and is therefore not reported.

Compliance trainings

	2024	
	Staff at-risk functions	Board of Directors
Training coverage	**98%**	**81%**
Total trainings completed	**10,105**	**21**
Web-based training	1 hour	1 hour
Frequency	Annually	Annually

Training coverage is calculated as a ratio of employees who completed the training to the total headcount of all employees at the end of the reporting period. Employees, who did not complete the training, but for whom the deadline was not yet due, are not included in the coverage percentage, leading to a higher incompletion rate.

G1-4 – Incidents of Corruption or Bribery

The Group always addresses any breaches in procedures and standards of anti-corruption and anti-bribery with high priority, in alignment with the Policy on Conflict of Interest and Anti-Bribery and Corruption.

These actions are usually triggered based on the investigation of findings from whistleblowing reports to tackle issues of transparency and evidence with external suppliers. The Group also demands regular background checks in the course of the duration of contracts with suppliers and other third parties in order to avoid conflicts of interest.

There were no convictions related to violation of anti-corruption and anti-bribery laws within the Group in 2024. Therefore, no fines were imposed, and the Group did not need to take any actions to address breaches in anti-corruption and anti-bribery procedures and standards. This has not been validated by any external body other than the assurance provider.

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