ČESKÁ spořitelna
200
#silnější budoucnost
Annual report
2025

#silnější příběhy

Craft evolves. Craftsmanship endures.

For two centuries, we have stood beside those unafraid to create. From blacksmiths and seamstresses to data analysts – craft evolves, craftsmanship endures: in honest work, in quality, and in respect for people and materials. Regardless of age or circumstance, craftsmanship bridges generations. Age-old yet present, it is embodied in tools and hands, permeating the way we work, build businesses, and take responsibility for the world around us. We support those who have just rolled up their sleeves, whether they are twenty or sixty. Because true value isn't defined by a date of birth but by the will to change, to create, and to forge ahead. We believe in long-term investment in people, in ideas, and in the future. We create values that last. And we know that honest work matters – today just as it did 200 years ago.

#silnější budoucnost

In 2025, Česká spořitelna celebrated its 200th anniversary and entered its third century on the market. Spořitelna is among the few Czech companies whose mission has remained unchanged for the past two centuries, reflecting a timeless purpose established at its founding. 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. Although the hallmark of Česká spořitelna is no longer the passbook but personalised 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 forged at the centre around corporate leadership 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 did not begin in Prague, but grew organically across dozens of towns and villages in Bohemia and Moravia. We maintain a strong and continuous presence in local communities.

We are making significant investments in transforming Czech education. In collaboration with leading education experts, we have developed an innovative financial literacy program – Skoala – which we offer to all schools across the country. But we also recognise that even the best innovations in education alone cannot guarantee a stronger future. 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. And Spořitelna continues to hold this belief as it enters its third century.

This document is a transcription of the official version of the 2025 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 2025 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 and the best service availability

329
branches

4.5 m
clients

2.6 m
George users

9,483
employees

1,516
ATMs

Bank Supports Long-term Sustainability

As of December 2025, Česká spořitelna recorded...

25.4 %
sustainable corporate financing portfolio

7.4%
sustainable retail mortgage portfolio

82%*
CO_2 reductions compared to 2017

36%*
share of electric cars in the fleet

17%
share of women in the Board of Directors

63 points*
on the eNPS employee satisfaction scale

33%
share of women in the Supervisory Board

26%
share of women in management at B-1 level

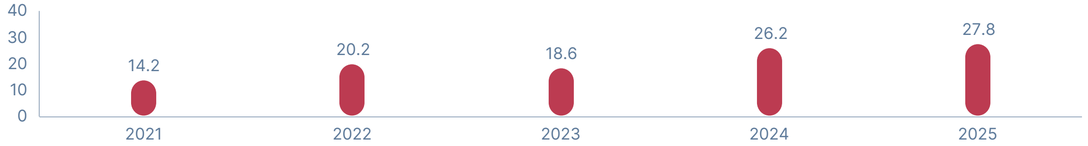
1 m
clients explored financial health indicators

2,432
Skoala – active primary and secondary schools

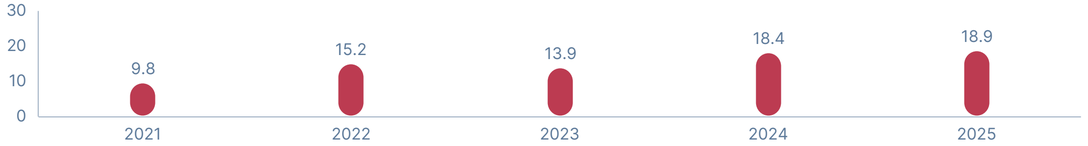
Detailed description of the individual metrics is available in the Consolidated Sustainability Statement 2025 which is a part of this Annual Report. *metric is measured for the entire Česká spořitelna Financial Group (including subsidiaries)

Key Figures

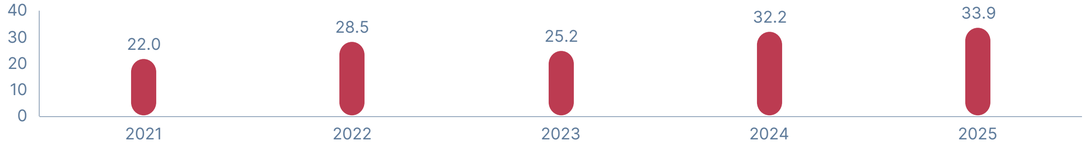
Net profit (CZK bn)



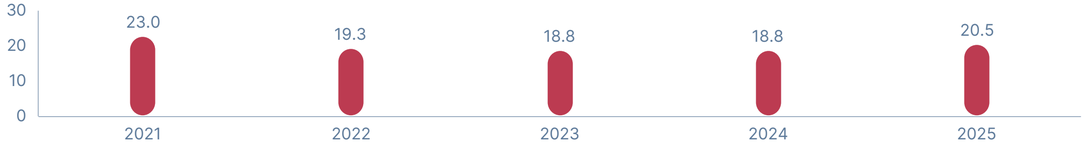
ROE (%)



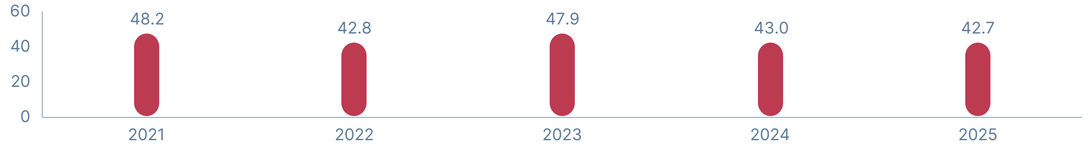
Operating result (CZK bn)



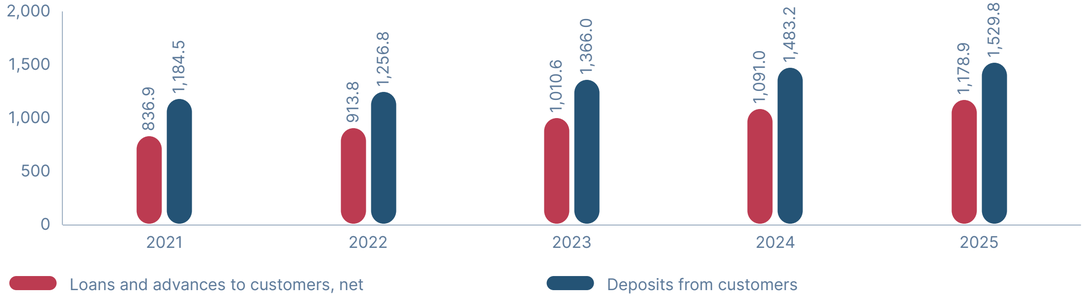
Capital adequacy (unconsolidated) (%)



Cost/Income ratio (%)



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“.

Rating

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

Key Consolidated Figures

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

Financial Position Indicators

CZK million	2025	2024	2023	2022	2021
Total assets	2,038,533	2,030,076	1,797,820	1,639,938	1,641,741
Loans and advances to banks, net[2]	329,062	443,389	304,007	266,675	364,994
Loans and advances to customers, net	1,178,911	1,090,958	1,010,592	913,847	836,949
Securities[3]	451,273	426,968	408,678	378,216	358,466
Deposits from banks	229,953	275,456	122,287	113,541	49,695
Deposits from customers[4]	1,529,840	1,483,174	1,366,038	1,256,795	1,184,543
Equity attributable to owners of the parent	149,336	154,144	143,955	137,232	142,744

Income Statement Indicators

CZK million	2025	2024	2023	2022	2021
Net interest income	42,108	39,811	34,583	36,719	31,083
Net fee and commission income	13,170	12,778	10,894	9,504	9,186
Operating income	59,160	56,486	48,365	49,875	42,354
Operating expenses	(25,276)	(24,304)	(23,144)	(21,335)	(20,398)
Operating result	33,884	32,182	25,221	28,540	21,956
Net profit attributable to owners of the parent	27,762	26,162	18,614	20,161	14,181

Basic Ratios

	2025	2024	2023	2022	2021
ROE	18.9%	18.4%	13.9%	15.2%	9.8%
ROA	1.3%	1.3%	1.0%	1.1%	0.8%
ROA (Česká spořitelna, a.s. only)	1.3%	1.3%	1.0%	1.2%	0.8%
Cost/Income ratio	42.7%	43.0%	47.9%	42.8%	48.2%
Non-interest operating income/operating income	28.8%	29.5%	28.5%	26.4%	26.6%
Net interest margin on interest-bearing assets	2.1%	2.0%	1.9%	2.1%	2.0%
Loan/Deposit ratio	77.1%	73.6%	74.0%	72.7%	70.7%
Capital adequacy (unconsolidated)	20.5%	18.8%	18.8%	19.3%	23.0%

Key Operating Indicators

Number of:	2025	2024	2023	2022	2021
staff (FTE end of period)	9,483	9,674	9,829	10,010	9,711
branches[5]	329	337	366	398	400
clients	4,548,757	4,630,932	4,545,699	4,547,686	4,492,801
private accounts	3,450,468	3,309,846	3,182,663	3,108,842	2,981,443
active cards	4,380,105	4,036,539	3,668,247	3,387,506	3,145,650
of which: credit cards	235,580	235,064	222,461	180,679	177,552
ATMs and payment machines	1,516	1,611	1,680	1,736	1,783

(1) Definitions of below mentioned alternative performance indicators are stated in the chapter Definitions of Alternative Performance Indicators
(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) "Deposits from customers at amortised cost" and "Deposits from customers at FV through profit or loss".
(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, celebrating 200 years in the market in 2025. Currently, the Bank provides services to 4.5 million clients. Since 2000, Česká spořitelna has been part of Erste Group Bank, a multinational financial group.

Česká spořitelna celebrated 200 years in the market in 2025

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.

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 2025, the Bank secured fourth place on the Ministry of Finance's list of the TOP20 corporate income taxpayers for the year 2024.

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.

Thanks to these initiatives, Česká spořitelna was the highest-rated bank on the domestic market in 2025. It won the Bank of the Year title in both the Mastercard Bank of the Year and Visa Best Bank competitions. Additionally, in the international Euromoney Awards of Excellence 2025, Česká spořitelna was recognized as the best bank in the Czech Republic.

The Year 2025 in Review

January

— Early in the year 2025, Spořitelna reached a major milestone as the number of companies using the new George online platform surpassed one thousand.

— ČS Penzijní společnost became one of the first on the market to receive a Czech National Bank license to launch a new product — the Fund for the Future. The fund marks an important step toward making pension savings more appealing, particularly for younger clients.

— In cooperation with Erste Group, Česká spořitelna participated in financing the largest-ever Czech acquisition in the United States, providing funding to the CSG Group for its purchase of the Kinetic Group, a key ammunition supplier to the civilian sector.

— The new “Help with Repayments” feature was introduced in George online banking, allowing clients to defer, reduce, or adjust their repayment dates with greater flexibility.

— In the Finparáda – Financial Product of the Year competition, Česká spořitelna achieved outstanding success, winning four first-place awards and one third-place award, making it the most successful bank in the competition.

— Spořitelna became the first bank in the world to launch a limited-edition light-up Visa payment card featuring OLED technology and a gaming design inspired by Kingdom Come: Deliverance II.

February

— On 12 February, Česká spořitelna launched celebrations marking its 200th anniversary with a distinctive campaign titled “Věk je jen číslo” (“Age Is Just a Number”). The campaign encourages people to challenge stereotypes related to age and embrace new opportunities at any stage of life.

— For the fourth consecutive year, Spořitelna ranked first in the TOP Employers 2025 survey and was named the most desired employer among university students in the field of Banking and Investment.

— Entrepreneurs gained a new opportunity to secure loans of up to CZK 1.5 million directly through George, without the need to provide proof of income, making access to business financing faster and more convenient.

March

— Seed Starter ČS made its tenth investment, supporting the Slovak start-up Vestberry, which helps investment funds automate their analytical and data processes.

— To celebrate its 200th anniversary, Spořitelna launched a nationwide regional project titled “Roadshow pro #silnější budoucnost” (“Roadshow for a #StrongerFuture”). This traveling audiovisual exhibition presented nine key fields of the future and visited 12 cities across the Czech Republic, engaging the public in discussions about innovation and progress.

— The Česká spořitelna Foundation introduced Skoala, an interactive educational platform that builds on the success of the “Abeceda peněz” (“The Money Alphabet”) programme. Skoala focuses on enhancing financial literacy among primary and secondary school students.

— A new voicebot was deployed across all Spořitelna branches to handle incoming calls at the Client Centre. It efficiently manages routine service requests, allowing bankers to devote more time to complex client needs.

April

— A new season of “Spořka Českem” (“Spořka Across the Czech Republic”) multi-stage hike has begun. During these events, Česká spořitelna employees actively contribute by cleaning up and enhancing the locations.

— Erste Grantika Advisory, a subsidiary of Česká spořitelna, celebrated its 25th anniversary. Over its history, Grantika has helped clients secure subsidies for nearly 5,000 projects, with a total value exceeding CZK 22.5 billion.

— Česká spořitelna achieved outstanding success in the Visa Awards 2024, winning three first-place prizes in the categories of Issuer, Digital Proposition, and Bank Branch.

May

— Spořitelna began offering its modern online business platform, George Business, to legal entities outside its existing client base, expanding access to its comprehensive digital banking services.

— In collaboration with Visa and wflow, Česká spořitelna introduced an innovative digital solution for managing corporate payment card expenses. The tool enables effortless digitization of paper receipts and their automatic transfer to accounting systems, streamlining company finance management.

— Spořitelna launched a nationwide marketing campaign promoting investing through the George app. The Czech Republic became the first country in the Erste Group to roll out this campaign.

— Leveraging artificial intelligence, George expanded its language support and now communicates in Italian, Spanish, Slovenian, Vietnamese, and Filipino, making the platform more inclusive and user-friendly for clients of diverse backgrounds.

— Česká spořitelna’s ESG app won first place in the prestigious international Qorus Reinvention Awards in the ESG category. The free app helps companies navigate ESG topics and evaluate the effectiveness of various sustainability and transformation initiatives.

— The DEAP service was added to Spořitelna’s consulting offering for small businesses, allowing clients to compare energy contracts and prices free of charge and identify savings opportunities with verified suppliers.

— Česká spořitelna signed an agreement with the European Investment Bank, securing a EUR 60 million (CZK 1.5 billion) loan. The funds will be used by its subsidiary, “Dostupné bydlení České spořitelny” (“Afforfable Housing Česká spořitelna”), to develop over 700 affordable rental apartments for employees in essential professions.

June

— Česká spořitelna relaunched its children’s campaign, promoting the opening of children’s accounts as well as building and pension savings.

— The Bank signed a memorandum of cooperation with the Czech Ministry of Labor and Social Affairs to support the development of social entrepreneurship in the Czech Republic.

— In collaboration with ČSOB and Raiffeisenbank, Česká spořitelna introduced the Deposit to Card service, enabling clients to deposit cash directly into their accounts via ATMs of other banks.

— Česká spořitelna received its first-ever award in the field of private equity and venture capital, earning the highest honour at the CVCA & SLOVCA Awards 2025.

— The Hey George service, which allows clients to interact with George using artificial intelligence, was made available to all users of the George mobile application.

July

— Erste Asset Management launched a new closed-end mutual fund for qualified investors, ČS PRIVATE EQUITY II, with its underlying fund being Genesis Private Equity Fund V.

— The Large Corporates segment celebrated its 20th anniversary, marking two decades of dedicated service to major corporate clients.

— Česká spořitelna emerged as the most successful financial group in the Golden Crown competition, winning four Golden Crowns, three Silver Crowns, and two Bronze Crowns.

— In the international Euromoney Awards of Excellence, Česká spořitelna was recognized as the best bank in the Czech Republic.

August

— The Board of Directors of Česká spořitelna saw key changes: Attila Sánta replaced Ivan Vondra as the Board member responsible for financial management, and Norbert Hovančák succeeded Pavel Kráčmar as the Board member overseeing corporate banking and financial markets.

— Users of the George mobile app gained access to Spotlights, a feature providing a comprehensive overview of income and expenses for any selected period.

— ČS Penzijní společnost became the largest pension savings administrator in Czechia, managing over CZK 140 billion and achieving a 22% market share.

— For the first time, the number of clients whose investments are managed by Česká spořitelna exceeded 700,000.

— REICO Investment Company EAM launched a new qualified investor fund, enabling investment in residential rental housing.

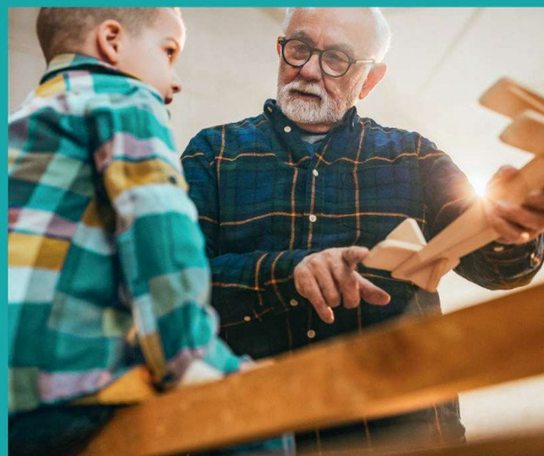
September

— Česká spořitelna held a ceremony to lay the foundation stone for its new headquarters in Prague's Smíchov district.

— Erste Asset Management celebrated its 60th anniversary. In the Czech Republic, it manages over CZK 470 billion across 40 mutual funds for both retail and institutional clients.

— The total amount returned to Česká spořitelna clients through the Moneyback program exceeded CZK 1 billion.

— Česká spořitelna expanded the FIT+ application — which integrates digital tools with personal advice in branches and allows clients to assess their financial health — to its entire branch network.



October

— The number of corporate virtual payment cards issued by Česká spořitelna to clients surpassed 10,000.

— The Small Business segment reached a milestone, with the number of clients exceeding 200,000 for the first time.

— Entrepreneurs can now open four types of accounts directly in George Business. The Bank also launched a campaign highlighting additional benefits of the platform for business clients.

— Česká spořitelna won four first-place awards in the prestigious international Customer Centricity World Series Awards 2025.

— A new risk evaluation feature was added to the George mobile app, enabling the app to assess suspicious payments and block their completion. George began to warn clients before risky transactions are processed.

November

— Česká spořitelna secured a rare double victory, once again claiming first place in the country's two most prestigious banking awards – Visa Best Bank and Mastercard Bank of the Year – successfully defending its leadership from the previous year.

— ČS penzijní společnost strengthened its position as the clear market leader among domestic pension providers, leading both in assets under management and in client numbers. Today, it manages pension savings for nearly 900,000 clients, with total assets approaching CZK 145 billion.

— Residential projects developed by Česká spořitelna's subsidiary Dostupné bydlení received major industry recognition. The Drdla Residence in Žďár nad Sázavou won first place in the Best of Realty 2025 awards in the Rental Housing category, while Amadeus Residence in Prague received a special prize from the Ministry of Regional Development in the Building of the Year 2025 competition.

— Česká spořitelna supported a landmark transaction in the Czech wine industry by providing acquisition and operating financing to the ZWG.WINE Group. This enabled the acquisition of Znovín Znojmo and the creation of the largest wine-producing group in Czechia by vineyard area.

— Česká spořitelna's innovative AI solution was recognized on the global stage, winning the Best Use of AI in Risk award at the Customer Centricity World Series conference in Dubai. The solution has the potential to significantly accelerate and simplify Know Your Client reviews for corporate clients.

December

— Česká spořitelna reached two historic milestones in investments. The number of clients investing through the Bank surpassed 750,000, while assets under management exceeded CZK 500 billion for the first time.

— A new record was set in debt capital markets, with Česká spořitelna participating in the arrangement of 13 corporate bond issues in 2025, with a total volume approaching CZK 100 billion.

— The Bank strengthened its focus on financial education and long-term savings for children through a targeted campaign offering parents a bonus of up to CZK 1,000 when opening a property savings account with regular investments or a children's pension savings account.

— Digital corporate lending reached a new milestone, as the volume of newly originated corporate loans arranged fully online exceeded CZK 1 billion for the first time.

— Erste Private Banking achieved significant growth and international recognition, surpassing CZK 200 billion in assets under management and receiving the Global Finance award for Best Private Bank in the Czech Republic for the third time.

Foreword by the Chairman of the Board of Directors

Ladies and gentlemen,

The year 2025 marked a significant milestone for Česká spořitelna. We celebrated 200 years since our founding and entered our third century of operation on the Czech market. Even after two centuries, we proudly continue to fulfil the mission of our founders: to support the prosperity of households, businesses, and the Czech Republic as a whole. Our results confirm that this mission remains relevant and achievable, even in a rapidly changing environment.

This anniversary was not only an occasion to reflect on our history, but also a reminder of the responsibility we bear as the oldest and largest bank in the country. Our heritage strengthens our commitment to advancing not only our clients, but also the broader Czech economy. To do so, we actively seek diverse perspectives. An important initiative in this regard was the Future Mindset Board – a group of six young individuals who contributed fresh insights to the Bank's management throughout the year and helped us better understand the expectations of the next generation.

Digital transformation and the increasingly advanced application of artificial intelligence remain central to our strategy. Our objective is to further improve operational efficiency while ensuring continuous access to high-quality digital financial advice for our clients. We continued to develop the George platform as an intelligent financial companion and extended its services to corporate clients through George Business. At the same time, we remain committed to combining digital innovation with human expertise, as demonstrated by our unique Future Lab branch in Prague.

The year 2025 also delivered strong business results. Our pension company became the largest manager of long-term savings in the Czech Republic. For the first time, more than 750,000 clients entrusted us with the management of their investments. These achievements confirm Česká spořitelna's position as a trusted partner for the long-term management and growth of personal assets.

Our performance was further recognised through a number of prestigious awards. Česká spořitelna successfully defended its leading positions in the Visa Best Bank and Mastercard Bank of the Year competitions, and Euromoney magazine named us the Best Bank in the Czech Republic.

These results validate the consistency of our strategy and the high standard of services we provide. I would like to express my sincere appreciation to our employees for their professionalism and dedication. I also thank our shareholders for their continued support and, of course, our clients for their trust. Their confidence reinforces our determination to continue transforming Česká spořitelna for future generations, guided by the same purpose that has defined us for two hundred years: helping people and communities prosper.

Tomáš Salomon
Chairman of the Board of Directors
Česká spořitelna

200 years at the O2 Arena

200 years at Rudolfinum and book launch

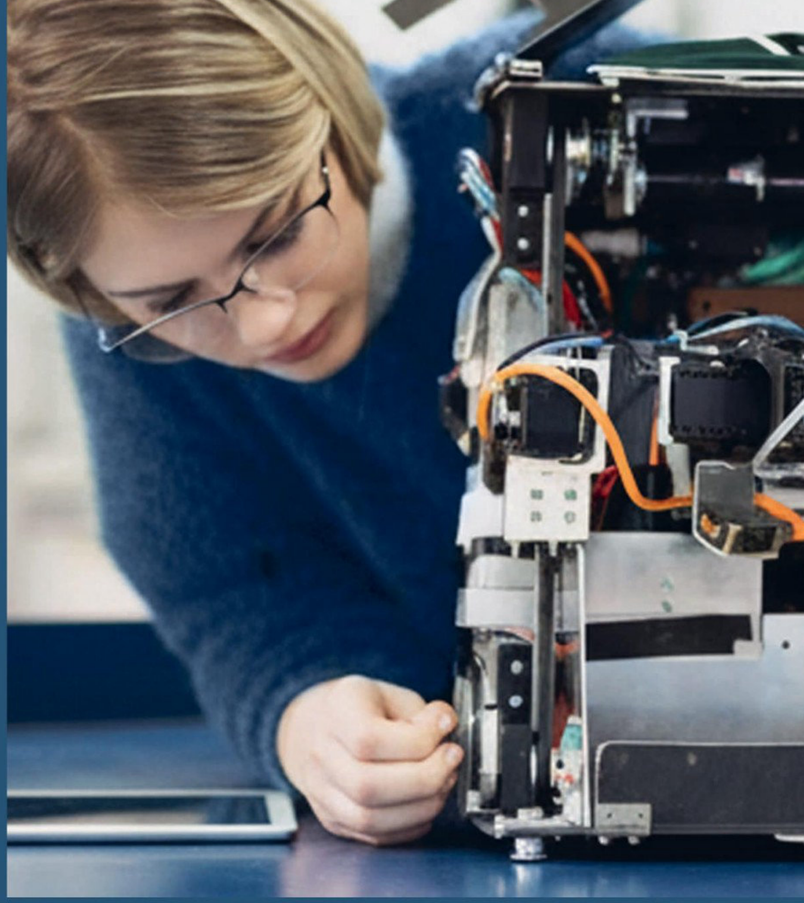
Future Mindset Board

200 years at the O2 Arena

200 Years Roadshow

Skoala

Future Lab



Board of Directors of Česká spořitelna in 2025

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.

Daniela Pešková
Member of the Board of Directors

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

Daniela Pešková is a graduate of the Prague University of Economics and Business, 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 at Budapest Bank in Hungary within the GE Money Financial Group. From October 2004, she worked within the Raiffeisen International Group at the Slovak Tatrabanka as the Director of Project, Procedural, and Organisational Department. In December 2007, she began working for Erste Group Bank at 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 a Green Belt certification in quality project management 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.

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: Erste Digital GmbH

Attila Sánta
Member of the Board of Directors

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

Attila Sánta graduated from Comenius University in Bratislava, specialising in mathematics-management. He began his career in 2002 as an ALM analyst at Slovenská sporiteľňa. In 2005, he joined Erste Group Bank AG in Vienna, where he progressed through several management roles in asset-liability management and finance. Between 2010-2011, he served as Head of Department for ALM at Erste Bank Hungary, gaining direct experience with business lines in a subsidiary environment. From 2011 to 2021, he held various management positions at Erste Group Bank AG, including responsibility for group-wide interest rate risk steering, liquidity management, FX risk steering, MREL compliance, and cover pool management, as well as leading teams for liquidity management, intra-group funding, collateral management, balance sheet investments, and risk positioning. Between 2021-2025, he was Head of Group Balance Sheet Management at Erste Group Bank AG, responsible for group asset-liability management, capital steering and ALM for Erste Bank Österreich.

Attila Sánta has been the member of the Board of Directors of Česká spořitelna responsible for financial management since August 2025.

Membership in the governing bodies of other organisations: Procurement Services GmbH, Nadace České spořitelny

Norbert Hovančák
Member of the Board of Directors

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

Norbert Hovančák graduated from the Bratislava University of Economics and Business, majoring in Business Economics. He also completed interdisciplinary legal studies at Pavol Jozef Šafárik University in Košice and studied Human Resource Management at the University of Prešov. He began his professional career in 1998 at Slovenská sporiteľňa, where he successively held positions as a retail client advisor, corporate client relationship manager, credit analyst, and risk manager for corporate clients. From 2007, he led the Corporate Credit Approval Department, later managed the Corporate Risk Management Division, and from 2013 led the Corporate Clients Division, where he was responsible for strategy, business objectives, banking product sales, and distribution network management. Between 2018–2019, he served as a director responsible for corporate banking, focusing on corporate strategy, the development of digital banking, and corporate product management. From 2021 to 2025, he was a member of the Board of Directors of Slovenská sporiteľňa, responsible for the corporate banking division, financial markets, treasury, investments, and the large corporate client segment.

Norbert Hovančák has been the member of the Board of Directors of Česká spořitelna responsible for corporate banking and financial markets since August 2025.

Membership in the governing bodies of other organisations: Factoring České spořitelny, a.s., Leasing České spořitelny, a.s.

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. After his studies, 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. He began working at Česká spořitelna in 2001, 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 was the member of the Board of Directors of Česká spořitelna responsible for corporate banking and financial markets between February 2016 and July 2025.

Membership in the governing bodies of other organisations: none

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 was the member of the Board of Directors of Česká spořitelna responsible for financial management between 2021 and 2025. His mandate ended in August 2025.

Membership in the governing bodies of other organisations: none

Supervisory Board of Česká spořitelna in 2025

Supervisory Board and Audit Committee of Česká spořitelna

Supervisory Board of Česká spořitelna

Peter Bosek
Chairman of the Supervisory Board

Reference address: Am Belvedere 1, 1100 Vienna, Austria

Peter Bosek is a graduate of the Faculty of Law at the University of Vienna, where he graduated and 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 is the author of various publications. He began his banking career at Erste Bank der oesterreichischen Sparkassen AG in 1996. He started in the Legal Department and later worked in the Real Estate and Retail Departments. 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 Business, Large Customer Business, Real Estate Business, 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 (Treuhänder für Mitarbeiter), Erste Social Finance Holding GmbH, Haftungsverbund GmbH, Österreichischer Sparkassenverband, Wiener Städtische Wechselseitiger Versicherungsverein - Vermögensverwaltung - Vienna Insurance Group, Erste Bank der oesterreichischen Sparkassen AG, Pacemaker Lab GmbH, Österreichische Gruppe der Trilateralen Kommission

Štefan Máj
Vice-Chairman of the Supervisory Board

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

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 the 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.

Stefan Dörfler
Member of the Supervisory Board

Reference address: Am Belvedere 1, 1100 Vienna, Austria

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, Procurement Services GmbH, OM Objektmanagement GmbH, EB-Restaurantsbetriebe GmbH, Sparkassen-Haftungs GmbH, Haftungsverbung GmbH, Pacemaker Lab GmbH.

Zlata Gröningerová
Member of the Supervisory Board

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

Zlata Gröningerová completed her studies at the Prague University of Economics and Business, 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 the governing bodies of other organisations: Prisko, a.s.

Aleš Veverka
Member of the Supervisory Board

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

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

Zlata Kunešová
Member of the Supervisory Board

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

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 the governing bodies of other organisations: none.

Maurizio Poletto
Member of the Supervisory Board

Reference address: Am Belvedere 1, 1100 Vienna, Austria

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, Erste Group Card Processor d.o.o.

Attila Sánta
Member of the Supervisory Board

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

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 Bank 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. Between 2021 and March 2025 he was Head of Group Balance Sheet Management at Erste Group Bank AG, responsible for group asset-liability management, capital steering and ALM for Erste Bank Österreich. Since August 2025 Attila Sánta has been Member of the Board of Directors in Česká spořitelna responsible for financial management.

Attila Sánta resigned from his position as a member of the Supervisory Board of Česká spořitelna in March 2025.

Membership in the governing bodies of other organisations: Procurement Services GmbH, Nadace České spořitelny

Marta Vrbová
Member of the Supervisory Board

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

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 the governing bodies of other organisations: none.

Slavomír Seemann
Member of the Supervisory Board

Reference address: Am Belvedere 1, 1100 Vienna, Austria

Slavomír Seemann is a graduate of the Bratislava University of Economics and Business, where he studied at the Faculty of Business Management with a specialisation in financial management and accounting. He began his banking career in 2001 at ČSOB Stavebná sporiteľňa as an office clerk. In the following years, starting in 2002, he worked at Slovenská sporiteľňa, where he successively held a number of managerial positions in the areas of controlling, accounting, and finance. Between 2013 and 2021, he served at Slovenská sporiteľňa as Head of Accounting and Controlling, where he was responsible, among other things, for the implementation of IFRS 9, tax agenda, statutory reporting, and bank profitability management. He played a significant role in the mergers of subsidiary companies and in the introduction of information governance and the unification of data structures across the bank. Since 2021, Slavomír Seemann has been working as Head of Controlling at Erste Group Bank AG in Vienna. He is responsible for controlling and performance management both at the group level and for Erste Bank der oesterreichischen Sparkassen AG. His main areas of responsibility include profitability calculations, segment reporting, cost controlling, project portfolio management, and optimisation of data flows.

Slavomír Seemann has been a member of the Supervisory Board of Česká spořitelna since May 2025.

Membership in the governing bodies of other organisations: Erste Operations GmbH, Pacemaker Lab GmbH

Members of the administrative, management and supervisory bodies 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 2025.

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

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

David Bichler
Vice-Chairman 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 the Vice-Chairman 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 2025.

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 Prague University of Economics and Business. 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

Slavomír Seemann
Member of the Audit Committee

For more information, refer to the chapter Supervisory Board of Česká spořitelna 2025.

Slavomír Seemann has been a member of the Audit Committee of Česká spořitelna since May 2025.

Reference address: Am Belvedere 1, 1100 Vienna, Austria

Attila Sánta
Member of the Audit Committee

For more information, refer to the chapter Supervisory Board of Česká spořitelna 2025.

Attila Sánta resigned from his position as a member of the Audit Committee of Česká spořitelna in March 2025.

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

Macroeconomic Development of the Czech Republic

in 2025

Throughout 2025, the Czech economy continued its gradual recovery. GDP growth was primarily driven by household consumption and investments. Conversely, foreign trade remained weak, still negatively affected by subdued economic activity in Germany. Average inflation remained only slightly elevated and stayed within the tolerance band around the inflation target. The labour market situation remained favourable. Although the unemployment rate gradually increased, it remained low overall. Additionally, real wage growth remained high, influenced by relatively low inflation. This also impacted monetary policy. The ČNB continued lowering interest rates in the first half of 2025.

Gross domestic product increased by 2.6%[6] in 2025. Economic growth was primarily driven by household consumption, positively influenced by low inflation, high wage growth, and improved consumer sentiment. Overall investment activity also significantly contributed to growth, mainly due to increased inventories. Conversely, the contribution of fixed investments to GDP growth remained only slightly positive, dampened by weak foreign demand, particularly from Germany, and overall uncertainty in the global economy associated with US trade policy. These factors also affected the contribution of foreign trade, which was slightly negative in 2025. Alongside weaker export demand, increased imports for consumption and investment purposes acted in the same direction.

GDP y/y growth[7]

2025	2024	2023	2022	2021
2.6%	1.1%	0.2%	2.9%	4.0%

Average inflation reached 2.5%[8] in 2025, remaining slightly above the ČNB's inflation target but safely within the tolerance band around it. The main pro-inflation factor was strong household demand, which primarily affected price developments in the services sector. Conversely, energy prices, which gradually declined throughout the year, acted in the opposite direction. Fuel price developments also contributed to weaker inflation. Food prices showed a different trend, initially rising relatively strongly in the first half of the year, contributing to higher inflation, but reversing in the second half. This subsequently led to year-on-year inflation reaching reaching only 2.1%[9] in December.

Price growth (CPI inflation)[10]

2025	2024	2023	2022	2021
2.5 %	2.4 %	10.7%	15.1%	3.8%

The labour market remained favourable in 2025. Although the unemployment rate slightly increased, it remained at a very low level overall. Additionally, the reduction in labour market overheating contributed to easing inflationary pressures. High real wage growth continued. This development was supported not only by relatively low inflation but also by strong nominal wage growth, which reached 7.2%[11] in 2025.

Unemployment rate[12]

2025	2024	2023	2022	2021
2.9%	2.7%	2.6%	2.2%	2.8%

During the first half of 2025, the Czech National Bank continued gradually lowering interest rates, a process that began at the end of 2023. This development was facilitated by overall inflation near the inflation target and economic developments, including inflation expectations, which did not indicate a significant resurgence of inflationary pressures. In May, the ČNB's main rate reached 3.5%[13]. Since then, it remained stable for the rest of the year, as further reductions were hindered by persistent domestic inflationary pressures. The koruna's exchange rate against the euro strengthened significantly during 2025 to around EUR/CZK 24.3[14] by the end of year. Among the main reasons was the change in expectations regarding CNB monetary policy, as part of the market leaned towards the possibility of further significant rate cuts in the Czech economy at the beginning of 2025. The revival of the Czech economy and the weakening of the dollar, which influenced market sentiment, acted in the same direction. The yield curve shifted upwards during 2025. One reason was the change in market expectations regarding future ČNB monetary policy, whose easing ultimately settled higher than markets anticipated at the turn of 2024/25. Another reason was the increase in the German yield curve, driven by similar reassessment of market expectations for ECB monetary policy and the anticipated strengthening of fiscal expansion in Germany. In the second half of 2025, expectations from part of the market that further rate movements might be upwards, due to anticipated strengthening of fiscal expansion in the Czech economy in the coming years, contributed to the increase, particularly at the longer end of the curve. The state budget deficit reached approximately CZK 291 bn[15] in 2025, remaining at a high level. Although fiscal consolidation contributed to reducing the deficit, increased spending, particularly on defence, acted in the opposite direction. Nevertheless, the public debt-to-GDP ratio remains relatively low, reaching 43.1%[16] in the third quarter of 2025.

(6) Source: Czech Statistical Office, 12. 3. 2026, https://csu.gov.cz/rychle-informace/gdp-resources-and-uses-4-quarter-of-2025
(7) Source: Czech Statistical Office, 12. 3. 2026, https://www.czso.cz/csu/czso/hdp_ts
(8) Source: Czech Statistical Office, 12. 3. 2026, https://csu.gov.cz/rychle-informace/consumer-price-indices-inflation-december-2025
(9) Source: Czech Statistical Office, 12. 3. 2026, https://csu.gov.cz/rychle-informace/consumer-price-indices-inflation-december-2025
(10) Source: Czech Statistical Office, 12. 3. 2026, https://www.czso.cz/csu/czso/hmu_ts

(11) Source: Czech Statistical Office, 12. 3. 2026, https://csu.gov.cz/rychle-informace/average-wages-4-quarter-of-2025
(12) Source: Czech Statistical Office, 12. 3. 2026, https://www.czso.cz/csu/czso/zam_ts
(13) Source: Czech National Bank, 12. 3. 2026, https://www.cnb.cz/en/monetary-policy/bank-board-decisions/CNB-Board-decisions-1746621000000/
(14) Source: Czech National Bank, 12. 3. 2026, 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, 12. 3. 2026, https://mf.gov.cz/cs/rozpoctova-politika/statni-rozpocet/plneni-statniho-rozpoctu/2025/mesicni-pokladni-plneni-sr-58704
(16) Source: Czech Statistical Office, 12. 3. 2026, https://csu.gov.cz/rychle-informace/government-deficit-and-debt-3-quarter-of-2025

Report
of the Board of Directors

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

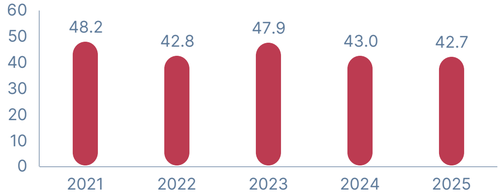
for 2025

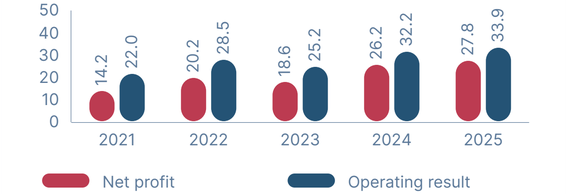
Consolidated Financial Results[17]

Consolidated Statement of Income

As of 31 December 2025, Česká spořitelna reported an audited consolidated net profit of CZK 27.8 bn, according to the International Financial Reporting Standards (IFRS). Operating result reached CZK 33.9 bn.

Česká spořitelna reported an audited consolidated net profit of CZK 27.8 bn



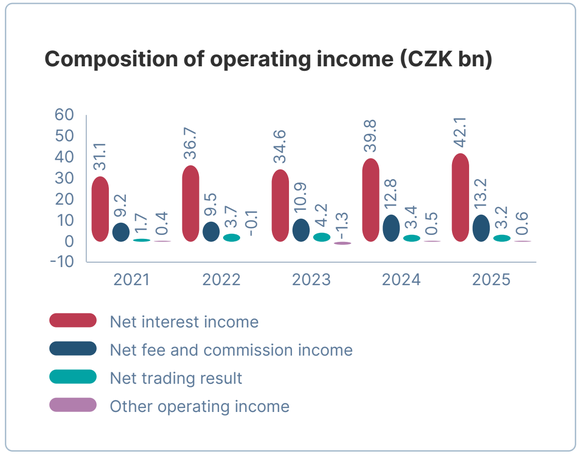


Operating result of Česká spořitelna increased by 5.3% y/y to CZK 33.9 bn in FY 2025 driven by higher operating income growing by 4.7% y/y attributed to higher net interest incomes, net fee and commission income and gains from financial instruments measured at fair value through profit or loss which were partly offset by decrease in net trading result. The development of operating expenses was influenced by growth of other administrative expenses and personnel expenses. As the consequence, Cost/Income ratio improved to 42.7% from 43.0% in FY 2024.

Net interest income increased by 5.8% in comparison with FY 2024 and reached CZK 42.1 bn. The development of net interest income was affected mainly by volume growth of loans supported by positive impact of higher volume of deposits and favourable balance sheet positioning and gradual decline in costs of funds reflecting decreasing interest rate environment. On the contrary, increased minimum reserve requirement had negative impact on net interest income development. Net interest margin related to interest bearing assets increased to 2.12% in FY 2025, reflecting the above-mentioned development.

Net fee and commission income rose by 3.1% year-on-year to CZK 13.2 bn which was mainly caused by securities transactions driven by investments products, especially higher sales of mutual funds accompanied by positive performance effect. The decline in payment transfers reflected extraordinarily high card fees in 2024; rise in insurance fees was attributed to both life and non-life insurance products.

Net trading result decreased by 5.2% y/y to CZK 3.2 bn in FY 2025 which was driven mainly by revaluation of derivatives.



(17) Definitions of the below mentioned alternative performance indicators are stated in the chapter Definitions of Alternative Performance Indicators.

Total operating expenses rose by 4.0% y/y to CZK 25.3 bn in FY 2025, mainly influenced by growth of other administrative expenses and personnel expenses. The increase in other administrative expenses (+7.6% y/y) was mainly affected by higher costs of IT and growth in marketing that reflected expenditures connected to 200-year anniversary. Higher salaries and benefits led to rise in personnel expenses of 2.3% y/y. Salary increase was partially offset by a lower number of employees. Depreciation up by 1.4% in comparison with FY 2024.

Gains/losses from derecognition of financial assets measured by amortised costs recorded negative result of CZK 1.3 bn due to sale of bonds.

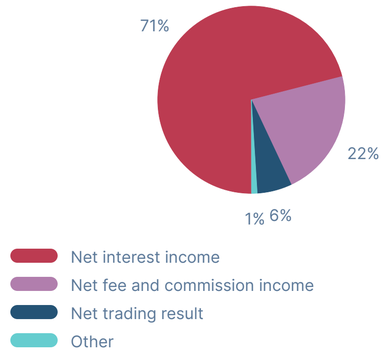
Impairment result from financial instruments (i.e., creation/release of risk provisions and reserves for loans and advances, guarantees and commitments) recorded creation of CZK 0.4 bn in FY 2025, as excellent quality of the loan portfolio and positive favourable macroeconomic framework was offset by impact of methodology updates.

The loan portfolio reported excellent quality; the share of non-performing loans over total loans declined in a year-on-year comparison to 1.6%.

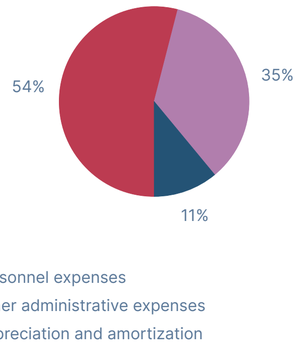
Coverage of non-performing loans by impairment provisions rose in a year-on-year comparison and reached 105% in 2025 (102% in 2024); the total coverage of non-performing loans (including collaterals) stood at 134% (137% in 2024).

Other operating result of CZK 1.7 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 Budějovická Plaza buildings and release of provisions to legal disputes.

Structure of operating income



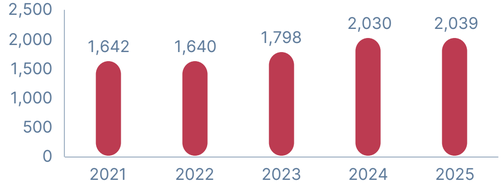
Structure of operating expenses



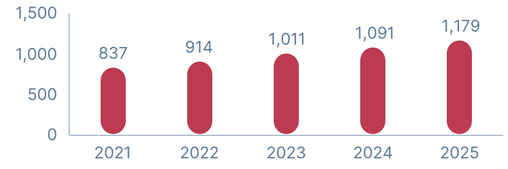
Consolidated Balance Sheet Analysis

As of 31 December 2025, total consolidated ČS Group assets amounted to CZK 2,038.5 bn, which meant a 0.4% increase compared to 31 December 2024. On the assets side, the development was affected by loans to customers and loans to banks. The liability side of the balance sheet increased mainly thanks to customer deposits and debt securities partly offset by deposits from banks.

Total assets (CZK bn)



Net loans and advances to customers (CZK bn)



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 1,091.0 bn at the end of 2024 to CZK 1,178.9 bn at the end of 2025, which meant an 8.1% increase. The proportion of net client loans to client deposits (Loans/Deposits ratio) went up from 73.6% at the end of 2024 to 77.1% at the end of 2025.

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

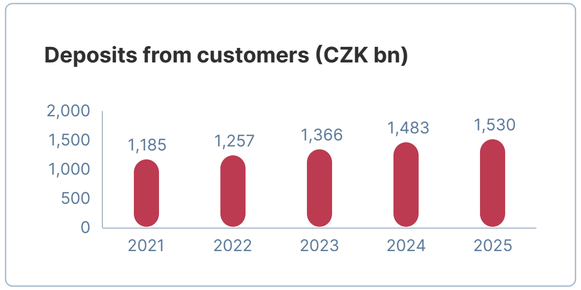
The gross volume of ČS Group customer loans increased by 7.9% y/y to CZK 1,198.6 bn. The portfolio of retail loans amounted to CZK 748.5 bn, representing a year-on-year increase of 7.8%, driven by private mortgages (+9.9% y/y), consumer lending (+3.0% y/y) and Building Society (+6.9% y/y). The volume of corporate loans grew by 7.6% year-on-year to CZK 444.4 bn attributed to increase in Large Corporates (+8.9%), SME (+7.7%), Public Sector (+16.1%) and corporate subsidiaries (+13.8%), Real Estate down by 1.9%[18].

Balance sheet development in 2025 also reflected growth of debt securities of CZK 29.2 bn (or 7.8%) to CZK 401.7 bn. Loans and advances to banks at amortised cost decreased by CZK 114.3 bn (or 25.8%) to CZK 329.1 bn driven by lower reverse repo operations with the ČNB.

(18) Source: ČS 2025 results, p. 50, 26. 02. 2026, https://www.csas.cz/static_internet/en/Redakce/Ostatni/Ostatni_IE/Prilohy/cs-results-fy-2025.pdf

Liabilities

Group deposits from customers grew by 3.1% y/y to CZK 1,529.8 bn attributed to increase in retail deposits (+2.2% y/y to CZK 1,048.4 bn), corporate deposits (+2.1% y/y to CZK 320.9 bn) and non-core deposits (+12.7% y/y to CZK 160.6 bn).



The deposits from banks declined by CZK 45.5 bn (or 16.5%) y/y to CZK 230.0 bn reflecting intragroup transactions with the parent. Debt securities issued increased by CZK 16.8 bn (or 20.6%) y/y to CZK 98.3 bn as a senior non-preferred bond eligible for the MREL requirement was issued in the amount of EUR 500 m in September 2025. In addition, Tier 2 subordinated bonds for Erste premier and private banking clients were issued in the amount of CZK 2.5 bn in February 2025, followed by an intragroup Tier 2 issuance of EUR 150 m in June 2025. In contrast, AT1 in the volume of EUR 350 m was repaid in June 2025. The total MREL ratio therefore stood at 32.2% in 2025, well above regulatory requirement.

Equity attributable to owners of the parent declined to CZK 149.3 bn as of 31 December 2025, which was 3.1% less than at the end of the year 2024 affected by repayment of AT1. The total capital ratio for Česká spořitelna Group reached 20.0% as of 31 December 2025, well above minimum regulatory capital requirement (16.75%).

Business Activities

Retail Banking

In 2025, Česká spořitelna continued to strengthen its position as the most accessible bank on the market, thanks to a combination of its robust distribution network and the ongoing development of digital services with an emphasis on artificial intelligence (AI). By the end of 2025, the retail banking services of Česká spořitelna and its subsidiaries were used by 4.3 million clients. A key element of client care is the George application, actively used by 2.6 million clients and ranked among the best in the market.

Česká spořitelna combines digital technologies with a personal approach and, through the largest network of branches (329), ATMs and transaction terminals (1,516), remains the most accessible bank on the domestic market. From the perspective of market share, it holds the number-one position in consumer lending (including credit cards and overdrafts), total deposits, mutual-fund distribution, mortgage loans, and life-insurance intermediation.

Česká spořitelna is the most accessible bank on the domestic market

Financial Health as a Clear Bank Strategy

Česká spořitelna's long-term strategy is to improve the financial health of individuals, communities, and businesses, guiding them toward long-term prosperity. In 2025, the Bank significantly advanced this strategy thanks to faster adoption of artificial intelligence and new technologies, which have become an integral part of banking services.

A key milestone was the development of the George digital ecosystem, where the Bank launched Hey George, an AI banking assistant. It enables clients to simplify account management, gain better financial insight, and receive proactive advice in various situations using AI technologies. George has thus become not only an everyday banking tool but also an active financial assistant responding to clients' real-time situations.

The Bank also experimented with new technologies in the Future Lab, its experimental branch, where it tests and gradually deploys modern tools for advisors and clients – an AI avatar, a 24/7 online banker, and interactive financial-health educational games. Connecting digital and personal channels provides clients with a seamless and proactive experience and allows the Bank to more accurately assess financial health and offer relevant, immediate solutions – whether through mobile devices or in person with an advisor.

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

In 2025, the Bank continued to support clients' financial health with a strong focus on the rapid adoption of modern technologies. Clients remain sensitive to the impacts of economic developments and actively seek ways to manage finances more easily. The Bank therefore expanded its set of practical solutions that help clients save, invest, and protect themselves from risks – both digitally and in branches. Meanwhile, Česká spořitelna worked on a new rewards programme aimed at strengthening client relationships by offering fair and transparent benefits based on the depth of the overall relationship.

1. Smart Tips and Personalised AI-Driven Recommendations (Hey George)

In 2025, the Bank further strengthened George's role as an everyday financial assistant. Thanks to AI-powered recommendations within Hey George, clients automatically receive personalised suggestions on savings or more suitable product settings. George identifies unused benefits, highlights opportunities for financial optimisation, and proactively prompts clients to take actions to improve their financial health. More than 1.7 million clients used Hey George in 2025. Česká spořitelna received an award for its AI advisory services at the Customer Centricity World Awards 2025.

2. Easier Access to Investments Through George Invest

The year 2025 confirmed strong demand for simple investment tools embedded directly in mobile banking. The Bank expanded access to investment products in George through George Invest, enriched with educational

content and options for both lump-sum and recurring investments. For more active investors, the Bank added new direct-investing options reflecting rising demand for accessible investment instruments.

3. Security Prevention and Client Education

Responding to increasing cyber threats, Česká spořitelna enhanced AI-based security features and authentication measures. Clients value being proactively informed about fraud risks, educational activities, and the ability to quickly contact a banker directly within George if suspicious activity occurs. These steps significantly strengthen fraud prevention and trust in digital services.

4. Pilot of the New Rewards Programme

In 2025, the Bank piloted a new Rewards Programme that provides clients with clearer and fairer benefits based on the depth of their relationship with the Bank. The pilot confirmed that linking financially healthy behaviour to real rewards increases client engagement and usage of banking services. It also demonstrated strong commercial potential and serves as an important foundation for further development in 2026.

Financial Education

The Bank also promotes financial education through the Česká spořitelna Foundation and the Skoala digital platform, which delivers modern teaching materials directly to schools. Officially launched in March 2025, Skoala expanded during the year with new tools for teachers. By the end of 2025, Skoala offered more than 150 methodologies and educational materials – including games, videos, and edubooks – supporting teachers in developing students' financial literacy and practical skills. In 2025, more than 11,900 teachers from 3,505 schools registered for Skoala, representing 63% of all primary and secondary schools in the Czech Republic.

Client Satisfaction

Client satisfaction reached an NPS score of 45 at year-end 2025, indicating that 85% of the Bank's clients rated their satisfaction at 7 or higher on a 0–10 scale. Year-on-year, the Bank increased its NPS by 5 points, driven primarily by George, branch services, and financial-health initiatives. Despite the growing influence of technologies, the combination of high-quality personal and digital advisory support remains the most effective approach. Česká spořitelna is the only bank on the market providing personal advisory services to all clients, regardless of their financial standing, seamlessly connecting physical and digital channels. This approach is highly valued – clients using the advisory FIT section in George have an NPS of 76 and those with a personal banker have an NPS of 72.

Mobile and Internet Banking

In 2025, Česká spořitelna continued the development of the digital George environment, which has become both a key channel for clients' everyday financial management and an essential tool for branch advisors. George is no longer only a daily banking tool but a long-term financial-life guide helping clients better navigate their finances, supporting financial health, and teaching clients how to improve it. The Bank focused especially on personalisation, ease of use, and support for clients' autonomy across life situations – from children and parents to clients preparing for long-term financial goals.

The Usage of George

George maintained its position as the most used mobile-banking application on the Czech market. By year-end 2025, it had approximately 2.4 million active clients (logged in at least once per month), representing a year-on-year increase of 9%.

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

The number of logins shows how deeply George is integrated in clients' daily routines. On average, a client logs in more than 31 times per month. Over the year, the application was opened at least once by approximately 3,106,038 unique users, with more than 2.6 million active clients across mobile and internet banking.

Long-term trends show a continued decline in Internet banking use in favour of the mobile app, which has become the dominant platform for financial management.

George for Children

As part of its long-term digital-banking strategy, the Bank continues to support financial literacy among its youngest clients aged 8–14. The George for Children solution provides fully fledged digital banking tailored to their needs.

New educational gaming elements were added, combining play with learning about financial health. Easter- and Halloween-themed games taught children basic principles of money management, saving, and financial decision-making. Another enhancement was the introduction of customisable application themes, allowing children to choose from various visual backgrounds and motifs – making the platform more appealing across the target group.

Hey George

Hey George is a new communication channel integrated into the George mobile application, enabling clients to obtain information, answers, and recommendations through artificial intelligence. Launched in July 2025, it reached more than 2 million clients by year-end.

Across more than 30 proactive scenarios, Hey George reached 3.9 million clients. A total of 1.5 million unique users engaged in more than 4.5 million conversations. The average open rate was 50%, reaching up to 98% for selected scenarios, and the assistant successfully resolved 97% of queries.

Hey George contributed to the sale of more than 15,600 products and the completion of an additional 6,000 scenarios, such as digitalising payment cards.

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

George for Everyone

George for Everyone is a new service model designed to unify bankers' workflows in the digital George environment and expand its usage across the branch network. Launched at the end of February, following a pilot on 7 branches, it was gradually deployed to approximately 2,800 bankers from retail and the Erste Premier segment, including specialists. The deployment was carried out gradually with the aim of verifying the functionality of the solution in real operation and preparing its expansion to the entire network.

By year-end 2025, George for Everyone was available to all 4,300 retail bankers, becoming a routine part of client servicing.

Investing in the Mobile Application

The Bank continues to meet its strategic investment goals by expanding digital wealth-management capabilities. At the turn of 2024/2025, a completely new Invest section was introduced in George, immediately becoming a key platform for growing client assets. It was visited by more than 2 million users during the year.

The new interface includes an aggregated graph offering an instant overview of the total value of all portfolios held by the client, with detailed breakdowns of individual positions. Users can also create a personal Watchlist to monitor selected securities or book a meeting with an investment specialist directly from the app.

Search and Buy

The main channel for Česká spořitelna's product offering within the Invest section – "Search and Buy" – was significantly redesigned. Modern product tiles for asset classes improved clarity, as evidenced by tens of thousands of monthly visits. Equities and funds dominate in attractiveness.

Reflecting the Bank's focus on sustainability, ESG data were added to equity-detail views. The Bank also expanded its product graphs with additional global exchanges and enhanced analytical metrics. A major innovation was the integration of purchase forms directly into the app's native environment, greatly simplifying the trading process.

Fractional Investing and Market Democratisation

Aligned with its strategy to make capital markets more accessible to the public, Česká spořitelna has offered fractional investing for one year – a breakthrough innovation removing high price barriers for selected equities and ETPs (ETF, ETC, ETN). Clients can therefore invest any amount into fractions of securities, no longer limited by the price of a single full share.

This progressive tool is especially popular among younger clients, offering a flexible, low-cost entry into long-term wealth building. Fractions thus directly support the Bank's goal of strengthening the financial health and investment habits of future generations of investors.

Digital Advisory and the FIT Section

In 2025, Česká spořitelna significantly expanded and unified the FIT advisory section in George. Building on the earlier Fit Zone, FIT now provides a consistent advisory approach across digital channels and the branch network, strengthening George's role as a financial-life guide.

The FIT advisory section is available to both mobile banking clients and bankers at branches. Thanks to the standardisation of content and working methods, clients enjoy the same advisory experience regardless of whether they manage their finances independently or in cooperation with a banker. In the first three months after its expansion, FIT recorded 1.1 million client interactions.

FIT provides personalised recommendations in key financial health areas – including budgeting, adequate emergency savings, retirement planning, insurance, and investments. A monthly financial management overview shows clients how well they adhered to their budget and how much they saved. FIT also offers free credit-registry checks, giving clients a clear view of loans and overall indebtedness. Approximately 42,000 registry checks were completed after the section's expansion.

Another milestone was launching the Personal Future product plan within FIT. This advisory tool helps clients prepare for retirement through planning, effective saving, and investing. Clients can link their products, set a target retirement income, and determine appropriate contributions. In 2025, approximately 168,000 clients began planning their financial future using this tool.

Cybersecurity

According to estimates for 2025, cybercrime-related losses in the Czech Republic amounted to approximately CZK 2 billion. Česká spořitelna actively combats these fraudulent activities.

In the George mobile application, the Bank introduced warning screens for high-risk payments. These alerts notify clients of potentially fraudulent transactions and provide basic educational information. This approach has reduced clients' monthly losses by approximately 20–30%.

Within the FIT section, clients can also access the "Safely Online" educational programme, which explains the most common types of fraud and principles for safe behaviour in the digital environment.

AI Avatar - Gamified Fraud Education

In the first half of 2025, Česká spořitelna tested an innovative approach to fraud education using an AI avatar. Clients could engage in conversations with the avatar in George, during which it would unexpectedly request sensitive information – simulating a real-life fraud attempt. The experiment showed that 10% of clients fell for the attack, giving them a hands-on experience of how cyberattacks unfold. The Bank leveraged the idea that experience is the most effective form of learning, expecting that these clients will be significantly more cautious in real situations.

Clients are encouraged to regularly follow George and the Bank's website, where current fraud alerts and protection measures are published.

Protection Against Fraudulent Websites

In George, under the Discover section, clients can activate a service designed to enhance protection against fraudulent (fake and phishing) websites. Česká spořitelna is piloting this service in cooperation with ESET spol. s r.o. More than 91% of clients state that the service met their expectations. Measurements to date indicate that the service helps reduce the number of client attacks (i.e., clicks on fake sites) by up to 30%.

The Moneyback Rewards Programme

Through the Moneyback rewards programme in the George app, clients can achieve significant savings when paying with Česká spořitelna cards. In 2025, the programme exceeded 1.55 million users, with more than 615,000 clients earning rewards. Total rewards paid out in 2025 exceeded CZK 181 million (the highest individual annual reward reached CZK 50,776; the average reward was CZK 249). Since the programme's launch over five years ago, total rewards have surpassed CZK 1 billion.

Programme usage consistently correlates with higher client satisfaction. Frequent users reach an NPS of 66 (20 points above the Bank's average of 46 and more than double that of non-users at 32). Occasional users achieve an above-average NPS of 50. Data confirms a consistent relationship: the more clients use the programme, the higher their satisfaction.

Awareness of the programme also impacts satisfaction; clients familiar with Moneyback show higher satisfaction levels. Therefore, in addition to developing the offer itself, the Bank systematically focuses on lifecycle communication to raise awareness, support activation, and simplify everyday use of benefits.

In 2025, the Bank launched real-time push notifications, informing clients immediately after a payment about the reward amount, fulfilment of payout conditions, or required offer activation. Other client-friendly improvements during the year included automatic offer approvals, extended filtering options, and clearer display of available offers.

BankID

In 2025, Česká spořitelna provided Bank Identity services to more than 3 million clients, contributing to the digitalisation of the Czech economy, which ranks 11th in Europe in digitalisation performance, placing it above average.

Since its launch in January 2021, nearly 1.4 million Česká spořitelna's clients have used the Bank iD service to log in for e-government purposes, achieving more than 22.5 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 7 million logins.

For private companies, the Bank iD service was launched in June 2021 and continued its successful adoption in 2025. 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 1 million clients of Česká spořitelna have used the identity verification services, and in 2025 alone, 600,000 clients used Bank iD. Clients mostly verified their identity with betting offices, insurance companies, financial institutions, and the State Environmental Fund. In 2026, 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 2025, the Czech mortgage market continued its trend of sharply rising average mortgage loan amounts. Together with stabilised interest rates, this led to high volumes of new mortgages comparable to the record year 2021. Česká spořitelna confirmed its position as market leader – both in newly issued mortgage volumes and in total portfolio – and continued to dominate the market. A significant share of newly provided mortgages (38%) consisted of energy-efficient housing loans through “Hypotéka pro budoucnost” (“Mortgage for the Future”).

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

In 2025, the Bank focused primarily on digitalisation and automation of mortgage processes through AI and sustainability-driven solutions. Clients received several new options to simplify mortgage servicing and management through George mobile and Internet banking, along with advisory services on reducing the energy demands of buildings.

For 2025:

— 25,085 new mortgage loans were concluded;
— New mortgage volume totalled CZK 104.2 billion;
— The Bank achieved a 27.3% market share;
— The mortgage portfolio reached CZK 501.1 billion as of 31 December 2025 – an increase of CZK 44.2 billion (9.7% year-on-year).

Financing Personal Needs

In 2025, the market for unsecured loans continued to grow, supported by stabilised interest rates that increased affordability. As a result, many clients pursued their plans using unsecured financing. Higher demand was seen across the entire market. With decreasing interest rates, clients increasingly consolidated older, less favourable loans from other institutions. Market growth exceeded the Bank’s expectations.

Growth was also driven by dynamic development in cooperation with external partners. This led the Bank to expand distribution channels to reach clients inaccessible through traditional channels. In 2026, the Bank plans to further develop product and process capabilities within this channel to make it a stable part of its business model.

The Bank continued enhancing the loan-origination process to ensure a consistent experience across all channels. Strong emphasis remained on digital channels – expanding online availability of loan products and simplifying the end-to-end process. The Bank is systematically harmonising sales processes across its entire product portfolio in both digital and branch environments to improve efficiency and provide a seamless client experience.

In 2025, the Bank focused heavily on advisory tools, especially digital ones. With the launch of FIT in George, clients gained the ability to check their liabilities held with other institutions – independently in George or together with an advisor. This unique functionality positions Česká spořitelna as the only bank providing such a service free of charge.

The Distribution Network

In 2025, branch modifications continued to ensure optimal environments for financial advisory and service digitalisation. In addition to private meeting rooms, branches were further adapted for online meetings, and layouts and standards were updated to better support bankers’ work and the Bank’s business model.

Clients have access to self-service cash machines – mainly recycling ATMs for withdrawals, deposits, and payments – available 24/7. In 2025, 15 additional branches were reconstructed into the new format.

By year-end, 223 branches (68%) followed the new concept: 12 large flagship branches, 149 medium-sized branches (65 cashless), and 62 small branches (56 cashless). Branch design continues to evolve with trends, client feedback, and sustainability considerations, adjusting colour schemes, materials, and workspace types. The new format was also adapted for small branches.

A major milestone came in Q4 2025 with the opening of the Future Lab, an innovative 24/7 branch serving as a live laboratory for testing breakthrough technologies, advanced AI avatars, and holistic concepts integrating financial and physical well-being. Simple service requests are handled by the avatar, allowing bankers to focus on advisory roles. Future Lab provides invaluable data and experience, enabling the Bank to effectively shape the future

strategy of its branch network and deliver services that combine cutting-edge digitalisation with a new level of customer comfort.

Branches are designed to be fully accessible for all clients. All bankers have the Deafcom app to support clients with hearing impairments; 105 large and medium branches offer voice navigation for visually impaired clients; clients with disabilities can request assisted appointments. The Bank also collaborates with the Prague Organisation of Wheelchair Users to map branch and ATM accessibility, published both on the Bank's website and on presbariery.cz.

To optimise network coverage, the Bank adjusted branch locations. Following analysis of business performance, footfall, and client movement, 6 branches were closed. By year-end 2025, 214 branches operated in a cashless mode – cash transactions handled through ATMs or George services. The Bank focused on optimising cash volumes and improving teller operations.

The new branch concept aligns with the Financial Health strategy and digital transformation. Modern design, private meeting spaces, and updated technologies (client tablets, advisor iPads, biometrics, digital signage) enrich the client experience. The Bank strengthened portfolio advisory services by personal bankers.

Remote advisory expanded further – clients can now book online meetings with their home branch banker or with Online Branch advisors available for extended hours.

Investment Products for Retail Clients in 2025

When designing investment products for retail clients, Česká spořitelna has long focused on providing solutions that deliver genuine added value and correspond to the needs, requirements, and expectations of its clients. The Bank places emphasis on clarity, simplicity, and transparency of investment offerings while maintaining the highest possible likelihood of achieving attractive returns.

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

The year 2025 was highly successful for financial markets, both in terms of returns and business results. As of 31 December 2025, the Bank managed investments amounting to more than CZK 503 billion for more than 758 thousand clients. During 2025, the Bank acquired more than 134,000 new investors. Consistent with previous years, conservative currency premium deposits – in Czech koruna and foreign currencies – attracted strong interest. Clients invested more than CZK 4.2 billion, USD 31 million, and EUR 29 million into these products. Clients invested more than CZK 4.3 billion into 87 new issues of structured premium debt securities and premium bonds. Over CZK 3.7 billion was invested in subordinated bonds of Česká spořitelna and Erste Group, and more than CZK 11.4 billion in corporate bond issues.

In line with 2024, the year 2025 was marked by further digitalisation and increased accessibility of investments through the George application. Clients can use the advisory module to receive personalised investment recommendations or take advantage of the Search and Buy functionality to invest independently across a wide range of products.

Dynamic assets also performed strongly in 2025. Equities drew significant investor interest, with clients investing more than CZK 10 billion, including CZK 6.1 billion digitally. Exchange-traded ETFs also grew in popularity, with purchases exceeding CZK 1.4 billion, of which CZK 0.7 billion were digital transactions. Altogether, more than 13 million investment trades were executed in 2025.

As in previous years, physical gold remained attractive to clients – who purchased CZK 300 million worth of gold bars, weighing a total of 116 kg.

Mutual Funds of Erste Asset Management GmbH - Czech Branch in 2025

The calendar year 2025 built upon the strong performance of prior years – both in fund performance and commercial results. The final absolute figure of nearly CZK 33 billion in net sales across Erste AM funds is a continuation of prior successes. Assets under management, including institutional clients, approached CZK 500 billion at year-end. The number of clients increased year-on-year by 14%, with more than 687,000 unitholders registered in Česká spořitelna funds.

The year 2025 was exceptionally favourable for equity markets across all regions, with strong performance in the US, Europe, and Asia. Technology companies and investor enthusiasm for artificial intelligence were the primary drivers of global market growth.

Approximately half of the Czech branch's net sales were directed into bond funds, driven by strong historical performance and the conservative nature of Czech investors. The best-selling fund of 2025 was ČS Corporate Bond Fund, with net sales of CZK 5.84 billion. The remaining half of net sales was evenly split between equity and mixed funds. Positive investor sentiment and favourable fund performance resulted in positive net sales across all mixed funds. The largest mixed fund, Conservative Mix, grew by 4.28% and generated sales of nearly CZK 3.27 billion.

Equity funds also benefited from strong investor appetite: Stock Small Caps Fund attracted CZK 3.9 billion in new inflows and delivered +8.35% growth. Top Stocks, the largest domestic equity fund, grew by +7.90% with net sales of more than CZK 2.3 billion. The best performer was Sporotrend, focused on Central and Eastern European equities, achieving +38.13% growth in 2025.

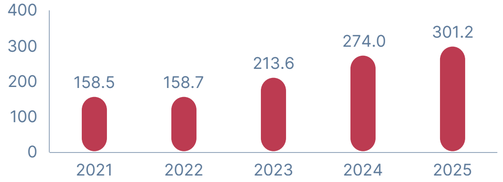
During 2025, positive sentiment on the risk asset market also spread to bond markets. The year 2025 was influenced by the arrival of Donald Trump and his trade wars, more precisely by the announcement and subsequent cancellation of tariffs, or their increase and then reduction. At the same time, Russian aggression in Ukraine continued, threatening security on the European continent, which led many countries to increase defence spending and thus fiscal expansion. Although central banks continued to cut interest rates, longer-term government bond yields remained at higher levels (dollar) or rose slowly throughout the year (euro and koruna). This was also reflected in the annual appreciation of Sporoinvest funds (2.90%) with sales of CZK 4 billion, but mainly Sporobond (2.16%) with net sales of more than CZK 3.5 billion. The first surprisingly high increase in US tariffs triggered a correction in credit markets in April, but the subsequent reduction in tariffs and strong demand helped to reduce corporate bond credit spreads to long-term lows. This helped to offset the negative effect of the growth in euro risk-free yields and brought positive returns for the ČS Corporate Bond Fund (3.10%) and the High Yield Bond Fund (3.58%), which was reflected in sales of this fund amounting to more than CZK 1.90 billion.

In 2025, the inflow of funds into mutual funds continued to be supported by a significant component of regular investments. It can be stated that approximately CZK 1 billion per month flows into funds in the form of regular investments. The absolute number of regular investors in funds has increased, aided by combined products where higher interest rates on savings accounts were conditional on the commencement of regular investing. Thanks to

high savings rates and greater financial literacy, the inflow of new investors continues. The average amount of regular investment is also increasing, now slightly above CZK 1,800.

The total volume of assets in retail funds managed by the Czech branch of Erste Asset Management amounted to more than CZK 301 billion at the end of 2025, representing an increase of almost 10% year-on-year. Strong investor interest in bond funds contributed significantly to the overall growth in fund assets. The trend toward investing in funds is expected to continue, although it will not be easy to exceed these figures in 2026. On the other hand, the expected stability of the interest rate environment, very good stock market performance across regions, and still relatively low penetration of investment products across households should create a good basis for continued growth in the volume of assets in collective investment. The migration of savings from savings accounts to investment products and the extension of investment horizons are also expected to continue. Risks remain in the geopolitical environment, the issue of central bank independence, and high valuations on risky assets, especially in the area of equities with exposure to artificial intelligence.

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



REICO Real Estate Funds

Česká spořitelna, in cooperation with REICO investiční společnost Erste Asset Management, a.s., offers retail clients the opportunity to invest in commercial real estate through the REICO NEMOVITOSTNÍ (hereinafter also "RN") and REICO LONG LEASE (hereinafter also "RLL") funds. Both are open-ended mutual funds, with RN being one of the largest Czech mutual funds with equity capital of CZK 37 billion and, with more than 15 years of history, also the oldest domestic real estate fund.

In 2025, a new qualified investor fund, REICO EPB I., was launched, focusing on residential real estate and intended for clients in the EPB segment.

In 2025, the REICO investment company focused its activities on maximally effective property management and liquidity optimisation, supported by inflows of new funds into the fund and preliminary negotiations on external financing terms. The main focus was on increasing rental income through rent growth in newly concluded lease agreements. At the same time, the company actively worked to reduce operating costs, in particular by securing more favourable energy prices and implementing measures to reduce the energy intensity of buildings.

In 2025, significant changes were made to the RN fund's portfolio. In April, a second rental housing project, Stodůlky Residential, purchased from the FINEP development group, became a new addition. In November, the fund purchased the largest commercial property in the Czech Republic, the Palladium Prague shopping and administrative centre. This investment is also the largest real estate company in the fund and, thanks to its attractiveness and stability, will bring interesting returns for investors in the long term.

Thanks to its strong liquidity position and attractive opportunities, the RLL fund is active in acquisitions. During 2025, three real estate companies were purchased for the fund – the DSV Senec logistics centre in February, the LPP Distribution Centre in April, and Logistics Park Rokycany in June. The volume of funds invested in real estate thus increased from CZK 1.5 billion to CZK 6 billion during the year. The fund will continue to make purchases in 2026.

The total number of properties managed by REICO investiční společnost Erste Asset Management, a.s. thus stabilised at 29 commercial properties, of which 21 are in the RN fund portfolio, 7 in the RLL fund portfolio, and 1 in the REICO EPB I portfolio. In terms of individual regions, in 2025 the investment company managed 14 properties in the Czech Republic, 8 in Poland, and 7 in Slovakia. In 2025, RN achieved a 5.1% return on investors' capital. The return was positively influenced primarily by inflationary rent growth, together with the revaluation of the real estate portfolio and the appreciation of the liquid component in deposit accounts. The RLL fund achieved a return of 6% in 2025. The return was mainly driven by new acquisitions, which brought attractively priced properties to the fund.

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

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

Savings

A popular retail product is the Savings Account, which is designed for regular and irregular savings and thus for creating reserves for unexpected expenses. Clients have their money available in their accounts at all times. The total amount saved in Savings Accounts and other savings products reached CZK 428 billion at the end of 2025. This amount does not include Premium Deposits and savings in current and personal accounts. Clients are saving more for the future. Due to interest rates, demand for term deposits has fallen slightly.

In 2025, ČS offered its clients 12 CZK, 12 USD and 12 EUR issues of premium currency deposits. Clients have opened CZK 2.7 billion in premium currency deposits in Czech crowns. The Bank recorded stable interest in EUR and USD currency issues, whose total volume exceeded EUR 27 million and USD 30 million last year.

Building Savings

Building savings at Stavební spořitelna České spořitelny (Buřinka) remained under pressure in 2025 due to the state's reduction of government support. Thanks to Buřinka's promotional campaigns throughout the year – guaranteeing double the reduced state subsidy – clients could still achieve returns of up to 5.3% annually.

New building-savings contracts (including target-amount increases) on the overall market dropped by 3%, while Buřinka declined by 11%, concluding 106,992 new contracts. Despite this, Buřinka ranked second on the market in number of newly signed contracts as well as in target-amount volume (CZK 55 billion, –9% year-on-year).

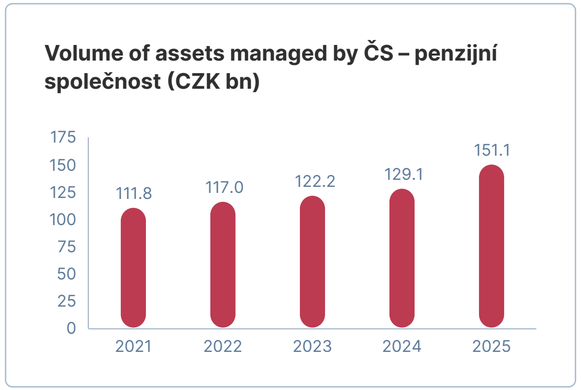
Buřinka manages nearly 545,000 accounts, with savings totalling CZK 56 billion and target amounts of CZK 235 billion.

Digital process improvements continued in 2025, including a new digitalised process for contract execution within Česká spořitelna's branch network. For these digital efforts, Buřinka received 1st place in the Zlatá koruna (Golden Crown) 2025 awards.

Pension Savings

Česká spořitelna – penzijní společnost became the absolute market leader in 2025. At the end of 2025, the pension company had 902,000 unique participants with total assets reaching CZK 150 billion. The pension company manages the three largest participant funds on the pension market: the Balanced Fund with assets of CZK 37.6 billion, the Conservative Fund with assets of CZK 26.5 billion, and the Dynamic Fund with assets of CZK 22.8 billion. The Ethical Fund, which focuses on investments in responsible and sustainable companies and sectors, reached CZK 5.7 billion. Funds with a significant equity component achieved the best results in the past year. The Dynamic Fund increased the value of its clients' assets by 17%, which is one of the best results since its inception. The Balanced Fund came in second with a return of over 10% and is historically the most successful in its category.

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



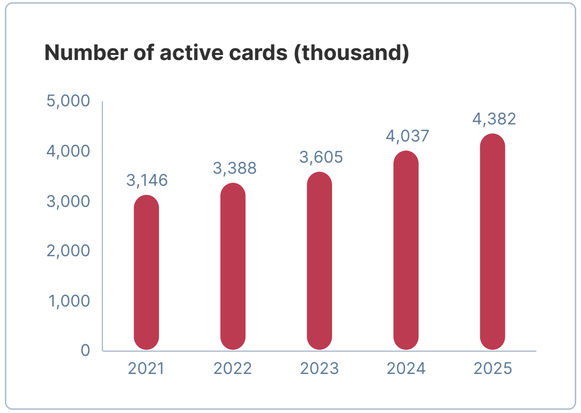
New legislation in 2025 enabled the creation of alternative participation funds. Right at the beginning of the year, Česká spořitelna – penzijní společnost launched a new alternative Fund for the Future, which began to gradually invest in traditional and alternative investments and delivered a 4.3% return to its clients at the end of the year. During the year, more than 119,000 new clients began saving in the company's participation funds. Within the participation funds, the volume of assets under management grew by CZK 26 billion to almost CZK 93 billion in 2025. The successful appreciation of clients' equity and bond portfolios also contributed to the results achieved. In 2025, Česká spořitelna – penzijní společnost received the prestigious Zlatá koruna (Golden Crown) award in the area of pension provision, confirming its strong position and the trust of its clients in the market.

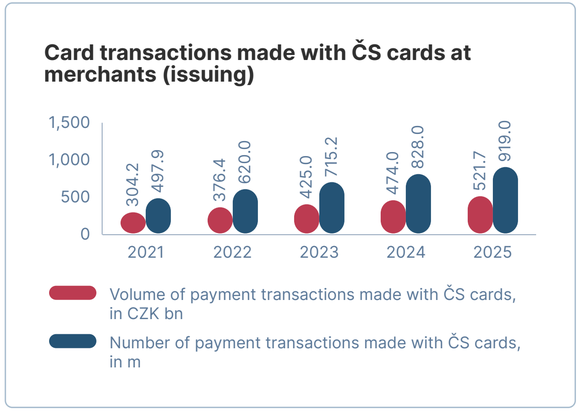
Payment Cards

In 2025, Česká spořitelna recorded a 10.1% increase in the volume of card transactions to CZK 521.7 billion and an 11% increase in the number of card transactions to 919 million transactions. The validity of all physical cards issued was extended from three to four years, and the time required for their automatic renewal was shortened.

Česká spořitelna became the first bank in the world to offer its clients a limited edition of VISA payment cards with OLED technology

In 2025, Česká spořitelna became the first bank in the world to offer its clients a limited edition of Visa payment cards with OLED technology.





Online Payment Cards

Virtual George Card

Virtual George Card enables online payments, merchant payments, and ATM withdrawals via Apple Pay, Google Pay, and Garmin Pay – without the need for a physical card. In 2025, clients created 408,000 new permanent virtual George cards, with nearly 1.2 million issued since launch in 2021.

Single-Use Virtual Card

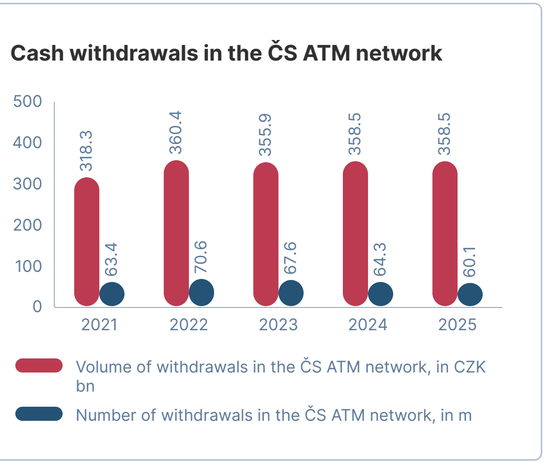
Since 2022, Česká spořitelna has been offering One-Time Virtual Cards for secure payments on the internet. A client can create the card in a single process and display its details. The card will remove itself automatically within one

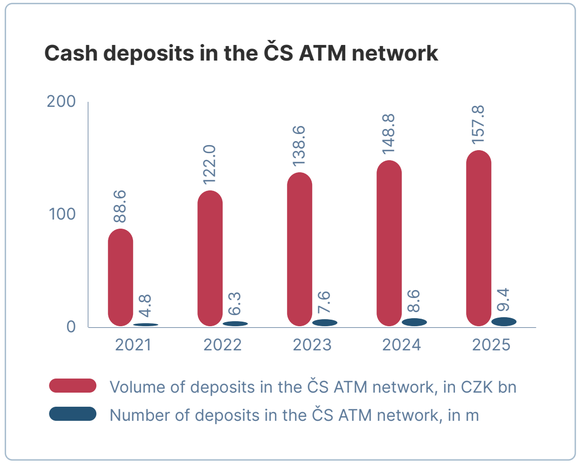
hour after being created or immediately after a payment is made. By using it, the client minimises the risk linked to payments over the internet. In 2025, clients created 1.6 million one-time virtual cards.

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 2025, it operated a total of 1,516 self-service machines (ATMs and transaction terminals). In 2025, cardholders made 60.1 million cash withdrawals at Česká spořitelna's ATMs, amounting to CZK 358.5 bn. The average withdrawal amount was CZK 5,967.

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

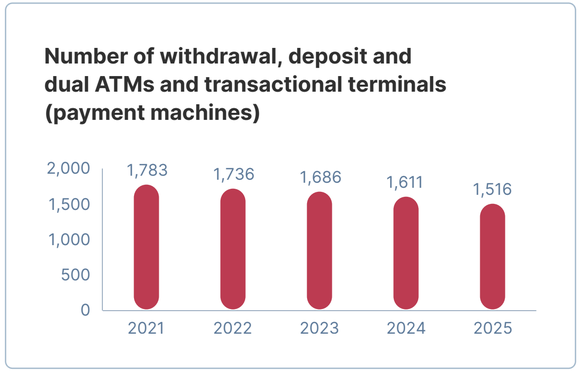




A total of 462 recycling ATMs were in operation in 2025, providing both deposit and withdrawal functionality. Clients carried out 9.42 million deposits, totalling CZK 157.76 billion, with an average deposit value of CZK 16,754.

Česká spořitelna launched the new "Deposit to Card" service across all deposit-capable ATMs

In 2025, Česká spořitelna launched the new “Deposit to Card” service across all deposit-capable ATMs. This service enables clients to deposit cash into their Česká spořitelna account at ATMs of other participating banks. The solution was developed in cooperation with Mastercard, Visa, and the Czech Banking Association, and is open to participation by any bank in the Czech market. Currently, the service is provided jointly with Raiffeisenbank and ČSOB, enabling clients of these banks and Česká spořitelna to use each other’s deposit ATMs interchangeably. Client adoption has been steadily increasing since launch.



Corporate Banking

Česká spořitelna’s Corporate Banking division provides clients with comprehensive, tailor-made solutions designed to address their strategic and operational needs. The offering spans a broad spectrum of services, including investment, acquisition and project financing, support for export activities, mergers and acquisitions advisory, sophisticated cash-management and treasury services, as well as access to debt and equity capital markets.

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

A central element of the Bank’s strategy is its advisory-banking concept, which focuses on enhancing clients’ competitiveness and long-term sustainability in three key areas: financial health, ESG, and the automation and digitalisation of processes and customer-facing services. Following several years of heightened volatility in the business environment, the Czech economy returned to a position of strength in 2025, which was reflected in increased corporate demand for financing and investment. Recognising the accelerating shift towards digitalisation and operational efficiency, Česká spořitelna remains committed to substantial investment in digital tools and platforms that will continue to expand service capacity for corporate clients in the years ahead.

The year 2025 marked a significant milestone in the digital transformation of corporate banking. The Bank continued to enhance George Business, which has become the preferred digital environment for an expanding base of entrepreneurs and corporate clients. The client migration process initiated in 2024 advanced rapidly, supported by continuous expansion of digital functionalities, including modernised payment services, digital onboarding of authorised representatives via bank identity, and extended access to treasury products.

Digitalisation also improved the sophistication and efficiency of advisory services. New tools were introduced to accelerate request handling, streamline documentation exchange, and enhance client-need assessment through automated, data-driven recommendations supporting financial health. Throughout 2025, the advisory model was further reinforced across all client segments.

Financial-health advisory remained a central theme. The Bank continued to develop its Financial Health Zone, offering clients a comprehensive overview of the financial condition of their businesses and identifying opportunities for sustainable growth. Clients increasingly utilised the fully digital Guide to Sustainable Business, which supports ESG progress through emissions measurement, transition-planning for low-carbon technologies, and identification of transformational investment opportunities. A significant feature of 2025 was the continuing impact of the Transformation 2.0 programme, aimed at supporting the digital and technological modernisation of Czech companies.

An important strategic priority remains the systematic decarbonisation of the Bank's loan portfolio. Česká spořitelna continues to set clear and measurable emission-reduction targets and develops detailed decarbonisation pathways and sector-specific strategies. These strategies reflect industry characteristics, technological capabilities, and regulatory developments, enabling the Bank to support clients in transitioning to a low-carbon economy. Progress is monitored continuously through ongoing dialogue with clients regarding their own climate commitments.

Small and Medium-sized Enterprises

Česká spořitelna serves its small- and medium-sized enterprise (SME) clients through fifteen regional corporate centres, providing individualised service and specialised product offerings. Despite challenging market conditions in recent years, the Bank successfully strengthened its role as a key financial partner – benefiting from a well-defined corporate-banking strategy and continued adaptability to the evolving business environment.

The Bank maintains a strong emphasis on personalised advisory, providing financing solutions aligned with both clients' immediate needs and their long-term development aspirations. Advisory relating to financial health and overall business sustainability remains a cornerstone of the Bank's long-term approach. Growing client interest in digital tools – valued for their convenience, efficiency, and availability – has prompted continuous innovation, with further enhancements planned for the future.

In 2025, SME services were further enhanced through deeper personalisation and improved tools supporting efficient business management. The Bank continued to strengthen its position as the "First-choice bank" for SME clients due to its effective combination of expert advisory and advanced digital servicing. Digitalisation of the lending process accelerated, including enhanced data integration and improved KYC and ESG-assessment support. This resulted in faster decision-making and significantly simplified documentation and financing-request management for clients.

Corporate Clientele

Česká spořitelna serves large domestic and multinational corporations through a comprehensive portfolio of corporate banking products, including specialised products and investment-banking products. The Bank strives to operate as a strategic partner, providing industry-specialised experts who thoroughly understand the needs and sector dynamics of large-corporate clients.

In 2025, corporate investment activity and restructuring efforts continued to increase in response to evolving market conditions. Thanks to its industry-specific expertise and close cooperation within Erste Group, the Bank supported clients with cross-border operations throughout Central and Eastern Europe.

Corporate clients demonstrated strong investment appetite, including interest in consolidation opportunities, indicating the robust condition of enterprises operating in the Czech Republic. Demand remained strong not only for operational and investment financing but also for capital-market instruments, club transactions, and export finance. Česká spořitelna is well-positioned to support client financing plans both on debt and capital markets and to provide advanced ESG advisory.

Structured, Trade, and Export Finance

Supported by improving market sentiment and growing investment appetite, the Bank achieved excellent results in structured finance, exceeding expectations. A substantial number of transactions were completed for both private and institutional clients. Export finance also demonstrated strong performance, with the Bank participating in the realisation of several major projects. Multiple export-buyer credit facilities are under preparation and expected to be completed in subsequent years. Česká spořitelna supports Czech exporters in large-scale projects, especially those that have a broader scope and dimension than just the commercial aspect.

Rising global uncertainty continued to increase demand for risk-mitigation instruments. The Bank provides high-quality services in arranging bank guarantees and letters of credit – solutions consistently valued by clients, as reflected in both transaction volume and quantity. Česká spořitelna continued to expand integrated financing and service solutions within supply-chain relationships.

The Public and Non-profit Sector

Česká spořitelna provides comprehensive banking services to a significant portion of clients in the public and non-profit sectors. In this important segment, ČS has long maintained a stable high market share and a very high level of customer satisfaction (NPS).

In 2025, many clients benefited from strong deposit yields supported by favourable interest-rate conditions. Operational financing solutions enabled public-sector entities to manage seasonal budget imbalances and helped numerous non-profit organisations maintain service levels without reduction.

The Bank successfully executed major loan transactions in regional transport, housing, and infrastructure. Despite intense market competition, newly acquired clients continued to grow due to the Bank's client-centric approach and its comprehensive, highly professional service offering.

Real Estate Financing

As a long-established senior lender in commercial real estate, Česká spořitelna maintains a strong market presence. The focus in 2025 centred on active client engagement and close portfolio management. In the field of commercial real estate financing, the Bank continued to position itself as one of the key players in the market. The year 2025 highlighted qualitative parameters, especially in connection with energy efficiency and support for low-emission projects.

The Bank continued to support logistics and light-industrial projects essential to national competitiveness, while also expanding financing for rental housing and other real-estate segments.

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-quality analytical 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 2025, 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 2025, Česká spořitelna continued to develop its cooperation with domestic, foreign, and international financial institutions.

Selected Awards in 2025

During 2025, Česká spořitelna and its subsidiaries received numerous awards confirming the quality of their products and services. In 2025, Česká spořitelna triumphed in major competitions on the domestic market (Mastercard Bank of the Year, VISA Best Bank, Zlatá koruna (Golden Crown)) as well as in prestigious international competitions (Euromoney, Customer Centricity Awards).

International Awards

Euromoney 2025

— Česká spořitelna received the prize for the Best Bank in the Czech Republic.

World Customer Centricity Awards 2025

— Česká spořitelna's KYC solution won the Best Use of AI in Risk award.

Global Finance Award 2025

— Erste Private Banking received the award for Best Private Bank in the Czech Republic for the third time.

Qorus-Infosys Finacle Banking Innovation 2025

— Česká spořitelna‘s strategic focus on financial health received the top prize.

Qorus Reinvention Awards – Europe 2025

— An innovative ESG application designed to help small- and medium-sized enterprises navigate environmental, social, and governance challenges won the top award in the ESG category.

Domestic Awards

Mastercard Bank of the Year 2025

— Česká spořitelna secured the top honour in the overall category Bank of the Year 2025;
— At the same time, the Bank also excelled in other categories: Private Bank of the Year, and Responsible Bank of the Year.

VISA Best Bank 2025

— Česká spořitelna claimed victory in the overall Best Bank 2025 category;
— Česká spořitelna also earned third place in the Most Client-Friendly Bank category.

Golden Crown 2025

The Česká spořitelna Financial Group became the most successful financial group. It won a total of four Golden Crowns, three Silver Crowns, and two Bronze Crown

— Golden Crown: ČS‘s Mortgage, educational programme Money Alphabet, building savings from ČS Building Society, ČS Pension savings;
— Silver Crown: Mortgage for the Future, Online merger of ČS loans, loan Repairing Grandmother’s House from ČS Building Society;
— Bronze Crown**:** Virtual George Payment Card, educational programme Entrepreneurship Academy.

VISA Awards 2025

— Česká spořitelna emerged victorious in three categories: issuer, digital proposition, bank branch.

Top Employer of the Year 2025

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

Financial Product of the Year 2025 by Finparada.cz

— The Bank won the first place in the category of building savings;
— The TOP STOCKS fund and Stavební spořitelna ČS won the Public Award.

ESG Areas Awards

Top Responsible Large Company 2025 Award – Advanced

— Business Award for Society.

Top Responsible Company 2025 Award for Helping the Community

— Special Jury Award for “Stronger Drivers”, Business Award for Society.

ESG Rating 2025 – ESG Excellence Title

— Česká spořitelna ranked among the TOP 10 large companies; ESG Rating guaranteed by the University of Economics.

Excellence Class Award – ESG Transparency Award 2025

— Awarded by EUPD Research.

Mastercard Bank of the Year 2025

— First place in the Responsible Bank of the Year category.

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

In 2025, Česká spořitelna celebrated the 200th anniversary of its founding, reaffirming that its mission to guide people and businesses toward long-term prosperity remains a fundamental pillar of its work. The Bank fully recognises its responsibility to support long-term prosperity and stability and therefore sees sustainability as a key component of its strategy. Through innovative solutions, a strong focus on inclusion, and community support, the Bank connects economic stability with respect for people and the environment.

In 2025, Česká spořitelna continued to promote the financial health of its clients, develop financial literacy, and expand access to modern digital services. A significant role was played by activities focused on the education of young people, advisory innovations, and the development of tools for managing both personal and corporate finances. Česká spořitelna's projects such as the construction of affordable housing for key professions or support for active citizens through community grants further strengthened social cohesion and cooperation among individuals, organisations, and communities. Another important area of the Bank’s social responsibility is the systematic support of financial literacy across generations, contributing to more responsible financial behaviour. Through this comprehensive approach, Česká spořitelna reaffirms its long-term commitment to building a sustainable environment and creating lasting value that enhances the lives of individuals and society as a whole.

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

Česká spořitelna Uses its Anniversary to Highlight the Importance of Personal and Social Responsibility and Collaboration for a Stronger Future of the Czech Republic

On 12 February, Česká spořitelna launched the celebrations of its 200th anniversary. As part of the celebrations, the Bank introduced the campaign “Věk je jen číslo” (“Age Is Just a Number”), aimed at inspiring people to overcome age-related stereotypes.

To mark the anniversary, the Bank also launched a unique project titled “Roadshow pro #silnější budoucnost” (“Roadshow for a #Stronger Future”). This travelling audiovisual exhibition for the public showcased nine future-shaping fields in which Czechia is among the world leaders and gradually visited 12 cities across the country. The goal was to present stories demonstrating that the Czech Republic is not only rooted in tradition but also driven by innovation and openness to new opportunities. The main ambition was to strengthen people’s confidence, encourage innovative thinking, support openness to science and technology, build the ability to embrace new challenges, and foster creativity and collaboration across generations. The roadshow aimed to inspire an active mindset that supports the development of society, the economy, and individuals — contributing to a stronger and more resilient Czech Republic. A key part of the roadshow was also the promotion of financial literacy among pupils

from local primary schools through the Skoala programme. Throughout the 12 tour stops, 9,500 pupils participated in a Skoala lesson.

Česká spořitelna Continues to Help Improve Clients' Financial Health and Supports the Sustainable Development of Businesses

Česká spořitelna actively focuses on improving the financial health of its clients and addressing climate change as key areas of its activities. Further details on financial health initiatives are available in the chapter Consumers and End-Users of the Consolidated Sustainability Statement 2025, while information on climate efforts can be found in the Climate Change chapter.

Česká spořitelna continues to help improve clients' financial health and supports the sustainable development of businesses

Česká spořitelna Invests in Quality Education that Prepares Young People for the Challenges of the Modern World

Česká spořitelna invests in high-quality education that prepares young people for the challenges of the modern age. A continuously evolving educational ecosystem is the foundation of a successful society capable of meeting the challenges of today's world. The Česká spořitelna Foundation, long focused on educational innovation, invested a total of CZK 152 million in 2025 into projects supporting financial literacy, critical thinking, collaboration, and other essential competencies of young people. Part of this funding supported the Foundation's own programmes (Skoala and Day for School), while approximately 52% supported education delivered through partner organisations.

In 2025, the digital educational platform Skoala was officially launched for teachers of primary and secondary schools in the Czech Republic. The platform offers free interactive methodologies, worksheets, videos, games, and other tools for developing financial education and key competencies, such as critical thinking and problem-solving. The content is developed in collaboration with experts, schools, and institutions and is systematically tested.

Skoala is endorsed by the Ministry of Education, Youth and Sports and the Ministry of Finance, with the goal of improving the financial education for young people. The programme's success is measured by increasing students' financial competencies, which is why an impact evaluation is part of the initiative. In 2025, 65% of all primary and secondary schools joined the programme, and feedback from both pupils and teachers has been highly positive. The platform continues to evolve, and a strategy for 2026–2030 is being prepared to ensure further scaling and long-term sustainability. More details on financial literacy are provided in the chapter Affected Communities of the Consolidated Sustainability Statement 2025.

Beyond Skoala, the Foundation supports other educational initiatives, such as its second own programme "Den pro školu" ("Day for School"), which brings practical experience from volunteers into classrooms. Employees of Česká spořitelna take part in this programme, which is organised by the Česká spořitelna Foundation and brings real-world inspiration into Czech schools. Among the 800 volunteers, 187 are experts from Česká spořitelna representing various fields — from banking and HR to IT. Key partner programmes include "Eduzměna" ("The Educhange"), fostering innovative approaches in education across regions, and the "Začít spolu" ("Begin Together") programme promoting children's independence and active engagement in learning.

Since its establishment in 2002, the Česká spořitelna Foundation has invested over CZK 1 billion into educational and social projects, positively impacting thousands of schools, teachers, and pupils nationwide and significantly contributing to the #stronger future of society.

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

Česká spořitelna has long focused on strengthening communities and improving quality of life across the Czech Republic. Through its initiatives, the Bank supports active citizens who contribute to the development of their communities and helps strengthen social capital and community resilience. Thanks to its unique programmes, grant schemes and volunteer activities, it encourages a responsible approach to the values of freedom and sustainable development. The Bank also links social impact with practical measures that strengthen the resilience and interconnectedness of local communities.

Through its unique development programme "Silnější hybatelé" ("Stronger Movers"), the Bank supports individuals who strive to solve problems in their communities — often helping them turn their initiatives into sustainable, socially beneficial enterprises. In 2025, the programme expanded to four regions and welcomed 30 new graduates.

Under the "Dokážeme víc" ("We Can Do More") grant programme, the Bank in cooperation with the Via Foundation supported 71 projects with a total value of CZK 4.7 million. In 27 municipalities, micro-grants enabled citizens to learn more about democratic elections and freedom. In 2025, four municipalities received major grants to transform public spaces for intergenerational community interactions.

Most programme participants contribute to community or public life alongside their regular professions. Their engagement brings tangible results — from creating meeting spaces, sports and recreational areas, to services that improve local quality of life and relationships. These projects demonstrate that supporting community leaders and investing in local initiatives plays a crucial role in driving meaningful positive change.

The support of local movers and neighbourhood projects, which Česká spořitelna involves its employees in, is a way to contribute to building a stronger society. In 2025, a total of 1,968 employees took part in the volunteer programme "Den jinak" ("A Different Day"), dedicating 17,573 hours to helping those in need.

Česká spořitelna donated 17,573 hours to good causes

Česká spořitelna believes that by connecting active people, sharing experience, emphasising the use of local resources and providing adequate support, it is possible to jointly develop local communities and bring about lasting changes that will benefit future generations.

Česká spořitelna also actively supports the growth and development of social enterprises and non-profit organisations. In 2025, through its Social Banking programme, the Bank provided loans exceeding CZK 425 million, enabling clients to benefit from a unique 80% loan guarantee by the European Investment Fund — the only such offer in the Czech market. In addition to financing, the Bank also organises a number of workshops and webinars focused on fundraising, digital tools and financial management. Social banking thus contributes not only to strengthening the competencies, financial health and independence of individual organisations, but also to the development of entire communities and society as a whole.

Česká spořitelna Works to Cultivate the Labour Market

At the end of 2024, Česká spořitelna, together with OPIM and the Gender Equality Department of the Office of the Government of the Czech Republic, co-created the Employer's Human Rights Ten Commandments. By 2025, the number of signatories increased to 28 organisations, turning the initiative into a key platform for sharing best practice in equality, respect, and inclusion in the labour market. Inspired by this initiative, Česká spořitelna formally introduced the concept of Employee Resource Groups (ERGs), supporting diversity, inclusion, and closer alignment with client needs. Through the initiative, the Bank also inspires other employers by sharing experience, organising educational events, workshops, and networking opportunities for organisations striving to cultivate workplace culture and strengthen human-rights standards. More details regarding employees are available in the chapter Own Workforce of the Consolidated Sustainability Statement 2025.

Česká spořitelna Ensures Accessibility of its Services for Everyone

Česká spořitelna has long focused on creating an accessible environment that enables all clients, including people with various types of disabilities or limitations, to use its services. The Bank operates an extensive network of barrier-free branches and ATMs, making it one of the market leaders in this area. Of the 329 branch buildings, 169 are fully and 99 partially barrier-free, and 103 branches are equipped with an orientation audio beacon to assist blind clients with navigation.

In 2025, the Bank focused on further developing barrier-free ATMs. Of the 1,516 ATMs, 382 are fully or partially barrier-free. In addition, 1,399 ATMs—representing 92% of all ATMs—are equipped with headphone jacks and voice guidance for blind clients, making them easier to use.

In all branches, bankers can offer DeafCom, an application that enables effective communication with deaf clients through online transcription of spoken language or sign-language interpreting. Clients can also use other applications for the deaf during branch visits, such as “Tichá linka” (“The Silent Line”). These applications can also be used to contact the Bank’s call centre, where a specially trained team in the Client Centre assists clients who are deaf or hard of hearing.

To support clients with mobility, visual or hearing impairments, the Bank operates a dedicated website at www.bankabezbarier.cz, which provides online transcription and remote advisory services. These services allow clients to resolve their needs remotely, comfortably and without barriers.

The Bank believes that accessibility is not only about meeting legislative requirements but about creating an inclusive environment in which financial services are available to everyone. In doing so, it strengthens its position as a client-oriented Bank committed to financial health for all, regardless of individual abilities or limitations.

Strategic Objectives and Plans for the Future

Strategic Plans for the Future

Strategic Objectives

In the following years, Česká spořitelna will proudly continue its historic legacy of supporting the development of the region in which it operates, and therefore its main mission for the upcoming period remains “to lead individuals, communities, and businesses toward prosperity”. The Bank will keep focusing on improving financial health of all its clients and co-creating a stronger society made of financially healthy, educated, and confident individuals and businesses.

Česká spořitelna will continue to provide all its clients – individuals, entrepreneurs as well as companies – with accessible, personalised advisory services aimed at improving clients’ financial situation, along with offering high-quality financial products. The Bank strives to be close and always accessible to its clients, even when at home or while on the go. For this reason, Česká spořitelna is strongly focused on developing its digital solutions such as George and George Business, where clients can handle the vast majority of service tasks and choose from a wide range of products (and arrange them fully online). They also have continuous access to high-quality digital advisory services and tips on improving their financial health. For clients who still prefer personal interaction, banking services will remain available through the Bank’s extensive branch network.

Česká spořitelna's mission is to lead individuals, communities, and businesses toward prosperity

In the upcoming period, Česká spořitelna also plans to focus on investments to help build a wealthier and better-prepared society. Other key focus areas will include the Bank’s technological development, the utilisation of artificial intelligence across the organisation, and sustainability, which is deeply embedded in the Bank’s values. As in previous years, Česká spořitelna will primarily provide its services in the domestic market. In the corporate sector, expansion into CEE is expected, where the Bank will continue to fully leverage synergies within Erste Group Bank, of which it is a member.

Sustainability

In 2026, Česká spořitelna will continue to fulfil its objective of supporting the long-term and sustainable prosperity of clients and society, with respect for the environment. Sustainability is an integral part of the Bank’s strategy and drives its commitment to creating long-term positive impacts across all operations. The Bank focuses on climate responsibility by reducing its carbon footprint and financed emissions through decarbonisation and on social responsibility by promoting a fairer and more educated society. The strategic approach is based on three areas of impact: impact on the bank, its operations and its employees (#stronger bank), impact on clients and the portfolio (#stronger clients), and impact on society as a whole (#stronger society).

— #stronger bank – This area covers the environmental impact of operations, employee well-being, openness and diversity of teams, an inclusive and fair working environment, process transparency, and adherence to ethical risk management principles.
— #stronger clients – This area includes the financial health of clients, businesses, and the Czech economy as a fundamental pillar of long-term sustainable development. Priorities also include managing 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 strengthening 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 2025, Česká spořitelna continued with expanding services and products for retail clients to strengthen their financial resilience, promote sustainability and align with sustainability goals. Clients can use digital tools such as the FIT section to monitor and improve their financial health, George Tips with personalised alerts, or My Plans module guiding them towards achieving specific financial goals. A new and key element of digital banking is the AI assistant Hey George, available 24/7, which responds to client needs and offers advice. In advisory services, the Bank also innovated by deploying voicebots that handle the most common client requests instead of bankers. Security was enhanced by automatic blocking of suspicious payments, interactive fraud prevention training for clients, and a new “Česká spořitelna is calling” feature confirming incoming calls from the Bank. The Bank focuses on providing mortgages for housing, thereby supporting the affordability of home ownership for its clients. At the same time, it offers products that help households achieve energy savings, contributing to the long-term prosperity of our clients. As part of its sustainable financing activities, the bank continues to support renewable energy sources and energy-efficient housing solutions, fulfilling its commitment to climate responsibility and enabling retail clients to make sustainable decisions.

In the corporate sector, Česká spořitelna sees sustainability and ESG primarily as a key component of companies' financial health. At the same time, it helps companies navigate regulatory requirements and offers them suitable financing options that support their journey toward responsible and long-term sustainable business. The Bank offers advisory services to help companies align with ESG regulations, focusing on sectors with significant environmental impact, calculate their carbon footprint for both the company and its products, and obtain EcoVadis certifications. Products such as sustainability-linked loans or green bonds offer corporate clients opportunities to invest in decarbonisation and renewable energy projects. In 2025, Česká spořitelna introduced a new option for companies, in cooperation with the European Investment Fund (EIF), to secure financing with guarantees under the Climate Change Mitigation programme. It builds on the existing ESG Sustainability programme supporting corporate investments in sustainable projects through EIF guarantees. In response to regulatory changes, including the EU Omnibus, the Bank focuses on practical and concrete solutions that help companies operate sustainably and in an economically efficient way. Examples include tools provided free of charge on the Bank's website – such as a carbon footprint calculator, a photovoltaic financial return calculator, an educational ESG zone, and training modules like a cybersecurity webinar.

Česká spořitelna, in line with ESG principles and Erste Group Bank rules, demonstrates a clear commitment to sustainable and responsible financing. The Bank actively applies restrictions on financing sectors associated with significant environmental and ethical risks, including fossil fuel extraction (coal, oil, and gas), the gambling industry, and controversial weapons. In line with its sustainability strategy, the Bank has committed to gradually phasing out financing for the thermal coal sector.

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 sectors, focusing on financing this transformation. In 2025, the Bank prepared decarbonisation strategies for the automotive, electricity generation, cement production, and steel and iron manufacturing sectors, building on the existing decarbonisation strategy for the heating sector. Key to this effort are toolkits that assess clients' readiness for transformation in high-emission sectors targeted for decarbonisation. These tools include ESG questionnaires and other assessment instruments, such as processes based on EBA guidelines.

As the parent company, the Bank defines and coordinates sustainability strategy for all subsidiaries within the entire ČS Financial Group, ensuring a unified approach across all entities. Although this chapter mentions only the Bank, its sustainability initiatives are centrally managed by the Bank's Sustainability Office, a dedicated team responsible for implementation and alignment across the ČS Financial Group. Additionally, the Bank's Capital Investments Unit is responsible for disseminating Holding standards among relevant subsidiaries, while the distribution of Erste Group Bank's policies falls under the competence of respective policy owners.

Macroeconomic Assumptions

The Bank expects economic developments in 2026 to remain roughly at the same level as in 2025. Gross domestic product is expected to grow by 2.7%, driven primarily by strong household demand. Average inflation should slow and hover around the ČNB's inflation target. Labor market conditions should continue to be favourable, with persistently low unemployment and relatively strong wage growth. However, uncertainty will remain elevated, as the Czech economy will be influenced by a number of external factors, such as the potential for a more pronounced slowdown in the U.S. macroeconomic outlook, uncertainty in international trade and the introduction of tariffs between major economies, the war in Ukraine, the situation in the Middle East, and economic developments in China.

For 2026, Česká spořitelna bases its outlook on the following key macroeconomic assumptions:

— Real GDP growth is expected to reach 2.7%[19], which is only slightly higher figure than the value achieved in 2025, with no change in the structure. The main driver should remain strong household consumption, supported by favourable labour market conditions, low inflation, and improved consumer sentiment. Government consumption will also contribute positively. Along with the expected gradual improvement in the German economy, contributions from net exports and fixed investments to GDP growth could increase. Conversely, a strong contribution from inventory accumulation, which became one of the key factors for GDP growth in 2025, is not expected for 2026;
— Average inflation could reach 2.0%[20], five-tenths of a percentage point lower than in 2025. Inflationary pressures will likely come mainly from service prices, reflecting strong household demand and the convergence of the Czech economy toward more advanced Western European countries. This will be offset by lower energy prices and the transfer of renewable energy fees to the state budget. The main uncertainty will lie in the development of food, fuel, and energy prices, which will depend on various external factors;
— Labour market conditions are expected to remain favourable. Nominal wage growth should stay high, which, together with expected low inflation, will support solid real wage growth, forecasted at 4.1%[21]. Unemployment may rise slightly due to ongoing issues in the German automotive sector, which negatively affects Czech suppliers. Nevertheless, the unemployment rate will remain very low, projected at 3.4%[22];
— Interest rates are expected to remain stable in 2026[23]. Although domestic inflationary pressures will ease slightly compared to 2025, they will likely remain elevated. Moreover, inflation could strengthen again in 2027 due to fiscal stimulus, keeping the ČNB cautious. Risks are two-sided: a potential global economic slowdown could lead to monetary easing, while strong wage growth, household demand, and fiscal expansion pose upside risks;
— The CZK/EUR exchange rate could appreciate slightly in 2026, supported by continued economic recovery and the ČNB's expected restrictive stance. Risks will remain elevated, and higher volatility cannot be ruled out. Global economic developments, geopolitical factors, U.S. performance, and related market sentiment will play a significant role. By the end of 2026, the CZK/EUR exchange rate is expected to be around EUR/CZK 24.1[24].

Outline of Business Policy for the Upcoming Years

Retail Banking

In the coming years, the cornerstone of retail banking continues to be providing high-quality financial advisory focused on improving clients' financial health. As part of this strategy, Česká spořitelna aims to concentrate on several aspects that will further accelerate the development of financial health advisory, while contributing to building deeper relationships with clients.

(19) Česká spořitelna, a.s., 9. 3. 2026, https://www.csas.cz/cs/research/analyza/cz/SR492331
(20) Česká spořitelna, a.s., 9. 3. 2026, https://www.csas.cz/cs/research/analyza/cz/SR492331
(21) Česká spořitelna, a.s., 9. 3. 2026, https://www.csas.cz/cs/research/analyza/cz/SR492331
(22) Česká spořitelna, a.s., 9. 3. 2026, https://www.csas.cz/cs/research/analyza/cz/SR492331
(23) Česká spořitelna, a.s., 9. 3. 2026, https://www.csas.cz/cs/research/analyza/cz/SR492331
(24) Česká spořitelna, a.s., 9. 3. 2026, https://www.csas.cz/cs/research/analyza/cz/SR492331

The crucial part of the strategy is an emphasis on the development of digital advisory services, where Česká spořitelna aspires to provide the best digital advisory focusing on financial health. The Bank recognises that for the majority of its clientele, digital advisory is becoming the key to improving their financial health. Therefore, within mobile banking, the digital AI assistant Hey George will continue to be developed. Beyond handling routine service inquiries, Hey George will move toward proactive advisory, guiding clients to improve their financial health. Through Hey George, the number of digital interactions providing personalised solutions tailored to individual clients, will grow. Thus, clients will increasingly experience advisory services not only in branches but also on their mobile devices.

While digital advisory will focus primarily on simpler products and processes, complex products will remain mainly the domain of physical advisory at branches (e.g., mortgages, more complex investments, life insurance). The branch network will continue to play a key role in improving financial health, particularly in building personal relationships with clients. Therefore, the Bank expects a further increase in the number of meetings held at branches in 2026. The increase in time allocated for in-person client meetings will be made possible by further automation and digitisation of repetitive processes using AI. A good example is use of voicebots, which can handle most common client inquiries during phone calls instead of bankers. The fact that physical advisory still has a firm place is evidenced by the Bank's ongoing transformation of its branches into new "advisory hubs", that create a pleasant, natural environment for face-to-face communication with clients.

The crucial part of the strategy is an emphasis on the development of digital advisory services, where Česká spořitelna aspires to provide the best digital advisory focusing on financial health

The connection between the physical (branch) and digital worlds will continue during advisory meetings at branches, where bankers increasingly work with clients on their mobile devices during appointments. Clients can see that finding the right financial solutions and arranging them can be easily done directly in George. In both digital and physical advisory, the goal is to find solutions that bring added value to the client's specific life situation. This should lead to an increase in the number of clients who consider Česká spořitelna their primary bank and fulfil more of their financial needs through Bank's products.

An integral part of financial health is preparing clients for the future. Therefore, investments and pension savings are key pillars of Česká spořitelna's advisory proposition. The Bank recognises the need to significantly promote an investment culture in the Czech Republic and to establish an investment habit among its clients so they can meaningfully appreciate their financials in times of declining interest rates on term and savings accounts. Therefore, the Bank plans to further accelerate its investment proposition and introduce new solutions. This includes improving the digital offering, particularly solutions for young clients and new investors, who may not be fully satisfied with the current offering and therefore seek alternative investment options elsewhere. Česká spořitelna plans to enhance its investment offering to better meet the needs of this as well as other client segments.

Corporate Banking

Within corporate banking, Česká spořitelna will continue to pursue its long-term ambition to be a trusted partner for companies of all sizes – from small and medium-sized enterprises to large corporations, as well as the public and non-profit sectors. Here, similarly to retail, the key objective remains strengthening clients' financial health through personalised advisory services and innovative digital solutions.

In the coming years, Česká spořitelna will focus primarily on strengthening its service model to become the partner of first choice for all corporate clients. A key pillar of this strategy is providing comprehensive advisory services aimed at financial health, resilience, and long-term prosperity of clients. The Bank emphasises a personalized approach, bankers' expertise, and actively seeking opportunities that enable clients to increase their competitiveness in both domestic and international markets.

Digitalisation plays a crucial role in the new service model - the development of digital platforms, process automation, and an intuitive user experience enable more efficient service, faster responses to client needs, and a higher degree of personalisation. The migration of clients to the new digital platform George Business delivers an entirely new experience for companies and entrepreneurs, including advanced functionalities for clients with complex needs. The advancement of digitalisation also allows bankers to dedicate more time to personal advisory focused on financial health.

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 their transformation towards sustainability and support projects aimed at decarbonisation.

The key objective remains strengthening clients' financial health through personalised advisory services and innovative digital solutions

The Bank will continue to emphasise individual service for large corporate clients, aiming to enhance their competitiveness and stability. Here too, advisory services will focus on financial health, supporting the transformation of the Czech economy toward higher added value, and addressing other current topics based on real client needs. Bankers' deep expertise in individual sectors, supported by digital tools, economic analyses, and industry strategies, will enable a better understanding of specific needs of our clients. Leveraging the Erste Group Bank's network, Česká spořitelna will continue to provide products and services that meet client needs across the Central and Eastern European region.

Česká spořitelna will also continue to offer a comprehensive range of services in structured finance. Acquisition financing, often complemented by advisory in mergers and acquisitions, remains one of the key product solutions where Česká spořitelna, thanks to its long-standing experience and unique expertise, can offer its partners excellent service and predictability – an essential factor in this type of transaction. The Bank also intends to maintain its ambition to participate in all major structured finance transactions on the Czech market and to continue playing a leading role in supporting exporters through export and trade finance tools and products.

In real estate financing, the Bank will pursue its long-term strategy of maintaining a balanced portfolio across segments, with an emphasis on income-generating properties. Issues such as the energy efficiency of financed buildings, support for revitalisation, and construction with minimal carbon footprint are coming to the forefront. In residential construction financing, the Bank is successfully developing the subsegment of rental and cooperative housing.

Česká spořitelna aims to be a reliable partner for the public and non-profit sectors in their development. Among other things, the Bank will continue to support the digitalisation of the public sector, including the development of Bank Identity. Priority remains on financing projects with a positive impact on the environment and society (renewable energy, public transport, waste management). Česká spořitelna is also the first one on the Czech market to offer a social banking program that supports non-profit organisations and social enterprises through education, advisory, and financing, with the goal of ensuring their long-term self-sufficiency.

Financial Markets

In 2026, the goal of the Financial Markets (FT) and Financial Institutions (FI) Unit will remain strengthening market shares across all key areas and financial market products. Česká spořitelna will focus primarily on further developing financial services for financial institutions and consolidating its position as a regional leader in currency, interest rate, and derivatives markets.

On the capital markets, Česká spořitelna's ambition remains to continue being the primary bank for underwriting and distributing new corporate bond issues and to confirm its position among the three largest primary dealers of Czech government bonds.

At the same time, Česká spořitelna will actively contribute to the development of the Czech capital market – through arranging bond issues for its corporate clients and distributing qualified investor funds, which offer Czech investors the opportunity to participate in attractive projects in real estate, infrastructure, and private equity.

Asset Management for institutional clients remains a key element of Česká spořitelna's comprehensive service offering. The core solution continues to be a diversified portfolio of investment instruments that respects the conservative risk profile of most clients. The main goal is to preserve the real value of managed assets while delivering attractive returns compared to standard interbank deposits.

In 2026, the sale of financial market products will decisively concentrate on individual client needs

Long-term success is built on pillars that Česká spořitelna consistently offers its institutional clients: high-quality portfolio management, effective diversification, competitive returns, superior client service, and professional reporting. These foundations will remain the basis for the bank's strategy in the coming years.

The sale of financial market products in 2026 will continue to reflect individual client needs in an environment of increased market volatility and geopolitical uncertainty. Česká spořitelna will focus on offering products that can hedge medium- and long-term risks associated with currency and interest rate fluctuations, thereby contributing to clients' financial stability and security.

Economic and Financial Outlook

The expected macroeconomic developments in 2026 will also be reflected in Česká spořitelna's financial performance. Net interest income, as the main component of operating income, will be positively influenced by expected growth in loan and deposit volumes. Operating income will be further supported by net fee and commission income, particularly from investment products and insurance. Operating expense growth is expected to be lower than in 2025, where costs increased due to marketing expenses related to Česká spořitelna's 200th anniversary.

This implies an anticipated improvement in cost efficiency, which should have a positive impact on Česká spořitelna's operating result and net profit in 2026. The Bank's balance sheet will continue to be dominated by client deposits and client loans, both of which are expected to grow by mid-single-digit percentages. The quality of the loan portfolio is expected to remain at very high levels in 2026. Česká spořitelna's capital position should continue 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, liquidity risk and operational risk and other non-financial (non-positional) risks. This includes consolidated risk management of the Internal Capital Adequacy Assessment Process (ICAAP) and stress testing for the entire Česká spořitelna Financial Group;
— Compliance, responsible for compliance risk management and anti-money laundering measures;
— 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 authority for risk management decisions 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, floods etc.), 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 can 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 a 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 Bank used advanced measurement approaches (AMA) for calculating the capital requirement for operational risk until 2024. Since 2025 the capital requirement is calculated by using the standardised measurement approach (SMA) in accordance with the change of the regulatory approach to the calculation. This approach was adopted by the whole Erste Group Bank.

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 2.5% (as of 31 December 2025) above the basic requirement and the other applicable regulatory capital reserves.

Capital Adequacy[25]

2025	2024	2023	2022	2021
20.52%	18.78%	18.82%	19.31%	22.98%

(25) 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 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.

Shareholder Structure of Česká spořitelna as of 31 December 2025

	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 presiding chair 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. 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 2025, 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;
— 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 2025, Česká spořitelna neither traded nor held any own shares. In 2025, under normal market conditions, Česká spořitelna purchased 847,852 shares with an aggregate purchase price of CZK 1,500 million and sold 847,852 shares with an aggregate selling price of CZK 1,500 million. In 2025, the minimum price for the purchase and sale of one share was CZK 1,297.00 and CZK 1,344.91, respectively. The maximum price for the purchase and sale of one share in 2025 was CZK 2,492.00 and CZK 2,489.22, respectively. Neither at the beginning nor at the end of 2025 did Česká spořitelna hold any shares. The average nominal value of one share of Erste Group Bank was EUR 2 at the end of 2025.

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 2025 was CZK 3,269.6 million. The contribution itself amounted to CZK 65.4 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.

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 ISIN XS2930541698, ISIN XS2746647036, ISIN XS2852933329, ISIN XS2638560156, ISIN XS3174780893 (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, ISIN XS2676413235, ISIN XS3174780893 and ISIN XS2930541698 were assigned a rating of "A" by Fitch. 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 and Moody's. Both 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 for stable and long-term sustainable distributions. When proposing the profit distribution for a given accounting period, Česká spořitelna also considers the capital plan for the upcoming periods, as well as the need to maintain a sufficient capital buffer for expected and unexpected economic and/or regulatory developments.

Fees Invoiced by the Audit Company PricewaterhouseCoopers Audit, s.r.o. and PwC Network in 2025

CZK million	Audit services	Other assurance services	Other services	Total
Česká spořitelna	35	10	8	53
Other consolidated companies	10	1	0	11
Total	**45**	**11**	**8**	**64**

Services in Addition to the Statutory Audit Provided by the Statutory Auditor and Its Network in 2025

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 2025
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 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)
PricewaterhouseCoopers Audit, s.r.o.	Česká spořitelna, a.s.	Auditor's confirmations for insolvency proceedings
PricewaterhouseCoopers Audit, s.r.o.	Česká spořitelna, a.s.	Agreed-upon procedures in connection with a synthetic securitization as "Loss Verification Agent"
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.	Sanctions Systems Effectiveness Testing
PricewaterhouseCoopers Česká republika, s.r.o.	Česká spořitelna, a.s.	Attendance on open training courses and workshops
PricewaterhouseCoopers Česká republika, s.r.o.	Česká spořitelna, a.s.	Methodology of GenAI evaluation
PricewaterhouseCoopers Česká republika, s.r.o.	Stavební spořitelna České spořitelny, a.s.	Verification of the part of the management and control system at the request of the CNB related to the AML area
PricewaterhouseCoopers Audit, s.r.o.	ČS NHQ, s.r.o.	Voluntary audit for the year 2025

During the accounting period from 1 January 2025 to 31 December 2025, 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 bonus pool is formed at the Bank level to reflect the Bank's financial results. A bonus constitutes a non-entitlement component 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[26] to 100% of 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 2025 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 in the chapter Board of Directors of Česká spořitelna in 2025.

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

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:[27]

— Financial remuneration for statutory body members of CZK 79.685 million;
— Bonuses for managing a division (cash part), of CZK 19.065 million;
— Bonuses for managing a division (non-financial part – certificates and phantom EGB shares), of CZK 22.906 million; and
— In-kind income for Board members of CZK 2.002 million.

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. 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 2025, 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;
  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;
  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;
  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;

(27) - 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).

   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;
   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. Local priorities in strategy and project management;
   d. Leadership.

Each of the indicators specified above had a target value set to be achieved in 2025 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 Malus 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 2025, all members of the Supervisory Board received a total of:[27]

— CZK 6.465 million in financial remuneration for serving as members of the Supervisory Board;
— CZK 6.890 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 2025. 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
Karel Mourek, Vice-Chairman	1. 8. 2025-31. 7. 2029 renewed mandate
Attila Sánta, member	2. 8. 2025-31. 7. 2028
Norbert Hovančák, member	1. 8. 2025-31. 7. 2029
Daniela Pešková, member	2. 2. 2024-1. 2. 2028
Martin Kobza, member	1. 11. 2024-31. 10. 2028
Pavel Kráčmar, member	2. 2. 2024-1. 2. 2028 dismissed without serious reasons as of 31. 7. 2025
Ivan Vondra, member	2. 8. 2021-1. 8. 2025 terminated mandate

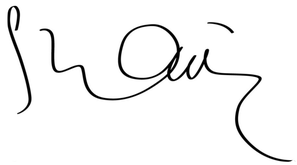
Supervisory Board	
Peter Bosek, Chairman	27. 9. 2024-26. 9. 2028
Štefan Máj, Vice-Chairman	1. 11. 2023-31. 10. 2027
Stefan Dörfler, member	1. 11. 2023-31. 10. 2027
Maurizio Poletto, member	14. 6. 2025-13. 6. 2029 renewed mandate
Zlata Kunešová, member	15. 1. 2023-14. 1. 2027
Marta Vrbová, member	15. 1. 2023-14. 1. 2027
Zlata Gröningerová, member	27. 4. 2025-26. 4. 2029 renewed mandate
Attila Sánta, member	24. 6. 2024-23. 6. 2028 resignation as of 31. 3. 2025
Slavomír Seemann, member	1. 5. 2025-30. 4. 2029
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 European Sustainability Reporting Standards and the requirements of Article 8 of the EU Taxonomy Regulation.

In Prague, 31 March 2026

Tomáš Salomon
Chairman of the Board
of Directors



Attila Sánta
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 2025. 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.

Česká spořitelna follows 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). In line with the Czech National Bank’s confirmation of their binding nature, the Bank maintains and applies internal guidelines and procedures for assessing the suitability of members of the management bodies 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. As part of this policy, the Bank has set goals to have at least 30% of positions on each of 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 2025, one of the six seats on the Board of Directors was held by a woman, and 11 women were members of top management out of a total of 42 positions (level B-1). Additionally, three women hold management positions 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 implemented 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 strengthened stability, accountability, and continuity of performance in the respective position.

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

For top management positions at the B-1 level, a list of potential suitable successors was prepared and regularly updated. This list always included female candidates, with the minimum number of women among successors representing at least half of the total number of units in the given division. During selection processes, the principle of a gender-balanced selection committee was applied. In areas where the Bank typically encounters a shortage of women, particularly in IT, it was emphasised that positions were suitable for both genders. On social media, the Bank conducted campaigns and educational activities 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 of management bodies of the Bank, a 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 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 via the Employee Net Promoter Score (eNPS). Its result is evidence of the effectiveness of its initiatives aimed at improving the work environment, supporting talent development, and creating a culture that emphasises work-life balance.

In 2025, the Bank organised many events for its employees to celebrate the 200th anniversary of the Company's founding. The efforts of Česká spořitelna in improving employee experience were recognised with a victory in the Employee Experience Strategy category in the Europe region at the Customer Centricity World Series with the FexiDNA project.

A major priority is also the support of employee health. Within the “Zdravá spořka” ("Healthy Spořka") programme, the Bank broadly supports the health of employees and their families, providing them with the opportunity for online consultations with doctors and organising appointments with specialists throughout the Czech Republic, reimbursing vaccinations according to the epidemiological situation. At the headquarters, a premium general practitioner office is available for employees and family members, with an emphasis on quality preventive care. To support mental health, each employee and their immediate family can use up to 6 psychotherapy sessions per year, free of charge, anonymously, and with quick appointment times, available online throughout the Czech Republic and physically in all regional cities. The Bank regularly organises educational and team activities at the headquarters and in the regions to support a healthy lifestyle, exercise, balanced diet, and sleep.

In the area of remuneration, Česká spořitelna has focused primarily on ensuring a fair, transparent, and competitive reward system that supports equal opportunities and reflects the true value of work. Key topics in 2025 were equal pay and gender pay gap analysis. Part of these activities included updating job pricing to maintain fair conditions for all employees regardless of gender, age, nationality, or other characteristics.

The Bank places special emphasis on ensuring that the remuneration system is transparent and supports performance, talent development, and long-term employee motivation.

Organisation of the Bank

The Board of Directors of the Bank has 6 members. 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.

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 2025, the Board of Directors held 44 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 in the chapter Board of Directors of Česká spořitelna in 2025.

The Supervisory Board of Česká spořitelna has nine members. Details about the composition and diversity changes in the composition of the Supervisory Board are listed in the chapter Supervisory Board 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 in the chapter Supervisory Board of Česká spořitelna in 2025. 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 separate and consolidated financial statements. The Supervisory Board takes note of the Consolidated Sustainability Statement presented as part of the Group's Annual Report.

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 2025, 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 separate financial statements and consolidated financial statements and the consolidated sustainability statement of Česká spořitelna prepared in accordance with the 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). 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 in the chapter Audit Committee of Česká spořitelna.

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 2025. 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 Strategic 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 **Internal Ombudsman** and **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 Compliance 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. 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.

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

The process of preparation for the Bank's consolidated and separate financial statements is irregularly reviewed 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.

Organizational Structure

Organizational Structure

as at 31 December 2025

CHAIRMAN OF THE BOARD	MEMBER OF THE BOARD	VICE-CHAIRMAN OF THE BOARD	MEMBER OF THE BOARD	MEMBER OF THE BOARD		MEMBER OF THE BOARD
Tomáš Salomon	Attila Sánta	Karel Mourek	Norbert Hovančák	Martin Kobza		Daniela Pešková
Internal Audit	Accounting	Legal Services	Financial Markets & Financial Institutions	IT Finance & Vendor Management (CoE)	IT Technology & Operations (CoE)	Retail Performance Mgt & Business Intelligence
Brand	Controlling & Investor Relations	Strategic Risk Management	Funding & Advisory Group	Customer Servicing (CoE)	Tribe for Businesses (IT part)	Erste Private Banking
FHC Strategy	Property Management	Credit Risk Management Corporate Banking	Corporate Centres	People and Culture (IT part)	Personalization (IT part)	Small Business Centres
Company Affairs	Group Balance Management – ALM	Advanced Analytics & Platform	Public Sector & Real Estate	Architecture & Data	Customer Solutions (IT part)	Distribution
People & Culture	Capital Relations	Security	Large Corporates	Financial Interaction (IT part)	Steering Functions	Personalization
	Data Management & Reporting	Credit Risk Management Retail Banking	Tribe for Businesses	Engineering & Platforms		Financial Interaction
		Compliance	Product Management			Customer Solutions
						Product Design

Units in stable organizational structure

Units in agile organizational structure

Supervisory Board Report

In 2025, 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 2025 financial statements and the proposal for the distribution of the 2025 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 2026 budget. The Supervisory Board discussed the sustainability strategy. 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 2025, 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 2025, the Supervisory Board held four regular meetings.

During 2025, 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 2025, there were changes in the composition of the Supervisory Board. In March, Attila Sánta resigned as a member of the Supervisory Board. In May, Slavomír Seemann was elected as a member of the Supervisory Board by the decision of the sole shareholder acting as the General Meeting.

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 2025 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 2025. 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 2025, as well as their financial performance and cash flows for the year ended 31 December 2025 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

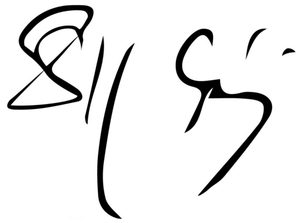
In 2025, the Audit Committee of Česká spořitelna, a.s. operated as an independent body of the Bank. In 2025, the Audit Committee held four regular meetings, one extraordinary meeting and one separate session with an external auditor.

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 the Consolidated Sustainability Statement. The Audit Committee recommended PricewaterhouseCoopers Audit, s.r.o., to perform the audit of the annual financial statements and to provide limited assurance of the annual consolidated sustainability statement for 2025, 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. The Committee also dealt with the selection of an external auditor for the next period which will begin with the financial year ending 31 December 2027.

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 2025, 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. The Committee was also informed about the Consolidated Sustainability Statement under the CSRD for 2024 and was engaged in the preparation of the 2025 Consolidated Sustainability Statement.

In 2025, changes took place in the composition of the Audit Committee. In March, David Bichler was elected Vice-Chairman of the Committee and Attila Sánta resigned from his position as a member of the Committee. In May, Slavomír Seemann was elected as a member of the Audit Committee by the decision of the sole shareholder acting as the General Meeting. The decision of the sole shareholder also approved the membership of Zlata Gröningerová for another term.



Štefan Máj
Chairman of the Audit Committee

Financial Section 2025

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 2025, and of the Group's consolidated financial performance and consolidated cash flows for the year ended 31 December 2025 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 2025, and of the Bank's separate financial performance and separate cash flows for the year ended 31 December 2025 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 2025;
- the consolidated statement of comprehensive income for the year ended 31 December 2025;
- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of changes in equity for the year ended 31 December 2025;
- the consolidated statement of cash flows for the year ended 31 December 2025; and
- the notes to the consolidated 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, T: +420 251 151 111

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.

The Bank's separate financial statements comprise:

- the separate statement of income for the year ended 31 December 2025;
- the separate statement of comprehensive income for the year ended 31 December 2025;
- the separate statement of financial position as at 31 December 2025;
- the separate statement of changes in equity for the year ended 31 December 2025;
- the separate statement of cash flows for the year ended 31 December 2025; and
- the notes to the separate financial statements, comprising material accounting policy information and other explanatory information.

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 consisting of International Standards on Auditing as supplemented and modified by related application guidance (together the "Audit Regulations"). Our responsibilities under those regulations 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 ethical requirements of the EU Regulation that are relevant to audits of financial statements of public interest entities, the ethical requirements of the Act on Auditors that are relevant to audits of financial statements in the Czech Republic 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 that are applicable to audits of financial statements of public interest entities. We have fulfilled our other ethical responsibilities in accordance with the ethical requirements of the EU Regulation, the Act on Auditors and the IESBA Code.

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 1,541 million.
Group Scoping	Our audit covered 96.3% of the total assets and 89.7% of the net profit of the Group. We applied analytical and other procedures to further 2.7% of the total assets and 5.1% 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 the new forward-looking information (FLI) model and updates of the management overlays

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 1,541 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 the new forward-looking information (FLI) model and updates of the management overlays In the consolidated statement of financial position as at 31 December 2025 and in Note 13 of the consolidated financial statements, the Group presents its customer loan portfolio at the gross carrying amount of CZK 1,182,260 million, of which CZK 1,094,061 million (92.5%) is held by the Bank (Note 13 of the separate financial statements). For this customer loan portfolio, measured at amortised cost, the Group has recognised the expected credit loss allowances of CZK 19,292 million as at 31 December 2025, of which CZK 17,216 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 to determining assumptions that have the highest impact on the appropriate 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 default ("LGD"), 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. The Group/Bank developed and implemented new FLI probability of default ("PD") model to better respond to the changing macroeconomic environment and reassessed the variables used. By selecting variables that more accurately reflect underlying economic dynamics, the Group/Bank was able to eliminate the management overlays (post-model adjustments) implemented under the previous model. In addition to that, the performance of the Group's/Bank's loan portfolio and related credit risk costs were influenced by gradual recovery of the Czech economy in 2025: moderate GDP growth, a mild decline in interest rates, price growth and inflation close to the long-term target of the Czech National Bank. 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 (management overlays in collective SICR assessment).	When assessing credit risk and credit-impaired status of loans, we focused on changes in the model assumptions, the accuracy of the estimated risk parameters, and whether they reflect uncertainties related 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. In relation to the new FLI PD model, our credit risk modelling experts critically assessed the concept of the new model, inspected Python codes used for the estimation of the FLI parameters, and assessed its alignment with the methodological documents and policies. Subsequently, we executed the provided Python code in PwC's environment to replicate the PD calculations. The outputs of our recalculations were compared against the Group's/Bank's results to verify accuracy. For FLI estimation model, we also compared the underlying macro-economic forecasts with the information available from external sources and assessed the weights attributed to individual scenarios, taking into account the regulatory recommendations and best practices. In addition to this, 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. We assessed the criteria for loan classification into the stages applied by the Bank/Group as a reaction to the current economic situation. We also familiarized ourselves with the triggers for decommissioning of the selected management overlays and assessed their compliance with the Group's and the Bank's internal policies. 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. For a selected sample of collateral, our valuation experts assessed the reasonableness of external valuations by evaluating the valuation methodologies applied, the key assumptions used, and their consistency with observable market data. 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 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 and the Bank operate.

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 generated 89.7% 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 99.0% and of the Group's net profit to 94.8%. This approach allowed us to reasonably exclude material misrepresentations of the Group's results.

Reporting on other information in the annual report

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

Our opinion on the financial statements does not cover the other information included in the annual report. 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 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 work undertaken 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 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 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 purposes of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicate with the Board of Directors 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 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 Board of Directors 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

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 first appointed as auditors of the Group and the Bank on 25 April 2017. This represents a total period of uninterrupted engagement appointment of 9 years. Our appointment for the year ended 31 December 2025 was approved by the shareholder's resolution on 11 April 2025.

Provided non-audit services

We declare that non-audit services that we have provided to the Bank, its parent and its controlled entities within the European Union are in accordance with the applicable law and regulations in the Czech Republic and 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 2025 to 31 December 2025 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 2025 (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 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”). The applicable requirements regarding the electronic reporting format of the consolidated financial statements are contained in the ESEF Regulation.

The requirements described in the preceding sentence determine the basis for application of the electronic reporting format of the consolidated financial statements 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 complies, in all material respects, 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 management 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 complies, in all material respects, 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.
- Verification whether the XHTML format was applied properly.
- 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 2026

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 2026 on the statutory annual report of Česká spořitelna, a.s. as prepared in accordance with the provisions of the ESEF Regulation. The attached copy of the Annual report 2025 is not prepared in accordance with the ESEF Regulation and therefore does not constitute a statutory annual report and like this copy of the auditor's report, is not a statutory binding document. The original of the statutory 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 2025

in CZK million	Notes	2025	2024
Net interest income	2	42,108	39,811
Interest income		79,312	90,771
Other similar income		7,139	9,747
Interest expenses		(37,737)	(50,159)
Other similar expenses		(6,606)	(10,548)
Net fee and commission income	3	13,170	12,778
Fee and commission income		15,384	14,350
Fee and commission expense		(2,214)	(1,572)
Dividend income		47	59
Net trading result	4	3,236	3,413
Gains/losses from financial instruments measured at fair value through profit or loss	5	53	(48)
Net result from equity method investments		273	241
Rental income from investment properties & other operating leases		273	232
Personnel expenses	6	(13,535)	(13,232)
Other administrative expenses	6	(8,929)	(8,300)
Depreciation and amortisation	6	(2,812)	(2,772)
Gains/losses from derecognition of financial assets measured at amortised cost	7	(1,345)	(843)
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss		(91)	(7)
Impairment result from financial instruments	8	(447)	261
Other operating result	9	1,710	247
Pre-tax result from continuing operations		**33,711**	**31,840**
Taxes on income	10	(5,837)	(5,602)
Net result for the period		**27,874**	**26,238**
Net result attributable to non-controlling interests		112	76
Net result attributable to owners of the parent		**27,762**	**26,162**

Consolidated statement of comprehensive income

for the year ended 31 December 2025

in CZK million	Notes	2025	2024
Net result for the period		**27,874**	**26,238**
Other comprehensive income			
Items that may not be reclassified to profit or loss		**(2)**	**(6)**
Own credit risk reserve	10	(2)	(6)
Items that may be reclassified to profit or loss		**(106)**	**43**
Fair Value reserve of debt instruments	10	(332)	(110)
Gain/(loss) during the period		(234)	(146)
Reclassification adjustments		(98)	36
Cash flow hedge reserve		(76)	159
Gain/(loss) during the period	10, 22	(1,460)	1,531
Reclassification adjustments		1,384	(1,372)
Currency reserve		216	2
Gain/(loss) during the period		13	2
Reclassification adjustments		203	-
Deferred taxes relating to items that may be reclassified	10	86	(8)
Gain/(loss) during the period		356	(289)
Reclassification adjustments		(270)	281
Total other comprehensive income	10	**(108)**	**37**
Total comprehensive income		**27,766**	**26,275**
Total comprehensive income attributable to non-controlling interests		112	76
Total comprehensive income attributable to owners of the parent		**27,654**	**26,199**

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 2025

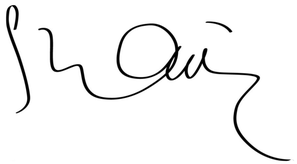
in CZK million	Notes	2025	2024
Assets			
Cash and cash equivalents	12	32,234	22,958
Financial assets held for trading		10,553	12,911
Derivatives	18	10,510	12,852
Other financial assets held for trading		43	59
Non-trading financial assets at fair value through profit or loss	19	2,221	2,895
Equity instruments		764	1,422
Debt securities		764	773
Loans and advances to banks		659	691
Loans and advances to customers		34	9
Financial assets at fair value through other comprehensive income		48,039	52,258
thereof pledged as collateral	25	3,930	-
Debt securities	16	48,039	52,258
Financial assets at amortised cost	13	1,893,693	1,892,087
thereof pledged as collateral	25	106,498	117,657
Debt securities		401,663	372,456
Loans and advances to banks		329,062	443,389
Loans and advances to customers		1,162,968	1,076,242
Finance lease receivables	45	1,456	1,501
Hedge accounting derivatives	22	3,149	2,930
Fair value changes of the hedged items in portfolio hedge of interest rate risk		(6)	(8)
Property, equipment and right-of-use asset	42	14,889	13,153
Investment property	42	3,634	1,449
Intangible assets	43	6,457	6,600
Investments in associates	53	2,793	1,895
Current tax assets	10	44	5
Deferred tax assets	10	552	1,296
Assets held for sale	58	2,336	3,587
Trade and other receivables	14	14,453	13,206
Other assets	44	2,036	1,353
Total assets		**2,038,533**	**2,030,076**

in CZK million	Notes	2025	2024
Liabilities and equity			
Financial liabilities held for trading	18	10,201	12,034
Derivatives		10,201	12,034
Financial liabilities at fair value through profit or loss	20	2,723	1,309
Deposits from customers		2,723	1,309
Financial liabilities at amortised cost	15	1,861,841	1,844,773
Deposits from banks		229,953	275,456
Deposits from customers		1,527,117	1,481,865
Debt securities issued		98,265	81,509
Other financial liabilities		6,506	5,943
Lease liabilities	46	3,836	3,363
Hedge accounting derivatives	22	2,009	3,693
Provisions	48	2,148	3,465
Current tax liabilities	10	61	713
Deferred tax liabilities	10	9	6
Liabilities associated with assets held for sale	58	150	167
Other liabilities	47	5,074	5,787
Total equity	50	**150,481**	**154,766**
Equity attributable to non-controlling interests		1,145	622
Equity attributable to owners of the parent		149,336	154,144
Share capital		15,200	15,200
Additional paid-in capital		12	12
Additional equity instruments		-	9,040
Retained earnings and other reserves		134,124	129,892
Total liabilities and equity		**2,038,533**	**2,030,076**

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 2026 and are subject to approval at the Supervisory Board and by the sole shareholder.

Tomáš Salomon
Chairman of the Board of Directors



Attila Sánta
Member of the Board of Directors,
Chief Financial Officer

Consolidated statement of changes in equity

for the year ended 31 December 2025

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**
As of 1 January 2025	**15,200**	**12**	**129,690**	**9,040**	**387**	**(245)**	**199**	**2**	**(141)**	**154,144**	**622**	**154,766**
Dividends paid/AT1 distribution (Note 11)	-	-	(23,890)	-	-	-	-	-	-	(23,890)	-	(23,890)
Capital increases/decreases (Note 50)	-	-	-	(9,040)	-	-	-	-	-	(9,040)	268	(8,772)
Changes in scope of consolidation and ownership interest	-	-	(143)	-	-	-	-	-	-	(143)	143	-
Other changes	-	-	611	-	-	-	-	-	-	611	-	611
Total comprehensive income	-	-	27,762	-	-	(60)	(262)	(2)	216	27,654	112	27,766
Net result for the period	-	-	27,762	-	-	-	-	-	-	27,762	112	27,874
Other comprehensive income	-	-	-	-	-	(60)	(262)	(2)	216	(108)	-	(108)
Change in fair value reserve	-	-	-	-	-	-	(332)	-	-	(332)	-	(332)
Changes in tax	-	-	-	-	-	16	70	-	-	86	-	86
Change in cash flow hedge reserve	-	-	-	-	-	(76)	-	-	-	(76)	-	(76)
Change in currency reserve	-	-	-	-	-	-	-	-	216	216	-	216
Change in own credit risk reserve	-	-	-	-	-	-	-	(2)	-	(2)	-	(2)
As of 31 December 2025	**15,200**	**12**	**134,030**	**-**	**387**	**(305)**	**(63)**	**-**	**75**	**149,336**	**1,145**	**150,481**

Consolidated statement of cash flows

for the year ended 31 December 2025

in CZK million	Notes	2025	2024
Pre-tax result from continuing operations		**33,711**	**31,840**
Non-cash adjustments for items in net profit/loss for the year			
Depreciation, amortisation and net impairment of non-financial assets		3,254	2,938
Net allocation to provisions (including risk provisions)		(1,015)	(442)
Gains/(losses) from the measurement and derecognition of financial assets and financial liabilities		1,437	(694)
Gains/(losses) from the sale of non-financial assets		(570)	(727)
Change in fair values of derivatives		544	(933)
Interest income	2	(86,451)	(100,518)
Interest expense	2	44,343	60,707
Other adjustments		(377)	463
Changes in assets and liabilities from operating activities after adjustment for non-cash components			
Financial assets held for trading		3	(47)
Non-trading financial assets at fair value through profit or loss			
Equity instruments		658	687
Debt securities		9	46
Loans and advances to customers		7	170
Financial assets - at fair value through other comprehensive income: debt instruments		3,739	1,139
Financial assets at amortised cost			
Debt securities		(32,418)	(18,588)
Loans and advances to banks		113,910	(139,363)
Loans and advances to customers		(93,116)	(75,094)
Finance lease receivables		45	(20)
Hedge accounting derivatives		(1,979)	(371)
Other assets from operating activities		(675)	(497)
Financial liabilities at amortised cost			
Deposits from banks		(43,945)	152,397
Deposits from customers		51,504	126,413
Financial liabilities at fair value through profit or loss		1,587	(12,182)
Other liabilities from operating activities		211	(2,685)
Other operating cash flows			
Interest paid		(44,720)	(59,098)
Interest received		83,897	98,675
Payments for taxes on income		(5,359)	(4,288)
Cash flow from operating activities		**28,234**	**59,928**
Financial assets - at fair value through other comprehensive income: equity instruments		-	22
Proceeds of disposal of property, equipment and intangible assets		445	274
Acquisition of property and equipment, intangible assets and investment properties		(6,140)	(7,061)
Disposal of subsidiaries		1,338	812
Acquisition of associates		(898)	(246)
Cash flow from investing activities		**(5,255)**	**(6,199)**
AT1 call	50	(9,040)	-
Dividends paid/AT1 distribution	11	(23,890)	(16,080)
Other financing activities		(2)	(1)
Payments of lease liability	60	(698)	(690)

in CZK million	Notes	2025	2024
Repayments of bonds in issue	60	-	(72,548)
Proceeds from bonds issued	60	19,400	31,355
Changes in non-controlling interest	51	523	76
Cash flow from financing activities		**(13,707)**	**(57,888)**
Cash and cash equivalents at beginning of period	12	**22,958**	**27,918**
Cash flow from operating activities		28,234	59,928
Cash flow from investing activities		(5,255)	(6,199)
Cash flow from financing activities		(13,707)	(57,888)
Effect of currency translation		4	(801)
Cash and cash equivalents at end of period	12	**32,234**	**22,958**

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

Notes to consolidated financial statements

for the year ended 31 December 2025

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 2025 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 2025 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 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 with the euro as functional currency, these are the European Central Bank (‘ECB’) reference rates.

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 (such as equity investmenst) in a foreign currency are translated using the exchange rates at the date when the fair value was measured, thus the exchange differences are part of the fair value gains or losses.

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 statement of comprehensive income are translated at the average exchange rateof the respective reporting period 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 2025. 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

The following amendments of standards have become mandatory for the financial year 2025 and have been endorsed by the EU: Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

— **Amendments to IAS 21 Lack of Exchangeability.** In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences. Application of the amendments in 2025 did not have a significant impact on Group's financial statements.

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 IFRS 18, IFRS 9 and IFRS 7 and Annual Improvements have been endorsed by the EU.

— **Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7.** On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to: (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). 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 way of SPPI assessment for 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 the adjustments is de-minimis but whether the adjusted cash flows could be significantly different from the contractual cash flows of a financial asset with identical contractual terms but without such an ESG-linked 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. The Group will not make use of the option to deem a financial liability that will be settled using an electronic payment system to be discharged before the settlement date. Amendments to IFRS 7 will result in new disclosures

— **Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7.** The IASB has issued amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Current accounting requirements may not adequately capture how these contracts affect a company's performance. To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9, *Financial Instruments,* and IFRS 7, *Financial Instruments: Disclosures*. 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.

— **Annual Improvements to IFRS Accounting Standards.** IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the 'qualifying criteria', rather than 'conditions' for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included 'significant unobservable inputs'. This new phrase replaced reference to 'significant inputs that were not based on observable market data'. The amendment makes the wording consistent with IFRS 13. In addition, certain IFRS 7 implementation guidance examples were clarified and text added that the examples do not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at 'the amount determined by applying IFRS 15' instead of at 'their transaction price (as defined in IFRS 15)'. IFRS 10 was amended to use less conclusive language when an entity is a 'de-facto agent' and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent. IAS 7 was corrected to delete references to 'cost method' that was removed from IFRS Accounting Standards in May 2008 when the IASB issued amendment 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'.

Application of these amendments is not expected to have a significant impact on the Group's financial statements.

— **IFRS 18 Presentation and Disclosure in Financial Statements.** In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
  — the structure of the statement of profit or loss;
  — required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
  — enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

  IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

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.

— **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.

— **Amendments to IFRS 19 Subsidiaries without public accountability: Disclosures (Issued on 21 August 2025 and effective from 1 January 2027).** In August 2025, the IASB issued amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures, which help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically: IFRS 18 Presentation and Disclosure in Financial Statements, Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7); International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12); Lack of Exchangeability (Amendments to IAS 21); and Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). With these amendments, IFRS 19 reflects the changes to IFRS Accounting Standards that take effect up to 1 January 2027, when IFRS 19 will be applicable.
— **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025 and effective from 1 January 2027).** The objective of the Amendments to IAS 21 is to change the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy, when translating either its results and financial position, while the entity's functional currency is that of a non-hyperinflationary economy, or the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

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

Performace / 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 Board of Directors 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 measure of segment profit or loss reviewed by the chief operating decision maker nor otherwise regularly provided to him. Board of Directors 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 Board of Directors.

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	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Net interest income	25,934	24,298	11,449	10,950	3,368	3,128	1,357	1,435	42,108	39,811
Net fee and commission income	9,210	9,141	1,886	1,737	(285)	(268)	2,359	2,167	13,170	12,778
Dividend income	-	-	-	-	47	59	-	-	47	59
Net trading result	2,091	2,003	874	831	(194)	151	464	429	3,236	3,413
Gains/losses from financial instruments at FVPL	-	-	(29)	(62)	77	14	6	-	53	(48)
Net result from equity method investments	113	103	80	85	75	50	5	3	273	241
Rental income from investment properties & other operating leases	-	-	41	-	232	232	-	-	273	232
General administrative expenses	(19,577)	(19,103)	(3,858)	(3,492)	(1,121)	(993)	(720)	(717)	(25,276)	(24,304)
thereof: depreciation and amortisation	(2,671)	(2,635)	(299)	(200)	198	106	(39)	(43)	(2,812)	(2,772)
Gains/losses from derecognition of financial assets at AC	-	-	-	-	(1,345)	(843)	-	-	(1,345)	(843)
Other gains/losses from derecognition of financial instruments not at FVPL	-	-	(2)	-	(89)	(7)	-	-	(91)	(7)
Impairment result from financial instruments	(315)	800	(192)	(636)	60	82	-	15	(447)	261
Other operating result	(110)	188	(75)	(168)	1,965	352	(70)	(124)	1,710	247
Pre-tax result from continuing operations	**17,346**	**17,430**	**10,174**	**9,245**	**2,790**	**1,956**	**3,401**	**3,208**	**33,711**	**31,840**
Taxes on income	(3,643)	(3,660)	(2,158)	(1,951)	678	683	(714)	(674)	(5,837)	(5,602)
Net result for the period	**13,703**	**13,770**	**8,016**	**7,294**	**3,468**	**2,640**	**2,687**	**2,534**	**27,874**	**26,238**
Net result attributable to non-controlling interests	-	-	-	-	112	76	-	-	112	76
Net result attributable to owners of the parent	**13,703**	**13,770**	**8,016**	**7,294**	**3,356**	**2,564**	**2,687**	**2,534**	**27,762**	**26,162**
Operating income	37,349	35,545	14,300	13,541	3,320	3,366	4,191	4,035	59,160	56,486
Operating expenses	(19,577)	(19,103)	(3,858)	(3,492)	(1,121)	(993)	(720)	(717)	(25,276)	(24,304)
Operating result	**17,772**	**16,442**	**10,442**	**10,050**	**2,199**	**2,373**	**3,471**	**3,317**	**33,884**	**32,182**
Risk-weighted assets (credit risk, eop)	229,938	241,974	339,440	388,202	(1,691)	38,262	10,979	9,776	578,666	678,215
Average allocated capital	28,735	29,805	33,387	34,880	86,446	82,126	1,727	2,140	150,295	148,951
Cost/income ratio	52.4%	53.7%	27.0%	25.8%	33.8%	29.5%	17.2%	17.8%	42.7%	43.0%
Return on allocated capital	47.7%	46.2%	24.0%	20.9%	3.9%	3.1%	155.6%	118.4%	18.5%	17.6%
Total assets (eop)	771,006	716,249	434,591	403,182	809,391	887,278	23,546	23,368	2,038,533	2,030,076
Total liabilities excluding equity (eop)	1,048,493	1,026,585	347,860	319,425	170,476	176,194	321,223	353,107	1,888,052	1,875,310

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	2025	2024
Interest and other similar income		
Financial assets at fair value through other comprehensive income	2,054	2,579
Financial assets at amortised costs	77,258	88,192
Interest income	**79,312**	**90,771**
Financial assets held for trading	7,326	10,624
Derivatives - Hedge accounting, interest rate risk	(237)	(951)
Other assets	50	74
Other similar income	**7,139**	**9,747**
Total interest and other similar income	**86,451**	**100,518**
Interest and other similar expenses		
Financial liabilities measured at amortised cost	(37,737)	(50,159)
Interest expenses	**(37,737)**	**(50,159)**
Financial liabilities at fair value through profit or loss	(245)	(204)
Financial liabilities held for trading	(5,986)	(9,585)
Derivatives - Hedge accounting, interest rate risk	(272)	(659)
Other liabilities	(100)	(97)
Negative Interest from financial assets	(3)	(3)
Other similar expenses	**(6,606)**	**(10,548)**
Total interest and other similar expenses	**(44,343)**	**(60,707)**
Net interest income	**42,108**	**39,811**

Interest income on impaired financial assets amounted to CZK 626 million (2024: CZK 1,117 million). No modification gains or losses were accounted for in the year 2025 and 2024. 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.

	2025		2024	
in CZK million	**Income**	**Expenses**	**Income**	**Expenses**
Securities	1,628	(163)	1,310	(141)
Clearing and settlement	-	(8)	-	(7)
Asset management	2,034	(59)	2,538	(54)
Custody	176	(74)	170	(64)
Payment services	4,266	(1,022)	4,193	(549)
Customer resources distributed but not managed	4,963	-	3,896	-
Collective investment	2,625	-	1,790	-
Insurance products	2,338	-	2,106	-
Servicing fees from securitization activities	-	(3)	-	-
Lending business	1,495	(393)	1,479	(291)
Other	822	(492)	764	(466)
Total fee and commission income and expenses	**15,384**	**(2,214)**	**14,350**	**(1,572)**
Net Fee and commission income	**13,170**		**12,778**	

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 held by the Group on behalf of its customers amount to CZK 2,818 billion as at 31 December 2025 (2024: CZK 2,366 billion).

Net fee and commission income above include income of CZK 3,809 million (2024: CZK 4,248 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 translation, Transactions and balances in foreign currency. Detailed information relating to hedge accounting can be found in Note 22 Hedge accounting.

in CZK million	**2025**	**2024**
Securities and derivatives trading	315	403
Foreign exchange transactions	2,945	2,910
Ineffectiveness of hedge accounting	(24)	100
Net trading result	**3,236**	**3,413**

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	**2025**	**2024**
Realised and unrealised gains on trading assets	382	371
Foreign exchange trading	277	321
Total	**659**	**692**

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	**2025**	**2024**
Result from measurement/sale of financial liabilities designated at fair value through profit or loss	(3)	(156)
Result from measurement/repurchase of financial assets mandatorily at fair value through profit or loss	56	108
Gains/losses from financial instruments measured at fair value through profit or loss	**53**	**(48)**

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 the contribution to the Deposit Insurance Fund 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	2025	2024
Personnel expenses	**(13,535)**	**(13,232)**
Wages and salaries	(9,555)	(9,322)
Compulsory social security	(3,081)	(3,010)
Other personnel expenses	(899)	(900)
Other administrative expenses	**(8,929)**	**(8,300)**
Deposit insurance contribution	(394)	(407)
IT expenses	(4,376)	(4,016)
Expenses for office space	(987)	(984)
Office operating expenses	(712)	(673)
Advertising / marketing	(1,409)	(1,311)
Legal and consulting costs	(274)	(245)
Sundry administrative expenses	(777)	(664)
Depreciation and amortisation	**(2,812)**	**(2,772)**
Software and other intangible assets	(1,081)	(1,056)
Owner occupied real estate	(582)	(579)
Investment property	(34)	(39)
Office furniture and equipment and sundry property and equipment	(466)	(447)
Right of use asset	(649)	(651)
General administrative expenses	**(25,276)**	**(24,304)**

Personnel expenses include expenses of CZK 1,951 million (2024: CZK 1,868 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	2025	2024
Remuneration	137	122

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

	2025	2024
Staff	9,597	9,653

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	2025	2024
Losses from sale of financial assets at amortised cost	(1,345)	(843)
Gains/losses from derecognition of financial assets measured at amortised cost	**(1,345)**	**(843)**

Due to the sale of debt securities during 2025 the Group realized a loss in the amount of CZK 1,345 million (2024: CZK 843 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	2025	2024
Financial assets at fair value through other comprehensive income	179	(36)
Financial assets at amortised cost	(323)	422
Net allocation to credit loss allowances	(692)	142
Recoveries recorded directly to the income statement	369	280
Finance lease receivables	-	14
Net allocation to credit loss allowances	-	14
Net allocation of provisions for commitments and guarantees given	(303)	(139)
Impairment result from financial instruments	**(447)**	**261**

Development of risk provision was driven by creation in 2025 (CZK 692 million) in comparison with release in 2024 (CZK 142 million) which reflected new FLI model and release of stage 2 overlays in 2025.

In the following table, the change of the credit loss allowance recognised in balance sheet is compared to the impairment result from financial instruments.

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 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
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)			
Recoveries of written-off amounts	280			
Net impairment gain/(loss) for the period as at 31 December 2024	**261**			

Opening balance of CLA (total) as at 1 January 2025				**(21,801)**
Net impairment loss for the period	(497)			(497)
(Increase) due to passage of time (unwinding correction)		(416)		(416)
CLA decreases due to sales			341	341
CLA decreases due to write-offs			1,248	1,248
Other CLA changes		(144)		(144)
Closing balance of CLA (total) as at 31 December 2025				**(21,269)**
Impairment gain/(loss) from POCI without CLA	(319)			
Recoveries of written-off amounts	369			
Net impairment gain/(loss) for the period as at 31 December 2025	**(447)**			

Table shows movements in CLA during the year. From the total movement in CLA (decrease of CZK 532 million, 2024: decrease of CZK 665 million) loss of CZK 497 million (2024: loss of CZK 17 million) was reported in Net impairment result in Profit and Loss (NIR). Other movement (decrease) in amount of CZK 1,029 million (2024: CZK 682 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 increased by another CZK 50 million (2024: CZK 278 million) consisting of impairment loss from POCI in amount of CZK 319 million (2024: loss of CZK 2 million) and increased by recoveries of written-offs in amount of CZK 369 million (2024: CZK 280 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	2025	2024
Net allocation to other provision	**1,474**	**(34)**
Other operating expenses	**(656)**	**(1,021)**
Other taxes	(4)	(4)
Recovery and resolution fund contributions	(140)	(499)
Other	(512)	(518)
Other operating income	**207**	**531**
Result from properties/movables/other intangible assets other than goodwill	**(248)**	**221**
Result from investments in subsidiaries and associates	**933**	**550**
Other operating result	**1,710**	**247**

In 2025 the Group released provisions relating to legal disputes in the amount of CZK 1,478 million (presented in the line item 'Net allocation to other provision').

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 2025 the final annual contributions paid to Resolution Fund of CZK 140 million (2024: CZK 499 million) was reported within the line 'Recovery and resolution fund contributions'.

In 2025 the Group created the impairment related to software of CZK 293 million (2024: CZK 319 million) and created impairment of CZK 4 million related to buildings (2024: released the impairment of CZK 99 million). The Group realised a gain of CZK 101 million (2024: CZK 176 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').

As of 31 December 2025 the Group realised a gain of CZK 1,133 million on the sale of subsidiaries BP Budějovická, s. r. o., BP Olbrachtova, s. r. o. and BP Poláčkova, s. r. o., which is included in the line 'Result from investments in subsidiaries and associates'.

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 2025 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 2 model rules.

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.

Tax on income is made up of current tax on income calculated in each of the Group companies based on the result reported for tax purposes, corrections to tax on income for previous years, and the change in deferred tax.

in CZK million	2025	2024
Current tax expense (-) / income (+)	(4,998)	(5,063)
current period	(4,940)	(5,236)
prior period	(58)	173
Deferred tax expense (-) / income (+)	(839)	(539)
current period	(839)	(539)
Total taxes on income	**(5,837)**	**(5,602)**

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	2025	2024
Pre-tax profit/loss	33,711	31,840
Income tax expense for the financial year at the domestic statutory tax rate (21%)	(7,079)	(6,686)
Non-taxable income	3,023	2,773
Non-deductible expenses	(1,607)	(1,843)
Other	(382)	3
Prior period over/(under) accrual	208	152
Total	**(5,837)**	**(5,602)**
Effective tax rate	**17.31%**	**17.59%**

Majority of non-taxable income is represented by the interest income from government bonds and income from dividends. Non-deductible expenses consist mainly of representation costs and expenses related to non-taxable income,

Tax effects relating to each component of other comprehensive income:

	2025			2024		
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	(332)	70	(262)	(110)	16	(94)
Own credit risk reserve	(2)	-	(2)	(6)	-	(6)
Cash flow hedge reserve	(76)	16	(60)	159	(24)	135
Currency translation	216	-	216	2	-	2
Other comprehensive income	**(194)**	**86**	**(108)**	**45**	**(8)**	**37**

Major components of deferred tax assets and deferred tax liabilities:

	Tax assets		Tax liabilities		Net variance 2025			
in CZK million	As of Dec 2025	As of Jan 2025	As of Dec 2025	As of Jan 2025	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	25	27	(83)	(83)	(2)	(2)	-	-
Financial assets at FVOCI	37	21	-	(54)	70	-	70	-
Financial assets at AC	564	1,139	(23)	(7)	(591)	(591)	-	-
Property and equipment (useful life in tax law different)	31	279	(14)	(14)	(248)	(254)	-	6
Intangible assets other than goodwill	-	-	(519)	(528)	9	9	-	-
Other provisions	1	1	-	-	-	-	-	-
Hedge accounting derivatives	131	101	(50)	(36)	16	-	16	-
Other assets and liabilities	442	447	1	(4)	-	-	-	-
Recognised deferred tax position from accumulated tax loss carried forward, after recoverability considerations	-	1	-	-	(1)	(1)	-	-
Effect of netting according IAS 12.74	(679)	(720)	679	720	-	-	-	-
Total deferred taxes	**552**	**1,296**	**(9)**	**(6)**	**(747)**	**(839)**	**86**	**6**
Current taxes	**44**	**5**	**(61)**	**(713)**	**691**			
Total taxes	**596**	**1,301**	**(70)**	**(719)**	**(56)**			

	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)	-	-
Effect of netting according IAS 12.74	(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)**			

Deferred tax is calculated on all temporary differences under the liability method using a principal tax rate of 21% (2024: 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 747 million (2024: CZK 531 million) an amount of CZK 839 million is reflected as net deferred tax expense (2024: expense CZK 539 million) in the Group's income statement for the year 2025, whilst an income amount of CZK 86 million (2024: expense CZK 8 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 543 million as of 31 December 2025 (2024: CZK 1,290 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 2025, 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 27,874 million under the Czech law, which increased its distributable capital accordingly (2024: CZK 26,238 million).

The equity increased accordingly.

The sole shareholder of the Group has approved the distribution of profit of 2024 in the total volume of CZK 23,890 million, out of which the dividend was CZK 23,545 million and the AT1 coupon CZK 345 million (2024: 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). Dividend per share was CZK 154.90 (2024: CZK 102.10).

A decision on the distribution of 2025 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

A financial instrument is any contract giving rise to a finanacial asset of one party and a financial liability or equity instrument of another party. In accordance with IFRS 9, all financial assets and liabilities - which also include derivate financial instrument - have to be recognised on the balance sheet and measured in accordance with their assigned categories.

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 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 expenses' under 'Net fee and commission income'. Typical example of non-integral guarantees in the business of the Bank are synthetic securitisations of loan portfolios. Synthetic securitisations are undertaken with the aim of reducing risk-weighted assets for regulatory own funds requirement purposes. More details on synthetic securitisations are provided in Note 31 Use of collateral and other credit enhancements.

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 is provided in Note 29 Credit risk: credit risk review and monitoring. 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 2025 and 2024.

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 CO_2 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 are provided in Note 29 Credit risk: credit risk review and monitoring. For further information on the definition of default refer to Note 32 Measurement of expected credit loss. The development of loan loss provisions is described in Note 34 Development of credit loss allowances.

Financial instruments at amortised cost

Financial assets are classified as measured at amortised cost if they are held in a business model whose objective is to collect contractual cash flows and their contractual cash flows are SPPI.

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 9,869 million (2024: CZK 7,953 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. This average amounted to CZK 55,510 million (2024: CZK 27,212 million) as at respective year-ends. As these reserves must only be met on average, the mandatory minimum reserve requirement deposits are not subject to restrictions.

in CZK million	2025	2024
Cash on hand	12,561	14,411
Cash balances at central banks	18,951	7,953
Other deposits on demand	722	594
Cash and cash equivalents	**32,234**	**22,958**

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 2025 and 2024 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
2025									
General governments	374,712	-	-	374,712	(15)	-	-	(15)	374,697
Credit institutions	21,302	-	-	21,302	(4)	-	-	(4)	21,298
Other financial corporations	669	197	-	866	-	(4)	-	(4)	862
Non-financial corporations	3,697	1,128	-	4,825	(1)	(18)	-	(19)	4,806
Total	**400,380**	**1,325**	**-**	**401,705**	**(20)**	**(22)**	**-**	**(42)**	**401,663**
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**

For information about development of credit loss allowances refer to Note 34 Development of credit loss allowances, part ‘Financial instruments 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 2025 and 2024 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
2025									
Central banks	326,884	-	-	326,884	(2)	-	-	(2)	326,882
Credit institutions	2,181	-	-	2,181	(1)	-	-	(1)	2,180
Total	**329,065**	**-**	**-**	**329,065**	**(3)**	**-**	**-**	**(3)**	**329,062**
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**

For information about development of credit loss allowances refer to Note 34 Development of credit loss allowances, part ‘Financial instruments 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 2025 and 2024 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
2025											
General governments	24,391	4,350	4	32	28,777	(6)	(197)	(4)	(32)	(239)	28,538
Other financial corporations	44,482	1,077	250	-	45,809	(53)	(24)	(239)	-	(316)	45,493
Non-financial corporations	346,805	37,578	8,302	1,013	393,698	(1,190)	(2,854)	(5,005)	(371)	(9,420)	384,278
Households	660,361	44,259	8,818	538	713,976	(863)	(2,542)	(5,843)	(69)	(9,317)	704,659
Total	**1,076,039**	**87,264**	**17,374**	**1,583**	**1,182,260**	**(2,112)**	**(5,617)**	**(11,091)**	**(472)**	**(19,292)**	**1,162,968**
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**

For information about development of credit loss allowances refer to Note 34 Development of credit loss allowances, part ‘Financial instruments at amortised cost’: table ‘Movement in credit loss allowances – loans and advances to customers’.

As at 31 December 2025, 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 2025 amounted to CZK 766 million (2024: CZK 1,006 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
2025									
General governments	225	-	-	225	-	-	-	-	225
Credit institutions	244	-	-	244	-	-	-	-	244
Other financial corporations	883	1	-	884	(1)	(1)	-	(2)	882
Non-financial corporations	12,493	287	143	12,923	(173)	(13)	(22)	(208)	12,715
Households	381	91	71	543	(4)	(86)	(66)	(156)	387
Total	**14,226**	**379**	**214**	**14,819**	**(178)**	**(100)**	**(88)**	**(366)**	**14,453**
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**

For information about development of credit loss allowances refer to Note 34 Development of credit loss allowances, part ‘Financial instruments 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 1,661 million (2024: CZK 1,831 million), unbilled supplies in amount of CZK 1,164 million (2024: CZK 913 million) and received margin for futures of CZK 891 million (2024: CZK 625 million) and other financial liabilities of CZK 708 million (2024: CZK 563 milion).

in CZK million	2025	2024
Deposits	**1,757,070**	**1,757,321**
Deposits from banks	229,953	275,456
Deposits from customers	1,527,117	1,481,865
Debt securities issued	**98,265**	**81,509**
Bonds	98,265	81,509
Other financial liabilities	**6,506**	**5,943**
Financial liabilities at amortised costs	**1,861,841**	**1,844,773**

Deposits from banks

in CZK million	2025	2024
Deposits repayable on demand	9,586	2,936
Term deposits	31,300	30,165
Repurchase agreements	189,067	242,355
Deposits from banks	**229,953**	**275,456**

Deposits from customers

in CZK million	2025	2024
Deposits from customers	**1,527,117**	**1,481,865**
Deposits repayable on demand	1,131,042	1,067,931
General governments	120,292	113,127
Other financial corporations	25,791	23,894
Non-financial corporations	168,836	147,483
Households	816,123	783,427
Term deposits	277,420	325,517
General governments	16,227	18,059
Other financial corporations	23,375	36,269
Non-financial corporations	58,770	77,256
Households	179,048	193,933
Repurchase agreements	118,655	88,417
General governments	48,812	34,240
Other financial corporations	68,578	54,177
Non-financial corporations	1,265	-
Deposits from customers	**1,527,117**	**1,481,865**
General governments	185,331	165,426
Other financial corporations	117,744	114,340
Non financial corporations	228,871	224,739
Households	995,171	977,360

All deposits are from customers and entities realized within the Czech Republic.

Debt securities issued – bonds

in CZK million	ISIN	Date of issue	Maturity	Call Redemption Date	Interest rate	2025	2024
SNP	AT0000A2STV4	September 2021	September 2028	September 2027	0.5%	11,634	11,784
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%	6,257	6,252
SNP	XS2638560156	June 2023	June 2027	June 2026	5.943%	12,480	12,956
SNP	XS2676413235	September 2023	March 2028	March 2027	5.737%	12,676	13,160
SNP	XS2746647036	January 2024	January 2030	January 2029	4.824%	12,660	13,144
Bonds-subordinated	CZ0003708679	March 2024	March 2034	March 2029	5.55%	2,120	2,044
Bonds-subordinated	CZ0003708687	March 2024	March 2034	March 2029	5.55%	2,439	1,816
SNP	XS2852933329	July 2024	July 2031	July 2030	4.57%	12,488	13,169
SNP	XS2930541698	November 2024	November 2027	November 2026	5.45%	831	975
Bonds-subordinated	CZ0003709701	February 2025	February 2035	February 2030	5.05%	2,609	-
Bonds-subordinated	CZ0003710188	June 2025	June 2035	June 2030	4.01%	3,637	-
SNP	XS3174780893	September 2025	September 2032	September 2031	3.74%	12,224	-
Bonds issued						**98,265**	**81,509**

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.

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 2025 and 2024 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
2025											
Debt securities											
General governments	37,039	-	-	37,039	(2)	-	-	(2)	37,037	(20)	37,017
Credit institutions	3,300	-	-	3,300	(1)	-	-	(1)	3,299	(15)	3,284
Other financial corporations	1,565	-	-	1,565	-	-	-	-	1,565	3	1,568
Non-financial corporations	4,817	1,411	-	6,228	(1)	(9)	-	(10)	6,218	(48)	6,170
Total	**46,721**	**1,411**	**-**	**48,132**	**(4)**	**(9)**	**-**	**(13)**	**48,119**	**(80)**	**48,039**
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**

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 assets 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-item '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 that 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 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

	2025			2024		
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	**778,287**	**10,406**	**(9,790)**	**782,333**	**12,066**	**(11,486)**
Interest rate	378,763	6,195	(5,698)	367,832	8,091	(7,608)
Equity instruments and related derivatives	6	6	-	-	-	-
Foreign exchange	399,518	4,205	(4,092)	414,501	3,975	(3,878)
Derivatives held in the banking book	**35,201**	**104**	**(411)**	**49,776**	**786**	**(548)**
Interest rate	10,198	19	(11)	24,828	1	(313)
Foreign exchange	25,003	85	(400)	24,948	785	(235)
Total	**813,488**	**10,510**	**(10,201)**	**832,109**	**12,852**	**(12,034)**

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

	2025		2024	
in CZK million	Designated	Mandatorily	Designated	Mandatorily
Equity instruments	-	764	-	1,422
Debt securities	-	764	-	773
Other financial corporations	-	764	-	773
Loans and advances to banks	-	659	-	691
Loans and advances to customers	-	34	-	9
Non-financial corporations	-	34	-	9
Financial assets designated and mandatorily at fair value through profit or loss	**-**	**2,221**	**-**	**2,895**
Non-trading financial assets at fair value through profit or loss	**2,221**		**2,895**	

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	2025	2024	2025	2024	2025	2024
Deposits	2,723	1,309	2,715	1,305	8	4
Financial liabilities at FVPL	**2,723**	**1,309**	**2,715**	**1,305**	**8**	**4**

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	2025	2024	2025	2024
Deposits from customers	2	-	-	(2)
Financial liabilities at FVPL	**2**	**-**	**-**	**(2)**

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.

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 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 debt 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 the 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 50 million (2024: CZK 115 million) and the total DVA-adjustment amounted to CZK 28 million (2024: CZK 43 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.

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

	2025				2024			
in CZK million	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Financial assets held for trading	43	10,504	6	10,553	57	12,852	2	12,911
Derivatives	-	10,504	6	10,510	-	12,850	2	12,852
Other financial assets held for trading	43	-	-	43	57	2	-	59
Non-trading financial assets at FVPL	64	-	2,157	2,221	74	-	2,821	2,895
Equity instruments	-	-	764	764	-	-	1,422	1,422
Debt securities	64	-	700	764	74	-	699	773
Loans and advances	-	-	693	693	-	-	700	700
Financial assets at FVOCI	42,550	4,448	1,041	48,039	45,151	4,358	2,749	52,258
Debt securities	42,550	4,448	1,041	48,039	45,151	4,358	2,749	52,258
Derivatives Hedge Accounting	-	3,149	-	3,149	-	2,930	-	2,930
Total assets	**42,657**	**18,101**	**3,204**	**63,962**	**45,282**	**20,140**	**5,572**	**70,994**
Liabilities								
Financial liabilities held for trading	-	10,201	-	10,201	-	11,903	131	12,034
Derivatives	-	10,201	-	10,201	-	11,903	131	12,034
Financial liabilities designated at FVPL	-	2,723	-	2,723	-	1,309	-	1,309
Deposits from customers	-	2,723	-	2,723	-	1,309	-	1,309
Derivatives Hedge Accounting	-	2,009	-	2,009	-	3,693	-	3,693
Total liabilities	**-**	**14,933**	**-**	**14,933**	**-**	**16,905**	**131**	**17,036**

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

	2025		2024	
in CZK million	Level 1 to Level 2	Level 2 to Level 1	Level 1 to Level 2	Level 2 to Level 1
Financial assets at FVOCI	485	-	-	93
Debt securities	485	-	-	93
Total	**485**	**-**	**-**	**93**

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 in profit or loss	Gains/ losses in OCI	Purchases	Sales	Settlements	Transfer into Level 3	Transfer out of Level 3	
	Jan 2025								**Dec 2025**
Assets									
Financial assets held for trading	2	-	-	6	-	(1)	-	(1)	6
Derivatives	2	-	-	6	-	(1)	-	(1)	6
Non-trading financial assets at FVPL	2,821	708	-	230	(144)	(691)	-	(765)	2,157
Equity instruments	1,422	(20)	-	127	-	-	-	(765)	764
Debt securities	699	67	-	79	(144)	-	-	-	700
Loans and advances	700	661	-	24	-	(691)	-	-	693
Financial assets at FVOCI	2,749	114	(87)	-	-	(1,802)	67	-	1,041
Debt securities	2,749	114	(87)	-	-	(1,802)	67	-	1,041
Total assets	**5,572**	**822**	**(87)**	**236**	**(144)**	**(2,494)**	**67**	**(766)**	**3,204**
Liabilities									
Financial liabilities held for trading	131	(131)	-	-	-	-	-	-	-
Derivatives	131	(131)	-	-	-	-	-	-	-
Total liabilities	**131**	**(131)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	Jan 2024								**Dec 2024**
Assets									
Financial assets held for trading	3	-	-	-	-	(1)	-	-	2
Derivatives	3	-	-	-	-	(1)	-	-	2
Non-trading financial assets at FVPL	3,713	762	-	104	(297)	(856)	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**	**(297)**	**(879)**	**2,939**	**(2,956)**	**5,572**
Liabilities									
Financial liabilities held for trading	-	131	-	-	-	-	-	-	131
Derivatives	-	131	-	-	-	-	-	-	131
Total liabilities	**-**	**131**	**-**	**-**	**-**	**-**	**-**	**-**	**131**

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	2025	2024
Assets		
Non-trading financial assets at fair value through profit or loss	696	762
Equity instruments	(21)	(151)
Debt securities	57	222
Loans and advances	660	691
Financial assets at fair value through other comprehensive income	114	(31)
Debt securities	114	(31)
Total	**810**	**731**
Liabilities		
Financial liabilities held for trading	-	(131)
Derivatives	-	(131)
Total	**-**	**(131)**

Unobservable inputs and sensitivity analysis for Level 3 measurements

The following table shows the sensitivity analysis - fair value changes per product type using reasonably possible alternatives:

Sensitivity analysis - fair value changes for Level 3 measurements

	2025		2024	
in CZK million	**Positive**	**Negative**	**Positive**	**Negative**
Derivatives	-	-	5	(6)
Income statement	-	-	5	(6)
Debt securities	2	(2)	28	(37)
Other comprehensive income	2	(2)	28	(37)
Equity instruments	70	(139)	64	(127)
Income statement	70	(139)	64	(127)
Total	**72**	**(141)**	**97**	**(170)**
Income statement	**70**	**(139)**	**69**	**(133)**
Other comprehensive income	**2**	**(2)**	**28**	**(37)**

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 2025 and for the year-end 2024. 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
2025					
Assets					
Cash and cash equivalents	32,234	32,234	12,561	19,673	-
Financial assets at amortised costs	1,893,693	1,865,758	375,103	7,825	1,482,830
Loans and advances to banks	329,062	329,044	-	-	329,044
Loans and advances to customers	1,162,968	1,153,786	-	-	1,153,786
Debt securities	401,663	382,928	375,103	7,825	-
Finance lease receivables	1,456	1,456	-	-	1,456
Trade and other receivables	14,453	14,452	-	-	14,452
Liabilities					
Financial liabilities at amortised costs	1,861,841	1,864,062	26,142	56,704	1,781,216
Deposits from banks	229,953	229,844	-	-	229,844
Deposits from customers	1,527,117	1,527,337	-	-	1,527,337
Debt securities issued	98,265	100,375	26,142	56,704	17,529
Other financial liabilities	6,506	6,506	-	-	6,506
Financial guarantees and commitments					
Financial guarantees	n/a	14	-	-	14
Loan commitments	n/a	(365)	-	-	(365)
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 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

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 measurement of fair values of loans to customers is not affected by whether they are subject to synthetic securitisations. As a result, they are categorised as Level 3 measurements. Details on synthetic securitisations can be found Note 31 Use of collateral and other credit enhancements. 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 as OCI in the line 'Cash flow hedge reserve' of the statement of comprehensive income. The accumulated other comprehensive income is presented under 'Cash flow hedge reserve' in the statement of changes in equity. 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 2025, the gain on hedging derivatives used for fair value hedging was CZK 865 million (2024: gain CZK 1,388 million); the loss due to changes in the fair value of hedged items was CZK 891 million (2024: loss CZK 1,337 million).

Fair values of hedging instruments are disclosed in the following table:

	2025			2024		
in CZK million	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Fair value hedges	**82,179**	**455**	**(1,619)**	**74,419**	**626**	**(2,553)**
Interest rate	82,179	455	(1,619)	74,419	626	(2,553)
Cash flow hedge	**119,853**	**2,694**	**(390)**	**100,461**	**2,304**	**(1,140)**
Interest rate	79,068	682	(249)	54,700	1,169	(298)
Foreign exchange	40,785	2,012	(141)	45,761	1,135	(842)
Total	**202,032**	**3,149**	**(2,009)**	**174,880**	**2,930**	**(3,693)**

Notional amount of hedged items

		2025	2024
in CZK million	Type of hedged items	Notional amount	Notional amount
Fair value hedges			
Assets	Portfolios of client loans	100	100
Assets	Bonds at AC	56,622	47,875
Liabilities	Issued bonds	24,245	25,185
Liabilities	Other liabilities - loans	1,212	1,259
Cash flow hedges (interest)			
Assets	Interbank loans / repos	14,200	14,200
Assets	Client loans (single and portfolio)	64,868	40,500
Cash flow hedges (fx)			
Assets	Client loans (single and portfolio)	4,194	7,757
Assets	Forecast cash flows in foreign currency	2,909	4,533
Assets	Corporate/government bonds	33 682	33,470

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 2025 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 ineffectivness		Timing of the nominal amounts of the instruments			
in CZK million	Assets	Liabilities		Notional	≤ 3 m	> 3 m and ≤ 1 y	> 1 y and ≤ 5 y	> 5 y
2025								
Fair value hedges								
Interest rate risk	455	1,619	865	82,179	-	-	56,851	25,328
Cash flow hedges								
Interest rate risk	682	249	(1,717)	79,068	6,500	13,000	53,568	6,000
Foreign exchange risk	2,012	141	375	40,785	2,606	6,551	19,202	12,426
Total	**3,149**	**2,009**	**(477)**	**202,032**	**9,106**	**19,551**	**129,621**	**43,754**
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**

The hedging instruments are presented in the line 'Hedge accounting 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
2025				
Financial assets at AC				
Interest rate risk	59,361	163	(781)	-
Financial liabilities at AC				
Interest rate risk	25,246	454	(112)	-
2024				
Financial assets at AC				
Interest rate risk	48,822	940	(577)	-
Financial liabilities at AC				
Interest rate risk	26,334	(111)	(760)	-

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
2025			
Interest rate risk	(1,717)	576	(6)
Foreign exchange risk	375	(184)	-
Total	**(1,342)**	**392**	**(6)**
2024			
Interest rate risk	1,202	314	522
Foreign exchange risk	(264)	(526)	-
Total	**938**	**(212)**	**522**

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
2025				
Fair value hedges				
Interest rate risk	(26)	-	-	-
Cash flow hedges				
Interest rate risk	7	(505)	(152)	-
Foreign exchange risk	(5)	(955)	1,536	-
Total	**(24)**	**(1,460)**	**1,384**	**-**
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)**	**-**

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

			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
2025						
Derivatives (Note 18 and 22)	13,659	13,659	7,176	2,790	-	3,693
Reverse repurchase agreements (Note 13)	328,816	328,816	-	-	328,816	-
Total	**342,475**	**342,475**	**7,176**	**2,790**	**328,816**	**3,693**
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**

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
2025						
Derivatives (Note 18)	12,210	12,210	7,175	570	-	4,465
Repurchase agreements (Note 15)	307,722	307,722	-	-	307,722	-
Total	**319,932**	**319,932**	**7,175**	**570**	**307,722**	**4,465**
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**

In repurchase agreements, the Group uses securities of CZK 110,428 million (2024: CZK 117,657 million) that are recognised in the statement of financial position (see Note 24) as well as assets received by the Group as collateral not shown in the statement of financial position.

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. For futher details regarding repurchase and reverse repurchase transactions the Group refers to Note24 Transfers of financial assets - repurchase transactions and securities lending.

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 which is accrued over the life of the agreement 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 line item ‘ Financial assets at amortised cost’, sub-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 lending. 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	2025 Carrying amount of transferred assets	2025 Carrying amount of associated liabilities	2024 Carrying amount of transferred assets	2024 Carrying amount of associated liabilities
Repurchase agreements				
Financial assets at AC	73,876	66,756	61,237	51,890
Financial assets at FVOCI	2,699	2,425	-	-
Total - repurchase agreements	**76,575**	**69,181**	**61,237**	**51,890**
Securities lendings				
Financial assets at AC	32,622	-	56,420	-
Financial assets at FVOCI	1,231	-	-	-
Total - securities lendings	**33,853**	**-**	**56,420**	**-**
Total	**110,428**	**69,181**	**117,657**	**51,890**

The transferred financial instruments consist of bonds and other interest-bearing securities.

The total amount of CZK 76,575 million (2024: CZK 61,237 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 69,181 million (2024: CZK 51,890 million) 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.

in CZK million	2025 Fair value of transferred assets	2025 Fair value of associated liabilities	2025 Net position	2024 Fair value of transferred assets	2024 Fair value of associated liabilities	2024 Net position
Financial assets at AC	70,160	66,729	3,431	57,416	51,924	5,492
Financial assets at FVOCI	2,700	2,424	276	-	-	-
Total	**72,860**	**69,153**	**3,707**	**57,416**	**51,924**	**5,492**

25 Financial assets pledged as collaterals

Financial assets pledged as collaterals

in CZK million	Balance sheet line of liabilities	Financial assets at FVOCI	Financial assets at AC	Total
2025				
Repurchase agreements	Financial liabilities at AC, at FVPL and HFT	2,699	73,876	**76,575**
Securities lending	Financial liabilities at AC, at FVPL and HFT	1,231	32,622	**33,853**
Refinancing transactions & other collateral arrangements	Financial liabilities at AC	6,519	10,549	**17,068**
Total		**10,449**	**117,047**	**127,496**
2024				
Repurchase agreements	Financial liabilities at AC, at FVPL and HFT	-	61,236	**61,236**
Securities lending	Financial liabilities at AC, at FVPL and HFT	-	56,420	**56,420**
Refinancing transactions & other collateral arrangements	Financial liabilities at AC	9,144	8,955	**18,098**
Total		**9,144**	**126,611**	**135,755**

The fair value of collateral received which may be repledged or resold even without the collateral provider's default was CZK 125,092 million (2024: CZK 216,828 million).

26 Securities

	2025				2024			
			Financial assets				Financial assets	
in CZK million	At AC	Trading assets	Mandatorily at FVPL	At FVOCI	At AC	Trading assets	Mandatorily at FVPL	At FVOCI
Bonds and other interest-bearing securities	**401,663**	**43**	**764**	**48,039**	**372,456**	**59**	**773**	**52,258**
Listed	395,045	43	64	43,046	372,453	57	-	52,258
Unlisted	6,618	-	700	4,993	3	2	773	-
Equity-related securities	**-**	**-**	**764**	**-**	**-**	**-**	**1,422**	**-**
Unlisted	-	-	764	-	-	-	1,422	-
Total	**401,663**	**43**	**1,528**	**48,039**	**372,456**	**59**	**2,195**	**52,258**

Risk and capital management

27 Financial risk management

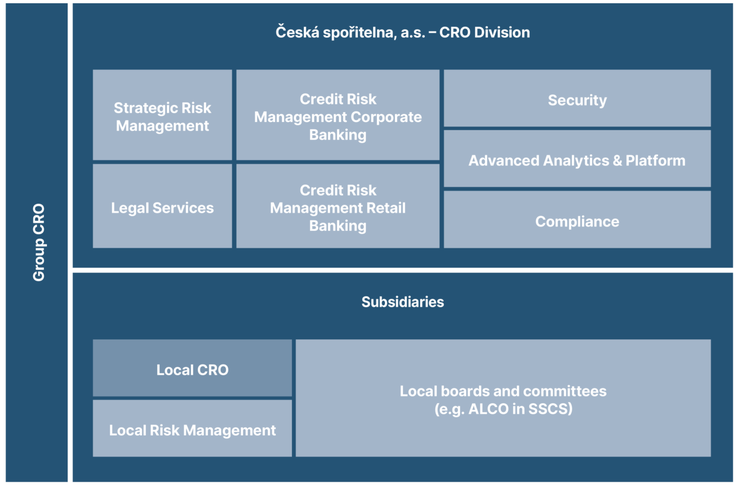
Risk policy and strategy

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 and 1623/2024 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-podle-casti-osme-narizeni-(EU)-c.-575-2013.

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 Board of Directors 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 Board of Directors. 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 Board of Directors 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 Board of Directors 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;
— Credit Risk Management Corporate Banking;
— Credit Risk Management Retail Banking;
— Legal Services;
— Security;
— Advanced Analytics & Platform;
— 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 Board of Directors 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
— Nonfinancial Risk Managament Committee (NFRMC).

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 Board of Directors 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 **Nonfinancial Risk Management Committee** is supporting body in the area of nonfinacial risks.

Group-wide risk and capital management

Enterprise wide Risk Management 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 ICAAP 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.

The ICAAP 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. Its 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, climate related metrics 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 Board of Directors. 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 Board of Directors 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 Board of Directors and acknowledged by the Risk Committee of the Supervisory Board and the 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 Board of Directors and to the Supervisory Board to support its review, oversight, and monitoring of the group risk profile.

ESG risks are embedded in the Risk Appetite Statement as well as 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 transversal risks drivers, impacting primary risk types, such as credit, market, liquidity, non-financial and other risks. The Group's definition of ESG risks is part of the Group ICAAP Procedure and covers 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 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 provides management with steering information and helps to optimise the Group's risk-return profile. Stress tests help 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 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 the 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 to decide on appropriate measures. The internal comprehensive stress tests performed in 2025 indicated that the Group remains within the stressed RAS (in all years of the scenario).

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 Board of Directors. 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 and liquidity 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 59.8% of total economic capital requirements at the end of 2025 (2024: 61.2%).

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 2025, the economic capital adequacy was at 63.8%, fully in line with group RAS (2024: 66.9%).

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 Finance division. 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 %	2025	2024
Credit risk	59.76%	61.20%
Market risk	30.35%	28.09%
Operational risk	4.82%	5.05%
Other risks	5.08%	5.66%

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. 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 2025, 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[28] as of 31 December 2025 and 2024:

in CZK million	2025	2024
Tier 1 capital	118,415	127,221
Tier 1 + Tier 2 capital	136,154	139,672
Exposure to credit risk	584,075	684,438
Exposure to market risk	3,224	4,889
Exposure to operational risk	94,493	62,236
Total risk exposure	**681,792**	**751,563**
Capital adequacy ratio for the year (Tier 1 ratio)	**17.4%**	**16.9%**
Capital adequacy ratio for the year (Tier 1+Tier 2 ratio)	**20.0%**	**18.6%**

The Group meets all capital adequacy requirements as requested by regulators as of 31 December 2025 and 2024. More details related to capital requirements are described in Appendix: Own funds and capital requirements.

(28) 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.

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. 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 2025 (31 December 2024) no overlays are deemed necessary.

For the assessment and management of physical risks, the Erste Group uses Munich Re's Location Risk Intelligence. In 2023, the Erste Group 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 (immaterial for the Group) 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 rolled out Erste Group's risk materiality assessment of physical risks during 2025. For the Group the river flooding represents the most significant physical risk. 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, 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.

The Group developed methodology to assess the impact of NGFS (the Network for Greening the Financial System) forward looking scenarios. The scenarios provide a set of plausible climate change pathways and the Bank evaluates the impact on corporate loan portfolio.

Methods of credit risk management

Credit risk arises from the Group's traditional lending and investment businesses.

Operative credit decisions are made based on lending parameters defined by credit risk management units in each subsidiary and are executed by dedicated units with appropriate decision authority locally and by Group Credit 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 Group assigns margins of conservatism to the calculated PDs.

Internal ratings consider 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 Group 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. Generally, 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.

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 Credit Risk Management. When early warning signals are identified and validated, the overall client exposure and creditworthiness is reviewed and adequate risk mitigating actions are taken where 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 is done on the Group level. In Retail, early warning indicators on client level are identified automatically and clients are segmented in different early warning risk segments. On portfolio level adverse developments include, for instance, quality deterioration in new business or decreasing collections effectiveness and require appropriate countermeasures.

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 2024 and 31 December 2025, the credit risk exposure increased from CZK 2,280 billion to CZK 2,297 billion. This is an increase of 0.7% or CZK 17 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
2025				
Cash and cash equivalents - demand deposits to credit institutions	722	-	-	722
Debt instruments held for trading	10,553	-	-	10,553
Non-trading debt instruments at FVPL	1,457	-	-	1,457
Debt securities	764	-	-	764
Loans and advances to banks	659	-	-	659
Loans and advances to customers	34	-	-	34
Debt instruments at FVOCI	48,132	(13)	(80)	48,039
Debt securities	48,132	(13)	(80)	48,039
Debt instruments at AC	1,913,029	(19,336)	-	1,893,693
Debt securities	401,705	(42)	-	401,663
Loans and advances to banks	329,065	(3)	-	329,062
Loans and advances to customers	1,182,259	(19,291)	-	1,162,968
Trade and other receivables	14,819	(366)	-	14,453
Finance lease receivables	1,464	(8)	-	1,456
Positive fair value of hedge accounting derivatives	3,149	-	-	3,149
Off balance-sheet exposures	303,249	(1,612)	-	-
Financial guarantees	6,913	(191)	-	-
Loan commitments	189,899	(1,354)	-	-
Other commitments	106,437	(66)	-	-
Total	**2,296,574**	**(21,335)**	**(80)**	**1,973,522**
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**

‘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
2025					
Natural Resources & Commodities	41,109	26,223	5,264	2,401	74,997
Energy	62,006	8,150	2,521	350	73,027
Construction and building materials	44,162	26,283	3,893	1,228	75,566
Automotive	28,825	11,784	1,721	664	42,994
Cyclical Consumer Products	19,752	17,774	3,627	2,034	43,187
Non-Cyclical Consumer Products	32,969	13,046	1,662	362	48,039
Machinery	22,853	11,584	1,407	1,506	37,350
Transportation	35,528	10,438	974	215	47,155
TMT; Telecommunications, Media, Technology and Paper & Packaging	22,490	8,730	503	334	32,057
Healthcare & Services	18,560	10,587	2,012	406	31,565
Hotels & Leisure Industry	22,259	3,704	1,245	431	27,639
Real Estate	117,752	10,602	3,500	1,441	133,295
Public Sector	777,578	556	1,097	36	779,267
Financial Institutions	77,974	4,349	1,350	54	83,727
Private Households	646,403	101,861	9,607	8,590	766,461
Other	247	1	-	-	248
Total	**1,970,467**	**265,672**	**40,383**	**20,052**	**2,296,574**
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**

The ‘Low risk exposure’ has the highest proportion in total credit risk exposure, with 85.80% (2024: 86.15%), while ‘Management attention’ represents 11.57% (2024: 11.22%), The ‘Substandard’ exposure represents 1.76% (2024: 1.70%) and the ‘Non-performing’ 0.87% (2024: 0.93%).

From industry and financial instrument point of view, the highest exposure is represented by public sector exposure of CZK 779 billion (2024: CZK 868 billion) and private households exposure of CZK 766 billion (2024: CZK 700 billion), representing 67.3% (2024: 68.8%) from total. The increase in exposure under management attention and substandard exposure is due to rating downgrades.

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
2025					
Retail	678,226	125,407	20,242	11,038	834,913
Corporates	486,182	137,801	17,210	8,929	650,122
Group Markets	43,143	1,455	-	-	44,598
ALM & LCC	762,916	1,009	2,931	85	766,941
Total	**1,970,467**	**265,672**	**40,383**	**20,052**	**2,296,574**
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**

31 Use of collateral and other credit enhancements

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 monitors 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 endowment 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.

Real estate valuation includes consideration of energy efficiency of the object, possible negative impact of the real estate asset to the enviroment and physical risks that may threaten the object (like e.g. flood or heat stress). Information on energy efficiency and CO_2 emission of the collateral objects is collected and stored systematically in order to be considered for real estate collateral valuations and reporting purposes.

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 Group 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.

Synthetic securitisations

The Group uses synthetic securitisations for portfolios of loans to MSE, SME and corporate customers. No transfers of loans to SPVs are involved. Each synthetic securitisation transaction is structured so that credit losses on the underlying loans are allocated on a waterfall basis first to the excess spread, then to the junior tranche, mezzanine tranche and finally to the senior tranche. The losses related to the excess spread and the junior tranche, but also to the senior tranche, are borne by the Group. The Group receives a guarantee in relation to the volume of the mezzanine tranche. The guarantee providers are external parties to the Group including Supranational and institutional investors. For accounting purposes, the Group treats synthetic securitisations as non-integral guarantees (see chapter Financial instruments – Material accounting policy information, part Impairment of financial instruments). For regulatory capital purposes, the synthetic securitisations reduce risk weights of the underlying loans which is the primary objective of the Group for undertaking the transactions.

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
2025									
Cash and cash equivalents - demand deposits to credit institutions	722	-	-	-	-	722	722	-	-
Debt instruments held for trading	10,553	-	-	-	-	10,553	-	-	-
Non-trading debt instruments at FVPL	1,457	-	-	-	-	1,457	-	-	-
Debt instruments at FVOCI	48,132	-	-	-	-	48,132	48,132	-	-
Debt instrumentsat AC	1,913,029	964,395	20,777	611,507	332,111	948,634	1,887,962	6,545	18,522
Debt securities	401,705	3,068	3,068	-	-	398,637	401,705	-	-
Loans and advances to banks	329,065	324,886	363	-	324,523	4,179	329,065	-	-
Loans and advances to customers	1,182,259	636,441	17,346	611,507	7,588	545,818	1,157,192	6,545	18,522
Trade and other receivables	14,819	5,398	5,398	-	-	9,421	12,588	2,016	215
Finance lease receivables	1,464	-	-	-	-	1,464	1,449	5	10
Positive fair value of hedge accounting derivatives	3,149	-	-	-	-	3,149	-	-	-
Off balance-sheet exposures	303,249	20,920	270	11,708	8,942	282,329	196,266	-	590
Total	**2,296,574**	**990,713**	**26,445**	**623,215**	**341,053**	**1,305,861**	**2,147,119**	**8,566**	**19,337**
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 instruments at 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**

The collateral attributable to exposures that are credit-impaired at 31 December 2025 amounts to CZK 5,371 million (2024: 6,899 million).

In addition to the amounts in the table, loans and advances to customers at AC with outstanding nominal value of CZK 96,588 million (2024: CZK 16,329 million) are guaranteed through synthetic securitisation transactions as explained above. The unguaranteed first loss portion which is related to the excess spread and the junior tranches amounts to CZK 1,488 million (2024: CZK 431 million). The credit protection received relates to the mezzanine tranches which amount to CZK 6,538 million (2024: CZK 1,387 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 as of 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

	2025		2024	
Threshold interval	**Min**	**Max**	**Min**	**Max**
Retail	101%	500%	101%	500%
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.

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 review of Retail segment thresholds performed in 2025 resulted in more pronounced increases in risk provisions despite the fact that the overall maximum remained the same in comparison to 2024. However, these increases are concentrated within a narrow part of the portfolio comprising clients with the better assigned ratings. The observed increases in thresholds primarily reflect changes in PD models or adjustments to portfolio segmentation, such as the split of a single model into secured and unsecured components. Given that, PD curves assigned to individual deals at initial recognition are not recalibrated over time, such model or segmentation changes could otherwise result in unjustified transfers of exposures to Stage 2 in cases where credit quality, as reflected by the rating, remains strong and where the Stage 2 share would exceed the lifetime default rate for the respective rating.

The absolute threshold refers to difference of annualised LT PD on initial recognition and current annualised 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 annualised 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 2025, in the Group, the corresponding exposure amounted to CZK 446,7 billion (2024: CZK 419,7 billion) with 1Y PDs up to 0.5%. The rest of the securities exposure (reverse repo excluded) of CZK 2,7 billion (2024: CZK 4.6 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 corporate customer is classified as individually significant automatically. In case of retail customer only if the total on- and off-balance exposure exceeds a predefined materiality limit of 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.

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 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).

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
2025												
Retail	768,875	54,611	10,645	656	126	(1,219)	(3,362)	(6,764)	(83)	6.2%	63.5%	12.6%
Corporates	506,464	47,602	7,453	946	87,657	(1,245)	(3,217)	(4,681)	(391)	6.8%	62.8%	41.4%
Group Markets	17,190	1	-	-	27,407	(7)	-	-	-	10.1%	100.0%	
ALM & LCC	760,372	123	84	-	6,362	(132)	(94)	(74)	-	75.9%	88.0%	78.1%
Total	**2,052,901**	**102,337**	**18,182**	**1,602**	**121,552**	**(2,603)**	**(6,673)**	**(11,520)**	**(474)**	**6.5%**	**63.4%**	**29.6%**
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%**

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 1,155 million (2024: CZK 1,781 million), the non-defaulted part to CZK 447 million (2024: CZK 587 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 2025 or initial recognition date) to Stages 2 or 3 at 31 December 2025 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 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 2025					Dec 2025
Stage 1	(22)	(2)	1	4	(1)	(20)
Stage 2	(5)	-	-	(8)	(9)	(22)
Total	**(27)**	**(2)**	**1**	**(4)**	**(10)**	**(42)**
	Jan 2024					Dec 2024
Stage 1	(21)	(3)	2	4	(4)	(22)
Stage 2	(7)	-	-	(2)	4	(5)
Total	**(28)**	**(3)**	**2**	**2**	**-**	**(27)**

The year-end total GCAs of AC debt securities that were initially recognised (purchased) during the year 2025 and not sold by 31 December 2025 amounts to CZK 73,186 million (2024: CZK 51,000 million). The GCA of AC debt securities that were held at 1 January 2025 or originated during the year and derecognised (matured/sold) during the year 2025 amounts to CZK 31,643 million (2024: CZK 24,176 million).

Movement in credit loss allowances - loans and advances to banks

in CZK million	As of	Additions	Derecognitions	Other changes in credit risk (net)	As of
	Jan 2025				Dec 2025
Stage 1	(3)	(58)	56	2	(3)
Total	**(3)**	**(58)**	**56**	**2**	**(3)**
	Jan 2024				Dec 2024
Stage 1	(2)	(87)	80	6	(3)
Total	**(2)**	**(87)**	**80**	**6**	**(3)**

The year-end total GCA of AC loans and advances to banks that were initially recognised during the year 2025 and not fully derecognised by 31 December 2025 amounts to CZK 345,142 million (2024: CZK 454,930 million). The GCA of AC loans and advances to banks that were held at 1 January 2025 or originated during the year and fully derecognised (matured) during the year 2025 amounts to CZK 453,125 million (2024: CZK 307,974 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 2025							Dec 2025
Stage 1	**(1,957)**	**(1,011)**	**658**	**2,553**	**(2,329)**	**1**	**(27)**	**(2,112)**
General governments	(8)	-	-	19	(17)	-	-	(6)
Other financial corporations	(50)	(89)	84	95	(89)	-	(4)	(53)
Non-financial corporations	(851)	(499)	336	1,084	(1,238)	1	(23)	(1,190)
Households	(1,048)	(423)	238	1,355	(985)	-	-	(863)
Stage 2	**(6,160)**	**-**	**593**	**(3,379)**	**3,370**	**6**	**(47)**	**(5,617)**
General governments	(167)	-	-	(4)	(20)	-	(6)	(197)
Other financial corporations	(133)	-	6	(19)	122	-	-	(24)
Non-financial corporations	(3,106)	-	311	(1,360)	1,341	1	(41)	(2,854)
Households	(2,754)	-	276	(1,996)	1,927	5	-	(2,542)
Stage 3	**(11,147)**	**-**	**1,171**	**(837)**	**(1,278)**	**1,077**	**(77)**	**(11,091)**
General governments	(64)	-	-	-	61	-	(1)	(4)
Other financial corporations	(237)	-	-	-	6	-	(8)	(239)
Non-financial corporations	(5,015)	-	671	(319)	(377)	103	(68)	(5,005)
Households	(5,831)	-	500	(518)	(968)	974	-	(5,843)
POCI	**(645)**	**-**	**33**	**-**	**(1)**	**141**	**-**	**(472)**
General governments	(3)	-	-	-	(29)	-	-	(32)
Non-financial corporations	(518)	-	22	-	86	39	-	(371)
Households	(124)	-	11	-	(58)	102	-	(69)
Total	**(19,909)**	**(1,011)**	**2,455**	**(1,663)**	**(238)**	**1,225**	**(151)**	**(19,292)**

	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)
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)**

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 2025 (or initial recognition date, if later) to Stages 2 or 3 at 31 December 2025 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 416 million cumulatively for the year 2025 (2024: CZK 481 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
2025								
General governments	184	5,616	-	-	-	-	-	-
Other financial corporations	874	4,471	-	-	-	-	-	-
Non-financial corporations	12,929	31,312	1,324	407	1,140	146	19	34
Households	20,329	32,006	1,635	526	1,475	253	4	8
Total	**34,316**	**73,405**	**2,959**	**933**	**2,615**	**399**	**23**	**42**
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**

The year-end total GCA of the AC loans and advances to customers that were initially recognised during the year 2025 and not fully derecognised by 31 December 2025 amounts to CZK 300,966 million (2024: CZK 267,657 million). The GCA of the AC loans and advances to customers that were held at 1 January 2025 or originated during the year and fully derecognised during the year 2025 amounts to CZK 131,374 million (2024: CZK 120,283 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 2025 amounted to CZK 683 million (2024: CZK 666 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 2025							**Dec 2025**
Stage 1	(154)	(25)	13	3	(15)	-	-	(178)
Stage 2	(112)	-	4	(19)	23	4	-	(100)
Stage 3	(111)	-	7	(12)	7	20	1	(88)
Total	**(377)**	**(25)**	**24**	**(28)**	**15**	**24**	**1**	**(366)**
	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)**

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 2025					Dec 2025
Stage 1	(5)	-	-	25	(24)	(4)
Stage 2	(187)	-	4	(5)	179	(9)
Total	**(192)**	**-**	**4**	**20**	**155**	**(13)**

	Jan 2024					Dec 2024
Stage 1	(6)	-	-	-	1	(5)
Stage 2	(151)	(2)	3	(3)	(34)	(187)
Total	**(156)**	**(2)**	**3**	**(3)**	**(33)**	**(192)**

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	2025	2024
Transfers between Stage 1 and Stage 2		
To Stage 2 from Stage 1	851	820
To Stage 1 from Stage 2	1,981	-

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 2025					Dec 2025
Stage 1	(29)	(1)	1	-	26	(3)
Stage 2	(2)	-	-	-	1	(1)
Stage 3	(18)	-	15	(1)	-	(4)
Total	**(49)**	**(1)**	**16**	**(1)**	**27**	**(8)**

	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)**

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	2025	2024
Transfers between Stage 1 and Stage 2		
To Stage 2 from Stage 1	54	19
To Stage 1 from Stage 2	5	17
Transfers between Stage 2 and Stage 3		
To Stage 3 from Stage 2	4	-
To Stage 2 from Stage 3	-	1
Transfers between Stage 1 and Stage 3		
To Stage 3 from Stage 1	-	2

The year-end total GCA of the finance lease receivables that were initially recognised during the year 2025 and not fully derecognised by 31 December 2025 amounts to CZK 353 million (2024: CZK 357 million). The GCA of the finance lease receivables that were held at 1 January 2025 or originated during the year and fully derecognised during the year 2025 amounts to CZK 134 million (2024: CZK 119 million).

Loan commitment and financial guarantees

Movement in credit loss allowances - loan commitment and financial guarantees

in CZK million	As of Jan 2025	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Other	As of Dec 2025
Stage 1	265	131	(93)	(119)	102	(3)	283
Stage 2	727	-	(103)	52	249	(1)	924
Stage 3	252	-	(4)	3	85	-	336
POCI	1	-	-	-	2	(1)	2
Total	**1,245**	**131**	**(200)**	**(64)**	**438**	**(5)**	**1,545**

	Jan 2024						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**

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	2025	2024
Transfers between Stage 1 and Stage 2		
To Stage 2 from Stage 1	3,415	23,619
To Stage 1 from Stage 2	8,741	18,394
Transfers between Stage 2 and Stage 3		
To Stage 3 from Stage 2	62	159
To Stage 2 from Stage 3	60	169
Transfers between Stage 1 and Stage 3		
To Stage 3 from Stage 1	140	187
To Stage 1 from Stage 3	24	121

The year-end nominal amounts of unused off-balance commitments and financial guarantees that were initially recognised during 2025 and not fully derecognised by 31 December 2025 amounts to CZK 82,389 million (2024: CZK 88,223 million). The nominal amounts of unused off-balance commitments or financial guarantees that were held at 1 January 2025 or originated during the year and fully derecognised during the year 2025 amounts to CZK 44,631 million (2024: CZK 41,177 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.

Macro-shift FLI models are recalibrated regularly to reflect the most relevant macro-variables. The recalibration is performed by the Group (except for the central models for Group (Large) Corporate) and variables with the highest statistical relevance are included. In 2025 Group implemented new PD macro models that allowed to remove previously applied post-model adjustments. Current list of macroeconomic variables used in the new model is: Real household consumption, Core consumer price index (seasonal decomposition), Yield on 5-year Czech government bonds, 3-month interest rate on the EU interbank market, Industrial production, GDP deflator and Retail sales.

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 conducted the review of the FLI in the fourth quarter of 2025 based on the disclosed macroeconomic forecasts for baseline, downside and upside scenarios. As a part of this review, the Group reassessed the application of in-model adjustments in FLI models, specifically the incorporation of comprehensive stress test (CST) scenario into the downside scenario. Based on the evaluation of exit triggers, the Group decided to remove CST from downside scenario modelling. As a result of the CST removal, the Group recorded a decrease in expected credit loss (ECL) of approx. CZK 90 million, based on internal impact estimates.

The Group is disclosing sensitivity of the staging and ECL on macro scenarios in the ‘Collective assessment‘ section below.

Baseline scenario

The Group expects a slight moderation of Eurozone economic activity in 2026. The main factor supporting the baseline outlook for the Eurozone is the ongoing real wage growth, which should support private consumption and their demand for goods and services. In addition, the previous easing of ECB monetary policy should gradually translate into improved private investment developments, which in turn should support industrial production.

Inflation in the Eurozone is expected to be around 2% for 2026, thus close to the ECB's inflation target. After the recent rate cut, the ECB might keep interest rates unchanged, although it will remain cautious and ready to adjust them in case of changes in economic developments.

The Czech economy should continue its favorable development, with GDP growth expected to be similar to that achieved in the previous year. The recovery in demand will continue to be driven primarily by household consumption. Improved foreign demand will gradually contribute, translating into export and private investment developments. Within total investments, a halt in inventory accumulation, which significantly contributed to GDP growth in 2025, is expected. The labor market outlook remains positive. Although the unemployment rate may rise slightly, it will remain very low overall and should stabilize around its non-inflationary level. Moreover, real wages are expected to continue rising. Inflation is expected to stay close to the inflation target. The CNB might keep rates unchanged, as domestic inflationary pressures remain elevated.

Risks to the baseline scenario and comprehensive stress test scenario as considerations added to downside scenario

One of the key downside risks includes the ongoing conflict in Ukraine. In addition, uncertainty surrounding the trade policy direction of the new US administration under President Trump remains a significant challenge. The announcement of a framework for a trade deal between the US and the EU has reduced uncertainty to some extent. However, subsequent additional demands from the US administration, as well as renewed tensions regarding Greenland, demonstrate the fragility of the current negotiation environment. A deterioration in US–EU trade relations would pose a clear downside risk to the economic outlook, particularly for export performance and investment growth.

Energy security also remains a critical concern for the EU in light of the ongoing war between Russia and Ukraine. The region has become increasingly dependent on liquefied natural gas (LNG) imports from geographically distant suppliers, such as the United States and Middle Eastern countries. At the same time, a surge in energy-intensive data centers in the US, driven by the rapid expansion of AI applications, has significantly increased domestic energy demand. This could constrain the volume of LNG available for export to Europe. Any disruption in global LNG supply chains could trigger sharp increases in energy prices, potentially forcing the ECB and the Czech National Bank to adopt a more restrictive monetary policy stance to contain inflation, with implications across the entire yield curve.

Furthermore, the rapid expansion of green-energy investments adds volatility to the European power system. Variability in renewable energy production can lead to temporary spikes in electricity prices, such as the recent increases observed in Spain, which can negatively affect industrial output and erode consumer purchasing power.

A pronounced increase in interest rates would also pose downside risks for both corporate and household investment. While the likelihood of a sharp rise in rates has recently diminished, such a scenario could still result in investment activity falling below the levels assumed in the baseline forecast.

Upside risk to the baseline scenario

A stronger and faster recovery in global industrial activity could provide notable upside potential for the Eurozone economy. This would be particularly beneficial for Germany, which is expected to post slight GDP growth in 2025 - its first expansion in three years. Given Germany's deep economic linkages with several other European economies, including Czechia, a rebound in German industrial output would likely generate positive spillover effects.

In such an upside scenario, Eurozone GDP growth in 2026 would receive an additional boost, primarily driven by a more dynamic than expected rebound in investment activity. Improved consumer sentiment would further support private consumption, leading to a stronger contribution to overall growth compared with the baseline scenario. The services sector would also benefit from rising confidence and increased household spending.

For this upside scenario to materialize, a continued and gradual decline in inflation, particularly within the services component, remains essential. This would help maintain the ECB's deposit facility rate at 2% and allow the Czech National Bank to slightly ease monetary conditions, thus preserving favorable financing conditions for firms' investments.

Overview of Baseline, Upside and Downside scenarios

Below the Group summarizes expected development of the GDP, all scenarios and scenario weights, as main indicator of the macro-economic situation.

Additionally, the Group is 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 2025. The baseline and weighted scenario outcome for the major variables is disclosed in the tabular format for the years 2026-2028.

Baseline, upside and downside scenarios of GDP growth

		Probability weights	GDP growth in %		
	Scenario	2026-2028	2026	2027	2028
2025					
Czech Republic	Upside	24%	4.7	4.7	4.8
	Baseline	50%	2.7	2.7	2.8
	Downside	26%	0.2	0.2	0.3

2024		**2025-2027**	**2025**	**2026**	**2027**
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

	Baseline scenario			Scenario weighted outcome		
	2026	2027	2028	2026	2027	2028
2025						
Core consumer price index - seasonal decomposition	157.7	161.5	165.8	157.7	161.5	165.7
GDP deflator	1.4	1.4	1.4	1.4	1.4	1.4
Industrial production	103.5	106.9	109.7	103.4	106.8	109.6
Retail sales	104.1	107.7	110.6	104.1	107.6	110.5
Real household consumption	745,581.7	764,313.6	784,567.4	745,581.6	764,313.5	784,567.3
Yield on 5-year Czech government bonds	3.7	3.5	3.3	3.7	3.5	3.3
3-month interest rate on the EU interbank market	2.1	2.1	2.1	2.1	2.1	2.1

2024	2025	2026	2027	2025	2026	2027
Unemployment rate	3.4	3.5	3.5	3.7	4.0	4.0
Inflation (PPI)	147.8	151	154.1	148.2	151.5	154.6

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 2025, Erste Group applied collective staging assessment (industry stage overlays), which had already been implemented in 2024, in case of industries selected in line with industry strategy to ensure that it reflects risks and changes in the risk assessment which the Group's portfolio is exposed to.

During 2025, several adjustments were made to the industry stage overlays in line with updates to the Group's risk strategy and observed portfolio developments:

— September - following a review of the industry strategy, the Construction and Building Materials sub-industry was removed from the scope of industry stage overlays. This decision resulted in the release of allocated ECL amounting to CZK 37 million.
— October - the Real Estate Developers sub-industry was excluded from the overlays for Central and Eastern European (CEE) countries, and subsequently for the Holding, due to stable portfolio performance. No deterioration was observed in the CEE region in recent periods, and no adverse developments are anticipated. The removal of this overlay led to the release of CZK 215 million in allocated ECL.
— December - the Metals (Iron/Steel) industry category was added to the industry stage overlays following a change in the Group's risk strategy. The adjustment was driven by decreasing demand in certain key end-user industries (e.g., construction), increased price competition from Asian imports, and persistent structural cost pressures stemming from elevated energy and labour expenses. This update resulted in a minor ECL allocation of CZK 0.8 million.

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. In the second quarter of 2025, these rules were decommissioned - the evaluation of the exit trigger showed no deterioration of the affected portfolio was observed since September 2024. It triggered the release of allocated ECL by CZK 365 million.

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 2025, the exposure in Stage 2 due to the application of the rules for collective SICR assessment (industry stage overlays) stood at CZK 4,181 million (2024: 15,395 million), with additional ECL allocated in the amount of CZK 113 million (2024: CZK 413 million).

The exposure in Stage 2 due to high inflation rate and increased interest rates collective SICR assessment stood for private individuals at CZK 20,600 million (2024: CZK 24,885 million), with additional ECL allocated in the amount of CZK 257 million (2024: CZK 359 million).

As described above, the FLI were reassessed based on the latest macro-scenarios in the fourth quarter of 2025. Considering the review of in-model adjustments (application of modelled weights assigned to upside and downside scenarios for all models), the Stage 2 exposure triggered by FLI decreased to CZK 10,950 million as of December 2025 (2024: CZK 14,664 million). The decrease of the Stage 2 exposure and PD levels affected the level of ECL allocated in Stage 2 due to FLI: CZK 1,090 million (2024: CZK 1,296 million).

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 325 million (2024: CZK 3,835 million), resulting in an ECL drop by CZK 62 million (2024: CZK 194 million).

The downside scenario would lead to additional CZK 4,847 million of exposure migration to Stage 2 in comparison with scenario weighted FLI (2024: CZK 22,211 million), resulting in ECL increase of CZK 547 million (2024: CZK 1,177 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)							Simulated impact on Stage 2		
			Stage 2 impacted by							
			Collective assesment							
in CZK million	Stage 1	Stage 2	Cyclical	Energy	Floods	Private individual	Effect of FLI shifts	Upside scenario	Baseline scenario	Downside scenario
2025										
CRE	2,052,901	102,337	4,181	-	-	20,600	10,950	(6,132)	(325)	4,847
2024										
CRE	1,954,471	181,713	15,395	-	39,964	24,885	14,664	(12,819)	(3,835)	22,211

	Current status - parameters (FLI shifted)							Simulated impact on CLA		
			Out of which							
			Collective assesment							
in CZK million	Stage 1	Stage 2	Cyclical	Energy	Floods	Private individual	Effect of FLI shifts	Upside scenario	Baseline scenario	Downside scenario
2025										
CLA	(2,603)	(6,673)	(113)	-	-	(257)	(1,090)	574	62	(547)
2024										
CLA	(2,435)	(7,193)	(413)	-	(375)	(359)	(1,296)	764	194	(1,177)

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 (deteriorated financial figures, increased probability of default;
— customers managed in a workout unit.

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 definition 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 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
2025					
Credit exposure	**1,528,300**	**450,601**	**127,774**	**189,899**	**2,296,574**
thereof gross forborne exposure	8,255	-	-	577	8,832
Performing exposure	1,509,552	450,601	127,002	189,367	2,276,522
thereof performing forborne exposure	3,785	-	-	315	4,100
Credit loss allowances for performing exposure	(8,023)	(55)	(153)	(1,055)	(9,286)
thereof credit loss allowances for performing forborne exposure	(695)	-	-	(1)	(696)
Non-performing exposure	18,748	-	772	532	20,052
thereof non-performing forborne exposure	4,470	-	-	261	4,731
Credit loss allowances for non-performing exposure	(11,646)	-	(104)	(299)	(12,049)
thereof credit loss allowances for non-performing forborne exposure	(2,312)	-	-	(37)	(2,349)
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)

Types of forbearance exposure

in CZK million	Gross forborne exposure	Modification in terms and conditions	Refinancing
2025			
Loans and advances	8,255	8,255	-
Loan commitments	577	577	-
Total	**8,832**	**8,832**	**-**
2024			
Loans and advances	6,345	6,345	1
Loan commitments	343	343	-
Total	**6,688**	**6,688**	**1**

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 110.0% (2024: 106.7%) of the reported non-performing on-balance and off-balance credit risk exposure as of 31 December 2025. 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 2025, the non-performing credit risk exposure decreased by CZK 1,044 million (2024: increased by 16 million), or 4.9% (2024: 0.1%). The credit loss allowances for loans and advances together with credit loss allowances for loan commitments and financial guarantees decreased by CZK 532 million (2024: decreased by CZK 664 million), or 2.4% (2024: 3.0%).

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
2025												
Retail	11,038	11,038	834,913	834,788	(11,429)	1,928	1,928	1.3%	1.3%	103.5%	17.5%	17.5%
Corporates	8,929	8,215	650,122	562,465	(9,533)	3,443	3,368	1.4%	1.5%	116.1%	38.6%	41.0%
Group Markets	-	-	44,598	17,191	(7)	-	-	0.0%	0.0%	52019.8%	0.0%	0.0%
ALM & LCC	85	85	766,941	760,580	(300)	-	-	0.0%	0.0%	354.7%	0.0%	0.0%
Total	**20,052**	**19,337**	**2,296,574**	**2,175,024**	**(21,269)**	**5,371**	**5,296**	**0.9%**	**0.9%**	**110.0%**	**26.8%**	**27.4%**
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%**

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 of:

— 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
2025					
Retail	620,090	117,566	19,485	10,968	768,109
Corporates	303,403	97,071	13,050	7,695	421,219
Group Markets	6,836	239	-	-	7,075
ALM&LCC	544	686	859	84	2,173
Total	**930,873**	**215,562**	**33,394**	**18,747**	**1,198,576**
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**

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
2025												
Retail	10,968	10,968	768,109	768,075	(11,268)	1,924	1,924	1.4%	1.4%	102.7%	17.5%	17.5%
Corporates	7,695	7,695	421,218	421,218	(8,224)	3,136	3,136	1.8%	1.8%	106.9%	40.8%	40.8%
Group Markets	-	-	7,075	7,075	(4)	-	-	0.0%	0.0%	30431.7%	0.0%	0.0%
ALM&LCC	84	84	2,174	2,174	(169)	-	-	3.9%	3.9%	200.3%	0.0%	0.0%
Total	**18,747**	**18,747**	**1,198,576**	**1,198,542**	**(19,665)**	**5,060**	**5,060**	**1.6%**	**1.6%**	**104.9%**	**27.0%**	**27.0%**
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%**

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
2025												
Retail	704,186	52,674	10,581	636	34	1,151	3,300	6,737	81	6.3%	63.7%	12.6%
Corporates	378,430	34,908	6,933	946	-	1,136	2,324	4,373	391	6.7%	63.1%	41.4%
Group Markets	7,074	1	-	-	-	4	-	-	-	10.1%	100.0%	
ALM&LCC	1,968	121	84	-	-	1	94	74	-	77.5%	87.9%	78.1%
Total	**1,091,658**	**87,704**	**17,598**	**1,582**	**34**	**2,292**	**5,718**	**11,184**	**472**	**6.5%**	**63.6%**	**29.8%**
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%**

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 1,149 million (2024: 1,765 million), the non-defaulted part to CZK 433 million (2024: 573 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 Board of Directors.

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 Board of Directors 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 simulated scenarios are calibrated from historical observations. Impacts are calculated with a theoretical holding period of 1 year and a confidence level of 99.9%. The EBA defined risk-free valuation principals are applied for evaluation of interest rate risk since 2025. Portfolio of bonds booked at amortized cost are newly included to credit spread risk scope.

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 2025 and 31 December 2024 assuming 1 day holding period and confidence level of 99%. Starting with the 2025 financial year, there have been methodological changes implemented for calculation of interest rate and credit spread risks in the banking book.

in CZK million	Market risk total	Interest rate risk	Credit spread risk	Currency risk	Equity risk	Commodity risk	Volatility risk
2025							
ČS Total	**1,117**	**891**	**672**	**-**	**-**	**-**	**-**
Banking book	1,113	887	672	-	-	-	-
Trading book	4	4	-	-	-	-	-
2024							
ČS Total	**1,067**	**1,061**	**120**	**-**	**-**	**-**	**-**
Banking book	1,062	1,055	120	-	-	-	-
Trading book	5	6	-	-	-	-	-

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 (IRRBB) 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.

	2026		2025	
in CZK million	Interest rate increase	Interest rate decrease	Interest rate increase	Interest rate decrease
CZK				
Income statement	(974)	1,807	(896)	1,662
Other comprehensive income	(2,523)	2,688	(3,289)	3,501
EUR				
Income statement	375	(321)	663	(671)
Other comprehensive income	502	(566)	1,440	(1,553)

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. The foreign currency risk of other Group entities is limited. Foreign currency exposure is subject to regulatory and internal limits that are approved by Board of Directors.

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 in the banking book (CSRBB) 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. Several internal metrices are implemented to further support compliance with the latest EBA Guideline for the identification and steering of CSRBB.

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

Following the establishment of liquidity subgroup approved by the Czech National Bank and legally effective since beginning of 2025, regulatory and internal liquidity indicators are monitored and limited primarily on liquidity subgroup level, which consists of the Bank and Stavební spořitelna České spořitelny, a.s., rather than at the level of each entity individually.

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.

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 continuously improves its liquidity risk management framework with various supporting internal risk measures and early warning indicators to assure timely identification of possible risks and their instant and adequate management.

Liquidity risk department is also directly involved in the planning process and preparation of financing and investment strategies to further ensure the bank's planned business activities with a defined risk appetite.

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).

The Group monitors all liquidity measures at least monthly and for relevant indicators daily or intraday monitoring is in place. All liquidity indicators and liquidity situation are regularly reported to and monitored by the Operational Liquidity Committee (OLC). On a monthly basis the Board of Directors 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 remained safely above the regulatory and internal limits and confirm a sound liquidity situation of the Group. A comfortable liquidity situation was further supported by other short-term and long-term internal liquidity measures.

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 2025 and 2024 are shown in the tables below:

	< 3 month	
in CZK million	**2025**	**2024**
Cash, excess reserve	14,715	14,576
Liquid assets	377,526	423,508
Counterbalancing capacity	**392,241**	**438,084**

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 2025 and 2024 respectively, were as follows:

in CZK million	Carrying amounts	Contractual cash flows	< 3 month	3-12 months	1-5 years	> 5 years
2025						
Non-derivative liabilities	**1,864,564**	**1,886,522**	**1,721,521**	**35,351**	**88,808**	**40,842**
Deposits by banks	229,953	231,849	206,722	10,080	13,842	1,205
Customer deposits	1,529,840	1,531,235	1,506,610	22,203	1,256	1,166
Debt securities in issue	98,265	116,932	1,683	3,068	73,710	38,471
Other financial liabilities	6,506	6,506	6,506	-	-	-
Derivative liabilities	**10,201**	**10,201**	**1,640**	**1,796**	**5,002**	**1,763**
Contingent liabilities	**303,249**	**303,249**	**303,249**	**-**	**-**	**-**
Financial guarantees	6,913	6,913	6,913	-	-	-
Loan commitments	189,899	189,899	189,899	-	-	-
Other commitments	106,437	106,437	106,437	-	-	-
Total	**2,178,014**	**2,199,972**	**2,026,410**	**37,147**	**93,810**	**42,605**
2024						
Non-derivative liabilities	**1,846,082**	**1,866,720**	**1,700,928**	**52,965**	**73,301**	**39,526**
Deposits by banks	275,456	277,632	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	31,051
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	-	-	-
Irrevocable commitments	105,764	105,764	105,764	-	-	-
Total	**2,141,124**	**2,161,762**	**1,985,381**	**54,780**	**79,241**	**42,360**

The reported contractual cash flows of non-derivative liabilities and contingent liabilities represent the earliest point at which these obligations may be withdrawn or drawn down by clients.

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 stays safely above regulatory and internal limits.

Starting with the 2025 financial year, the indicator is presented solely at the subgroup level. For financial years up to and including 2024, the indicator was presented at the individual entity level.

in CZK million	2025	2024
Hiqh-quality liquid assets	388,411	428,125
Net liquidity outflow	243,919	225,818
Liquidity coverage ratio	**159%**	**190%**

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.

Starting with the 2025 financial year, the indicator is presented solely at the subgroup level. For financial years up to and including 2024, the indicator was presented at the individual entity level.

in CZK million	2025	2024
Available stable funding	1,398,228	1,329,059
Required stable funding	927,550	815,566
Net stable funding ratio	**151%**	**163%**

41 Operational risk

Pursuant to (point (52) of Art. 4 (1) of regulation (EU) No 575/2013 (CRR)), the Group defines operational risk (OpRisk) as the risk of loss resulting from inadequate or failed internal processes, people or systems or from external events, including, but not limited to, legal risk, model risk or information and communication technology (ICT) risk, but excluding strategic and reputational risk. Non-Financial Risks (NFR) comprise both operational and reputational risks. The Group's operational risk appetite sets the limits and escalation thresholds in line with the Erste Group's risk strategy for risk-taking inherent in conducting business.

The OpRisk framework is a modular interrelated, and comprehensive approach integrated into the Group's steering and risk management system. It is designed to fulfil internal risk management and external regulatory requirements.

With the support of Erste Group Bank, the Group implemented a standardized categorization of operational risks. This classification serves as the foundation for Risk Register, developed in cooperation with the Risk Management and Internal Audit departments. The Risk Register is a key tool for ensuring consistent risk categorization, enabling unified monitoring and evaluation across the organization.

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 cooperation with third-party service providers. Depending on the specific method, this type of assessment is done on a continuous, monthly or annual basis.

An important tool in mitigating losses arising from operational risks is the Group’s insurance program which was put in place in 2002. This insurance program 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 Non-financial Risk Decision (NFRD) (i.e. assessment of reputational, legal and financial risks in relation to the expected benefits of the proposed change). Risk analysis is carried out when introducing new products, services, processes or IT solutions, during significant changes in business relationships, strategic decisions, the use of artificial intelligence, or cooperation with third parties, if these may have reputational, legal or financial impacts. NFRDs with identified significant risks are escalated to the ROCC (Regional Operational Conduct Committee) and the Group’s Chief Risk Officer (CRO).

Top management of the Bank is informed quarterly about the risk profile and the most important operational risk events via Non-financial risk management committee (NFRMC). The chairman of the committee is the Head of Strategic Risk, who further presents selected topics at the Risk Committee (chairman - Chief Risk Officer).

The Group measures the capital requirements for operational risk using a non-model-based approach for the calculation of the regulatory capital. Under the Standardised Measurement Approach the Business Indicator Componenet (BIC) is calculated by multiplying the Business Indicator (BI) by a set of regulatory determined marginal coefficinets in the applicable BI ranges. The BI is a financial statement proxy of operational risk exposure. Operational risk capital requirement (ORC) or own funds requirement is calculated by BIC.

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 authority of relevant 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 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 Compliance Departments whose principal activities include ensuring compliance of the 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 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 2024	**18,796**	**2,412**	**2,971**	**24,178**	**3,944**
Additions	3,734	183	110	4,027	1,456
Disposals	(647)	(442)	(321)	(1,410)	-
Disposal of group	(2)	(3)	(1)	(6)	-
Reclassification	-	(39)	39	-	-
Assets held for sale	(5,735)	-	-	(5,735)	(1,715)
Balance as of 31 Dec 2024	**16,146**	**2,111**	**2,798**	**21,054**	**3,685**
Additions	2,238	276	321	2,835	2,073
Disposals	(276)	(206)	(231)	(712)	-
Reclassification	(149)	(65)	63	(151)	151
Assets held for sale	(346)	-	-	(346)	-
Balance as of 31 Dec 2025	**17,613**	**2,116**	**2,951**	**22,680**	**5,909**

Right of use: property and equipment

in CZK million	Land and buildings (used by the Group)	Office and plant equipment / other fixed assets and other moveable property	Property and equipment
Balance as of 1 Jan 2024	**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**
Additions	1,565	48	1,613
Disposals	(59)	(24)	(83)
Balance as of 31 Dec 2025	**7,321**	**140**	**7,461**

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 2024	**(11,846)**	**(1,571)**	**(1,578)**	**(14,994)**	**(2,197)**
Amortisation and 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	3,742	-	-	3,742	-
Balance as of 31 Dec 2024	**(7,970)**	**(1,269)**	**(1,616)**	**(10,854)**	**(2,236)**
Amortisation and depreciation	(582)	(122)	(344)	(1,048)	(34)
Disposals	176	183	204	562	-
Impairment	(4)	-	-	(4)	-
Reclassification	-	1	(1)	-	-
Assets held for sale	250	-	-	250	(5)
Balance as of 31 Dec 2025	**(8,130)**	**(1,207)**	**(1,757)**	**(11,094)**	**(2,275)**

Right of use: property and equipment

in CZK million	Land and buildings (used by the Group)	Office and plant equipment / other fixed assets and moveable other property	Property and equipment
Balance as of 1 Jan 2024	**(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)**
Amortisation and depreciation	(607)	(42)	(649)
Disposals	(548)	17	(531)
Balance as of 31 Dec 2025	**(4,085)**	**(73)**	**(4,158)**

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 2024	**8,176**	**842**	**1,182**	**10,200**	**1,449**
Balance as of 31 Dec 2025	**9,483**	**909**	**1,194**	**11,586**	**3,634**

The carrying amount of property and equipment (category office and plant equipment/other fixed assets) includes properties subject to operating leases of CZK 147 million (2024: CZK 205 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 2024	**2,885**	**68**	**2,953**
Balance as of 31 Dec 2025	**3,236**	**67**	**3,303**

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 2024	**11,061**	**910**	**1,182**	**13,153**	**1,449**
Balance as of 31 Dec 2025	**12,719**	**976**	**1,194**	**14,889**	**3,634**

Fair values of non-financial assets

in CZK million	Carrying amount	Fair value	Level 1	Level 2	Level 3
2025					
Assets whose fair value is disclosed in the notes					
Investment property	3,634	3,675	-	-	3,675
2024					
Assets whose fair value is disclosed in the notes					
Investment property	1,449	1,449	-	-	1,449

In 2025, rental income arising from investment property amounted to CZK 235 million (2024: CZK 191 million). Operating expenses related to investment property amounted to CZK 34 million (2024: CZK 39 million).

The balances as at 31 December 2025 shown above include CZK 3,540 million (2024: CZK 2,151 million) in property and equipment under construction (mainly land and buildings).

The acquisition cost of fully depreciated tangible assets still in use was CZK 2,967 million as at 31 December 2025 (2024: CZK 2,984 million). As at 31 December 2025, land and buildings were impaired in the amount of CZK 188 million (2024: CZK 273 million). As of 31 December 2025, the recoverable amount of these impaired assets amounted to CZK 38 million (2024: CZK 99 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 2025 the fair value of investment properties with a carrying amount of CZK 3,634 million (2024: CZK 1,449 million) amounts to CZK 3,675 million (2024: CZK 1,449 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, 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 2024	**34**	**19,611**	**1,499**	**21,144**
Additions	-	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**
Additions	-	1,200	32	1,232
Disposals	-	(675)	(199)	(874)
Currency translation	-	(1)	-	(1)
Balance as of 31 Dec 2025	**34**	**20,902**	**1,194**	**22,130**

Accumulated depreciation

in CZK million	Goodwill	Software acquired	Other (licenses, patents, etc.)	Total intangible assets
Balance as of 1 Jan 2024	**-**	**(13,417)**	**(1,320)**	**(14,737)**
Amortisation and depreciation	-	(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)**
Amortisation and depreciation	-	(1,026)	(55)	(1,081)
Disposals	-	673	200	873
Impairment	-	(293)	-	(293)
Currency translation	-	1	-	1
Balance as of 31 Dec 2025	**-**	**(14,714)**	**(959)**	**(15,673)**

Carrying amounts

in CZK million	Goodwill	Software acquired	Other (licenses, patents, etc.)	Total intangible assets
Balance as of 31 Dec 2024	**34**	**6,309**	**257**	**6,600**
Balance as of 31 Dec 2025	**34**	**6,188**	**235**	**6,457**

Other intangible assets include licenses and know-how.

Software acquired and other intangible assets include also intangibles under construction of CZK 1,323 million as at 31 December 2025 (2024: CZK 1,494 million).

The acquisition cost of fully amortised intangible assets still in use was CZK 2,447 million as at 31 December 2025 (2024: CZK 2,243 million).

The Group has not identified any contractual commitments for the purchase of intangible assets.

44 Other assets

in CZK million	2025	2024
Prepayments	853	660
Assets under construction/unfinished goods/inventory	160	89
Sundry assets	1,023	604
Other assets	**2,036**	**1,353**

‘Sundry assets’ consist mainly of long-term advances of CZK 280 million (2024: CZK 299 million) and pending cash transfers of CZK 500 million (2024: CZK 0 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

On the side of the lessor, a distinction is made between finance leases and operating leases. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. In the case of a finance lease, the Group reports a receivable from the lessee under the line item ‘Finance lease receivables’. The receivable is equal to the present value of the contractually agreed payments taking into account any residual value. Interest income on the receivable is reported in the statement of income in the line item ‘Other similar income’ under ‘Net interest income’.

In the case of operating leases, which are leases other than finance leases, the leased asset is reported in ‘Property, equipment and right-of-use assets’ or in ‘Investment property’ and is depreciated in accordance with the principles applicable to the assets involved. Lease income is recognised on a straight-line basis over the lease term in the statement of income under the line item ‘Rental income from investment properties & other operating leases’.

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	2025	2024
Outstanding minimum lease payments	1,623	1,725
Gross investment	**1,623**	**1,725**
Unrealised financial income	(161)	(161)
Net investment	**1,462**	**1,564**
Present value of minimum lease payments	**1,462**	**1,564**

Maturity analysis by residual maturities

	2025		2024	
in CZK million	Gross investment	Present value of outstanding lease payments	Gross investment	Present value of outstanding lease payments
< 1 year	418	384	392	362
1-2 years	410	375	412	379
2-3 years	290	265	293	269
3-4 years	156	140	192	175
4-5 years	99	88	99	89
> 5 years	250	210	337	290
Total	**1,623**	**1,462**	**1,725**	**1,564**

During 2025, the Group recognised interest income on finance lease receivables in the amount of CZK 34 million (2024: CZK 40 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 2025 and 2024 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
2025									
General governments	18	-	-	18	(1)	-	-	(1)	17
Other financial corporations	12	-	-	12	-	-	-	-	12
Non-financial corporations	1,353	60	10	1,423	(2)	(1)	(4)	(7)	1,416
Households	10	1	-	11	-	-	-	-	11
Total	**1,393**	**61**	**10**	**1,464**	**(3)**	**(1)**	**(4)**	**(8)**	**1,456**
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**

For information about development of credit loss allowances 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	2025	2024
< 1 year	348	290
1-2 years	341	301
2-3 years	341	292
3-4 years	337	292
4-5 years	340	289
> 5 years	92	1,041
Total	**1,799**	**2,505**

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

	2025		2024	
in CZK million	Nominal values	Present values	Nominal values	Present values
< 1 year	920	817	662	575
1-5 years	2,121	1,931	1,926	1,758
> 5 years	1,183	1,088	1,108	1,030
Total	**4,224**	**3,836**	**3,696**	**3,363**

During 2025, interest expenses on lease liabilities were recognised in the amount of CZK 94 million (2024: CZK 90 million). In 2025, expenses in the amount of CZK 76 million (2024: 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 51 million (2024: CZK 54 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 52 million (2024: CZK 118 million) were recognised. Income from subleasing right-of-use assets was recognised in the amount of CZK 22 million (2024: CZK 20 million). Total cash outflow for leases in 2025 was CZK 825 million (2024: CZK 817 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 2025.

Accruals, provisions, contingent liabilities and legal proceedings

47 Other liabilities

in CZK million	2025	2024
Deferred income	689	645
Sundry liabilities	4,385	5,142
Other liabilities	**5,074**	**5,787**

Sundry liabilities consist mainly of suspense account of CZK 28 million (2024: CZK 671 million) and costs of staff bonuses amounting to CZK 1,527 million (2024: CZK 1,611 million) of which CZK 49 million (2024: CZK 48 million) is liability regarding share-based remuneration.

Deferred income outstanding at 31 December 2025 includes 'contract liabilities' in accordance with IFRS 15 in amount of CZK 566 million (2024: CZK 578 million). Revenue recognised in the reporting year 2025 that was included in the contract liability balance at the beginning of the period amounts to CZK 1,016 million (2024: CZK 539 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	2025	2024
Restructuring	56	168
Pending legal issues	254	1,716
Loan commitments and financial guarantees given in scope of IFRS 9	1,545	1,245
CLA for loan commitments and financial guarantees in Stage 1	283	265
CLA for loan commitments and financial guarantees in Stage 2	924	727
CLA for loan commitments and financial guarantees in Stage 3	336	252
CLA for loan commitments and financial guarantees POCI	2	1
Commitments and guarantees given out of scope of IFRS 9	66	78
Provision for onerous contracts	173	184
Other provisions	54	74
Provisions	**2,148**	**3,465**

In 2025 the Group recognised the use of the restructuring provision amounting to CZK 112 million (2024: CZK 84 million).

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'). In 2025 the Group released provisions relating to legal disputes in the amount of CZK 1,478 million.

Remaining classes of provisions

Following table provides the information about the development of the remaining classes of provisions:

in CZK million	Jan 2025	Allocations	Use	Releases	Exchange rate and other changes (+/-)	Dec 2025
Provision for restructuring	168	-	(112)	-	-	56
Pending legal issues and tax litigation	1,716	30	-	(1,491)	-	255
Other provisions	336	22	(29)	(35)	(2)	292
Provisions	**2,220**	**52**	**(141)**	**(1,526)**	**(2)**	**603**

	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**

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 2025, the aggregate balance of these allowances was CZK 1,545 million (2024: CZK 1,245 million). Refer to Note 34 Development of credit loss allowances.

in CZK million	2025	2024
Amounts owed under guarantees and letters of credit	6,913	6,062
Undrawn loan and other commitments	296,336	276,946
out of which loan commitments	189,899	171,182
Total	**303,249**	**283,008**

Capital instruments, equity and reserves

50 Total equity

Details on equity are provided in Section 'Consolidated statement of changes in equity'.

in CZK million	2025	2024
Share capital	15,200	15,200
Additional paid-in capital	12	12
Additional equity instruments	-	9,040
Retained earnings and other reserves	134,124	129,892
Owners of the parent	**149,336**	**154,144**
Non-controlling interests	1,145	622
Total equity	**150,481**	**154,766**

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 2025, 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 was compliant with Article 52 of the CRR (Regulation EU No 575/2013). In June 2019 the Bank launched second issue of AT1, denominated in euro, for a total of EUR 350 million. The issued AT1 capital was recognised under the line item 'Additional equity instruments'. In June 2025 the Bank called the second issue of AT1 of EUR 350 million (the equivalent of CZK 9,040 million, out of which CZK 327 million FX result was accounted to retained earnings) as the capital was no longer needed in the full volume to maintain targeted capital ratios.

The main reasons for the issuance of AT1 were 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:

	2025		2024	
	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	2025	2024
At 1 January	**622**	**546**
Profit for the year	112	76
Capital increases	268	-
Changes in scope of consolidation and ownership interest	143	-
At 31 December	**1,145**	**622**

Scope of consolidation

Basis of consolidation

As at 31 December 2025, the Group includes in its IFRS Accounting Standards scope of consolidation a total of 19 subsidiaries (31 December 2024: 24)

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 2025, 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).

Disposals in 2025

On 7 January 2025 the company CPP Lux S.à r.l., in liquidation was deleted from the Commercial Register.

On 6 February 2025 the company CEE Property Development Portfolio B.V was deleted from the Commercial Register.

On 15 December 2025 were sold investments in BP Budějovická, s. r. o., BP Olbrachtova, s. r. o. and BP Poláčkova, s. r. o.

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.

53 Investment in associates

In the case of the Group, all equity method investments are direct or indirect investments in associates over which the Group exercises significant influence stemming from voting power greater than 20% up to 50%.

Additions/disposals in 2025

On 29 September 2025 the company ČS Seed Starter, a.s. decreased its ownership in the company Investown Technologies s.r.o. to 19.5%. Investown Technologies s.r.o. has not been consolidated since October 2025.

On 29 December 2025, Holding Card Service s.r.o. increased its investment in Global Payments s.r.o. by EUR 26.95 million through a contribution outside the registered capital.

Additions/disposals in 2024

There were no acquisitions or disposals in 2024. The ownership in Investown Technologies s.r.o. decreased to 24.05%.

Carrying amounts of at equity measured entities

in CZK million	2025	2024
Financial institutions	2,793	1,895
Total	**2,793**	**1,895**

Aggregated financial information of at equity measured entities

in CZK million	2025	2024
Total assets	9,338	8,035
Total liabilities	3,637	4,104
Income	2,632	2,589
Profit (Loss)	557	518

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

	2025	2024	
in CZK million	Global Payments 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
Main business activity	Payment services	Payment services	Payment services
Ownership % held	49.00%	49.00%	24.96%
Voting rights held %	49.00%	49.00%	24.96%
Classification (JV/A)	Associate	Associate	Associate
Reporting currency	CZK	CZK	CZK
Cash and cash equivalents	777	923	217
Other current assets	5,961	3,990	6
Non-current assets	2,600	2,686	417
Current liabilities	-	25	-
Non-current liabilities	3,637	4,231	594
Operating income	550	1,937	70
Post-tax result from continuing operations	557	408	31
Depreciation and amortisation	(245)	(169)	(1)
Interest expense	(65)	(75)	(21)
Tax expense/income	(3)	(25)	-
Net assets attributable to the Group	2,024	869	10
Carrying goodwill included in the cost of investment	769	769	-
Carrying amount	2,793	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	2025	2024
Carrying amount of assets	3,310	3,733
Fair value of liquidity support drawn	2,432	2,252
Total	**5,742**	**5,986**

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
		2025			2024	
Assets						
Cash and cash equivalents	365	89	-	267	44	-
Financial assets - held for trading	5 977	-	-	6,792	-	-
Financial assets - FVPL	659	-	-	691	-	-
Financial assets – amortised costs	4	61	64	1,727	90	54
Derivatives Hedge Accounting	3 035	-	-	2,864	-	-
Trade and other receivables	25	257	-	25	170	-
Other assets	65	1	-	92	1	-
Liabilities						
Financial liabilities held for trading	5 755	-	-	7,384	-	-
Financial liabilities measured at amortised costs	186 327	649	69	229,122	457	90
Debt securities in issue	4 029	13	-	18	-	-
Derivatives Hedge Accounting	1 947	-	-	3,607	-	-
Other Liabilities	-	(7)	-	-	(6)	-
Profit&Loss statement		01-12 2025			01-12 2024	
Net interest income	(6,740)	(3)	-	(7,864)	(3)	(3)
Net fee and commision income	77	2,479	-	86	1,682	-
Dividend income	-	11	-	-	17	-
Net trading result and fair value result	8,143	(3)	-	(1,339)	5	-
Other administrative expenses	(242)	(1,439)	-	(178)	(1,357)	-
Other operating result	25	27	-	14	29	-
Loans commitments, financial guarantees and other commitments given	8,739	378	-	7,337	344	-

Financial liabilities measured at amortised costs as at 31 December 2025 include primarily repurchase agreements in CZK 182,884 million (2024: CZK 225,754 million), term deposits of CZK 1,215 million (2024: CZK 3,298 million) and cash collaterals taken of CZK 188 million (2024: CZK 0 million).

The repurchase agreements are mainly denominated in CZK (CZK 162,106 million as at 31 December 2025; 2024: CZK 193,141 million) and EUR (CZK 20,778 million as at 31 December 2025; 2024: CZK 32,613 million), the interest rates on repurchase agreements range from 3.0% to 3.1% for CZK with a maturity of up to 1 month and from 2.0% to 2.1% for EUR with a maturity of up to 6 months.

As at 31 December 2025 financial assets and financial liabilities held for trading include mainly derivative instruments (currency and interest rate derivatives). In 2025 and 2024, 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.

In 2025 the Bank redeemed its AT1 bond held by Erste Group Bank in the amount of EUR 350 million (the equivalent of CZK 9,040 million) (see Note 50).

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)	
2025	93	2	19	10	13	137
2024	87	2	14	9	10	122

The item Other remuneration comprises income from providing pool cars for personal use to 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 Board of Directors 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 2025 was estimated at CZK 46 million (2024: CZK 51 million).

At year-end 2025 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 70 million (2024: CZK 61 million) and for non-cash part is CZK 71 million (2024: CZK 73 million) of which CZK 35 million are phantom shares (2024: CZK 36 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 2025, the valuation is based on the average weighted daily share price of Erste Group Bank of the year 2025 in the amount of EUR 73.38 (2024: EUR 45.75) 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 2025 the Board of Directors members receive estimated equivalent of 6,392 pcs of phantom shares (2024: 11,210 pcs) with average price 73.38 EUR (2024: EUR 45.75).

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.

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 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 2025 (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 2025. The number of free shares, which were granted under this program for the period, is 78,149 (2024: 110,806). Personnel expenses in the amount of CZK 175 million were recorded (2024: CZK 166 million).

In the WeShare-Participation part all employees who have been employed by an entity of the Group for at least six months in 2025 and are still employed until the transfer of the shares to the employees in June 2026 (service condition) are entitled to receive shares in an equivalent approximate 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 37,760 (2024: 64,390). Based on the number of entitled employees, personnel expenses in the amount of CZK 53 million (2024: CZK 54 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	2025	2024
Audit fees	45	40
Other assurance services	11	11
Other services	8	8
Total	**64**	**59**

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	2025	2024
Assets held for sale	2,336	3,587
Liabilities associated with assets held for sale	150	167

The assets held for sale are represented by the Group's administrative buildings that are to be sold.

In December 2025, the Group sold its three subsidiaries (BP Budějovická, s. r. o., BP Poláčkova, s. r. o., BP Olbrachtova, s. r. o.) that owned three headquarters buildings (see Note 9 Other operating result).

59 Analysis of remaining maturities

The breakdown of the Group’s assets and liabilities based on expected residual maturities as at 31 December 2025 and 2024 was as follows:

	2025		2024	
in CZK million	**< 1 year**	**> 1 year**	**< 1 year**	**> 1 year**
Cash and cash equivalents	32,234	-	22,958	-
Financial assets - held for trading	10,547	6	12,911	-
Derivatives	10,504	6	12,852	-
Other financial assets held for trading	43	-	59	-
Non-trading financial assets at fair value through profit or loss	670	1,551	691	2,204
Equity instruments	-	764	-	1,422
Debt securities	-	764	-	773
Loans and advances to banks	659	-	691	-
Loans and advances to customers	11	23	-	9
Financial assets at FVOCI	19,090	28,949	3,548	48,710
Debt securities	19,090	28,949	3,548	48,710
Financial assets at AC	408,196	1,485,497	514,752	1,377,335
Loans and advances to banks	328,702	360	437,652	5,737
Loans and receivables to customers	44,050	1,118,918	54,814	1,021,428
Debt securities	35,444	366,219	22,286	350,170
Finance lease receivables	195	1,261	362	1,139
Hedge accounting derivatives	-	3,149	-	2,930
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(6)	-	(8)	-
Property and equipment	-	14,889	-	13,153
Investment properties	-	3,634	-	1,449
Intangible assets	-	6,457	-	6,600
Investments in associates	-	2,793	-	1,895
Current tax assets	44	-	5	-
Deferred tax assets	-	552	-	1,296
Assets held for sale	2,336	-	3,587	-
Trade and other receivables	14,234	219	12,766	440
Other assets	2,036	-	1,344	9
Total assets	**489,576**	**1,548,957**	**572,916**	**1,457,160**
Financial liabilities - held for trading	10,201	-	12,034	-
Financial liabilities designated at FVPL	2,723	-	1,113	196
Financial liabilities measured at AC	994,200	867,641	1,036,820	807,953
Deposits from banks	203,047	26,906	252,481	22,975
Deposits from customers	784,813	742,304	778,478	703,387
Debt securities issued	-	98,265	-	81,509
Other financial liabilities	6,340	166	5,861	82
Finance lease liabilities	819	3,017	4	3,359
Derivatives - hedge accounting	-	2,009	-	3,693
Provisions	25	2,123	9	3,456
Current tax liabilities	61	-	713	-
Deferred tax liabilities	-	9	-	6
Liabilities associated with assets held for sale	150	-	167	-
Other liabilities	5,022	52	5,483	304
Total liabilities	**1,013,201**	**874,851**	**1,056,343**	**818,967**

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	**2025**	**2024**
Opening balance of debt securities issued as of 1 January	81,509	121,451
Cash-flows reported within the cash-flow from financing activities	19,400	(41,193)
thereof interest paid from debt securities issued	(4,438)	(3,291)
Non-cash adjustment	(2,644)	1,251
Closing balance of debt securities issued as of 31 December	**98,265**	**81,509**

Non-cash adjustment consists mainly of FX impact.

In 2025, the Group changed the presentation of proceeds from, and repayments of, bonds in issue in the statement of cash flows. The revised presentation reflects the actual cash inflows and outflows related to the issued bonds, rather than only the predominant flows. Comparative figures for 2024 have been updated accordingly.

Cash-flows from lease liabilities

in CZK million	**2025**	**2024**
Opening balance of lease liabilities as of 1 January	3,363	3,259
Cash-flows reported within the cash-flow from financing activities	(698)	(690)
Non-cash adjustments	1,171	794
Closing balance of lease liabilities as of 31 December	**3,836**	**3,363**

Non-cash adjustments includes the interest expense and the lease liability from the newly concluded and modified contracts in 2025 and 2024.

61 Government grants

In 2025, the Group recognised the government grants of CZK 300 million (2024: CZK 72 million).

The Group received loans from the State Environmental Fund of the Czech Republic (SFŽP) that represent financial support intended for co-financing specific projects, such as sustainable renovations of older properties, and are granted to co-finance specific client loans "Renovate Grandma's House". The loan from SFŽP is initially recognised at fair value, with the difference between this value and the nominal amount recognised as a government grant according to IAS 20, the value of the government grant was CZK 270 million (2024: CZK 42 million).

The Group recognises a government grant of CZK 30 million received in 2024 in order to finance the construction of the property (affordable housing project). Based on IAS 20 the value of the investment property was decreased accordingly.

62 Events after the balance sheet date

On 7 January 2026, the companies DBČS Barrandov, s.r.o. and DBČS Strašnice, s.r.o. were established by the company Dostupné bydlení České spořitelny, a.s.

On 3 March 2026, the company Dostupné bydlení České spořitelny, a.s. acquired the company DBČS Harfa, s.r.o.

63 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.

Company name, registered office		2025 Interest in %	2024 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%
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%
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%
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	59.03%	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%
BP Olbrachtova, s. r. o.	Prague	-	100.00%
BP Poláčkova, s. r. o.	Prague	-	100.00%
BP Antal, s. r. o.	Prague	100.00%	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%	100.00%
DBČS Opatov, s.r.o.	Prague	100.00%	100.00%
Other investments			
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	19.05%	24.05%
Bankovní identita, a.s.	Prague	17.00%	17.00%

During the year ended 31 December 2025, the portfolio of subsidiary and associate undertakings underwent the following changes:

— On 7 January 2025 the company CPP Lux S.à r.l., in liquidation was deleted from the Commercial Register.
— On 24 January 2025 the Bank increased its investment in ČS NHQ, s.r.o. by CZK 700 million.
— On 3 February 2025 the Bank increased its investment in Dostupné bydlení České spořitelny, a.s. by CZK 15 million.
— On 3 February 2025 the Bank increased its investment in Dostupné bydlení České spořitelny, a.s. by CZK 120.8 million.
— On 6 February 2025 the company CEE Property Development Portfolio B.V was deleted from the Commercial Register.
— On 6 March 2025 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 10.6 million.
— On 16 April 2025 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 2 million.

— On 17 April 2025 the Bank increased its investment in Dostupné bydlení České spořitelny, a.s. by CZK 60 million.
— On 26 May 2025 the Bank increased its investment in Dostupné bydlení České spořitelny, a.s. by CZK 417 million.
— On 11 July 2025 the Bank increased its investment in ČS NHQ, s.r.o. by CZK 300 million.
— On 30 July 2025 the Bank increased its investment in Dostupné bydlení České spořitelny, a.s. by CZK 120.8 million.
— On 4 August 2025 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 12.3 million.
— On 20 August 2025 the Bank increased its investment in Dostupné bydlení České spořitelny, a.s. by CZK 10 million.
— On 29 August 2025 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 7.4 million.
— On 29 September 2025 the company ČS Seed Starter, a.s. decreased its ownership in the company Investown Technologies s.r.o. to 19.5% . Inwestown Technologies s.r.o. has not been consolidated since September 2025.
— On 12 November 2025 the Bank increased its investment in ČS NHQ, s.r.o. by CZK 300 million.
— On 13 November 2025 the Bank increased its investment in Dostupné bydlení České spořitelny, a.s. by CZK 86.5 million.
— On 4 December 2025 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 6.1 million.
— On 15 December 2025 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 2.4 million.
— On 15 December 2025 were sold investments in BP Budějovická, s. r. o., BP Olbrachtova, s. r. o. and BP Poláčkova, s. r. o.
— On 19 December 2025 the Bank increased its investment in ČS Seed Starter, a.s. by CZK 10 million.
— On 29 December 2025 the ownership interest in Holding Card Service s.r.o. changed to 59.03 % due to an increase in the capital contribution by its shareholder Erste Group Bank AG.

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.

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. Eligible capital components are derived from the balance sheet and income statement which were prepared in accordance with IFRS.

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, 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 SREP process performed by the European Central Bank (ECB) the Group applies a Pillar 2 requirement (P2R) of 2.00% as of 31 December 2025.

Overview of capital requirements and capital buffers

	2025	2024
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)	**4.21%**	**5.72%**
Capital conservation buffer	2.50%	2.50%
Countercyclical capital buffer	1.24%	1.22%
Systemic risk buffer	0.47%	2.00%
O-SII capital buffer	0.00%	0.00%
Minimum CET 1 requirement (incl.CBR)	8.71%	10.22%
Minimum Tier 1 requirement (incl.CBR)	10.21%	11.72%
Minimum Own Funds requirement (incl.CBR)	12.21%	13.72%
Pillar 2	**4.50%**	**2.10%**
Minimum CET1 requirement	3.62%	1.18%
Minimum T1 requirement	4.00%	1.57%
Minimum Own Funds requirement	4.50%	2.10%
Total CET 1 requirement for Pillar 1 and Pillar 2	**12.33%**	**11.40%**
Total Tier 1 requirement for Pillar 1 and Pillar 2	**14.21%**	**13.29%**
Total Capital requirement for Pillar 1 and Pillar 2	**16.71%**	**15.82%**

Capital structure according to EU regulation 575/2013 (CRR)

in CZK million	2025	2024
Common equity tier 1 capital (CET1)		
Capital instruments eligible as CET1	15,202	15,202
Retained earnings	106,376	103,596
Interim profit	2,411	4,184
Accumulated other comprehensive income	(295)	(187)
Other reserve funds	280	280
Common equity tier 1 capital (CET1) before regulatory adjustments	**123,974**	**123,075**
Prudential filter: cash flow hedge reserve	305	245
Prudential filter: cumulative gains and losses due to changes in own credit risk on fair valued liabilities	-	(2)
Prudential filter: fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	(28)	(43)
Value adjustments due to the requirements for prudent valuation	(187)	(149)
Securitizations with a risk weight of 1,250%	(908)	(357)
Other intangible assets	(3,800)	(3,830)
CET1 capital elements or deductions – other	(941)	(758)
Common equity tier 1 capital (CET1)	**118,415**	**118,181**
Additional tier 1 capital (AT1)		
Capital instruments eligible as AT1	-	9,040
Additional tier 1 capital (AT1) before regulatory adjustments	-	9,040
Additional tier 1 capital (AT1)	-	9,040
Tier 1 capital = CET1 + AT1	**118,415**	**127,221**
Tier 2 capital (T2)	-	
Capital instruments and subordinated loans eligible as T2	14,874	8,875
IRB excess of provisions over expected losses eligible	2,865	3,576
Tier 2 capital (T2) before regulatory adjustments	**17,739**	**12,451**
Tier 2 capital (T2)	17,739	12,451
Total own funds	**136,154**	**139,672**
Capital requirement	**54,543**	**60,125**
CET1 capital ratio	**17.37%**	**15.72%**
Tier 1 capital ratio	**17.37%**	**16.93%**
Total capital ratio	**19.97%**	**18.58%**

With the approval granted by the ČNB on 11 February 2026, the Group considered the annual profit according to IFRS Accounting Standards of CZK 27,874 million reduced by the expected profit distributions of CZK 25,305 million in its regulatory own funds as of 31 December 2025 in accordance with Art. 26 (2) CRR. Subsequently, in March 2026, the Board of Directors has proposed profit distributions in the amount of CZK 22,473 million and distribution of other funds, recorded under retained earnings, in the amount of CZK 809 million, arising from foreign exchange difference at the repayment of additional Tier 1 instruments.

In June 2025 the Bank called the second issue of AT1 of EUR 350 million (the equivalent of CZK 9,040 million, out of which CZK 327 million FX result was accounted to retained earnings) as the capital was no longer needed in the full volume to maintain targeted capital ratios.

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. Futhermore this position contains exposure to CIU (Collective Investment Undertakings) with a risk weight of 1,250%.

Risk structure according to EU directive 575/2013 (CRR)

	2025		2024	
in CZK million	Total risk	Capital requirement	Total risk	Capital requirement
Total Risk Exposure Amount	681,792	54,543	751,563	60,125
Risk weighted assets (credit risk)	578,050	46,244	679,908	54,393
Standardised approach	87,817	7,025	83,937	6,715
IRB approach	477,497	38,200	594,510	47,561
Securitisation	12,736	1,019	1,461	117
Trading book, foreign FX risk and commodity risk	3,224	258	4,889	391
Operational Risk	94,493	7,559	62,236	4,979
Exposure for CVA	6,025	482	4,530	362

CRR3 implementation effect (incl. credit value adjustment risk - CVA) resulted in RWA decrease of CZK 91,977 million, predominantly driven by lower regulatory parameters (Loss given default in Corporates and Credit conversion factors for undrawn commitments) and multipliers used in the Risk weighted assets calculation.

In addition the switch to the standardized measurement approach (SMA approach) resulted in an increase of the operational risk RWA of CZK 32,257 million.

Separate Financial Statements

Separate statement of income

for the year ended 31 December 2025

in CZK million	Notes	2025	2024
Net interest income	1	38,893	36,775
Interest income		74,293	86,137
Other similar income		7,116	9,717
Interest expenses		(35,879)	(48,500)
Other similar expenses		(6,637)	(10,579)
Net fee and commission income	2	11,342	10,828
Fee and commission income		13,317	12,136
Fee and commission expenses		(1,975)	(1,308)
Dividend income	3	1,948	2,609
Net trading result	4	3,240	3,413
Gains/losses from financial instruments measured at fair value through profit or loss	5	76	3
Rental income from operating leases		43	59
Personnel expenses	6	(12,766)	(12,475)
Other administrative expenses	6	(8,518)	(7,865)
Depreciation and amortisation	6	(2,889)	(2,782)
Gains/losses from derecognition of financial assets measured at amortised cost	7	(1,345)	(843)
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss		(12)	(7)
Impairment result from financial instruments	8	(285)	591
Other operating result	9	1,098	309
Pre-tax result from continuing operations		**30,825**	**30,615**
Taxes on income	10	(5,031)	(4,773)
Net result for the period		**25,794**	**25,842**

Separate statement of comprehensive income

for the year ended 31 December 2025

in CZK million	Notes	2025	2024
Net result for the period		**25,794**	**25,842**
Other comprehensive income			
Items that may not be reclassified to profit or loss		**(2)**	**(6)**
Own credit risk reserve	10	(2)	(6)
Items that may be reclassified to profit or loss		**(401)**	**23**
Fair value reserve of debt instruments	10	(432)	(130)
Loss during the period		(255)	(166)
Reclassification adjustments		(177)	36
Cash flow hedge reserve		(76)	159
Gain/(loss) during the period	10, 22	(1,460)	1,531
Reclassification adjustments		1,384	(1,372)
Deferred taxes relating to items that may be reclassified	10	107	(6)
Gain/(loss) during the period		360	(287)
Reclassification adjustments		(253)	281
Total other comprehensive income(/loss)	10	**(403)**	**17**
Total comprehensive income		**25,391**	**25,859**

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 2025

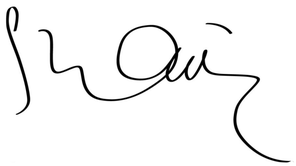
in CZK million	Notes	2025	2024
Assets			
Cash and cash equivalents	12	29,254	21,746
Financial assets held for trading		10,547	12,911
Derivatives	18	10,504	12,852
Other financial assets held for trading		43	59
Non-trading financial assets at fair value through profit or loss	19	2,074	1,994
Equity instruments		715	603
Debt securities		700	700
Loans and advances to banks		659	691
Financial assets at fair value through other comprehensive income	16	48,039	51,164
thereof pledged as collateral		3,930	-
Debt securities		48,039	51,164
Financial assets at amortised cost	13	1,820,558	1,818,123
thereof pledged as collateral		106,498	117,657
Debt securities		398,218	369,033
Loans and advances to banks		345,495	453,119
Loans and advances to customers		1,076,845	995,971
Finance lease receivables	44	239	282
Hedge accounting derivatives	22	3,149	2,930
Fair value changes of hedged items in portfolio hedge of interest rate risk		(6)	(8)
Property, equipment and right-of-use assets	41	10,248	10,305
Intangible assets	42	6,184	6,350
Investments in subsidiaries and associates	46	21,355	19,174
Deferred tax assets	10	291	916
Assets held for sale	54	-	32
Trade and other receivables	14	2,114	2,293
Other assets	43	1,459	948
Total assets		**1,955,505**	**1,949,160**

in CZK million	Notes	2025	2024
Liabilities and equity			
Financial liabilities held for trading	18	10,201	12,035
Derivatives		10,201	12,035
Financial liabilities at fair value through profit or loss	20	2,723	1,309
Deposits from customers		2,723	1,309
Financial liabilities at amortised cost	15	1,791,980	1,773,467
Deposits from banks		215,937	262,969
Deposits from customers		1,473,206	1,424,958
Debt securities issued		98,265	81,509
Other financial liabilities		4,572	4,031
Lease liabilities	45	4,005	4,179
Hedge accounting derivatives	22	2,009	3,693
Provisions	48	2,118	3,427
Current tax liabilities	10	7	528
Other liabilities	47	4,347	5,204
Total equity	50	**138,115**	**145,318**
Share capital		15,200	15,200
Additional paid-in capital		12	12
Additional equity instruments		-	9,040
Retained earnings and other reserves		122,903	121,066
Total liabilities and equity		**1,955,505**	**1,949,160**

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 2026 and are subject to approval at the Supervisory Board and by the sole shareholder.

Tomáš Salomon
Chairman of the Board of Directors



Attila Sánta
Member of the Board of Directors,
Chief Financial Officer

Separate statement of changes in equity

for the year ended 31 December 2025

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 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**
As of 1 January 2025	**15,200**	**12**	**121,032**	**9,040**	**(245)**	**277**	**2**	**145,318**
Dividends paid/AT1 distribution (Note 11)	-	-	(23,890)	-	-	-	-	(23,890)
Capital increase/decrease (Note 50)	-	-	-	(9,040)	-	-	-	(9,040)
Other changes	-	-	336	-	-	-	-	336
Total comprehensive income	-	-	25,794	-	(60)	(341)	(2)	25,391
Net result for the period	-	-	25,794	-	-	-	-	25,794
Other comprehensive income	-	-	-	-	(60)	(341)	(2)	(403)
Change in fair value reserve	-	-	-	-	-	(432)	-	(432)
Changes in tax	-	-	-	-	16	91	-	107
Change in cash flow hedge reserve	-	-	-	-	(76)	-	-	(76)
Change in own credit risk reserve	-	-	-	-	-	-	(2)	(2)
As of 31 December 2025	**15,200**	**12**	**123,272**	**-**	**(305)**	**(64)**	**-**	**138,115**

Separate statement of cash flows

for the year ended 31 December 2025

in CZK million	Notes	2025	2024
Pre-tax result from continuing operations		**30,825**	**30,615**
Non-cash adjustments for items in net profit/loss for the year			
Depreciation, amortisation and net impairment of non-financial assets		3,329	2,949
Net allocation to provisions (including risk provisions)		(1,165)	(795)
Gains/(losses) from the measurement and derecognition of financial assets and financial liabilities		1,358	(694)
Gains/(losses) from the sale of non-financial assets		(72)	(763)
Change in fair values of derivatives		549	(932)
Interest income	1	(81,408)	(95,854)
Interest expense	1	42,516	59,079
Dividend income	3	(1,948)	(2,609)
Other adjustments		255	595
Changes in assets and liabilities from operating activities after adjustment for non-cash components			
Financial assets held for trading		2	(46)
Non-trading financial assets at fair value through profit or loss			
Equity instruments		(112)	42
Debt securities		-	34
Loans and advances to customers		32	165
Financial assets - at fair value through other comprehensive income: debt instruments		2,624	1,129
Financial assets at amortised cost			
Debt securities		(32,396)	(19,625)
Loans and advances to banks		107,411	(145,272)
Loans and advances to customers		(87,316)	(66,402)
Finance lease receivables		44	16
Hedge accounting derivatives		(1,979)	(371)
Other assets from operating activities		(108)	(352)
Financial liabilities at amortised cost			
Deposits from banks		(45,474)	150,107
Deposits from customers		54,500	127,593
Financial liabilities at fair value through profit or loss		1,587	(12,182)
Other liabilities from operating activities		61	(2,892)
Other operating cash flows			
Interest paid		(42,862)	(57,478)
Interest received		79,033	94,140
Payments for taxes on income		(4,741)	(3,723)
Cash flow from operating activities		**24,545**	**56,474**
Proceeds of disposal of property, equipment and intangible assets		243	983
Acquisition of property, equipment and intangible assets		(2,598)	(2,478)
Disposal of subsidiaries		-	812
Acquisition of associates, increase of interest in subsidiaries	46	(2,181)	(5,026)
Cash flow from investing activities		**(4,536)**	**(5,709)**
AT1 call	50	(9,040)	-
Dividends paid/AT1 distribution	11	(23,890)	(16,080)
Dividends received	3	1,948	2,609

in CZK million	Notes	2025	2024
Other financing activities		(2)	(1)
Payments of lease liability	56	(921)	(856)
Repayments of bonds in issue	56	-	(72,548)
Proceeds from bonds issued	56	19,400	31,354
Cash flow from financing activities		**(12,505)**	**(55,522)**
Cash and cash equivalents at beginning of period	12	**21,746**	**27,304**
Cash flow from operating activities		24,545	56,474
Cash flow from investing activities		(4,536)	(5,709)
Cash flow from financing activities		(12,505)	(55,522)
Effect of currency translation		4	(801)
Cash and cash equivalents at end of period	12	**29,254**	**21,746**

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

Notes to separate financial statements

for the year ended 31 December 2025

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 for the year 2025 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 2025 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 2025 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 (such as equity investments) in a foreign currency are translated using the exchange rates at the date when the fair value is measured, thus the exchange differences are part of the fair value gains or losses.

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 2025. 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

The following amendments of standards have become mandatory for the financial year 2025 and have been endorsed by the EU: Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.

— **Amendments to IAS 21 Lack of Exchangeability**. In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences. Application of the amendments in 2025 did not have a significant impact on Bank's financial statements.

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 IFRS 18, IFRS 9 and IFRS 7 and Annual Improvements have been endorsed by the EU.

— **Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7**. On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to: (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). 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 way of SPPI assessment for 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 the adjustments is de-minimis but whether the adjusted cash flows could be significantly different from the contractual cash flows of a financial asset with identical contractual terms but without such an ESG-linked 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. The Bank will not make use of the option to deem a financial liability that will be settled using an electronic payment system to be discharged before the settlement date. Amendments to IFRS 7 will result in new disclosures.

— **Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7**. The IASB has issued amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Current accounting requirements may not adequately capture how these contracts affect a company's performance. To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures. 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.

— **Annual Improvements to IFRS Accounting Standards**. IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the 'qualifying criteria', rather than 'conditions' for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included 'significant unobservable inputs'. This new phrase replaced reference to 'significant inputs that were not based on observable market data'. The amendment

makes the wording consistent with IFRS 13. In addition, certain IFRS 7 implementation guidance examples were clarified and text added that the examples do not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at 'the amount determined by applying IFRS 15' instead of at 'their transaction price (as defined in IFRS 15)'. IFRS 10 was amended to use less conclusive language when an entity is a 'de-facto agent' and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent. IAS 7 was corrected to delete references to 'cost method' that was removed from IFRS Accounting Standards in May 2008 when the IASB issued amendment 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'.

Application of these amendments is not expected to have a significant impact on the Bank's financial statements.

— **IFRS 18 Presentation and Disclosure in Financial Statements**. In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
  — the structure of the statement of profit or loss;
  — required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
  — enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

  IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. Application of IFRS 18 will result in adjustments in the structure of the separate 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.

— **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.

— **Amendments to IFRS 19 Subsidiaries without public accountability: Disclosures (Issued on 21 August 2025 and effective from 1 January 2027).** In August 2025, the IASB issued amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures, which help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically: IFRS 18 Presentation and Disclosure in Financial Statements, Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7); International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12); Lack of Exchangeability (Amendments to IAS 21); and Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). With these amendments, IFRS 19 reflects the changes to IFRS Accounting Standards that take effect up to 1 January 2027, when IFRS 19 will be applicable.

— **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025 and effective from 1 January 2027).** The objective of the Amendments to IAS 21 is to change the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy, when translating either its results and financial position, while the entity's functional currency is that of a non-hyperinflationary economy, or the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

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	2025	2024
Interest and other similar income		
Financial assets at fair value through other comprehensive income	2,038	2,562
Financial assets at amortised costs	72,255	83,575
Interest income	**74,293**	**86,137**
Financial assets held for trading	7,327	10,625
Hedge accounting derivatives, interest rate risk	(237)	(952)
Other assets	26	44
Other similar income	**7,116**	**9,717**
Total interest and other similar income	**81,409**	**95,854**
Interest and other similar expenses		
Financial liabilities measured at amortised cost	(35,879)	(48,500)
Interest expenses	**(35,879)**	**(48,500)**
Financial liabilities at fair value through profit or loss	(245)	(203)
Financial liabilities held for trading	(5,986)	(9,585)
Hedge accounting derivatives, interest rate risk	(272)	(659)
Other liabilities	(131)	(129)
Negative Interest from financial assets	(3)	(3)
Other similar expenses	**(6,637)**	**(10,579)**
Total interest and other similar expenses	**(42,516)**	**(59,079)**
Net interest income	**38,893**	**36,775**

Interest income on impaired financial assets amounted to CZK 543 million (2024: CZK 1,094 million). No modification gains or losses were accounted for in the year 2025 and 2024. 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.

in CZK million	2025 Income	2025 Expenses	2024 Income	2024 Expenses
Securities	1,643	(163)	1,322	(141)
Clearing and settlement	-	(8)	-	(7)
Asset management	252	(59)	268	(54)
Custody	176	(34)	171	(28)
Payment services	4,274	(1,012)	4,198	(539)
Customer resources distributed but not managed	5,112	-	4,478	-
Collective investment	2,625	-	2,134	-
Insurance products	2,256	-	2,061	-
Building society brokerage	176	-	178	-
Other	55	-	105	-
Servicing fees from securitization activities	-	(3)	-	-
Lending business	1,351	(341)	1,254	(235)
Other	509	(355)	445	(304)
Total fee and commission income and expenses	**13,317**	**(1,975)**	**12,136**	**(1,308)**
Net Fee and commission income	**11,342**		**10,828**	

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 held by the Bank on behalf of its customers amount to CZK 2,788 billion (2024: CZK 2,353 billion).

Net fee and commission income above include income of CZK 3,780 million (2024: CZK 4,138 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	2025	2024
Non-trading financial assets at fair value through profit or loss	47	59
Financial assets at cost	1,901	2,550
Dividend income	**1,948**	**2,609**

In 2025 the Bank has received the dividend from its subsidiaries Česká spořitelna - penzijní společnost, a.s. of CZK 1,000 million (2024: CZK 1,500 million) and Stavební spořitelna České spořitelny, a.s. of CZK 900 million (2024: CZK 900 million) In 2024 the Bank also recognized dividend income of CZK 150 million from REICO investiční společnost České spořitelny, a.s.

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 translation, part Transactions and balances in foreign currency. Detailed information relating to hedge accounting can be found in Note 22 Hedge accounting.

in CZK million	2025	2024
Securities and derivatives trading	315	403
Foreign exchange transactions	2,949	2,909
Ineffectiveness of hedge accounting	(24)	101
Net trading result	**3,240**	**3,413**

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	2025	2024
Realised and unrealised gains on trading assets	382	371
Foreign exchange trading	277	320
Total	**659**	**691**

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	2025	2024
Result from measurement/sale of financial liabilities designated at fair value through profit or loss	(3)	(156)
Result from measurement/repurchase of financial assets mandatorily at fair value through profit or loss	79	159
Gains/losses from financial instruments measured at fair value through profit or loss	**76**	**3**

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 and expenditures for legal and other consultants as well as sundry other administrative expenses. Furthermore, the line item contains the contribution to the Deposit Insurance Fund 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	2025	2024
Personnel expenses	**(12,766)**	**(12,475)**
Wages and salaries	(9,001)	(8,781)
Compulsory social security	(2,907)	(2,838)
Other personnel expenses	(858)	(856)
Other administrative expenses	**(8,518)**	**(7,865)**
Deposit insurance contribution	(370)	(388)
IT expenses	(4,234)	(3,883)
Expenses for office space	(968)	(950)
Office operating expenses	(664)	(624)
Advertising/marketing	(1,310)	(1,209)
Legal and consulting costs	(231)	(200)
Sundry administrative expenses	(741)	(611)
Depreciation and amortisation	**(2,889)**	**(2,782)**
Software and other intangible assets	(1,030)	(1,010)
Owner occupied real estate	(581)	(566)
Office furniture and equipment and sundry property and equipment	(451)	(431)
Right of use asset	(827)	(775)
General administrative expenses	**(24,173)**	**(23,122)**

Personnel expenses include expenses of CZK 1,906 million (2024: CZK 1,824 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	2025	2024
Remuneration	137	122

Remuneration to the members of the Board of Directors and the 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

	2025	2024
Staff	9,107	9,173

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	2025	2024
Losses from sale of financial assets at amortised cost	(1,345)	(843)
Gains/losses from derecognition of financial assets measured at amortised cost	**(1,345)**	**(843)**

Due to the sale of debt securities during 2025 the Bank realized a loss in the amount of CZK 1,345 million (2024: CZK 843 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	2025	2024
Financial assets at fair value through other comprehensive income	179	(36)
Financial assets at amortised cost	(160)	759
Net allocation to credit loss allowances	(497)	508
Recoveries recorded directly to the income statement	337	251
Finance lease receivables	1	14
Net allocation to credit loss allowances	1	14
Net allocation of provisions for commitments and guarantees given	(305)	(146)
Impairment result from financial instruments	**(285)**	**591**

Development of risk provision was driven by creation in 2025 (CZK 497 million) in comparison with release in 2024 (CZK 508 million) which reflected new FLI model and release of stage 2 overlays in 2025.

In the following table, the change of the credit loss allowance recognised in balance sheet is compared to the impairment result from financial instruments.

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 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)			
Recoveries of written-off amounts	251			
Net impairment gain/(loss) for the period as at 31 December 2024	**591**			

Opening balance of CLA (total) as at 1 January 2025				**(19,544)**
Net impairment gain/(loss) for the period	(303)			(303)
(Increase) due to passage of time (unwinding correction)		(397)		(397)
CLA decreases due to sales			201	201
CLA decreases due to write-offs			1,202	1,202
Other CLA changes		(149)		(149)
Closing balance of CLA (total) as at 31 December 2025				**(18,990)**
Impairment gain/(loss) from POCI without CLA	(319)			
Recoveries of written-off amounts	337			
Net impairment gain/(loss) for the period as at 31 December 2025	**(285)**			

Table shows movements in CLA during the year. From the total movement in CLA (decrease in amount of CZK 554 million, 2024: decrease CZK 991 million) loss of CZK 303 million (2024: gain CZK 342 million) was reported in Net impairment result in profit and loss (NIR). Other movement (decrease) in amount of CZK 857 million (2024: decrease CZK 649 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 18 million (2024: increase CZK 249 million) consisting of impairment loss from POCI in amount of CZK 319 million (2024: loss CZK 2 million) and increase resulting from recoveries of written-offs in amount of CZK 337 million (2024: increase CZK 251 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	2025	2024
Net allocation to other provisions	**1,472**	**(16)**
Other operating expenses	**(553)**	**(909)**
Other taxes	(2)	(3)
Recovery and resolution fund contributions	(139)	(499)
Other	(412)	(407)
Other operating income	**390**	**607**
Result from properties/movables/other intangible assets other than goodwill	**(225)**	**(90)**
Result from investments in subsidiaries and associates	**14**	**717**
Other operating result	**1,098**	**309**

In 2025 the Bank released provisions relating to legal disputes in the amount of CZK 1,478 million (presented in the line item 'Net allocation to other provisions').

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 2025 the final annual contribution paid to resolution fund of CZK 139 million (2024: CZK 499 million) was reported within the line 'Recovery and resolution fund contributions'.

In 2025 the Bank created the impairment related to software of CZK 293 million (2024: creation CZK 319 million) and the impairment related to buildings of CZK 4 million (2024: release CZK 99 million). The Bank realised a gain of CZK 101 million (2024: CZK 176 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 a gain of CZK 722 million on the sale of its investment in REICO investiční společnost České spořitelny, a.s. (presented in the line item 'Result from investments in subsidiaries and aasiociates').

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.

At 31 December 2025 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 2 model rules.

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.

Tax on income is made up of current tax on income calculated based on the result reported for tax purposes, corrections to tax on income for previous years, and the change in deferred tax.

in CZK million	2025	2024
Current tax expense (-) / income (+)	(4,299)	(4,293)
current period	(4,240)	(4,466)
prior period	(59)	173
Deferred tax expense (-) / income (+)	(732)	(480)
current period	(732)	(480)
Total	**(5,031)**	**(4,773)**

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	2025	2024
Pre-tax profit/loss	30,825	30,615
Income tax expense for the financial year at the domestic statutory tax rate 21%	(6,473)	(6,429)
Non-taxable income	2,570	2,753
Non-deductible expenses	(1,073)	(1,266)
Other	3	(3)
Prior period over/(under) accrual	(58)	172
Total	**(5,031)**	**(4,773)**
Effective tax rate	**16.32%**	**15.59%**

Majority of non-taxable income is represented by the interest income from government bonds and income from dividends. Non-deductible expenses consist mainly of representation costs and expenses related to non-taxable income,

Tax effects relating to each component of other comprehensive income:

	2025			2024		
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	(432)	91	(341)	(130)	18	(112)
Own credit risk reserve	(2)	-	(2)	(6)	-	(6)
Cash flow hedge reserve	(76)	16	(60)	159	(24)	135
Other comprehensive income	**(510)**	**107**	**(403)**	**23**	**(6)**	**17**

Major components of deferred tax assets and deferred tax liabilities:

	Tax assets		Tax liabilities		Net variance 2025		
in CZK million	As of Dec 2025	As of Jan 2025	As of Dec 2025	As of Jan 2025	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)	(83)	-	-	-
Financial assets at FVOCI	37	-	-	(54)	91	-	91
Financial assets at AC	355	853	-	-	(498)	(498)	-
Property and equipment (useful life in tax law different)	29	279	-	-	(250)	(250)	-
Intangible assets other than goodwill	-	-	(501)	(511)	10	10	-
Hedge accounting derivatives	131	101	(50)	(36)	16	-	16
Other assets and liabilities	373	367	-	-	6	6	-
Effect of netting according IAS 12.74	(634)	(684)	634	684	-	-	-
Total deferred taxes	**291**	**916**	**-**	**-**	**(625)**	**(732)**	**107**
Current taxes	**-**	**-**	**(7)**	**(528)**	**521**		
Total taxes	**291**	**916**	**(7)**	**(528)**	**(104)**		

	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 accounting derivatives	101	209	(36)	(120)	(24)	-	(24)
Other assets and liabilities	367	366	-	-	1	1	-
Effect of netting according IAS 12.74	(684)	(820)	684	820	-	-	-
Total deferred taxes	**916**	**1,402**	**-**	**-**	**(486)**	**(480)**	**(6)**
Current taxes	**-**	**527**	**(528)**	**-**	**(1,054)**		
Total taxes	**916**	**1,929**	**(528)**	**-**	**(1,540)**		

Deferred tax is calculated on all temporary differences under the liability method using a principal tax rate of 21% (2024: 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 625 million (2024: CZK 486 million) an amount of CZK 732 million is reflected as net deferred tax expense (2024: expense CZK 480 million) in the Bank's income statement for the year 2025, whilst an income of CZK 107 million (2024: expense CZK 6 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 291 million as of 31 December 2025 (2024: CZK 916 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.

11 Appropriation of profit

In the reporting period, the Bank posted a post-tax profit of CZK 25,794 million under the Czech law, which increased its distributable capital accordingly (2024: CZK 25,842 million).

The equity increased accordingly.

The sole shareholder of the Bank has approved the distribution of profit of 2024 in the total volume of CZK 23,890 million, out of which the dividend was CZK 23,545 million and the AT1 coupon CZK 345 million (2024: 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). Dividend per share was CZK 154.90 (2024: CZK 102.10).

A decision on the distribution of 2025 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

A financial instrument is any contract giving rise to a financial asset of one party and a financial liability or equity instrument of another party. In accordance with IFRS 9, all financial assets and liabilities – which also include derivative financial instruments – have to be recognised on the balance sheet and measured in accordance with their assigned categories.

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 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. 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 equivalents, 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 expenses' under 'Net fee and commission income'. Typical example of non-integral guarantees in the business of the Bank are synthetic securitisations of loan portfolios. Synthetic securitisations are undertaken with the aim of reducing risk-weighted assets for regulatory own funds requirement purposes. More details on synthetic securitisations are provided in Note 31 Use of collateral and other credit enhancements.

More detailed information about identification of significant increases in credit risk including collective assessment and estimation techniques used to measure 12-month and lifetime expected credit losses is provided in Note 29 Credit risk: credit risk review and monitoring. 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 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 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 2025 and 2024.

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 CO_2 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 and estimation techniques used to measure 12-month and lifetime expected credit losses are provided in Note 29 Credit risk: credit risk review and monitoring. For further information on the definition of default refer to Note 32 Measurement of expected credit loss. The development of loan loss provisions is described in Note 34 Development of credit loss allowances.

Financial instruments at amortised cost

Financial assets are classified as measured at amortised cost if they are held in a business model whose objective is to collect contractual cash flows and their contractual cash flows are SPPI.

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 7,035 million (2024: CZK 6,906 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. This average amounted to CZK 54,685 million (2024: CZK 26,824 million) as at respective year-ends. As these reserves must only be met on average, the mandatory minimum reserve requirement deposits are not subject to restrictions.

in CZK million	2025	2024
Cash on hand	12,560	14,410
Cash balances at central banks	16,117	6,906
Other deposits on demand	577	430
Cash and cash equivalents	**29,254**	**21,746**

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 2025 and 2024 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
2025									
General governments	371,267	-	-	371,267	(15)	-	-	(15)	371,252
Credit institutions	21,303	-	-	21,303	(4)	-	-	(4)	21,299
Other financial corporations	668	197	-	865	-	(4)	-	(4)	861
Non-financial corporations	3,697	1,128	-	4,825	(1)	(18)	-	(19)	4,806
Total	**396,935**	**1,325**	**-**	**398,260**	**(20)**	**(22)**	**-**	**(42)**	**398,218**
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**

For information about development of credit loss allowances refer to Note 34 Development of credit loss allowances, part ‘Financial instruments 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 2025 and 2024 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
2025									
Central banks	326,883	-	-	326,883	(1)	-	-	(1)	326,882
Credit institutions	18,621	-	-	18,621	(8)	-	-	(8)	18,613
Total	**345,504**	**-**	**-**	**345,504**	**(9)**	**-**	**-**	**(9)**	**345,495**
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**

For information about development of credit loss allowances refer to Note 34 Development of credit loss allowances, part ‘Financial instruments 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 2025 and 2024 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
2025											
General governments	24,335	4,342	4	32	28,713	(6)	(196)	(4)	(32)	(238)	28,475
Other financial corporations	75,144	1,072	250	-	76,466	(55)	(24)	(239)	-	(318)	76,148
Non-financial corporations	318,424	33,722	7,479	1,013	360,638	(1,007)	(2,570)	(4,648)	(371)	(8,596)	352,042
Households	582,958	37,241	7,507	538	628,244	(674)	(2,187)	(5,134)	(69)	(8,064)	620,180
Total	**1,000,861**	**76,377**	**15,240**	**1,583**	**1,094,061**	**(1,742)**	**(4,977)**	**(10,025)**	**(472)**	**(17,216)**	**1,076,845**
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**

For information about development of credit loss allowances refer to Note 34 Development of credit loss allowances, part ‘Financial instruments at amortised cost’: table ‘Movement in credit loss allowances – loans and advances to customers’.

As at 31 December 2025, 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 2025 amounted to CZK 734 million (2024: CZK 975 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
2025									
General governments	225	-	-	225	-	-	-	-	225
Credit institutions	333	-	-	333	-	-	-	-	333
Other financial corporations	1,027	1	-	1,028	-	(1)	-	(1)	1,027
Non-financial corporations	516	7	12	535	(1)	(7)	(12)	(20)	515
Households	8	89	66	163	-	(86)	(63)	(149)	14
Total	**2,109**	**97**	**78**	**2,284**	**(1)**	**(94)**	**(75)**	**(170)**	**2,114**
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**

For information about development of credit loss allowances refer to Note 34 Development of credit loss allowances, part ‘Financial instruments 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 1,661 million (2024: CZK 1,831 million), unbilled supplies in amount of CZK 1,164 million (2024: CZK 913 million) and received margin for futures of CZK 891 million (2024: CZK 625 million) and other financial liabilities of CZK 708 million (2024: CZK 563 million).

in CZK million	2025	2024
Deposits	**1,689,143**	**1,687,927**
Deposits from banks	215,937	262,969
Deposits from customers	1,473,206	1,424,958
Debt securities issued	**98,265**	**81,509**
Bonds	98,265	81,509
Other financial liabilities	**4,572**	**4,031**
Financial liabilities at amortised costs	**1,791,980**	**1,773,467**

Deposits from banks

in CZK million	2025	2024
Deposits repayable on demand	9,614	2,960
Term deposits	17,256	17,654
Repurchase agreements	189,067	242,355
Deposits from banks	**215,937**	**262,969**

Deposits from customers

in CZK million	2025	2024
Deposits from customers	**1,473,206**	**1,424,958**
Deposits repayable on demand	1,131,342	1,068,185
General governments	120,292	113,126
Other financial corporations	25,967	23,965
Non-financial corporations	169,182	147,889
Households	815,901	783,205
Term deposits	223,209	268,356
General governments	15,583	17,956
Other financial corporations	23,463	36,349
Non-financial corporations	60,675	77,649
Households	123,488	136,402
Repurchase agreements	118,655	88,417
General governments	48,812	34,240
Other financial corporations	68,578	54,177
Non-financial corporations	1,265	-
Deposits from customers	**1,473,206**	**1,424,958**
General governments	184,687	165,322
Other financial corporations	118,008	114,491
Non financial corporations	231,122	225,538
Households	939,389	919,607

All deposits are from customers and entities within the Czech Republic.

Debt securities issued – bonds

in CZK million	ISIN	Date of issue	Maturity	Call Redemption Date	Interest rate	2025	2024
SNP	AT0000A2STV4	September 2021	September 2028	September 2027	0.5%	11,634	11,784
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%	6,257	6,252
SNP	XS2638560156	June 2023	June 2027	June 2026	5.943%	12,480	12,956
SNP	XS2676413235	September 2023	March 2028	March 2027	5.737%	12,676	13,160
SNP	XS2746647036	January 2024	January 2030	January 2029	4.824%	12,660	13,144
Bonds-subordinated	CZ0003708679	March 2024	March 2034	March 2029	5.55%	2,120	2,044
Bonds-subordinated	CZ0003708687	March 2024	March 2034	March 2029	5.55%	2,439	1,816
SNP	XS2852933329	July 2024	July 2031	July 2030	4.57%	12,488	13,169
SNP	XS2930541698	November 2024	November 2027	November 2026	5.45%	831	975
Bonds-subordinated	CZ0003709701	February 2025	February 2035	February 2030	5.05%	2,609	-
Bonds-subordinated	CZ0003710188	June 2025	June 2035	June 2030	4.01%	3,638	-
SNP	XS3174780893	September 2025	September 2032	September 2031	3.743%	12,224	-
Bonds issued						**98,265**	**81,509**

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.

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 2025 and 2024 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	Amortised cost	Accumulated fair value changes	Fair value
2025											
Debt securities											
General governments	37,039	-	-	37,039	(1)	-	-	(1)	37,038	(21)	37,017
Credit institutions	3,299	-	-	3,299	(1)	-	-	(1)	3,298	(14)	3,284
Other financial corporations	1,565	-	-	1,565	-	-	-	-	1,565	3	1,568
Non-financial corporations	4,818	1,411	-	6,229	(2)	(9)	-	(11)	6,218	(48)	6,170
Total	**46,721**	**1,411**	**-**	**48,132**	**(4)**	**(9)**	**-**	**(13)**	**48,119**	**(80)**	**48,039**
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**

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 assets 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 makes use of the option to designate some financial assets as measured at FVPL at initial recognition. Such a 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-item ‘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.

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 that 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 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

	2025			2024		
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	**778,281**	**10,400**	**(9,790)**	**782,333**	**12,066**	**(11,486)**
Interest rate	378,763	6,195	(5,698)	367,832	8,091	(7,608)
Foreign exchange	399,518	4,205	(4,092)	414,501	3,975	(3,878)
Derivatives held in the banking book	**35,201**	**104**	**(411)**	**49,776**	**786**	**(549)**
Interest rate	10,198	19	(11)	24,828	1	(314)
Foreign exchange	25,003	85	(400)	24,948	785	(235)
Total	**813,482**	**10,504**	**(10,201)**	**832,109**	**12,852**	**(12,035)**

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

	2025		2024	
in CZK million	Designated	Mandatorily	Designated	Mandatorily
Equity instruments	-	715	-	603
Debt securities	-	700	-	700
Other financial corporations	-	700	-	700
Loans and advances to banks	-	659	-	691
Financial assets designated and mandatorily at fair value through profit or loss	**-**	**2,074**	**-**	**1,994**
Non-trading financial assets at fair value through profit or loss	**2,074**		**1,994**	

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	2025	2024	2025	2024	2025	2024
Deposits	2,723	1,309	2,715	1,305	8	4
Financial liabilities at fair value through profit or loss	**2,723**	**1,309**	**2,715**	**1,305**	**8**	**4**

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	2025	2024	2025	2024
Deposits from customers	2	-	-	(2)
Financial liabilities at fair value through profit or loss	**2**	**-**	**-**	**(2)**

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 debt 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 the Bank'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 50 million (2024: CZK 115 million) and the total DVA-adjustment amounted to CZK 28 million (2024: CZK 43 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.

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

	2025				2024			
in CZK million	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets								
Financial assets held for trading	43	10,504	-	10,547	57	12,852	2	12,911
Derivatives	-	10,504	-	10,504	-	12,850	2	12,852
Other financial assets held for trading	43	-	-	43	57	2	-	59
Non-trading financial assets at FVPL	-	-	2,074	2,074	-	-	1,994	1,994
Equity instruments	-	-	715	715	-	-	603	603
Debt securities	-	-	700	700	-	-	700	700
Loans and advances	-	-	659	659	-	-	691	691
Financial assets at FVOCI	42,549	4,448	1,042	48,039	44,057	4,358	2,749	51,164
Debt securities	42,549	4,448	1,042	48,039	44,057	4,358	2,749	51,164
Hedge accounting derivatives	-	3,149	-	3,149	-	2,930	-	2,930
Total assets	**42,592**	**18,101**	**3,116**	**63,809**	**44,114**	**20,140**	**4,745**	**68,999**
Liabilities								
Financial liabilities held for trading	-	10,201	-	10,201	-	11,903	132	12,035
Derivatives	-	10,201	-	10,201	-	11,903	132	12,035
Financial liabilities at FVPL	-	2,723	-	2,723	-	1,309	-	1,309
Deposits from customers	-	2,723	-	2,723	-	1,309	-	1,309
Hedge accounting derivatives	-	2,009	-	2,009	-	3,693	-	3,693
Total liabilities	**-**	**14,933**	**-**	**14,933**	**-**	**16,905**	**132**	**17,037**

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

	2025		2024	
in CZK million	**Level 1 to Level 2**	**Level 2 to Level 1**	**Level 1 to Level 2**	**Level 2 to Level 1**
Financial assets at FVOCI	485	-	-	93
Debt securities	485	-	-	93
Total	**485**	**-**	**-**	**93**

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	Currency translation	
	Jan 2025									Dec 2025
Assets										
Financial assets held for trading	2	-	-	-	-	(1)	-	(1)	-	-
Derivatives	2	-	-	-	-	(1)	-	(1)	-	-
Non-trading financial assets at FVPL	1,994	736	-	180	(144)	(691)	-	-	(1)	2,074
Equity instruments	603	11	-	101	-	-	-	-	-	715
Debt securities	700	66	-	79	(144)	-	-	-	(1)	700
Loans and advances	691	659	-	-	-	(691)	-	-	-	659
Financial assets at FVOCI	2,749	114	(87)	-	-	(1,801)	67	-	-	1,042
Debt securities	2,749	114	(87)	-	-	(1,801)	67	-	-	1,042
Total assets	**4,745**	**850**	**(87)**	**180**	**(144)**	**(2,493)**	**67**	**(1)**	**(1)**	**3,116**
Liabilities										
Financial liabilities held for trading	132	(132)	-	-	-	-	-	-	-	-
Derivatives	132	(132)	-	-	-	-	-	-	-	-
Total liabilities	**132**	**(132)**	**-**	**-**	**-**	**-**	-	-	-	-

	Jan 2024									Dec 2024
Assets										
Financial assets held for trading	2	-	-	-	-	-	-	-	-	2
Derivatives	2	-	-	-	-	-	-	-	-	2
Non-trading financial assets at FVPL	2,235	842	-	68	(295)	(856)	-	-	-	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**	**(295)**	**(856)**	**2,935**	**(2,348)**	**-**	**4,745**
Liabilities										
Financial liabilities held for trading	-	132	-	-	-	-	-	-	-	132
Derivatives	-	132	-	-	-	-	-	-	-	132
Total liabilities	**-**	**132**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**132**

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 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	2025	2024
Assets		
Non-trading financial assets at fair value through profit or loss	727	842
Equity instruments	11	(70)
Debt securities	57	221
Loans and advances	659	691
Financial assets at fair value through other comprehensive income	114	(32)
Debt securities	114	(32)
Total	**841**	**810**
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 - fair value changes per product type using reasonably possible alternatives:

Sensitivity analysis - fair value changes for Level 3 measurements

	2025		2024	
in CZK million	**Positive**	**Negative**	**Positive**	**Negative**
Derivatives	-	-	5	(6)
Income statement	-	-	5	(6)
Debt securities	2	(2)	28	(37)
Other comprehensive income	2	(2)	28	(37)
Equity instruments	70	(139)	64	(127)
Income statement	70	(139)	64	(127)
Total	**72**	**(141)**	**97**	**(170)**
Income statement	**70**	**(139)**	**69**	**(133)**
Other comprehensive income	**2**	**(2)**	**28**	**(37)**

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 2025 and for the year-end 2024. 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
2025					
Assets					
Cash and cash equivalents	29,254	29,254	12,560	16,694	-
Financial assets at amortised costs	1,820,558	1,796,578	371,832	7,825	1,416,922
Loans and advances to banks	345,495	345,456	-	-	345,456
Loans and advances to customers	1,076,845	1,071,465	-	-	1,071,465
Debt securities	398,218	379,657	371,832	7,825	-
Finance lease receivables	239	239	-	-	239
Trade and other receivables	2,114	2,113	-	-	2,113
Liabilities					
Financial liabilities at amortised costs	1,791,980	1,793,833	26,142	56,704	1,710,987
Deposits from banks	215,937	215,828	-	-	215,828
Deposits from customers	1,473,206	1,473,058	-	-	1,473,058
Debt securities issued	98,265	100,374	26,142	56,704	17,529
Other financial liabilities	4,572	4,572	-	-	4,572
Financial guarantees and commtments					
Financial guarantees	n/a	34	-	-	34
Loan commitments	n/a	(448)	-	-	(448)
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	-
Finance lease receivables	282	282	-	-	282
Trade and other receivables	2,293	2,298	-	-	2,298
Liabilities					
Financial liabilities 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 commtments					
Financial guarantees	n/a	48	-	-	48
Loan commitments	n/a	2,734	-	-	2,734

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 measurement of fair values of loans to customers is not affected by whether they are subject to synthetic securitisations. As a result, they are categorised as Level 3 measurements. Details on synthetic securitisations can be found in Note 31 Use of collateral and other credit enhancements. 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 accounting 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 as OCI in the line 'Cash flow hedge reserve' of the statement of comprehensive income. The accumulated other comprehensive income is presented under 'Cash flow hedge reserve' in the statement of changes in equity. 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 on 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 2025, the gain on hedging derivatives used for fair value hedging was CZK 865 million (2024: gain CZK 1,388 million); the loss due to changes in the fair value of hedged items was CZK 891 million (2024: loss CZK 1,337 million).

Fair values of hedging instruments are disclosed in the following table:

	2025			2024		
in CZK million	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Fair value hedges	**82,179**	**455**	**(1,619)**	**74,419**	**626**	**(2,553)**
Interest rate	82,179	455	(1,619)	74,419	626	(2,553)
Cash flow hedge	**119,853**	**2,694**	**(390)**	**100,461**	**2,304**	**(1,140)**
Interest rate	79,068	682	(249)	54,700	1,169	(299)
Foreign exchange	40,785	2,012	(141)	45,761	1,135	(842)
Total	**202,032**	**3,149**	**(2,009)**	**174,880**	**2,930**	**(3,693)**

Notional amount of hedged items

		2025	2024
in CZK million	Type of hedged items	Notional amount	Notional amount
Fair value hedges			
Assets	Portfolios of client loans	100	100
Assets	Bonds at AC	56,622	47,875
Liabilities	Issued bonds	24,245	25,185
Liabilities	Other liabilities - loans	1,212	1,259
Cash flow hedges (interest)			
Assets	Interbank loans/repos	14,200	14,200
Assets	Client loans (single and portfolio)	64,868	40,500
Cash flow hedges (fx)			
Assets	Client loans (single and portfolio)	4,194	7,757
Assets	Forecast cash flows in foreign currency	2,909	4,533
Assets	Corporate/government bonds	33,682	33,470

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 2025 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

in CZK million	Carrying amount		Change in FV for the period used for calculating hedge ineffectivness	Timing of the nominal amounts of the instruments				
	Assets	Liabilities		Notional	≤ 3 m	> 3 m and ≤ 1 y	> 1 y and ≤ 5 y	> 5 y
2025								
Fair value hedges								
Interest rate risk	455	1,619	865	82,179	-	-	56,851	25,328
Cash flow hedges								
Interest rate risk	682	249	(1,717)	79,068	6,500	13,000	53,568	6,000
Foreign exchange risk	2,012	141	375	40,785	2,606	6,551	19,202	12,426
Total	**3,149**	**2,009**	**(477)**	**202,032**	**9,106**	**19,551**	**129,621**	**43,754**
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**

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
2025				
Financial assets at AC				
Interest rate risk	59,361	163	(781)	-
Financial liabilities at AC				
Interest rate risk	25,246	(454)	(112)	-
2024				
Financial assets at AC				
Interest rate risk	48,822	940	(577)	-
Financial liabilities at AC				
Interest rate risk	26,334	(111)	(760)	-

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
2025			
Interest rate risk	(1,717)	576	(6)
Foreign exchange risk	375	(184)	-
Total	**(1,342)**	**392**	**(6)**
2024			
Interest rate risk	1,202	314	522
Foreign exchange risk	(264)	(526)	-
Total	**938**	**(212)**	**522**

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
2025				
Fair value hedges				
Interest rate risk	(26)	-	-	-
Cash flow hedges				
Interest rate risk	7	(505)	(151)	-
Foreign exchange risk	(5)	(955)	1,535	-
Total	**(24)**	**(1,460)**	**1,384**	**-**
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)**	**-**

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

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	
2025						
Derivatives (Note 18 and 22)	13,652	13,652	7,175	2,790	-	3,687
Reverse repurchase agreements (Note 13)	328,816	328,816	-	-	328,816	-
Total	**342,468**	**342,468**	**7,175**	**2,790**	**328,816**	**3,687**
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**

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	
2025						
Derivatives (Note 18)	12,210	12,210	7,175	570	-	4,465
Repurchase agreements (Note 15)	307,722	307,722	-	-	307,722	-
Total	**319,932**	**319,932**	**7,175**	**570**	**307,722**	**4,465**
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**

In repurchase agreements, the Bank uses securities of CZK 110,428 million (2024: CZK 117,657 million) that are recognised in the statement of financial position (see Note 24) as well as assets received by the Bank as collateral not shown in the statement of financial position.

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 the 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. For further details regarding repurchase and reverse repurchase transactions the Bank refers to Note 24 Transfer of financial assets – repurchase transactions and securities lending.

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 which is accrued over the life of the agreement 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 line item ‘Financial assets at amortised cost’, sub-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 lending. 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	2025 Carrying amount of transferred assets	2025 Carrying amount of associated liabilities	2024 Carrying amount of transferred assets	2024 Carrying amount of associated liabilities
Repurchase agreements				
Financial assets at AC	73,876	66,756	61,237	51,890
Financial assets at FVOCI	2,699	2,425	-	-
Repurchase agreements total	**76,575**	**69,181**	**61,237**	**51,890**
Securities lendings				
Financial assets at AC	32,622	-	56,420	-
Financial assets at FVOCI	1,231	-	**-**	**-**
Securities lendings total	**33,853**	**-**	**56,420**	**-**
Total	**110,428**	**69,181**	**117,657**	**51,890**

The transferred financial instruments consist of bonds and other interest-bearing securities. The total amount of CZK 76,575 million (2024: CZK 61,237 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 69,181 million (2024: CZK 51,890 million) 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	2025 Fair value of transferred assets	2025 Fair value of associated liabilities	2025 Net position	2024 Fair value of transferred assets	2024 Fair value of associated liabilities	2024 Net position
Financial assets at AC	70,160	66,730	3,430	57,417	51,925	5,492
Financial assets at FVOCI	2,700	2,424	276	-	-	-
Total	**72,860**	**69,154**	**3,706**	**57,417**	**51,925**	**5,492**

25 Financial assets pledged as collaterals

Financial assets pledged as collaterals

in CZK million	Balance sheet line of liabilities	Financial assets at FVOCI	Financial assets at AC	Total
2025				
Repurchase agreements	Financial liabilities at AC, at FVPL and HFT	2,699	73,876	**76,575**
Securities lending	Financial liabilities at AC, at FVPL and HFT	1,231	32,622	**33,853**
Refinancing transactions & other collateral arrangements	Financial liabilities at AC	6,519	10,549	**17,068**
Total		**10,449**	**117,047**	**127,496**
2024				
Repurchase agreements	Financial liabilities at AC, at FVPL and HFT	-	61,236	**61,236**
Securities lending	Financial liabilities at AC, at FVPL and HFT	-	56,420	**56,420**
Refinancing transactions & other collateral arrangements	Financial liabilities at AC	9,144	8,955	**18,099**
Total		**9,144**	**126,611**	**135,755**

The fair value of collateral received which may be repledged or resold even without the collateral provider’s default was CZK 124,823 million (2024: CZK 214,110 million).

26 Securities

	2025				2024			
			Financial assets				Financial assets	
in CZK million	At AC	Trading assets	Mandatorily at FVPL	At FVOCI	At AC	Trading assets	Mandatorily at FVPL	At FVOCI
Bonds and other interest-bearing securities	**398,218**	**43**	**700**	**48,039**	**369,033**	**59**	**700**	**51,164**
Listed	391,600	43	-	43,046	369,030	57	-	51,164
Unlisted	6,618	-	700	4,993	3	2	700	-
Equity-related securities	**-**	**-**	**715**	**-**	**-**	**-**	**603**	**-**
Unlisted	-	-	715	-	-	-	603	-
Total	**398,218**	**43**	**1,415**	**48,039**	**369,033**	**59**	**1,303**	**51,164**

Risk and capital management

27 Financial risk management

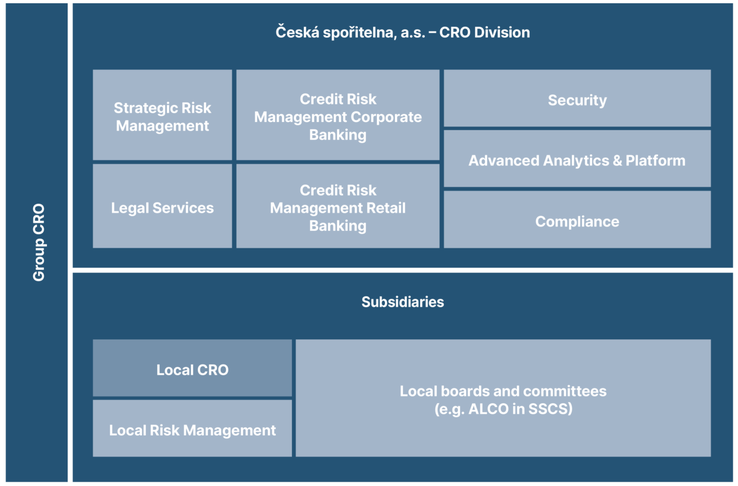
Risk policy and strategy

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 of 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 and 1623/2024 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-podle-casti-osme-narizeni-(EU)-c.-575-2013.

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 Board of Directors 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 Board of Directors. 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 Board of Directors 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 Board of Directors 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;
— Credit Risk Management Corporate Banking;
— Credit Risk Management Retail Banking
— Legal Services;
— Security;
— Advanced Analytics & Platform;
— 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 Board of Directors 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 (FMRMC) and
— Nonfinancial Risk Management Committee (NFRMC).

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 Board of Directors 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 **Nonfinancial Risk Management Committee** is supporting body in the area of nonfinancial risks.

Group-wide risk and capital management

Enterprise wide Risk Management 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 ICAAP 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 ICAAP 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. Its 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, climate related metrics 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 Board of Directors. 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 Board of Directors 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 Board of Directors and acknowledged by the Risk Committee of the Supervisory Board and the 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 Board of Directors and to the Supervisory Board to support its review, oversight, and monitoring of the group risk profile.

ESG risks are embedded in the Risk Appetite Statement as well as in the Risk Strategy and are also part of Bank's Risk Materiality Assessments. They are integrated into Bank's risk taxonomy as transversal risks drivers, impacting primary risk types, such as credit, market, liquidity, non-financial and other risks. The Bank's definition of ESG risks is part of the Group ICAAP Procedure and covers 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 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 provides management with steering information and helps to optimise the Bank's risk-return profile. Stress tests help 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 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 the 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 to decide on appropriate measures. The internal comprehensive stress tests performed in 2025 indicated that the Bank remains within the stressed RAS (in all years of the scenario).

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 Board of Directors. 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 and liquidity 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 58.5% of total economic capital requirements at the end of 2025 (2024: 61.5%).

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 2025, the economic capital adequacy was at 63.2% (2024: 66.2%), 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 Finance division. 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 %	2025	2024
Credit risk	58.53%	61.52%
Market risk	33.02%	29.81%
Operational risk	4.68%	4.86%
Other risks	3.77%	3.81%

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[29]as of 31 December 2025 and 2024:

in CZK million	2025	2024
Tier 1 capital	107,553	118,627
Tier 1 + Tier 2 capital	125,113	131,031
Exposure to credit risk	515,978	636,837
Exposure to market risk	3,224	4,889
Exposure to operational risk	90,389	55,982
Total risk exposure	**609,591**	**697,708**
Capital adequacy ratio for the year (Tier 1 ratio)	**17.6%**	**17.0%**
Capital adequacy ratio for the year (Tier 1+Tier 2 ratio)	**20.5%**	**18.8%**

The Bank meets all capital adequacy requirements as requested by regulators as of 31 December 2025 and 2024.

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.

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 –

(29) 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.

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. 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 2025 (31 December 2024) no overlays are deemed necessary.

For the assessment and management of physical risks, the Erste Group uses Munich Re's Location Risk Intelligence. In 2023 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 (immaterial for the Bank) 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 rolled out Erste Group's risk materiality assessment of physical risks during 2025. For the Bank, river flooding represents the most significant physical risk. 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 certain carbon-intensive sectors as important levers for setting interim emission targets for 2030, thereby supporting the migration of 'Transition Risk' in Bank 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.

The Bank developed a methodology to assess the impact of NGFS (the Network for Greening the Financial System) forward looking scenarios. The scenarios provide a set of plausible climate change pathways and the Bank evaluates the impact on loan portfolio.

Methods of credit risk management

Credit risk arises in the Bank's traditional lending and investment businesses.

Operative credit decisions are made based on lending parameters defined by the Bank´s credit risk management and are executed by dedicated unit with appropriate decision authority within the Bank and by Group Credit 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 consider 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 Group 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. Generally, 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.

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 Credit Risk Management. When early warning signals are identified and validated, the overall client exposure and creditworthiness is reviewed and adequate risk mitigating actions are taken where 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 is done on the Bank level. In Retail, early warning indicators on client level are identified automatically and clients are segmented in different early warning risk segments. On portfolio level adverse developments include, for instance, quality deterioration in new business or decreasing collections effectiveness and require appropriate countermeasures.

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 2024 and 31 December 2025, the credit risk exposure increased from CZK 2,232 billion to CZK 2,243 billion. This is an increase of 0.5% or CZK 12 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
2025				
Cash and cash equivalents - demand deposits to credit institutions	577	-	-	577
Debt instruments held for trading	10,547	-	-	10,547
Non-trading debt instruments at FVPL	1,359	-	-	1,359
Debt securities	700	-	-	700
Loans and advances to banks	659	-	-	659
Debt instruments at FVOCI	48,132	(13)	(80)	48,039
Debt securities	48,132	(13)	(80)	48,039
Debt instruments at AC	1,837,825	(17,267)	-	1,820,558
Debt securities	398,260	(42)	-	398,218
Loans and advances to banks	345,504	(9)	-	345,495
Loans and advances to customers	1,094,061	(17,216)	-	1,076,845
Trade and other receivables	2,283	(169)	-	2,114
Finance lease receivables	240	(1)	-	239
Positive fair value of hedge accounting derivatives	3,149	-	-	3,149
Off balance-sheet exposures	339,040	(1,606)	-	-
Financial guarantees	23,314	(192)	-	-
Loan commitments	185,812	(1,348)	-	-
Other commitments	129,914	(66)	-	-
Total	**2,243,152**	**(19,056)**	**(80)**	**1,886,582**
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 accounting 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**

‘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
2025					
Natural Resources & Commodities	37,188	21,176	3,522	1,973	63,859
Energy	61,421	7,828	2,350	328	71,927
Construction and building materials	41,645	23,590	3,289	1,086	69,610
Automotive	26,469	7,357	1,169	536	35,531
Cyclical Consumer Products	18,435	15,854	3,148	1,948	39,385
Non-Cyclical Consumer Products	30,264	11,559	1,334	303	43,460
Machinery	21,454	10,263	1,023	1,397	34,137
Transportation	32,310	7,047	495	134	39,986
Telecommunications, Media, Technology and Paper & Packaging	22,054	8,089	440	291	30,874
Healthcare & Services	17,861	8,731	1,609	328	28,529
Hotels, Gaming & Leisure Industry	20,596	2,572	1,105	396	24,669
Real Estate	132,276	10,036	3,269	1,385	146,966
Public Sector	774,077	556	1,097	36	775,766
Financial Institutions	151,872	4,227	1,341	52	157,492
Private Households	587,486	77,521	8,134	7,578	680,719
Other	241	1	-	-	242
Total	**1,975,649**	**216,407**	**33,325**	**17,771**	**2,243,152**
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
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**

The low risk exposure has the highest proportion in total credit risk exposure, with 88.07% (2024: 87.85%), while management attention represents 9.65% (2024: 9.78%), The substandard exposure represents 1.49% (2024: 1.52%) and the non-performing 0.79% (2024: 0.85%).

From industry and financial instrument point of view, the highest exposure is represented by public sector exposure of CZK 776 billion (2024: CZK 861 billion) and private households exposure of CZK 681 billion (2024: CZK 621 billion), representing 64.9% (2024: 66.4%) from total. The decrease in exposure under management attention and substandard exposure is due to rating upgrades.

31 Use of collateral and other credit enhancements

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 monitors 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 endowment 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.

Real estate valuation includes consideration of energy efficiency of the object, possible negative impact of the real estate asset to the enviroment and physical risks that may threaten the object (like e.g. flood or heat stress). Information on energy efficiency and CO_2 emission of the collateral objects is collected and stored systematically in order to be considered for real estate collateral valuations and reporting purposes.

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.

Synthetic securitisations

The Bank uses synthetic securitisations for portfolios of loans to MSE, SME and corporate customers. No transfers of loans to SPVs are involved. Each synthetic securitisation transaction is structured so that credit losses on the underlying loans are allocated on a waterfall basis first to the excess spread, then to the junior tranche, mezzanine tranche and finally to the senior tranche. The losses related to the excess spread and the junior tranche, but also to the senior tranche, are borne by the Bank. The Bank receives a guarantee in relation to the volume of the mezzanine tranche. The guarantee providers are external parties to the Bank including Supranational and institutional investors. For accounting purposes, the Bank treats synthetic securitisations as non-integral guarantees (see chapter Financial instruments – Material accounting policy information, part Impairment of financial instruments). For regulatory capital purposes, the synthetic securitisations reduce risk weights of the underlying loans which is the primary objective of the Bank for undertaking the transactions.

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
2025									
Cash and cash equivalents - demand deposits to credit institutions	577	-	-	-	-	577	577	-	-
Debt instruments held for trading	10,547	-	-	-	-	10,547	-	-	-
Non-trading debt instruments at FVPL	1,359	-	-	-	-	1,359	-	-	-
Debt instruments at FVOCI	48,132	-	-	-	-	48,132	48,132	-	-
Debt instruments at AC	1,837,825	946,824	20,777	594,940	331,107	891,001	1,817,436	3,999	16,389
Debt securities	398,260	3,068	3,068	-	-	395,192	398,260	-	-
Loans and advances to banks	345,504	324,126	362	-	323,764	21,378	345,504	-	-
Loans and advances to customers	1,094,061	619,630	17,347	594,940	7,343	474,431	1,073,672	3,999	16,389
Trade and other receivables	2,283	72	72	-	-	2,211	2,118	88	78
Finance lease receivables	240	-	-	-	-	240	240	-	-
Positive fair value of hedge accounting derivatives	3,149	-	-	-	-	3,149	-	-	-
Off balance-sheet exposures	339,040	20,918	270	11,705	8,943	318,122	208,580	-	590
Total	**2,243,152**	**967,814**	**21,119**	**606,645**	**340,050**	**1,275,338**	**2,077,083**	**4,087**	**17,057**
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	-	-
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 accounting 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**

The collateral attributable to exposures that are credit-impaired at 31 December 2025 amounts to CZK 5,256 million (2024: 6,857 million).

In addition to the amounts in the table, loans and advances to customers at AC with outstanding nominal value of CZK 96,588 million (2024: CZK 16,329 million) are guaranteed through synthetic securitisation transactions as explained above. The unguaranteed first loss portion which is related to the excess spread and the junior tranches amounts to CZK 1,488 million (2024: CZK 431 million). The credit protection received relates to the mezzanine tranches which amount to CZK 6,538 million (2024: CZK 1,387 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

	2025		2024	
Threshold interval	Min	Max	Min	Max
Retail	101%	483%	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 483% 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.

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 review of Retail segment thresholds performed in 2025 resulted in more pronounced increases. However, these increases are concentrated within a narrow part of the portfolio comprising clients with the better assigned ratings. The observed increases in thresholds primarily reflect changes in PD models or adjustments to portfolio segmentation, such as the split of a single model into secured and unsecured components. Given that, PD curves assigned to individual deals at initial recognition are not recalibrated over time, such model or segmentation changes could otherwise result in unjustified transfers of exposures to Stage 2 in cases where credit quality, as reflected by the rating, remains strong and where the Stage 2 share would exceed the lifetime default rate for the respective rating.

The absolute threshold refers to difference of annualised LT PD on initial recognition and current annualised 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 annualised 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 debt 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 2025, in the Bank, the corresponding exposure amounted to CZK 443.7 billion (2024: CZK 415.5 billion) with 1Y PDs up to 0.5%. The rest of the securities exposure (reverse repos excluded) in the amount CZK 2.7 billion (2024: CZK 4.6 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 corporate customer is classified as individually significant automatically. In case of retail customer only if the total on- and off-balance exposure exceeds a predefined materiality limit of 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.

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 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).

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
2025												
Retail	673,592	46,354	8,935	656	18	(939)	(2,855)	(5,858)	(83)	6.2%	65.6%	12.6%
Corporates	476,805	44,624	6,890	946	86,219	(969)	(3,075)	(4,503)	(391)	6.9%	65.4%	41.4%
Group Markets	25,959	-	-	-	32,841	(7)	-	-	-	9.7%	100.0%	
ALM & LCC	813,289	100	77	-	25,847	(141)	(94)	(74)	-	93.8%	96.1%	78.1%
Total	**1,989,645**	**91,078**	**15,902**	**1,602**	**144,925**	**(2,056)**	**(6,024)**	**(10,435)**	**(474)**	**6.6%**	**65.6%**	**29.6%**
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%**

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 1,155 million (2024: CZK 1,781 million), the non-defaulted part to CZK 447 million (2024: CZK 587 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 instruments from Stage 1 (at 1 January 2025 or initial recognition date) to Stages 2 or 3 at 31 December 2025 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 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 2025						Dec 2025
Stage 1	(21)	(2)	1	4	(1)	(1)	(20)
Stage 2	(5)	-	-	(8)	(9)	-	(22)
Total	**(26)**	**(2)**	**1**	**(4)**	**(10)**	**(1)**	**(42)**

	Jan 2024						Dec 2024
Stage 1	(21)	(3)	2	5	(4)	-	(21)
Stage 2	(7)	-	-	(2)	4	-	(5)
Total	**(28)**	**(3)**	**2**	**3**	**-**	**-**	**(26)**

The year-end total GCAs of AC debt securities that were initially recognised (purchased) during the year 2025 and not sold by 31 December 2025 amounts to CZK 73,186 million (2024: CZK 51,000 million). The GCA of AC debt securities that were held at 1 January 2025 or purchased during the year and derecognised (matured/sold) during the year 2025 amounts to CZK 31,643 million (2024: CZK 23,122 million).

Movement in credit loss allowances - loans and advances to banks

in CZK million	As of	Additions	Derecognitions	Other changes in credit risk (net)	As of
	Jan 2025				Dec 2025
Stage 1	(8)	(58)	56	1	(9)
Total	**(8)**	**(58)**	**56**	**1**	**(9)**

	Jan 2024				Dec 2024
Stage 1	(5)	(87)	80	4	(8)
Total	**(5)**	**(87)**	**80**	**4**	**(8)**

The year-end total GCA of AC loans and advances to banks that were initially recognised during the year 2025 and not fully derecognised by 31 December 2025 amounts to CZK 345,142 million (2024: CZK 452,419 million). The GCA of AC loans and advances to banks that were held at 1 January 2025 or originated during the year and fully derecognised (matured) during the year 2025 amounts to CZK 450,613 million (2024: CZK 307,072 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 2025							Dec 2025
Stage 1	**(1,616)**	**(763)**	**539**	**2,189**	**(2,065)**	**1**	**(27)**	**(1,742)**
General governments	(8)	-	-	19	(17)	-	-	(6)
Other financial corporations	(52)	(89)	84	95	(89)	-	(4)	(55)
Non-financial corporations	(698)	(337)	256	998	(1,204)	1	(23)	(1,007)
Households	(858)	(337)	198	1,078	(755)	-	-	(674)
Stage 2	**(5,598)**	**-**	**486**	**(2,767)**	**2,946**	**4**	**(47)**	**(4,977)**
General governments	(166)	-	-	(3)	(21)	-	(6)	(196)
Other financial corporations	(133)	-	6	(18)	122	-	-	(24)
Non-financial corporations	(2,905)	-	273	(1,134)	1,236	1	(41)	(2,570)
Households	(2,394)	-	207	(1,612)	1,609	3	-	(2,187)
Stage 3	**(10,041)**	**-**	**929**	**(629)**	**(1,240)**	**1,034**	**(78)**	**(10,025)**
General governments	(65)	-	-	-	61	-	(1)	(4)
Other financial corporations	(236)	-	-	-	5	-	(8)	(239)
Non-financial corporations	(4,626)	-	506	(214)	(349)	103	(68)	(4,648)
Households	(5,115)	-	423	(416)	(957)	931	-	(5,134)
POCI	**(646)**	**-**	**33**	**-**	**(1)**	**141**	**-**	**(472)**
General governments	(3)	-	-	-	(29)	-	-	(32)
Non-financial corporations	(518)	-	22	-	86	39	-	(371)
Households	(124)	-	11	-	(58)	102	-	(69)
Total	**(17,901)**	**(763)**	**1,987**	**(1,207)**	**(360)**	**1,180**	**(152)**	**(17,216)**

	Jan 2024							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)**

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 2025 (or initial recognition date, if later) to Stages 2 or 3 at 31 December 2025 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 397 million cumulatively for the year 2025 (2024: CZK 466 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
2025								
General governments	184	5,616	-	-	-	-	-	-
Other financial corporations	874	4,470	-	-	-	-	-	-
Non-financial corporations	11,474	30,267	1,154	385	954	127	19	34
Households	17,001	27,380	1,366	439	1,262	234	4	8
Total	**29,533**	**67,733**	**2,520**	**824**	**2,216**	**361**	**23**	**42**
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**

The year-end total GCA of the AC loans and advances to customers that were initially recognised during the year 2025 and not fully derecognised by 31 December 2025 amounts to CZK 263,351 million (2024: CZK 228,538 million). The GCA of the AC loans and advances to customers that were held at 1 January 2025 or originated during the year and fully derecognised during the year 2025 amounts to CZK 118,109 million (2024: CZK 101,879 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 2025 amounted to CZK 683 million (2024: CZK 666 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 2025							**Dec 2025**
Stage 1	(2)	(2)	3	-	-	-	-	(1)
Stage 2	(91)	-	1	(9)	1	4	-	(94)
Stage 3	(84)	-	-	(10)	-	19	-	(75)
Total	**(177)**	**(2)**	**4**	**(19)**	**1**	**23**	**-**	**(170)**
	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)**

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 2025					Dec 2025
Stage 1	(5)	-	-	24	(23)	(4)
Stage 2	(187)	-	4	(5)	179	(9)
Total	**(192)**	**-**	**4**	**19**	**156**	**(13)**

	Jan 2024					Dec 2024
Stage 1	(6)	-	-	-	1	(5)
Stage 2	(151)	(2)	3	(3)	(34)	(187)
Total	**(156)**	**(2)**	**3**	**(3)**	**(33)**	**(192)**

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	2025	2024
Transfers between Stage 1 and Stage 2		
To Stage 2 from Stage 1	851	820
To Stage 1 from Stage 2	1,981	-

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 2025					Dec 2025
Stage 1	(2)	-	-	-	1	(1)
Total	**(2)**	**-**	**-**	**-**	**1**	**(1)**

	Jan 2024					Dec 2024
Stage 1	(17)	-	-	-	15	(2)
Total	**(17)**	**-**	**-**	**-**	**15**	**(2)**

Loan commitments and financial guarantees

Movement in credit loss allowances - loan commitments and financial guarantees

in CZK million	As of Jan 2025	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Other	As of Dec 2025
Stage 1	260	107	(78)	(113)	104	(1)	279
Stage 2	725	-	(99)	50	248	(1)	923
Stage 3	252	-	(3)	2	86	(1)	336
POCI	1	-	(1)	-	2	-	2
Total	**1,238**	**107**	**(181)**	**(61)**	**440**	**(3)**	**1,540**

	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**

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	2025	2024
Transfers between Stage 1 and Stage 2		
To Stage 2 from Stage 1	3,401	23,489
To Stage 1 from Stage 2	8,728	18,189
Transfers between Stage 2 and Stage 3		
To Stage 3 from Stage 2	62	159
To Stage 2 from Stage 3	60	169
Transfers between Stage 1 and Stage 3		
To Stage 3 from Stage 1	140	187
To Stage 1 from Stage 3	24	121

The year-end nominal amounts of unused off-balance commitments and financial guarantees that were initially recognised during 2025 and not fully derecognised by 31 December 2025 amounts to CZK 78,595 million (2024: CZK 85,706 million). The nominal amounts of unused off-balance commitments or financial guarantees that were held at 1 January 2025 or originated during the year and fully derecognised during the year 2025 amounts to CZK 43,519 million (2024: CZK 39,349 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 partially 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.

Macro-shift FLI models are recalibrated regularly to reflect the most relevant macro-variables. The recalibration is performed by the Bank (except for the central models for Group (Large) Corporate) and variables with the highest statistical relevance are included. In 2025 the Bank implemented new PD macro models that allowed to remove previously applied post-model adjustments. Current list of macroeconomic variables used in the new model is: Real household consumption, Core consumer price index (seasonal decomposition), Yield on 5-year Czech government bonds, 3-month interest rate on the EU interbank market, Industrial production, GDP deflator and Retail sales.

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 conducted the review of the FLI in the fourth quarter of 2025 based on the disclosed macroeconomic forecasts for baseline, downside and upside scenarios. As a part of this review, the Bank reassessed the application of in-model adjustments in FLI models, specifically the incorporation of comprehensive stress test (CST) scenario into the downside scenario. Based on the evaluation of exit triggers, the Bank decided to remove CST from downside scenario modelling. As a result of the CST removal, the Bank recorded a decrease in expected credit loss (ECL) of approx. CZK 90 million, based on internal impact estimates.

The Bank is disclosing sensitivity of the staging and ECL on macro scenarios in the ‘Collective assessment’ section below.

Baseline scenario

The Bank expects a slight moderation of Eurozone economic activity in 2026. The main factor supporting the baseline outlook for the Eurozone is the ongoing real wage growth, which should support private consumption and their demand for goods and services. In addition, the previous easing of ECB monetary policy should gradually translate into improved private investment developments, which in turn should support industrial production.

Inflation in the Eurozone is expected to be around 2% for 2026, thus close to the ECB’s inflation target. After the recent rate cut, the ECB might keep interest rates unchanged, although it will remain cautious and ready to adjust them in case of changes in economic developments.

The Czech economy should continue its favorable development, with GDP growth expected to be similar to that achieved in the previous year. The recovery in demand will continue to be driven primarily by household consumption. Improved foreign demand will gradually contribute, translating into export and private investment developments. Within total investments, a halt in inventory accumulation, which significantly contributed to GDP growth in 2025, is expected. The labor market outlook remains positive. Although the unemployment rate may rise slightly, it will remain very low overall and should stabilize around its non-inflationary level. Moreover, real wages are expected to continue rising. Inflation is expected to stay close to the inflation target. The Czech National Bank might keep rates unchanged, as domestic inflationary pressures remain elevated.

Risks to the baseline scenario and comprehensive stress test scenario as considerations added to downside scenario

One of the key downside risks includes the ongoing conflict in Ukraine. In addition, uncertainty surrounding the trade policy direction of the new US administration under President Trump remains a significant challenge. The announcement of a framework for a trade deal between the US and the EU has reduced uncertainty to some extent. However, subsequent additional demands from the US administration, as well as renewed tensions regarding Greenland, demonstrate the fragility of the current negotiation environment. A deterioration in US–EU trade relations would pose a clear downside risk to the economic outlook, particularly for export performance and investment growth.

Energy security also remains a critical concern for the EU in light of the ongoing war between Russia and Ukraine. The region has become increasingly dependent on liquefied natural gas (LNG) imports from geographically distant suppliers, such as the United States and Middle Eastern countries. At the same time, a surge in energy-intensive data centers in the US, driven by the rapid expansion of AI applications, has significantly increased domestic energy demand. This could constrain the volume of LNG available for export to Europe. Any disruption in global LNG supply chains could trigger sharp increases in energy prices, potentially forcing the ECB and the Czech National Bank to adopt a more restrictive monetary policy stance to contain inflation, with implications across the entire yield curve.

Furthermore, the rapid expansion of green-energy investments adds volatility to the European power system. Variability in renewable energy production can lead to temporary spikes in electricity prices, such as the recent increases observed in Spain, which can negatively affect industrial output and erode consumer purchasing power.

A pronounced increase in interest rates would also pose downside risks for both corporate and household investment. While the likelihood of a sharp rise in rates has recently diminished, such a scenario could still result in investment activity falling below the levels assumed in the baseline forecast.

Upside risk to the baseline scenario

A stronger and faster recovery in global industrial activity could provide notable upside potential for the Eurozone economy. This would be particularly beneficial for Germany, which is expected to post slight GDP growth in 2025 - its first expansion in three years. Given Germany’s deep economic linkages with several other European economies, including Czechia, a rebound in German industrial output would likely generate positive spillover effects.

In such an upside scenario, Eurozone GDP growth in 2026 would receive an additional boost, primarily driven by a more dynamic than expected rebound in investment activity. Improved consumer sentiment would further support private consumption, leading to a stronger contribution to overall growth compared with the baseline scenario. The services sector would also benefit from rising confidence and increased household spending.

For this upside scenario to materialize, a continued and gradual decline in inflation, particularly within the services component, remains essential. This would help maintain the ECB's deposit facility rate at 2% and allow the Czech National Bank to slightly ease monetary conditions, thus preserving favorable financing conditions for firms' investments.

Overview of baseline, upside and downside scenarios

Below the Bank summarizes expected development of the GDP, all scenarios and scenario weights, as main indicator of the macro-economic situation.

Additionally, the Bank is 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 2025. The baseline and weighted scenario outcome for the major variables is disclosed in the tabular format for the years 2026-2028.

Baseline, upside and downside scenarios of GDP growth

		Probability weights	GDP growth in %		
	Scenario	2026-2028	2026	2027	2028
2025					
Czech Republic	Upside	24%	4.7	4.7	4.8
	Baseline	50%	2.7	2.7	2.8
	Downside	26%	0.2	0.2	0.3
2024		**2025-2027**	**2025**	**2026**	**2027**
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

	Baseline scenario			Scenario weighted outcome		
	2026	2027	2028	2026	2027	2028
2025						
Core consumer price index - seasonal decomposition	157.7	161.5	165.8	157.7	161.5	165.7
GDP deflator	1.4	1.4	1.4	1.4	1.4	1.4
Industrial production	103.5	106.9	109.7	103.4	106.8	109.6
Retail sales	104.1	107.7	110.6	104.1	107.6	110.5
Real household consumption	745,581.7	764,313.6	784,567.4	745,581.6	764,313.5	784,567.3
Yield on 5-year Czech government bonds	3.7	3.5	3.3	3.7	3.5	3.3
3-month interest rate on the EU interbank market	2.1	2.1	2.1	2.1	2.1	2.1
	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

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 2025, Erste Group applied collective staging assessment (industry stage overlays), which had already been implemented in 2024, in case of industries selected in line with industry strategy to ensure that it reflects risks and changes in the risk assessment which the Bank's portfolio is exposed to.

During 2025, several adjustments were made to the industry stage overlays in line with updates to the Bank's risk strategy and observed portfolio developments:

— September - following a review of the industry strategy, the Construction and Building Materials sub-industry was removed from the scope of industry stage overlays. This decision resulted in the release of allocated ECL amounting to CZK 37 million.

— October - the Real Estate Developers sub-industry was excluded from the overlays for Central and Eastern European (CEE) countries, and subsequently for the Holding, due to stable portfolio performance. No deterioration was observed in the CEE region in recent periods, and no adverse developments are anticipated. The removal of this overlay led to the release of CZK 215 million in allocated ECL.

— December - the Metals (Iron/Steel) industry category was added to the industry stage overlays following a change in the Group's risk strategy. The adjustment was driven by decreasing demand in certain key end-user industries (e.g., construction), increased price competition from Asian imports, and persistent structural cost pressures stemming from elevated energy and labour expenses. This update resulted in a minor ECL allocation of CZK 0.8 million.

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. In the second quarter of 2025, these rules were decommissioned - the evaluation of the exit trigger showed no deterioration of the affected portfolio was observed since September 2024. It triggered the release of allocated ECL by CZK 341 million.

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 2025, the exposure in Stage 2 due to the application of the rules for collective SICR assessment (industry stage overlays) stood at CZK 4,181 million (2024: CZK 15,381 million) with additional ECL allocated in the amount of CZK 113 million (2024: CZK 413 million).

The exposure in Stage 2 due to high inflation rate and increased interest rates collective SICR assessment stood for private individuals at CZK 17,919 million (2024: CZK 20,326 million), with additional ECL allocated in the amount of CZK 204 million (2024: CZK 260 million).

As described above, the FLI were reassessed based on the latest macro-scenarios in the fourth quarter of 2025. Considering the review of in-model adjustments (application of modelled weights assigned to upside and downside scenarios for all models), the Stage 2 exposure triggered by FLI decreased to CZK 10,876 million as of December 2025 (2024: CZK 14,488 million). The decrease of the Stage 2 exposure and PD levels affected the level of ECL allocated in Stage 2 due to FLI: CZK 1,018 million as of December 2025 (2024: CZK 1,229 million).

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 325 million (2024: CZK 3,835 million), resulting in an ECL drop by CZK 62 million (2024: CZK 194 million).

The downside scenario would lead to additional CZK 4,847 million of exposure migration to Stage 2 in comparison with scenario weighted FLI (2024: CZK 22,211 million), resulting in ECL increase of CZK 547 million (2024: CZK 1,177 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)						Simulated impact on Stage 2		
			Stage 2 impacted by						
			Collective assesment						
in CZK million	Stage 1	Stage 2	Cyclical	Floods	Private individual	Effect of FLI shifts	Upside scenario	Baseline scenario	Downside scenario
2025									
CRE	1,989,645	91,078	4,181	-	17,919	10,876	(6,132)	(325)	4,847
2024									
CRE	1,894,134	167,511	15,381	37,440	20,326	14,488	(12,819)	(3,835)	22,211

	Current status - parameters (FLI shifted)						Simulated impact on CLA		
			Out of which						
			Collective assesment						
in CZK million	Stage 1	Stage 2	Cyclical	Floods	Private individual	Effect of FLI shifts	Upside scenario	Baseline scenario	Downside scenario
2025									
CLA	(2,056)	(6,024)	(113)	-	(204)	(1,018)	574	62	(547)
2024									
CLA	(1,916)	(6,606)	(413)	(350)	(260)	(1,229)	764	194	(1,177)

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 (deteriorated financial figures, increased probability of default);
— customers managed in a workout unit.

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 comply 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
2025					
Credit exposure	**1,442,748**	**447,092**	**167,500**	**185,812**	**2,243,152**
thereof gross forborne exposure	7,818	-	-	577	8,395
Performing exposure	1,426,281	447,092	166,728	185,280	2,225,381
thereof performing forborne exposure	3,681	-	-	315	3,996
Credit loss allowances for performing exposure	(6,834)	(55)	(153)	(1,049)	(8,091)
thereof credit loss allowances for performing forborne exposure	(690)	-	-	(1)	(691)
Non-performing exposure	16,467	-	772	532	17,771
thereof non-performing forborne exposure	4,138	-	-	261	4,399
Credit loss allowances for non-performing exposure	(10,562)	-	(104)	(299)	(10,965)
thereof credit loss allowances for non-performing forborne exposure	(2,199)	-	-	(37)	(2,236)
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)

Types of forbearance exposure

in CZK million	Gross forborne exposure	Modification in terms and conditions	Refinancing
2025			
Loans and advances	7,818	7,818	-
Loan commitments	577	577	-
Total	**8,395**	**8,395**	**-**
2024			
Loans and advances	5,956	5,955	1
Loan commitments	343	343	-
Total	**6,299**	**6,298**	**1**

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 111.3% (2024: 106.6%) of the reported non-performing on-balance and off-balance credit risk exposure as of 31 December 2025. 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 2025, the non-performing credit risk exposure decreased by CZK 1,241 million (2024: decrease CZK 250 million), or 6.5% (2024: 1.3%). The credit loss allowances for loans and advances together with credit loss allowances for loan commitments and financial guarantees decreased by CZK 554 million (2024: decrease CZK 991 million) or 2.8% (2024: 4.8%).

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 the Board of Directors.

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 Board of Directors 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 simulated scenarios are calibrated from historical observations. Impacts are calculated with a theoretical holding period of 1 year and a confidence level of 99.9%. The EBA defined risk-free valuation principals are applied for evaluation of interest rate risk since 2025. Portfolio of bonds booked at amortized cost are newly included to credit spread risk scope.

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 2025 and 31 December 2024 assuming 1 day holding period and confidence level of 99%. Starting with the 2025 financial year, there have been methodological changes implemented for calculation of interest rate and credit spread risks in the banking book.

in CZK million	Market risk total	Interest rate risk	Credit spread risk	Currency risk	Equity risk	Commodity risk	Volatility risk
2025							
ČS Total	**1,117**	**891**	**672**	**-**	**-**	**-**	**-**
Banking book	1,113	887	672	-	-	-	-
Trading book	4	4	-	-	-	-	-
2024							
ČS Total	**1,067**	**1,061**	**120**	**-**	**-**	**-**	**-**
Banking book	1,062	1,055	120	-	-	-	-
Trading book	5	6	-	-	-	-	-

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 (IRRBB) 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.

	2026		2025	
in CZK million	Interest rate increase	Interest rate decrease	Interest rate increase	Interest rate decrease
CZK				
Income statement	(931)	1,771	(933)	1,700
Other comprehensive income	(2,523)	2,688	(3,289)	3,501
EUR				
Income statement	470	(416)	729	(737)
Other comprehensive income	502	(566)	1,440	(1,553)

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. The foreign currency risk of other Group entities is limited. Foreign currency exposure is subject to regulatory and internal limits that are approved by the Board of Directors.

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 in the banking book (CSRBB) 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. Several internal metrices are implemented to further support compliance with the latest EBA Guideline for the identification and steering of CSRBB.

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. Accordingly, 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

Following the establishment of liquidity subgroup approved by the Czech National Bank and legally effective since beginning of 2025, regulatory and internal liquidity indicators are monitored and limited primarily on liquidity subgroup level, which consists of the Bank and Stavební spořitelna České spořitelny, a.s., rather than at the level of each entity individually.

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.

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 continuously improves its liquidity risk management framework with various supporting internal risk measures and early warning indicators to assure timely identification of possible risks and their instant and adequate management.

Liquidity risk department is also directly involved in the planning process and preparation of financing and investment strategies to further ensure the Bank's planned business activities with a defined risk appetite.

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).

The Bank monitors all liquidity measures at least monthly and for relevant indicators daily or intraday monitoring is in place. All liquidity indicators and liquidity situation are regularly reported to and monitored by the Operational Liquidity Committee (OLC). On a monthly basis the Board of Directors 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 remained safely above the regulatory and internal limits and confirm a sound liquidity situation of the Bank. A comfortable liquidity situation was further supported by other short-term and long-term internal liquidity measures.

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 2025 and 2024 are shown in the tables below:

	< 3 month	
in CZK million	**2025**	**2024**
Cash, excess reserve	12,560	14,410
Liquid assets	374,949	417,367
Counterbalancing capacity	**387,509**	**431,777**

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 2025 and 2024 respectively, were as follows:

in CZK million	Carrying amounts	Contractual cash flows	< 3 month	3-12 months	1-5- years	> 5 years
2025						
Non-derivative liabilities	**1,794,703**	**1,816,646**	**1,653,015**	**34,960**	**88,757**	**39,914**
Deposits by banks	215,937	217,834	192,707	10,080	13,842	1,205
Customer deposits	1,475,929	1,477,308	1,454,053	21,812	1,205	238
Debt securities in issue	98,265	116,932	1,683	3,068	73,710	38,471
Other financial liabilities	4,572	4,572	4,572	-	-	-
Derivative liabilities	**10,201**	**10,201**	**1,640**	**1,796**	**5,002**	**1,763**
Contingent liabilities	**339,040**	**339,040**	**339,040**	**-**	**-**	**-**
Financial guarantees	23,314	23,314	23,314	-	-	-
Loan commitments	185,812	185,812	185,812	-	-	-
Other commitments	129,914	129,914	129,914	-	-	-
Total	**2,143,944**	**2,165,887**	**1,993,695**	**36,756**	**93,759**	**41,677**
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**

The reported contractual cash flows of non-derivative liabilities and contingent liabilities represent the earliest point at which these obligations may be withdrawn or drawn down by clients.

40 Operational risk

Pursuant to (point (52) of Art. 4 (1) of regulation (EU) No 575/2013 (CRR)), the Bank defines operational risk (OpRisk) as the risk of loss resulting from inadequate or failed internal processes, people or systems or from external events, including, but not limited to, legal risk, model risk or information and communication technology (ICT) risk, but excluding strategic and reputational risk. Non-Financial Risks (NFR) comprise both operational and reputational risks. The Bank's operational risk appetite sets limits and escalation thresholds in line with the Erste Group's risk strategy for risk-taking inherent in conducting business. The OpRisk framework is a modular interrelated and comprehensive approach integrated into the Bank's steering and risk management system. It is designed to fulfil internal risk management and external regulatory requirements.

With the support of Erste Group Bank, the Bank implemented a standardized categorization of operational risks. This classification serves as the foundation for Risk Register, developed in cooperation with the Risk Management and Internal Audit departments. The Risk Register is a key tool for ensuring consistent risk categorization, enabling unified monitoring and evaluation across the organization.

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 cooperation with third-party service providers. Depending on the specific method, this type of assessment is done on a continuous, monthly or annual basis.

An important tool in mitigating losses arising from operational risks is the Bank's insurance program which was put in place in 2002. This insurance program 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 program 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 Non-financial Risk Decision (NFRD) (i.e. assessment of reputational, legal and financial risks in relation to the expected benefits of the proposed change). Risk analysis is carried out when introducing new products, services, processes or IT solutions, during significant changes in business relationships, strategic decisions, the use of artificial intelligence, or cooperation with third parties, if these may have reputational, legal or financial impacts. NFRDs with identified significant risks are escalated to the ROCC (Regional Operational Conduct Committee) and the Bank's Chief Risk Officer (CRO).

Top management of the Bank is informed quarterly about the risk profile and the most important operational risk events via Non-financial risk management committee (NFRMC). The chairman of the committee is the Head of Strategic Risk, who further presents selected topics at the Risk Committee (chairman - Chief Risk Officer).

The Bank measures the capital requirements for operational risk using a non-model-based approach for the calculation of the regulatory capital. Under the Standardised Measurement Approach the Business Indicator Componenet (BIC) is calculated by multiplying the Business Indicator (BI) by a set of regulatory determined marginal coefficinets in the applicable BI ranges. The BI is a financial statement proxy of operational risk exposure. Operational risk capital requirement (ORC) or own funds requirement is calculated by BIC.

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. The Board of Directors members and parties close to them are obliged to promptly notify the Authority of relevant transactions with securities issued by the Bank or with investment instruments derived from such securities, which they perform on their own account. Erste Group Bank'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 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 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 Board of Directors and the 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 2024	**14,126**	**2,339**	**2,882**	**19,347**
Additions	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**
Additions	852	271	318	1,441
Disposals	(276)	(191)	(231)	(698)
Reclassification	-	(62)	62	-
Assets held for sale	(345)	-	-	(345)
Balance as of 31 Dec 2025	**12,106**	**2,068**	**2,861**	**17,035**

Right of use: property and equipment

in CZK million	Land and buildings (used by the Bank)	Office and plant equipment / other fixed assets and other moveable property	Property and equipment
Balance as of 1 January 2024	**6,405**	**117**	**6,522**
Additions	891	35	926
Disposals	(292)	(37)	(329)
Balance as of 31 Dec 2024	**7,004**	**115**	**7,119**
Additions	585	39	624
Disposals	(63)	(23)	(86)
Balance as of 31 Dec 2025	**7,526**	**131**	**7,657**

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 2024	**(8,886)**	**(1,531)**	**(1,511)**	**(11,928)**
Amortisation and 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)**
Amortisation and depreciation	(581)	(114)	(337)	(1,032)
Disposals	175	171	204	550
Impairment	(4)	-	-	(4)
Assets held for sale	250	-	-	250
Balance as of 31 Dec 2025	**(7,379)**	**(1,180)**	**(1,679)**	**(10,238)**

Right of use: property and equipment

in CZK million	Land and buildings (used by the Bank)	Office and plant equipment / other fixed assets and moveable other property	Property and equipment
Balance as of 1 January 2024	**(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)**
Amortisation and depreciation	(787)	(40)	(827)
Disposals	53	17	70
Balance as of 31 Dec 2025	**(4,135)**	**(71)**	**(4,206)**

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)	Total property and equipment
Balance as of 31 Dec 2024	**4,656**	**813**	**1,166**	**6,635**
Balance as of 31 Dec 2025	**4,727**	**888**	**1,182**	**6,797**

The carrying amount of property and equipment (category office and plant equipment/other fixed assets) includes properties subject to operating leases of CZK 148 million (2024: CZK 207 million).

Right of use: property and equipment

in CZK million	Land and buildings (used by the Bank)	Office and plant equipment / other fixed assets and moveable other property	Total property and equipment
Balance as of 31 Dec 2024	**3,603**	**67**	**3,670**
Balance as of 31 Dec 2025	**3,391**	**60**	**3,451**

Total carrying amounts

in CZK million	Land and buildings (used by the Bank)	Office and plant equipment / other fixed assets and moveable other property	IT assets (hardware)	Total property and equipment
Balance as of 31 Dec 2024	**8,259**	**880**	**1,166**	**10,305**
Balance as of 31 Dec 2025	**8,118**	**948**	**1,182**	**10,248**

The balances as at 31 December 2025 shown above include CZK 688 million (2024: CZK 686 million) in property and equipment under construction.

The acquisition cost of fully depreciated tangible assets still in use was CZK 2,911 million as at 31 December 2025 (2024: CZK 2,914 million).

As at 31 December 2025, land and buildings were impaired in the amount of CZK 188 million (2024: CZK 273 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 2024	**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**
Additions	1,125	32	1,157
Disposals	(652)	(200)	(852)
Balance as of 31 Dec 2025	**19,636**	**1,161**	**20,797**

Accumulated depreciation

in CZK million	Software acquired	Other (licenses, patents, etc.)	Total intangible assets
Balance as of 1 January 2024	**(12,449)**	**(1,292)**	**(13,741)**
Amortisation and depreciation	(953)	(57)	(1,010)
Disposals	652	186	838
Impairment	(228)	(1)	(229)
Reclassification	(90)	90	-
Balance as of 31 Dec 2024	**(13,068)**	**(1,074)**	**(14,142)**
Amortisation and depreciation	(976)	(54)	(1,030)
Disposals	652	200	852
Impairment	(293)	-	(293)
Balance as of 31 Dec 2025	**(13,685)**	**(928)**	**(14,613)**

Carrying amounts

in CZK million	Software acquired	Other (licenses, patents, etc.)	Total intangible assets
Balance as of 31 Dec 2024	**6,095**	**255**	**6,350**
Balance as of 31 Dec 2025	**5,951**	**233**	**6,184**

Other intangible assets include licenses and know-how.

Software acquired and other intangible assets include also intangibles under construction of CZK 1,323 million as at 31 December 2025 (2024: CZK 1,494 million).

The acquisition cost of fully amortised intangible assets still in use was CZK 2,242 million as at 31 December 2025 (2024: CZK 2,061 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	2025	2024
Prepayments	598	498
Sundry assets	861	450
Other assets	**1,459**	**948**

'Sundry assets' consist mainly of long-term advances of CZK 280 million (2024: CZK 299 million) and pending cash transfers of CZK 500 million (2024: CZK 0 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

On the side of the lessor, a distinction is made between finance leases and operating leases. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. In the case of a finance lease, the Bank reports a receivable from the lessee under the line item 'Finance lease receivables'. The receivable is equal to the present value of the contractually agreed payments taking into account any residual value. Interest income on the receivable is reported in the statement of income in the line item 'Other similar income' under 'Net interest income'.

In the case of operating leases, which are leases other than finance leases, the leased asset is reported in 'Property, equipment and right-of-use assets' and is depreciated in accordance with the principles applicable to the assets involved. Lease income is recognised on a straight-line basis over the lease term in the statement of income under the line item 'Rental income from operating leases'.

The Bank 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 Bank 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	2025	2024
Outstanding minimum lease payments	282	336
Gross investment	**282**	**336**
Unrealised financial income	(42)	(51)
Net investment	**240**	**285**
Present value of minimum lease payments	**240**	**285**

Maturity analysis by residual maturities

	2025		2024	
in CZK million	Gross investment	Present value of outstanding lease payments	Gross investment	Present value of outstanding lease payments
< 1 year	72	67	74	68
1-2 years	60	55	64	58
2-3 years	51	47	55	50
3-4 years	10	8	47	42
4-5 years	9	7	10	7
> 5 years	80	56	86	60
Total	**282**	**240**	**336**	**285**

During 2025, the Bank recognised interest income on finance lease receivables in the amount of CZK11 million (2024: CZK 11 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 2025 and 2024 is provided in the table below:

Gross carrying amounts (GCA) and credit loss allowances (CLA) per impairment buckets

	GCA				CLA				Carrying amount
in CZK million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
2025									
General governments	9	-	-	9	(1)	-	-	(1)	8
Credit institutions	37	-	-	37	-	-	-	-	37
Other financial corporations	52	-	-	52	-	-	-	-	52
Non-financial corporations	139	-	-	139	-	-	-	-	139
Households	3	-	-	3	-	-	-	-	3
Total	**240**	**-**	**-**	**240**	**(1)**	**-**	**-**	**(1)**	**239**
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
Households	-	-	-	-	-	-	-	-	-
Total	**285**	**-**	**-**	**285**	**(2)**	**-**	**-**	**(2)**	**282**

For information about development of credit loss allowances 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	2025	2024
< 1 year	116	122
1-2 years	101	87
2-3 years	93	75
3-4 years	65	72
4-5 years	64	66
> 5 years	30	46
Total	**469**	**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 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'.

Maturity analysis of lease liabilities on the basis of undiscounted cash flows

	2025		2024	
in CZK million	Nominal values	Present values	Nominal values	Present values
< 1 year	980	874	891	773
1-5 years	2,236	2,043	2,581	2,376
> 5 years	1,183	1,088	1,108	1,030
Total	**4,399**	**4,005**	**4,580**	**4,179**

During 2025, interest expenses on lease liabilities were recognised in the amount of CZK 125 million (2024: CZK 122 million). In 2025, expenses in the amount of CZK 74 million (2024: CZK 72 million) relating to short term leases, for which the recognition exemption of IFRS 16 applies, were recognised. In addition, expenses amounting to CZK 49 million (2024: CZK 52 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 52 million (2024: CZK 118 million) were recognised.

Income from subleasing right-of-use assets was recognised in the amount of CZK 22 million (2024: CZK 20 million). Total cash outflow for leases in 2025 was CZK 1,045 million (2024: CZK 980 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 2025.

Subsidiaries and associates

46 Investments in subsidiaries and associates

Investments in subsidiaries and associates 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 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 2025	Share capital in MCZK	Country of residence	Currency	Ownership %	Voting power in %	Net carrying amount in MCZK
Investments in subsidiaries						
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.	986.6	Czech Republic	CZK	59%	59%	583
ČS NHQ, s.r.o.	10.0	Czech Republic	CZK	100%	100%	5,010
ČS Seed Starter, a.s.	6.0	Czech Republic	CZK	100%	100%	318
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%	3,412
Subtotal						**21,355**
Investments in associates						
Procurement Services CZ, s.r.o.	0.2	Czech Republic	CZK	40%	40%	-
Total						**21,355**

In 2025 the Bank increased its investments in ČS NHQ, s.r.o. by CZK 1.3 billion, in Dostupné bydlení České spořitelny, a.s. by CZK 830 million and in ČS Seed Starter, a.s. by CZK 51 million. The Bank's ownership interest in the company Holding Card Service s.r.o. was reduced to 59% as a result of a share capital increase. On 6 February 2025 was the company CEE Property Development Portfolio B.V. liquidated and deleted from the Commercial Register.

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.

*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	2025	2024
Deferred income	649	578
Sundry liabilities	3,698	4,626
Other liabilities	**4,347**	**5,204**

Sundry liabilities consist mainly of suspense account of CZK 28 million (2024: CZK 671 million) and costs of staff bonuses for 2025 amounting to CZK 1,527 million (2024: CZK 1,611 million) out of which CZK 47 million (2024: CZK 48 million) is a liability regarding share-based remuneration.

Deferred income outstanding at 31 December 2025 includes 'contract liabilities' in accordance with IFRS 15 in amount of CZK 566 million (2024: CZK 578 million). Revenue recognised in the reporting year 2025 that was included in the contract liability balance at the beginning of the period amounts to CZK 582 million (2024: CZK 500 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	2025	2024
Restructuring	56	168
Pending legal issues	245	1,707
Loan commitments and financial guarantees given	1,540	1,238
CLA for loan commitments and financial guarantees in Stage 1	279	260
CLA for loan commitments and financial guarantees in Stage 2	923	725
CLA for loan commitments and financial guarantees in Stage 3	336	252
CLA for loan commitments and financial guarantees POCI	2	1
Commitments and guarantees given out of scope of IFRS 9	66	78
Provision for onerous contracts	172	184
Other provisions	39	52
Provisions	**2,118**	**3,427**

In 2025 the Bank recognised the use of the restructuring provision amounting to CZK 112 million (2024: CZK 84 million).

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). In 2025 the Bank released provisions relating to legal disputes in the amount of CZK 1,478 million.

Remaining classes of provisions

Following table provides the information about the development of the remaining classes of provisions:

in CZK million	As of Jan 2025	Allocations	Use	Releases	Exchange rate and other changes (+/-)	As of Dec 2025
Provision for restructuring	168	-	(112)	-	-	56
Pending legal issues and tax litigation	1,707	30	-	(1,492)	-	245
Other provisions	314	22	(25)	(32)	(2)	277
Provisions	**2,189**	**52**	**(137)**	**(1,524)**	**(2)**	**578**

	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**

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 2025 the aggregate balance of these allowances was CZK 1,540 million (2024: CZK 1,238 million). Refer to Note 34 Development of credit loss allowances.

in CZK million	2025	2024
Amounts owed under guarantees and letters of credit	23,314	21,791
Undrawn loan and other commitments	315,726	302,379
out of which loan commitments	185,812	168,535
Total	**339,040**	**324,170**

Capital instruments, equity and reserves

50 Total equity

Details on equity are provided in Section 'Statement of changes in equity'.

in CZK million	2025	2024
Share capital	15,200	15,200
Additional paid-in capital	12	12
Additional equity instruments	-	9,040
Retained earnings and other reserves	122,903	121,066
Total equity	**138,115**	**145,318**

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 2025, 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 was compliant with Article 52 of the CRR (Regulation EU No 575/2013). In June 2019 the Bank launched second issue of AT1, denominated in euro, for a total of EUR 350 million. The issued AT1 capital was recognised under the line item 'Additional equity instruments'. In June 2025 the Bank called the second issue of AT1 of EUR 350 million (the equivalent of CZK 9,040 million, out of which CZK 327 million FX result was accounted to retained earnings) as the capital was no longer needed in the full volume to maintain targeted capital ratios.

The main reasons for the issuance of AT1 were 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:

	2025		2024	
	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.

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 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	Subsidiaries	Associates	Other related parties	Members of the Board of Directors and the Supervisory Board	Erste Group Bank	Subsidiaries	Associates	Other related parties	Members of the Board of Directors and the Supervisory Board
			2025					2024		
Assets										
Cash and cash equivalents	365	-	-	21	-	267	-	-	42	-
Financial assets held for trading	5,977	-	-	-	-	6,792	-	-	-	-
Financial assets at FVPL	659	-	-	-	-	691	-	-	-	-
Financial assets at amortised costs	4	48,924	-	61	64	1,727	40,707	-	90	54
Hedge accounting derivatives	3,035	-	-	-	-	2,864	-	-	-	-
Trade and other receivables	25	252	-	257	-	25	185	-	169	-
Other assets	65	159	-	1	-	92	723	-	1	-
Liabilities										
Financial liabilities held for trading	5,755	-	-	-	-	7,384	-	-	-	-
Financial liabilities at amortised costs	186,327	2,553	11	638	69	229,122	982	15	442	90
Debt securities in issue	4,029	-	-	13	-	18	-	-	-	-
Lease liabilities	-	180	-	-	-	-	824	-	-	-
Hedge accounting derivatives	1,947	-	-	-	-	3,607	-	-	-	-
Other liabilities	-	89	-	(7)		-	81	-	(6)	
Statement of income			01-12 2025					01-12 2024		
Net interest income	(6,740)	1,046	-	(4)	-	(7,864)	930	-	(3)	(3)
Net fee and commission income	77	470	-	2,479	-	86	845	-	1,680	-
Dividend income	-	1,900	11	-	-	-	2,550	17	-	-
Net trading result and fair value result	8,143	-	(6)	14	-	(1,339)	-	5	-	-
Other administrative expenses	(242)	(142)	(51)	(1,381)	-	(176)	(96)	(51)	(1,304)	-
Other operating result	25	217	1	26	-	14	141	1	749	-
Loans commitments, financial guarantees and other commitments given	8,739	41,632	-	378	-	7,337	45,316	-	344	-

'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 2025 comprise mainly of providing long term loans to Leasing České spořitelny, a.s. of CZK 21,366 million (2024: CZK 18,795 million), Stavební spořitelna České spořitelny, a.s. of CZK 17,213 million (2024: CZK 13,075 million) and Factoring České spořitelny, a.s. of CZK 4,680 million (2024: CZK 4,278 million).

Financial liabilities measured at amortised costs as at 31 December 2025 include primarily repurchase agreements with Erste Group Bank in CZK 182,884 million (2024: CZK 225,754 million). The repurchase agreements are mainly denominated in CZK (CZK 162,106 million as at 31 December 2025, 2024: CZK 193,141 million) and EUR (CZK 20,778 million as at 31 December 2025, 2024: CZK 32,613 million), the interest rates on repurchase agreements range from 3.0% to 3.1% for CZK with a maturity of up to 1 month and from 2.0% to 2.1% for EUR with a maturity of up to 6 months.

Financial assets held for trading to Erste Group Bank as at 31 December 2025 include primarily derivatives held for trading of CZK 5,976 million (2024: CZK 6,792 million).

As at 31 December 2025 financial assets and financial liabilities held for trading include mainly derivative instruments (currency and interest rate derivatives). In 2025 and 2024, 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 39,812 million as at 31 December 2025 (2024: CZK 44,168 million) which were concluded on armslength conditions.

Terms of the debt securities issued are described in Note 15 Financial liabilities at amortised costs.

In 2025 the Bank redeemed its AT1 bond held by Erste Group Bank in the amount of EUR 350 million (the equivalent of CZK 9,040 million) (see Note 50).

52 Share-based payments

Remuneration of the Board of Directors and the Supervisory Board members

The 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 the 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)	
2025	93	2	19	10	13	137
2024	87	2	14	9	10	122

The item Other remuneration comprises income from providing pool cars for personal use to 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 Board of Directors 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 2025 was estimated at CZK 46 million (2024: CZK 51 million).

At year-end 2025 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 70 million (2024: CZK 61 million) and for non-cash part is CZK 71 million (2024: CZK 73 million) of which CZK 35 million are phantom shares (2024: CZK 36 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 current financial year. Subsequent adjustments due to changes in the share price are recognised in profit or loss. As of 31 December 2025, the valuation is based on the average weighted daily share price of Erste Group Bank of the year 2025 in the amount of EUR 73.38 (2024: EUR 45.75) 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 2025 Board of Directors members receive estimated equivalent of 6,392 pcs of phantom shares (2024: 11,210 pcs) with average price 73.38 EUR (2024: EUR 45.75).

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.

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 2025 (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 2025. The number of free shares, which were granted under this program for the reporting period, is 73,858 (2024: 104,720). Personnel expenses in the amount of CZK 165 million (2024: CZK 156 million) were recorded.

In the WeShare-Participation part all employees who have been employed by the Bank for at least six months in 2025 and are still employed until the transfer of the shares to the employees in June 2026 (service condition) are entitled to receive shares in an equivalent approximate 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 35,799 (2024: 61,236). Based on the number of entitled employees, personnel expenses in the amount of CZK 51 million (2024: 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	2025	2024
Audit fees	35	29
Other assurance services	10	10
Other services	8	8
Total	**53**	**47**

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	2025	2024
Assets held for sale	0	32

The assets held for sale were 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 2025 and 2024 was as follows:

in CZK million	2025 < 1 year	2025 > 1 year	2024 < 1 year	2024 > 1 year
Cash and cash equivalents	29,254	-	21,746	-
Financial assets held for trading	10,547	-	12,910	-
Derivatives	10,504	-	12,852	-
Other financial assets held for trading	43	-	58	-
Non-trading financial assets at FVPL	659	1,415	691	1,303
Equity instruments	-	715	-	603
Debt securities	-	700	-	700
Loans and advances to banks	659	-	691	-
Financial assets at FVOCI	19,090	28,949	3,548	47,616
Debt securities	19,090	28,949	3,548	47,616
Financial assets at AC	419,927	1,400,631	530,315	1,287,808
Loans and advances to banks	337,425	8,070	447,382	5,737
Loans and advances to customers	49,065	1,027,780	60,646	935,325
Debt securities	33,437	364,781	22,287	346,746
Finance lease receivables	67	172	68	214
Hedge accounting derivatives	-	3,149	-	2,930
Fair value changes of hedged items in portfolio hedge of interest rate risk	(6)	-	(8)	-
Property and equipment	-	10,248	-	10,305
Intangible assets	-	6,184	-	6,350
Investments in subsidiaries and associates	-	21,355	-	19,174
Deferred tax assets	-	291	-	916
Assets held for sale	-	-	32	-
Trade and other receivables	1,895	219	1,853	441
Other assets	1,459	-	948	-
Total Assets	**482,892**	**1,472,613**	**572,103**	**1,377,057**
Financial liabilities held for trading	10,201	-	12,035	-
Financial liabilities at FVPL	2,723	-	1,112	197
Financial liabilities at AC	967,064	824,916	998,131	775,336
Deposits from banks	202,093	13,844	247,102	15,867
Deposits from customers	760,399	712,807	746,997	677,961
Debt securities issued	-	98,265	-	81,509
Other financial liabilities	4,572	-	4,031	-
Finance lease liabilities	874	3,131	773	3,406
Hedge accounting derivatives	-	2,009	-	3,693
Provisions	-	2,118	-	3,427
Current tax liabilities	7	-	528	-
Other liabilities	4,347	-	5,204	-
Total Liabilities	**985,216**	**832,174**	**1,017,783**	**786,059**

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	2025	2024
Opening balance of debt securities issued as of 1 January	81,509	121,451
Cash-flows reported within the cash-flow from financing activities	19,400	(41,194)
thereof interest paid from debt securities issued	(4,438)	(3,291)
Non-cash adjustment	(2,644)	1,252
Closing balance of debt securities issued as of 31 December	**98,265**	**81,509**

Non-cash adjustment consists mainly of FX impact.

In 2025, the Bank changed the presentation of proceeds from, and repayments of, bonds in issue in the statement of cash flows. The revised presentation reflects the actual cash inflows and outflows related to the issued bonds, rather than only the predominant flows. Comparative figures for 2024 have been updated accordingly.

Cash-flows from lease liabilities

in CZK million	2025	2024
Opening balance of lease liabilities as of 1 January	4,179	3,893
Cash-flows reported within the cash-flow from financing activities	(921)	(856)
Non-cash adjustments	747	1,142
Closing balance of lease liabilities as of 31 December	**4,005**	**4,179**

Non-cash adjustments include the interest expense and the lease liability from the newly concluded and modified contracts in 2025 and 2024.

57 Events after the balance sheet date

There are no significant events after the balance sheet date.

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 January 2025 to 31 December 2025

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 2025 (hereinafter 'Reporting period').

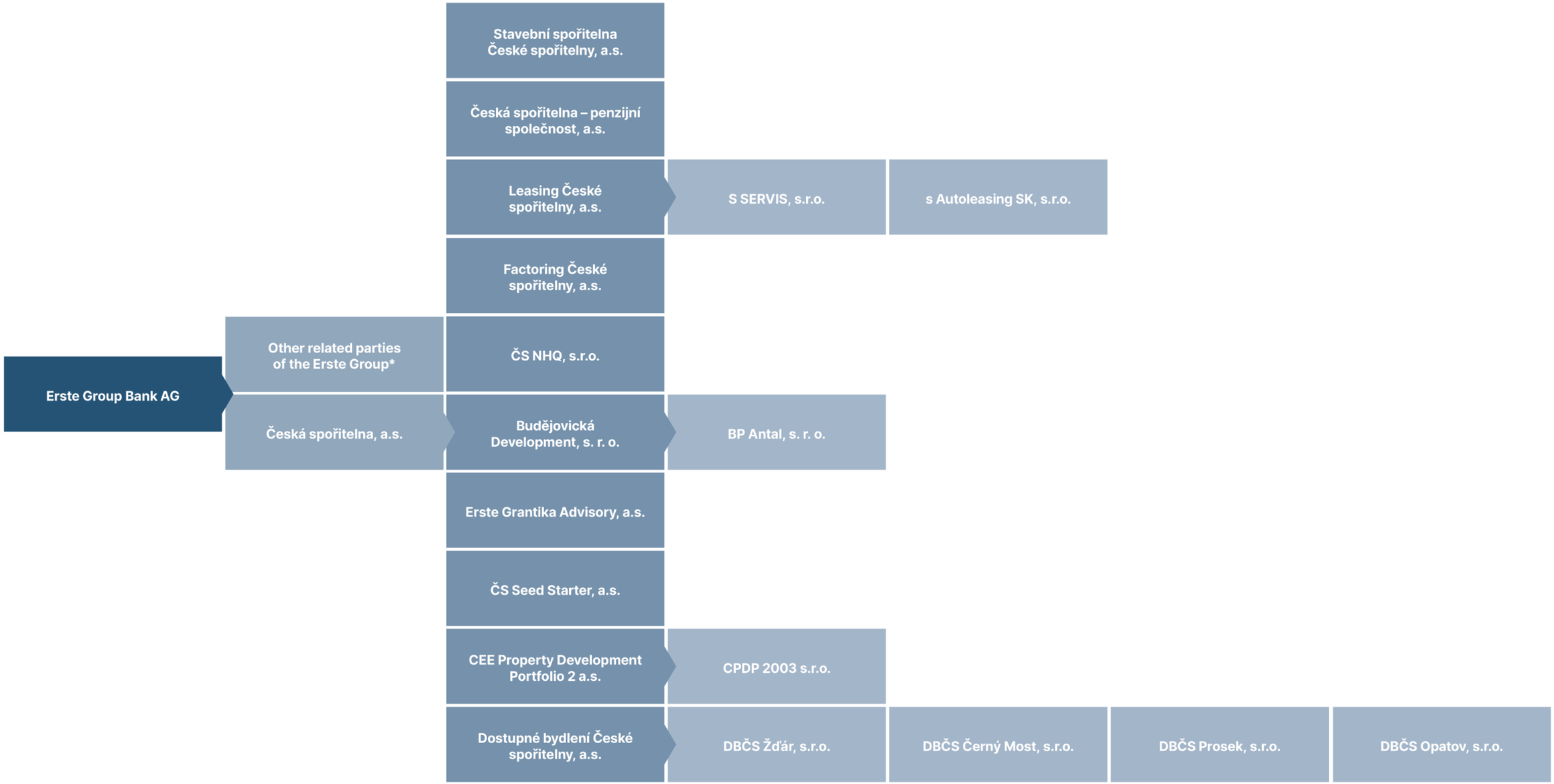
Česká spořitelna, a. s. is a member of a business group in which the described relationships exist between Česká spořitelna and controlling parties, and between Česká spořitelna and parties controlled by the same controlling parties (hereinafter referred to as 'Related Parties').

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 2025 to 31 December 2025.

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 2025.

The structure of relations in the Erste Group is graphically illustrated in the following chart:


Erste Group Bank AG
Other related parties of the Erste Group*
Česká spořitelna, a.s.
Stavební spořitelna České spořitelny, a.s.
Česká spořitelna – penzijní společnost, a.s.
Leasing České spořitelny, a.s.
S SERVIS, s.r.o.
s Autoleasing SK, s.r.o.
Factoring České spořitelny, a.s.
ČS NHQ, s.r.o.
Budějovická Development, s. r. o.
BP Antal, s. r. o.
Erste Grantika Advisory, a.s.
ČS Seed Starter, a.s.
CEE Property Development Portfolio 2 a.s.
CPDP 2003 s.r.o.
Dostupné bydlení České spořitelny, a.s.
DBČS Žďár, s.r.o.
DBČS Černý Most, s.r.o.
DBČS Prosek, s.r.o.
DBČS Opatov, s.r.o.

* 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 2025 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
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 Bosna i Hercegovina	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
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, 140 21 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, Krč, 140 00 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, Krč,140 00 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.	-6,740	1,043
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.	77	2,949
Dividend income	Related party share distribution agreements.	-	1,911
Net trading result	Agreements on the provision of derivatives for trading, contracts for the acquisition of derivatives for trading.	8,143	8
Other administrative expenses	Non-banking contracts	-242	-1,574
Other operating result	Non-banking contracts	25	244

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.	365	21
Financial assets held for trading	Agreements on the acquisition of bonds and similar securities, contracts for the acquisition of derivatives for trading.	5,977	-
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.	659	-
Financial assets at amortised costs	Loan agreement, agreement on long-term deposits, agreement on the establishing and maintenance of current accounts, overdrafts.	4	48,985
Hedge accounting derivates	Hedging derivative contracts	3,035	-
Right to use assets, other assets	Non-banking contracts	65	160
Financial lease receivables, trade and other receivables	Non-banking contracts	25	508

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	5,755	-
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.	190,356	3,214
Lease liabilities	Non-banking contracts	-	180
Hedge accounting derivates	Derivative derivative contracts	1,947	-
Other liabilities	Non-banking contracts	-	82

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	1,578	16,408
Net position of derivatives notional amount	Derivative contracts	688,264	-
Equity investments with Related Parties	Related party share distribution agreements	2,137	-
Dividends	Decision of the sole shareholder of 11 April 2025	23,545	1,948
Additional Tier 1 Notes interest	Decision of the sole shareholder of 11 April 2025	345	-

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.

Agreement 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	Service Level Agreement – Operational & Non-Financial Risk	Other	2025	None incurred
Erste Group Bank AG	Service Level Agreement – HR	Other	2025	None incurred
Erste Group Bank AG	Service Level Agreement – Retail Supporting Service	Other	2025	None incurred
Erste Group Bank AG	Data Use and Cost Reimbursement Agreement	Other	2025	None incurred
Erste Group Bank AG	Service Level Agreement – Credit Risk MD and Validation	Other	2025	None incurred
Erste Group Bank AG	Cost Reimbursement Agreement - Client Clustering and Service Model	Other	2025	None incurred
Erste Group Bank AG	Cost Reimbursement Agreement - Gartner for CISO	Other	2025	None incurred
Erste Group Bank AG	Cost Reimbursement Agreement and Data Use	Other	2025	None incurred
Erste Group Bank AG	Service Level Agreement – Synthetic Securitisation	Other	2025	None incurred
Erste Group Bank AG	Data processing agreement- Synthetic Securitisation	Other	2025	None incurred
Erste Group Bank AG	Data - driven Compliance	Other	2025	None incurred
Erste Group Bank AG	Service Level Agreement	Other	2025	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	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), Dostupné bydlení České spořitelny, a.s. (5x), DBČS Černý Most, s.r.o. (2x), DBČS Opatov, s.r.o. (2x), DBČS Prosek, s.r.o. (2x), DBČS Žďár, s.r.o. (3x), 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 Budějovická, s.r.o. (1x), BP Antal, s.r.o. (1x), Budějovická development, s. r. o. (1x), ČS NHQ, s.r.o. (1x), Erste Grantika Advisory, a.s. (1x), ČS Seed Starter, a.s. (1x), DBČS Prosek, s.r.o. (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), Dostupné bydlení České spořitelny, a.s. (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 16x), 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), Dostupné bydlení České spořitelny, a.s. (5x), DBČS Prosek, s.r.o. (4x).

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. (2x), 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 (2x), REICO investiční společnost Erste Asset Management, a.s. (4x), ČS Seed Starter, a.s. (1x), 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** - 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.	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
Budějovická Development, s. r. o	Lease agreement	Sublease of non-residential premises - Poláčkova 1976/2 (parking space)	2025	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
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

Contractual party	Name	Description	Date	Detriment
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
Česká spořitelna - penzijní společnost, a.s.	Agreement on payments arrangement of ČSPS clients	Responsiblites 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 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
Česká spořitelna - penzijní společnost, a.s.	Contract for the provision of outsourcing services (incl. Appendix)	Outsourcing of selected activities	2025	None incurred
Česká spořitelna - penzijní společnost, a.s.	IT services agreement	IT services	2025	None incurred
Česká spořitelna - penzijní společnost, a.s.	Settlement agreement	Settlement agreement	2025	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	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 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.	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	2025	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.	IT services agreement	IT services	2025	None incurred
ČS NHQ, s.r.o.	Lease agreement	Sublease of non-residential premises - Olbrachtova1929/62 (parking space)	2025	None incurred
ČS NHQ, s.r.o.	Lease agreement	Sublease of non-residential premises - Antal 1292/32 (MOCK-UP)	2025	None incurred
ČS NHQ, s.r.o.	Agreement on Terms of Use and Support for Software License	Agreement on Terms of Use and Support for Software License	2025	None incurred
ČS NHQ, s.r.o.	Data Transfer Agreement	Data Transfer Agreement from DWH and Emus	2025	None incurred
ČS NHQ, s.r.o.	Lease Agreement for a Vehicle	Lease Agreement for a Vehicle	2025	None incurred
ČS NHQ, s.r.o.	Loan Agreement for a Vehicle	Loan Agreement for a Vehicle	2025	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
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

Contractual party	Name	Description	Date	Detriment
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
ČS Seed Starter, a.s.	IT services agreement	IT services	2025	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	2025	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
Dostupné bydlení České spořitelny, a.s.	IT services agreement	IT services	2025	None incurred
Dostupné bydlení České spořitelny, a.s.	Power of attorney related to financial accounting	Power of attorney	2025	None incurred
DBČS Černý Most, s.r.o.	Contract for provision of outsourcing services (incl. Appendices)	Outsourcing services provided by ČS (incl. Appendices)	2025	None incurred
DBČS Černý Most, s.r.o.	Power of Attorney	Power of attorney related to financial accounting	2024	None incurred
DBČS Černý Most, s.r.o.	Power of attorney related to financial accounting	Power of attorney	2024	None incurred
DBČS Opatov, s.r.o.	Power of attorney related to financial accounting	Power of attorney	2025	None incurred
DBČS Opatov, s.r.o.	Contract for provision of outsourcing services	Outsourcing services provided by ČS	2025	None incurred
DBČS Prosek, s.r.o.	Contract for provision of outsourcing services	Outsourcing services provided by ČS	2025	None incurred
DBČS Prosek, s.r.o.	Power of attorney related to financial accounting	Power of attorney	2025	None incurred
DBČS Žďár, s.r.o.	Contract for provision of outsourcing services (incl. Appendices)	Outsourcing services provided by ČS	2025	None incurred
DBČS Žďár, s.r.o.	Power of attorney related to financial accounting	Power of attorney	2025	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
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	Storage contract (incl. amendments)	Archival storage	2015	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

Contractual party	Name	Description	Date	Detriment
Erste Asset Management GmbH, branch ČR	Service Level Agreement (SLA)	Sales suppot and fund distribution	2020	None incurred
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	IT services agreement	IT services	2025	None incurred
Erste Asset Management GmbH, branch ČR	Agreement on the Provision of Selected IT Services Provided by Tribe Wealth Management	IT service provided by Tribe Wealth Management + re-invoicing of IT sub-contracts	2025	None incurred
Erste Asset Management GmbH, branch ČR	Outsourcing Contract on providing of selected activities of Investment Company	Outsourcing of fund administrator activities: Ensuring Back-office, Separate records of fund unit certificates and Accounting/NAV activities	2025	None incurred
Erste Asset Management GmbH, branch ČR	Outsourcing Services Agreement (incl.amendments)	The subject of the agreement is the provision of outsourcing services by Česká spořitelna to Erste Asset Management GmbH, Czech Republic, in selected areas.	2025	None incurred
Erste Bank der oesterreichischen Sparkassen AG	GROUP MASTER AGREEMENT Standard Software and Technical Support	Technical support	2022	None incurred
Erste Bank der oesterreichischen Sparkassen AG	Service Level Agreement (SLA)	SLA - Private Banking	2025	None incurred
Erste Bank Hungary Zrt	Service Agreement - FASCOR (including amendments)	Provision of services	2018	None incurred
Erste Digital GmbH	93x OSOW - Operating statement of work, incl. ammendments (for various applications)	Software maintenance and operations support	2016-2025	None incurred
Erste Digital GmbH	33x PSOW - Project statement of work, incl. ammendments (for various applications)	Software project development	2020-2025	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	2025	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
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 Grantika Advisory, a.s.	IT services agreement	IT services	2025	None incurred
Erste Grantika Advisory, a.s.	Contract for the provision of consulting services (LC)	Agreement on the provision of consulting services to Česká spořitelna	2025	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

Contractual party	Name	Description	Date	Detriment
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 Card Processor d.o.o.	Agreement on supplementing the terms and conditions for ICT services	Agreement on supplementing	2025	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.	Lease agreement for non-residential premises	Lease agreement for non-residential premises	2014, 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
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	2025	None incurred
Erste Operations GmbH, OZ	Sublicense agreement	Sublicense agreement	2024	None incurred
Erste Operations GmbH, OZ	IT services agreement	IT služby	2025	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 its development, support and operation	2009	None incurred
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	2025	None incurred
Factoring České spořitelny, a.s.	Sublicense agreement	Sublicense agreement	2024	None incurred
Factoring České spořitelny, a.s.	IT services agreement	IT services	2025	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

Contractual party	Name	Description	Date	Detriment
Holding Card Service s.r.o.	Contract for provision of outsourcing services	Outsourcing services provided by ČS	2025	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 (including amendment)	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
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)	2025	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
Leasing České spořitelny, a.s.	IT services agreement	IT services	2025	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.	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	2025	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
Procurement Services CZ, s.r.o.	IT services agreement	IT services	2025	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
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	2025	None incurred
REICO investiční společnost Erste Asset Management, a.s.	Sublicense agreement	Sublicense agreement	2024	None incurred
REICO investiční společnost Erste Asset Management, a.s.	IT services agreement	IT services	2025	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

Contractual party	Name	Description	Date	Detriment
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 sporiteľňa, 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.	Confidential Information Agreement	Protection of confidential information	2018	None incurred
Stavební spořitelna České spořitelny, a.s.	Service contract	LIC application services agreement	2017	None incurred
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.	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.	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
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

Contractual party	Name	Description	Date	Detriment
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.	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
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.	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 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	2025	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 Grant Team from the Buřinka website	2024	None incurred
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 17 %.

I Other Legal Acts

The company CPP Lux S´ar.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.

On 6 February 2025, companies BP Budějovická, s.r.o., BP Olbrachtova, s.r.o. and BP Poláčkova, s.r.o. were sold.

In December 2025, there was a change in the shareholding of the company Holding Card Service s.r.o.

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

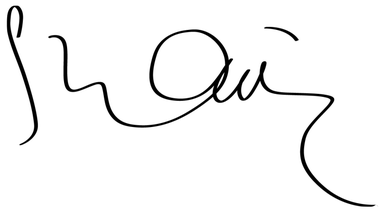
Within Erste Group Bank, Česká spořitelna takes part in group projects whose common aim is to fully exploit the business potential of Central European markets in all segments as well as economies of scale and cost synergies, the concentration of support activities within the group, fulfilment of regulatory 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 2025 to 31 December 2025 to the benefit or at the initiative of individual related parties, including the controlling party.

Prague, 17 March 2026

Tomáš Salomon
Chairman of the Board of Directors



Attila Sánta
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 2025, Stavební spořitelna České spořitelny (SSČS) maintained approximately 130,000 loan accounts, having lent its clients CZK 78.8 billion for obtaining better housing. It was also managing over 545,000 building savings accounts for its clients with a target amount of CZK 235 billion and current savings of CZK 56.1 billion.

In 2025, the overall building societies lending market grew by 30% year-on-year. At SSČS, loan volume production increased by 19% compared to 2024. SSČS saw a 4% year-on-year decline in the number of loan agreements concluded. Across the market, the number of loan agreements concluded increased by 7% year-on-year. Regarding the building savings product, Buřinka faced an 11% year-on-year decline. The overall market declined by 3% year-on-year.

Thanks to ongoing cooperation with the State Environmental Fund, Buřinka remained strongly focused on sustainable housing also in 2025. The subsidy consulting team, operating since 2024, helped a total of 10,161 clients in 2025 navigate the possibilities of state subsidies. Buřinka also continued to offer the co-financed loan, "Repair Your Grandmother's House with Buřinka", intended for recipients of the subsidy under 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 2025. Throughout 2025, 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 a new process for setting up deposit agreements across the ČS branch network. In 2025 Buřinka finalised the transfer of service operations to a digital process. For its achievements in the digital domain, Buřinka was awarded first place in the 2025 Zlatá koruna competition.

Together with the Passive House Centre, Buřinka was part of the Česká spořitelna “Silnější budoucnost” (“Stronger Future”) roadshow, presenting a series of seminars on energy-efficient renovations of family homes and apartment buildings. Buřinka also created 12 new tutorials and a 10-part series titled “Akce rekonstrukce: Splněný sen” (“Renovation Action: A Dream Fulfilled”). The result is a record-breaking success — Buřinka’s YouTube channel is now the No. 1 channel among all financial institutions in the Czech Republic.

The year 2025 marked the culmination of the Samorost project. Buřinka organised a press trip for key media and took part in the “Stronger Future” roadshow with workshops focused on the use of mycocomposite. As part of the roadshow, the Samorost House visited five cities and later became the main attraction at the FORARCH trade fair. The project concluded symbolically with a roundtable discussion for the professional community.

In the area of corporate social responsibility, Buřinka continued to support Portus Praha and Šatník Praha. In cooperation with the Mobile Hospice Forum and the Fund for the Development of Palliative Care, Buřinka supported six grant projects with a total amount of nearly CZK 1.7 million and awarded 14 scholarships worth over CZK 800,000. Buřinka also became the general partner of Papučový den (“Slippers day“) and newly supported the DOMESTICI association. During the pre-Christmas season, employees donated gifts to 56 children from “Klokánek” (“Kangaroo”, project for children in need) through the “Strom splněných přání” (“Tree of Fulfilled Wishes”) initiative. In addition, Buřinka donated CZK 600,000 for rehabilitation care to families of two children with disabilities.

Stavební spořitelna České spořitelny, a.s.	2025	2024	2023	2022	2021
Share capital (CZK m)	750	750	750	750	750
Total assets (CZK bn)	83.5	80.3	73.8	71.5	74.5
Receivables from clients (CZK bn)	78.8	73.7	68.1	63.7	56.6
Amounts owed to clients (CZK bn)	56.1	57.5	58.5	62.0	64.2
Net profit (CZK m)	1,071	912	921	1268	832
Number of accounts (m)	0.7	0.7	0.7	0.7	0.7
Average headcount	156	158	171	185	184

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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 three largest participant funds in the pension market: the Balanced Fund, with assets of CZK 37.6 billion, the Conservative Fund, with assets of CZK 26.5 billion, and the Dynamic Fund, with assets of CZK 22.8 billion. The Ethical Participation Fund, which aims to appreciate pension savings exclusively by investing in responsible and sustainable companies and industries, reached over CZK 5.7 billion. At the beginning of 2025, ČSPS established its first alternative pension fund – the Fund for the Future. At the end of the year, 6,500 clients were investing in the new fund, and the fund's assets amounted to just under CZK 260 million. As of the end of 2025, the Company had over 902 thousand unique participants, with a total volume of funds just under CZK 151 billion.

The year 2025 can be described as a very successful investment period for all ČSPS’s participating funds. Its clients' funds appreciated in both equity and bond portfolios, leading to positive performance across all funds. All the funds outperformed inflation, enabling ČSPS to protect and increase the value of its clients' investment portfolios. Funds with a significant equity component achieved the best results in the past year. The Dynamic Fund increased the value of clients' assets by 17%, which is one of the best results since its inception. The Balanced Fund came in second with a return of over 10%. The new alternative Fund for the Future, which began gradually investing in traditional and alternative investments during 2025, achieved a return of 4.3%. The conservative strategy within the Ethical Fund yielded a return of 4%, and the Conservative Fund recorded a return of 2.6%.

Česká spořitelna - penzijní společnost, a.s.	**2025**	**2024**	**2023**	**2022**	**2021**
Share capital (CZK m)	50	50	50	350	350
Total assets (CZK bn)	3.2	3.3	2.8	3.0	3.2
Volume of funds in individual funds (CZK m)					
Transformed Fund	58,497	62,833	76,422	81,527	81,043
Conservative Participation Fund	26,484	21,240	15,270	13,632	13,140
Ethical Participation Fund (since 1. 11. 2017)	5,749	4,537	3,558	2,691	2,041
Balanced Participation Fund	37,562	26,057	18,232	13,249	11,055
Dynamic Participation Fund	22,823	14,356	9,033	5,871	4,559
Fund for the Future (since 7 Jan 2025)	259				
Net profit (CZK m)	1,057	1,063	782	538	529
Number of unique participants (thousand)	902	893	927	964	970
Average headcount	58	61	66	65	65

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Leasing České spořitelny, a.s.

Leasing České spořitelny was incorporated on 6 October 2003. Česká spořitelna is its 100% owner. 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 ceased to exist. The successor company, Leasing České spořitelny, thus newly profiles itself as a leasing company with a more universal focus and a strong share of financing for vehicles of up to 3.5 tonnes and agricultural machines and equipment in its aggregate portfolio.

In 2025, Leasing České spořitelny generated a profit of CZK 347 million. During the year, the Company financed new transactions, with the aggregate amount of initial debt being CZK 18,608 million. The Company covers all known risks arising from the portfolio of agreements concluded, including risks associated with an economic downturn related to the ongoing war in Ukraine and the unrest in the Middle East, by creating allowances. Important facts that may have a positive impact on the achievement of the business objectives of Leasing České spořitelny in future years include intensification of cooperation with the parent bank.

In 2025, Leasing České spořitelny continued to pursue its strategy focused on reinforcing its market position in non-bank financing, developing business activities, and supporting digital sales. During 2025, the Company expanded fully digital processing of applications and contracts, digital signatures were implemented across all sales channels and client segments and integrated with subsequent steps up to disbursement, ensuring faster processing and greater comfort for clients. The Company also strengthened digital sales through the “Car loan” tile in George and prepared further integrations with George Business to allow clients to complete an increasing number of steps fully online.

In 2025, the Company also focused on building awareness of artificial intelligence and its practical use across the organisation, with the goal of increasing employees’ personal efficiency and preparing conditions for the gradual integration of AI solutions into key processes. This approach included supporting digital competencies and testing specific use case scenarios with an emphasis on security and meaningful use.

The successful business strategy combined with the development of digital activities contributed in 2025 to achieving a major milestone, surpassing CZK 40 billion in assets.

In its activities, Leasing České spořitelny also focused on consulting and supporting sustainable mobility, not only for customers but also for its employees, who were given the opportunity to borrow an electric car for a short period to gain personal experience. For corporate clients, the Company continued to provide expert consulting and financing connected to the “Záruka Elektromobilita” (“Electromobility Guarantee”) programme, including support for charging stations, in cooperation with Erste Grantika Advisory.

Leasing České spořitelny provides financing for subsidy programmes across various sectors, for example in transport, agriculture and other industries. Thanks to its knowledge of the subsidy environment and its individual approach, the Company is able to support clients in obtaining suitable funding for their projects, whether they involve electric vehicles, hydrogen technologies, agricultural machinery, or other innovations. Examples include not only the financing of a fleet of hydrogen buses, but also preferential rates for financing electric vehicles and other solutions tailored to the specific needs of clients across different business areas.

In 2025, a new form of captive cooperation was launched, focusing on a close integration of financing, marketing, and the dealer network. Thanks to dedicated product parameters, including preferential and subsidised offers, Leasing České spořitelny provides clients with attractive financing options directly at the point of sale.

The Company has been offering operating leasing services in cooperation with a strategic partner since 2022. In 2025, this cooperation continued smoothly and further expanded the availability of products not only for corporate clients but also for private individuals.

As in previous years, Leasing České spořitelny also engaged in corporate social responsibility activities. The partnership continued with the Children’s Traffic Foundation, which has long supported orphans of road accident victims and children with permanent consequences. Throughout 2025, employees took advantage of the “Different Day” volunteering programme, spending a workday volunteering, for example in a senior home or an animal rescue station.

Leasing České spořitelny, a.s.	2025	2024	2023	2022	2021
Share capital (CZK m)	500	500	500	500	500
Total assets (CZK bn)	42.1	37.1	32.4	28.0	23.9
Amount of newly concluded transactions (CZK bn)	18.6	16.1	14.7	13.7	11.3
Net profit / loss (CZK m)	347	311	264	184	115
Number of newly concluded agreements	18,777	17,450	16,421	13,749	14,129
Number of POS owned	2	2	2	2	2
Average headcount	157	156	166	171	168

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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 Česká spořitelna Financial Group. The Company is also a founding member of the Association of Factoring Companies of the Czech Republic and a member of the Czech Leasing and Finance Association. 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 2025, the Company's turnover increased by 16.1% year-on-year, reaching a total of CZK 100 billion. This record 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 small- 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.

In October 2025, there was a change in the Company's management; Pavel Nejman, who had previously managed the SME segment and the network of regional corporate centres at Česká spořitelna for a long time, was appointed as the new Chairman of the Board of Directors from 1 October 2025.

Factoring České spořitelny, a.s.	**2025**	**2024**	**2023**	**2022**	**2021**
Share capital (CZK m)	114	114	114	114	114
Equity (CZK m)	2,330	2,199	2,042	1,861	1,326
Total assets (CZK m)	11,686	10,456	10,228	9,506	8,482
Contracted amount (CZK m)	99,952	86,068	83,778	83,958	61,167
Net profit (CZK m)	130	158	181	135	49
Average headcount	40	40	43	41	39

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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
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.

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Consolidated Sustainability Statement 2025

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 Consolidated Sustainability Statement 2025 of the Annual report 2025 (the "Consolidated Sustainability Statement"), as at 31 December 2025 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").

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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 conclusion

We conducted our limited assurance engagement in accordance with the Act on Auditors and International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information (“ISAE 3000 (Revised)”), translated and issued by the Chamber of Auditors of the Czech Republic (together the “Assurance regulations”).

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under the Assurance regulations 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 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 and the independence and other ethical requirements of the Act on Auditors.

The 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 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 ESRS;
- preparing the disclosures in subsection EU Taxonomy Disclosures within the Environmental Information of the Consolidated Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that the Board of Directors of the Bank 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.

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

Reporting on sustainability matters in accordance with ESRS requires the use of information from the Group's value chain, which is only available to a limited extent. As described in note BP-2 – Disclosures in Relation to Specific Circumstances, note “Use of Estimates,” of the Consolidated Sustainability Statement, the Board of Directors of the Bank must therefore rely on third-party data and information, and make assumptions and estimates to determine the sustainability information disclosed in the Consolidated Sustainability Statement. The completeness and accuracy of such sustainability information is therefore subject to significant inherent uncertainties.

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 by 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.
- 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
  - analysing 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 2025.
- 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 exposures and the corresponding disclosures in the Consolidated Sustainability Statement.

31 March 2026

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 2026 on the Consolidated Sustainability Statement of Česká spořitelna, a.s. which is included in the statutory annual report as prepared in accordance with the provisions of the ESEF Regulation. The attached copy of the Annual Report 2025 is not prepared in accordance with the ESEF Regulation and therefore does not constitute a statutory 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 assurance report is published together with the statutory 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 2025 has been prepared in accordance with the 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), and in accordance with Article 8 of Regulation (EU) 2020/852 (“EU Taxonomy”). Česká spořitelna Financial Group (hereinafter referred to as 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. The process of preparation of the Consolidated Sustainability Statement is consistent with the previous reporting period, except for the cases described in chapter BP-2 under Comparative Information.

Reporting Period

The reporting period for this Consolidated Sustainability Statement is consistent with the reporting period for the Consolidated Financial Statements.

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 63 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 Česká spořitelna a.s. (hereinafter referred to as the Bank) has control is included in the Consolidated Sustainability Statement. Additionally, entities BP Poláčkova s.r.o., BP Olbrachtova s.r.o. and BP Budějovická s.r.o. were divested on 15 December 2025 and are no longer part of the Group, as described in Note 62 to the Group Consolidated Financial Statements 2025. As these entities had no employees, did not operate its own premises, and did not create impacts, incur risks or pursue opportunities, no sustainability information relating to these entities was included in the prior reporting period. Accordingly, their divestment does not result in any material change to the sustainability information presented in this Consolidated Sustainability Statement.

Similarly, no sustainability information is included in the Consolidated Sustainability Statement for CEE Property Development Portfolio 2 a.s. as this company is in liquidation and is not engaged in commercial activities, nor does it create impacts, incur risks and pursue opportunities. The Group has not identified any material impacts or risks relating to the legacy assets of this entity 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 2025.

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 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, and financial literacy metric, disclosed under chapter S3-5. This transitional provision also applies to the disclosure of an absolute reduction target for Scope 3, Category 15 and Scope 3, Category 13 emissions.

The Group is 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 continues to review information requirements from its suppliers and is considering potential changes.

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.

In the preparation of this Consolidated Sustainability Statement, no additional legislation or frameworks have been applied beyond those prescribed by the ESRS.

Comparative Information

Compared to the previous first reporting period, several metrics and targets have undergone changes in their preparation and presentation. These changes include the following:

GHG Emissions Scope 1 and Scope 2 Target

The original target, set in 2021, aimed for an 80% reduction and was defined as a percentage reduction (i.e. not in absolute terms) and in total for Scope 1 and Scope 2. In 2025, the Group updated its ambition to a 90% reduction by 2030, in line with Erste Group Bank's net zero strategy, representing an increase of 10 pp. compared to the target disclosed in the previous reporting period. The baseline year remains unchanged.

Scope 1 and 2 Restatement

In 2025, following the definition of the GHG Protocol – Scope 2 Guidance (indirect emissions from purchased energy), a uniform reporting approach was applied to ensure consistency in gas heating consumption data for all consumption points in leased properties. Under this approach, such energy consumption is reported in Scope 2, whereas in 2024 it was reported as Scope 1. The 2024 comparative figure has been restated accordingly as further described in chapter E1-6. The overall impact on combined Scope 1 and Scope 2 emissions was minimal, representing a change of less than 1%, demonstrating that the reclassification has no material effect on the Group's total emissions.

Distribution of Employee Headcount by Age

In 2025, the Group aligned the methodology used to calculate the "Over 50 years old" category with the approach applied at Erste Group Bank. Under this aligned methodology, the category includes all employees aged 50 and above, whereas the previously reported figures were calculated using a threshold of 51 and over. The 2024 comparative figure has been restated accordingly to reflect the updated methodology, as further described in chapter S1-9. The restatement has no impact on the Group's underlying workforce composition.

Diversity Targets

In the 2024 Consolidated Sustainability Statement, the Bank reported a single target for both its managing bodies. In 2025, this approach was revised by setting separate targets for the Board of Directors and the Supervisory Board. The change aligns with the Bank's Diversity Policy, ensuring equal focus on both bodies and reflecting their specific composition and responsibilities. The 2024 target, originally reported as 30% of women across both the Board of Directors and Supervisory Board, has been restated to 30% of women in the Board of Directors and 30% of women in the Supervisory Board individually, while the target value itself remains unchanged from the figure disclosed in the previous reporting period.

Complaints and Incidents Restatement

In 2025, the Group aligned its methodology regarding reporting complaints filed through channels for people in its own workforce with Erste Group Bank methodology, so that it now relates only to complaints filed by its own workforce and concerning workplace related matters. In the previous reporting period, the Group reported all complaints filed by its own workforce, including those that were in fact not related to workplace related matters. Furthermore, the definition of cases has been refined. The 2024 comparative figure has been restated accordingly, as further described in chapter S1-17.

Disclosures Incorporated by Reference

The following disclosure requirements of ESRS have been incorporated by reference:

List of disclosure requirements	Page number	Incorporated by reference to chapter	Section	Page number
SBM-1 – Strategy, Business Model and Value Chain	305	Strategic Objectives and Plans for the Future	Sustainability	54

Use of Phase-in Option

The Group has chosen to apply the following phased-in disclosure requirements in accordance with the “quick fix” Commission Delegated Regulation amending the Delegated Regulation (EU) 2023/2772 as regards the postponement of the date of application of the disclosure requirements for certain undertakings:

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. By way of derogation from the first sentence, undertakings as referred to in Article 5(2), first subparagraph, point (a), and third subparagraph, point (a), of Directive (EU) 2022/2464 may omit the information prescribed by ESRS 2 SBM-3 paragraph 48(e) (anticipated financial effects) for the first 3 years of preparation of their 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. By way of derogation from the first sentence, undertakings as referred to in Article 5(2), first subparagraph, point (a), and third subparagraph, point (a), of Directive (EU) 2022/2464 may omit the information prescribed by ESRS E1-9 for the first 3 years of preparation of their 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. By way of derogation from the first sentence, undertakings as referred to in Article 5(2), first subparagraph, point (a), and third subparagraph, point (a), of Directive (EU) 2022/2464 may omit reporting for all datapoints in this Disclosure Requirement for the first 3 years of preparation of their sustainability statement.
ESRS S1	S1-13	Training and skills development	The undertaking may omit the information prescribed by ESRS S1-13 for the first year of preparation of its sustainability statement. By way of derogation from the first sentence, undertakings as referred to in Article 5(2), first subparagraph, point (a), and third subparagraph, point (a), of Directive (EU) 2022/2464 may omit the information prescribed by ESRS S1-13 for the first 3 years of preparation of their 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. By way of derogation from the first sentence, undertakings as referred to in Article 5(2), first subparagraph, point (a), and third subparagraph, point (a), of Directive (EU) 2022/2464 may omit reporting on non employees for the first 3 years of preparation of their 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. By way of derogation from the first sentence, undertakings as referred to in Article 5(2), first subparagraph, point (a), and third subparagraph, point (a), of Directive (EU) 2022/2464 may omit the information prescribed by ESRS S1-15 for the first 3 years of preparation of their sustainability statement.

Governance

GOV-1 – The Role of the Administrative, Management and Supervisory Bodies

Sustainability Governance Structure

Governance over Impacts, Risks and Opportunities Management Process

The Board of Directors of the Bank has 6 executive members, none of whom is a representative of trade unions of the Bank as of 31 December 2025 and 2024. As of 31 December 2025 and 2024, 1 of the 6 seats on the Board of Directors was held by a woman, resulting in a 1-to-5 ratio of women to men, and which amounts to 17% of members, while Board of Directors' committees were staffed by its members only.

The Supervisory Board of the Bank has 9 members, all of whom are non-executive, with 4 of the nine deemed independent (44%) as of 31 December 2025 and 2024. 3 members of the Supervisory Board of the Bank were elected directly by the Bank's employees, 2 of whom are currently representatives of trade unions of the Bank. In 2025 and 2024, 3 of the 9 Supervisory Board members were women (resulting in a 3-to-6 ratio of women to men in both years), which amounts to 33% of members, while Supervisory Board Committees were staffed by its members only.

Members of the Board of Directors are internationally experienced professionals with expertise in managing large corporations and knowledge of both domestic and international banking. All members of the Board of Directors and the Supervisory Board possess the necessary personal qualities 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 the Bank are discussed in advance with the Czech National Bank, which assesses the nominees' professional qualifications, credibility, and experience. Detailed professional biographies of all members of both the Board of Directors and the Supervisory Board, attesting to their qualifications, professional abilities and practical experience are available in chapters Board of Directors and Supervisory Board in the Annual Report.

The Bank's Board of Directors and Supervisory Board have access to various sources of expertise in all the Bank's specialised areas, primarily through materials presented during meetings of the Board of Directors and the Supervisory Board. The availability of ESG expertise in the Bank is ensured primarily through the Sustainability Office and the Sustainability Board Committee, established in early 2025.

The Sustainability Board Committee is composed of senior executives and relevant Board members and reports directly to the Board of Directors on a quarterly basis. The Committee is responsible for overseeing the Bank's sustainability strategy, reviewing policies and targets, monitoring sustainability risks and opportunities, and is also a key forum for resolving sustainability-related issues and making strategic decisions.

The Sustainability Working Groups (SWGs) are composed of material sustainability topic owners, with a representative from the Sustainability Office involved in each group. The working groups meet regularly, each with defined objectives and KPIs, and are led by a designated leader responsible for progress, alignment, and coordination with other groups. Leaders provide quarterly updates on their group's progress to the Sustainability Board Committee. The SWGs are responsible for managing and discussing relevant specific sustainability topics and ensuring alignment and compliance with relevant regulations and standards.

Role of the Sustainability Office

The Bank's Sustainability Office is part of the Strategy 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 (IROs);
— Nominating Material Sustainability Topic Owners for the Board's approval;
— Coordinating the work of the Material Sustainability Topic Owners;
— Formulating the sustainability strategy;
— Overseeing key ESG policies;
— 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 organisational 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 Unit to prepare the Consolidated Sustainability Statement.

The Sustainability Office oversees and coordinates the process of setting sustainability targets and monitors performance against them. The process is part of the standard Strategic and Budget Dialogue processes, with the Board of Directors approving targets and the Bank's budget, which contains allocations for selected sustainability action plans.

Role of the Accounting Unit

The Bank's Accounting Unit is responsible for the preparation of the Consolidated Sustainability Statement in accordance with CSRD and EU Taxonomy.

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 Unit

The Strategic Risk Unit is responsible for incorporating ESG risks into the Group's risk management strategy, incl. operational risk, non-financial risk, 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. Sustainability risk is also incorporated into the Bank's Risk Appetite Statement (RAS) and the Internal Capital Adequacy Assessment Process (ICAAP), supported by the development of climate risk stress testing capabilities.

Role of the Compliance Unit

The Compliance Unit is responsible for identifying, assessing, and managing risks related to privacy, compliance and anti-money laundering, 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 Unit is responsible for the Bank's relations with its workforce, trade unions, and matters related to 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 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 Personalisation 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.

GOV-2 – Information and Sustainability Aspects Dealt with by the Company's Administrative, Management and Supervisory Bodies

The Board of Directors is responsible for ensuring that the Bank and the Group identify 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 the 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, the Sustainability Board Committee and by the material sustainability topic owners on the current status and milestones achieved. Some targets are assigned to specific Board members and their respective divisions, while other targets are shared collectively by all Board members. 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 a monthly basis such as the 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 Supervisory Board takes note of the Consolidated Sustainability Statement presented as part of the Group's Annual report. Furthermore, the Supervisory Board oversees the implementation of the Sustainability strategy. The Supervisory Board is also informed about key strategic initiatives including any initiatives related to sustainability matters.

GOV-3 – Integration of Sustainability-Related Performance in Incentive Schemes

The general rules and principles regarding the remuneration of Board members are outlined in the Remuneration Policy. Sustainability goals (also referred to as 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 and their fulfilment determines the members' variable remuneration. Performance criteria for individual Board members are set for a calendar year and are subject to approval by the Supervisory Board.

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 Erste Group Bank's Management Board. It evaluates compliance with each Board member's individual key performance indicators, of which the evaluation of ESG targets is an integral part. 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.

For 2025, the Supervisory Board set and evaluated the following ESG performance indicators for Board members:

Chairman of the Board:

— Achieving good ESG performance of Erste Group, as assessed by MSCI, ISS ESG, SUSTAINALYTICS, and CDP;
— 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; and
— Leading ESG initiatives within the institution, and progress in achieving committed targets.

Vice Chairman of the Board responsible for Risk Management:

— Achieving good ESG performance of Erste Group, as assessed by MSCI, ISS ESG, SUSTAINALYTICS, and CDP;
— Implementing the ECB ESG action plan; and
— Advancing the net zero portfolio transition.

Board Member responsible for Financial Management:

— Achieving good ESG performance of Erste Group, as assessed by MSCI, ISS ESG, SUSTAINALYTICS, and CDP;
— Contributing to Net Zero 2030 by increasing the low-carbon electricity sourcing; and
— Delivery of CSRD report, including improving ESG data quality.

Board Member responsible for Retail Banking:

— Achieving good ESG performance of Erste Group, as assessed by MSCI, ISS ESG, SUSTAINALYTICS, and CDP;
— Ensuring retail customer sustainability experience through Sustainable Mortgage/Housing Loans; and
— Advancing the net zero portfolio transition.

Board Member responsible for Corporate Banking:

— Achieving good ESG performance of Erste Group, as assessed by MSCI, ISS ESG, SUSTAINALYTICS, and CDP;
— Implementing taxonomy rules in the loan origination process and increasing sustainable investments in 2025; and
— Advancing the net zero portfolio transition, including assessment and engagement of clients who are decarbonising.

Board Member responsible for Operations and IT:

— No ESG targets were set.

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	302
	ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes	302
	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	307
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	302
	ESRS 2 SBM-2 – Interests and views of stakeholders	305
	ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities	310
	E1-2 – Policies related to climate change mitigation and adaptation	343
	S1-1 – Policies related to own workforce	364
	S1-2 – Processes for engaging with own workforce and workers' representatives about impacts	365
	S3-1 – Policies related to affected communities	375
	S3-2 – Processes for engaging with affected communities about impacts	376
	S4-2 – Processes for engaging with consumers and end-users about impacts	380
	G1-1 – Business conduct policies and corporate culture	386
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities	310
d) Taking actions to address those adverse impacts	E1-3 – Actions and resources in relation to climate change mitigation and adaptation	345
	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	367
	S3-4 – Taking action on material impacts on affected communities and managing the effectiveness of those actions	376
	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	381
e) Tracking the effectiveness of these efforts and communicating	E1-4 – Targets related to climate change mitigation and adaption	347
	E1-5 – Energy consumption and mix	352
	E1-6 – Gross Scopes 1, 2, 3 and Total GHG Emissions	352
	S1-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	369
	S1-9 – Diversity metrics	372
	S1-14 – Health and safety metrics	372
	S1-16 – Remuneration metrics (pay gap and total remuneration)	373
	S1-17 – Incidents, complaints and severe human rights impacts	374
	S3-4 – Taking action on material impacts on affected communities and managing the effectiveness of those actions	376
	S3-5 – Targets related to advancing positive impacts	377
	S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	380
	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	381
	S4-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	383
	G1-4 – Incidents of corruption or bribery	388

GOV-5 – Risk Management and Internal Controls over Sustainability Statement

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 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 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 is also 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.

Strategy

SBM-1 – Strategy, Business Model and Value Chain

Sustainability Strategy

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.

Business Model

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. Information on the headcount of employees is provided in chapter S1-6.

Value Chain Composition

Upstream

The upstream value chain includes the goods and services procured by the Bank, such as IT services, marketing, property and infrastructure, consultancy and other external services that support the Bank's operations. The IT sector, which supports the Bank's technological infrastructure and digital services, is considered the key supplier sector.

Own operations

This covers the Bank's activities directly related to its core functions, such as products and services, governance (incl. compliance and risk management), and workforce management.

Downstream

The downstream value chain includes a diverse range of clients, including corporate and retail customers, institutional investors and stakeholders involved in its sustainability initiatives. Through the Česká spořitelna Foundation, which is part of the Bank's downstream value chain, affected communities are also considered part of the downstream value chain.

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, customers (e.g. large enterprises, SMEs or retail customers), 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.

Stakeholder Management

Key Stakeholders	Why the Bank engages	How the Bank engages	Key topics	Actions
Customers	Strong engagement with customers enables the Bank to understand their needs and anticipate market trends, forming the foundation for sustainable business success.	— Customer surveys — Advisory sessions — Website — Customer experience programmes	— Customer experience — Products and services — Innovation and digitiastion	The Bank's engagement enables a regular assessment of how customer needs can be met through products and service offerings.
Employees	The Bank 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 engagement surveys — Intranet — Training, coaching and mentoring — Employee resource group — Feedback and Professional development talks — Engagement with trade union	— People development — Diversity, equity and inclusion, — Employee engagement — Employee health and work-life balance	The Bank's engagement enables the targeted adaptation of the people and culture strategy.
Investors, Analysts and Rating Agencies	Through engaging with investors and analysts, the Bank ensures a clear understanding of company performance and strategy.	— Investor presentations — Conferences	— Performance and strategy — Climate change — Diversity, equity and inclusion — Risk management — Transparency	The Bank's engagement enhances the level of transparency in external reporting.
Supervisory and Regulatory Authorities	The Bank conducts pro-active dialogue with national and European authorities to understand supervisory expectations.	— Supervisory dialogues	— Performance and strategy — Climate change — Diversity, equity and inclusion — Risk management — Transparency	The Bank's engagement enables it to adapt processes and increase its transparency to meet supervisory expectations.
Academic Institutions and Non-Governmental Organisations (NGOs)	The Bank engages in content-driven debates with academic institutions and environmental and social NGOs.	— Conferences and events	— Climate change — Diversity, equity and inclusion — Transparency	The Bank's engagement helps identify current and future priorities, allowing the Bank to reflect these insights early in its strategic planning.

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 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 materiality has been detected. Additional information regarding the material IROs and their interaction with the Group's strategy and business model can be found in the respective topical chapters.

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.

E1 - Climate Change				
Sustainability Matter	**Type of IRO**	**IRO Description**	**Value chain**	**Time horizon**
Climate change adaptation	Risk	The Group faces a higher credit risk as climate-related physical 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	All time horizons
Climate change mitigation	Potential negative impact	If the Group does not reduce its own emissions from banking operations and upstream value chain in the coming years, it may lead to the loss of climate stability and contribute to global warming.	Upstream & Own operations	Medium- and long-term
	Actual negative impact	Investing in and financing energy-intensive companies and households that still rely on fossil fuels lead to high CO_2e emissions, contributing to climate change.	Portfolio	All time horizons
	Risk	The Group is exposed to climate-related transition and physical 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	Medium- and long-term
	Opportunity	The Group can gain financial opportunities by investing in and financing customers who are decarbonising and transitioning to sustainability.	Portfolio	All time horizons
Energy	Potential negative impact	If the Group, or its upstream value chain, consume large amounts of energy or transition too slowly to renewable energy sources, it may contribute to climate change and the adverse impacts associated with it.	Upstream & Own operations	Long-term
	Actual negative impact	Investing in and financing energy-intensive companies and households that still rely on fossil fuels lead to high CO_2e emissions, contributing to climate change.	Portfolio	All time horizons
	Potential positive impact	The Group's financing of energy efficiency and renewable energy projects reduces climate risks and enables CO_2e-neutral energy production, which is essential for transitioning to a sustainable economic system.	Portfolio	All time horizons
	Risk	The Group faces energy-related transition 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.	Portfolio	Medium- and long-term
	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	All time horizons

E4 - Biodiversity and Ecosystems				
Sustainability Matter	**Type of IRO**	**IRO Description**	**Value chain**	**Time horizon**
Soil sealing	Potential negative impact	Financing real estate and public infrastructure can have a negative impact on biodiversity as soil is sealed, and land is degraded. The Group's investment in large monoculture agricultural companies may also negatively impact biodiversity.	Portfolio	All time horizons

S1 - Own Workforce				
Sustainability Matter	**Type of IRO**	**IRO Description**	**Value chain**	**Time horizon**
Work-life balance	Actual positive impact	Promoting the compatibility of career and family positively impacts the quality of life and satisfaction of employees.	Own operations	Short-term
Health and safety	Actual positive impact	By offering a wide range of supportive activities focused on a healthy lifestyle and by promoting accessible preventative healthcare, the Group enhances employee well-being, reduces absenteeism, and boosts effectiveness and engagement of its employees.	Own operations	Short-term
Gender equality and equal pay for work of equal value	Actual 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
Training and skills development	Actual positive impact	A training system that addresses both professional development and personal development contributes to employees' overall success in the labour market, while also enhancing their satisfaction and effectiveness.	Own operations	All time horizons
	Opportunity	Training and further education can increase employee motivation, improve professional skills, enhance qualifications, and lead to greater employee loyalty and productivity over time.	Own operations	Medium- and long-term
Diversity	Potential 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	All time horizons

S3 - Affected Communities				
Sustainability Matter	**Type of IRO**	**IRO Description**	**Value chain**	**Time horizon**
Financial literacy (entity-specific)	Potential positive impact	Through the ČS Foundation, the Group promotes financial literacy among children in the Czech Republic by providing primary and secondary schools with free, interactive tools based on competency-based education. These initiatives aim to strengthen key skills, support informed decision-making, and contribute to the prosperity of individuals and society.	Downstream	Medium- and long-term

S4 - Consumers and End-Users				
Sustainability Matter	**Type of IRO**	**IRO Description**	**Value chain**	**Time horizon**
Financial health (entity-specific)	Potential 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	Medium- and long-term
Privacy	Potential 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	All time horizons
	Risk	Processing substantial amounts of personal data and information subject to banking secrecy inherently involves a risk of privacy breaches, which may result in a significant loss of trust, reputational damage, and potential litigation and compensation costs.	Own operations	All time horizons

G1 - Business Conduct				
Sustainability Matter	**Type of IRO**	**IRO Description**	**Value chain**	**Time horizon**
Corporate Culture	Actual positive impact	A positive corporate culture fosters a healthy work environment, boosting employee satisfaction.	Upstream & Own operations	All time horizons
Prevention and detection including training	Potential positive impact	Training all employees helps prevent unethical behaviour, corruption and bribery, benefiting everyone (in the interests of customers, employees, business partners and society as a whole) and fostering a trustworthy workplace and business environment. A clear policy supports prevention efforts.	Upstream & Own operations	Short-term

Revision and Updates to Material IROs Compared to Previous Year

Compared to last year’s DMA and the resulting material IROs, several updates were made in 2025, including the addition of new IROs and the removal or reclassification of others, with some descriptions refined for better clarity without changing the substance, and with the time horizons updated accordingly.

E1 Climate Change Adaptation

The assessment of this topic was revised. Activities previously considered as generating a positive impact were reclassified as mitigation measures addressing negative climate impacts. As a result, the topic is no longer reported as a positive impact. Nevertheless, the Group continues to implement a wide range of initiatives that contribute to climate resilience and adaptation.

S3 Financial Literacy (entity-specific)

A new entity-specific topic under S3, Financial literacy was introduced. This topic reflects the launch of the Skoala platform, initiated in 2025, which aims to enhance financial literacy, while also supporting key competencies among children and young adults. As a result, a positive impact has been identified for this topic.

S4 Privacy

The Group reclassified this topic and concluded that the inherent risk related to privacy and data protection is material. The change ensures that this risk is now appropriately reflected and monitored within the IRO framework.

S4 Access to Products and Services

The assessment of this topic was revised. Previously reported as having a positive impact, this topic is no longer classified as such following the entry into force of new accessibility legislation during the reporting year. As compliance with these requirements now forms part of the Group’s standard business operations, the related activities are treated as part of business-as-usual practices.

G1 Protection of whistleblowers

The reassessment of this topic concluded that the Group’s activities in this area align with legal obligations but do not extend beyond regulatory requirements. As a regulated entity, the Group operates under enhanced supervisory expectations and dedicates substantial resources to ensuring robust protection mechanisms. While not classified as generating a positive impact, these activities play a key role in fostering a transparent and ethical organisational culture, with ongoing considerations on how their impact could be reflected through appropriate metrics.

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 risk did not have material current financial effects on the Group’s 2025 financial position, performance or cash flow. The Group’s short-term opportunities did not have material current financial effects.

Resilience of the Business Model

The Group has assessed the resilience of its business model and strategy in the context of material sustainability-related risks identified through the DMA. No sustainability topics, other than climate change, have been assessed as posing a material risk to the Group's business model and strategy.

The resilience of the Group's business model with respect to climate-related physical and transition risks, including the relevant scenario analysis, is described in chapter E1 SBM-3.

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 2025 Consolidated Sustainability Statement the Group has performed a reassessment of the DMA, with the previous year DMA results serving as a base for the reassessment. The reassessment has been carried out 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 Group plans to update the materiality assessment process on a regular basis, in line with Erste Group Bank; however, the formal framework is still to be developed.

DMA Process

The DMA reassessment was performed under the lead of the Bank's Sustainability Office, considering inputs from Accounting, Strategy, Risk Management, Corporates and Markets, People and Culture, Compliance and Procurement. The process to identify the material IROs was conducted in four steps:

1. Long list: Relevance analysis: The Group has reviewed the existing long list of sustainability matters listed in ESRS 1 (AR 16) developed in the previous year's DMA and performed a completeness check. In addition, this list was expanded to include entity-specific topic of financial literacy, complementing the existing entity-specific topic of financial health, and was refined through completeness check to appropriately reflect the Group's business model, portfolio, and strategic positioning.
2. Short list: Relevance analysis: The relevance assessment from the previous year served as a baseline and was updated to reflect whether the identified topics remain applicable for 2025.
3. Assessment of IROs: Sustainability topics deemed relevant were further assessed for their impact and financial materiality assessment.
4. Validation: In the final step, the results of the DMA were validated and approved. The scoring of each IRO was reviewed and confirmed by an expert jury and subsequently presented to the Board of Directors for final approval.

Inputs for the DMA included:

— Engagement with affected stakeholder groups and expert interviews;
— Consultation with the internal expert jury and workshops with the subsidiaries;
— Peer benchmarking;
— Group's Risk Materiality Assessment results;
— Spend for purchased Goods & Services (Upstream);
— Mapping of sectoral credit exposures and financed emissions (Portfolio);
— UNEP FI analysis (Portfolio);
— Analysis of the Group's strategy and related business activities;
— Desk analysis of sustainability matters.

The outcome of the DMA is the list of material IROs that is shown in SBM-3 and lays the foundation for this Consolidated Sustainability Statement.

Stakeholder Engagement

The DMA reassessment involved expert interviews with in-house representatives of identified stakeholder groups, setting scores based on evidence and/or expert opinion. Information concerning affected external stakeholders was also considered via the above-mentioned in-house experts and their exchanges with external stakeholders (i.e. customers, NGOs, rating agencies, and investors). No direct consultations with affected communities were conducted. The reassessment was mainly carried out by the Group's experts, in alignment with internal stakeholders.

Value Chain Assessment

The Group assessed its upstream and downstream value chain. In addition, for own operations, the full IFRS scope of consolidation was considered, except for subsidiaries described in chapter BP-1, and further assessed whether operational control for participations which are not fully consolidated exists. For the upstream and downstream (portfolio) mapping, the Group analysed the flow of activities, processes, and value creation within its organisation. Further information on the Group's value chain composition can be found in chapter SBM-1.

Impact Materiality Assessment

The reassessment was based on the following central assumptions:

— Last year's DMA results formed the basis for 2025 DMA reassessment.
— Each impact was individually assessed with regard to its relevance across the value chain and scored within each time horizon of its assumed occurrence.
— Impacts were defined as either positive or negative. If multiple but deviating impacts (i.e. positive and negative) were identified towards a sustainability matter, each impact was evaluated separately.
— For a sustainability matter to be deemed as material, only one material impact is sufficient, regardless of the count of additional immaterial impacts, its state as actual or potential, its each allocated time horizon or value chain relevance.
— Severity and likelihood were evaluated for each impact. For actual impacts the likelihood was consistently set to 100%. For potential impacts the likelihood was assessed on a five-notch scoring scale from 0-5.
— The scoring of severity included the three parameters of scale, scope and, only for negative impacts, irremediability. Each evaluation parameter was assessed individually on a five-notch scoring scale from 0-5.
— Subsequent impacts and human rights impacts were considered. Primary impacts are the direct effects of an activity or decision, while subsequent impacts are the follow-on effects that result from these primary impacts further down the value chain. For negative human rights impacts severity took precedence over likelihood with a weight of 100%.
— Impacts with a total score above 2.5 on a scale from 0 to 5 were considered material. Using this as the threshold ensures that only impacts with at least an upper-medium level of severity are classified as material.

This approach prevents low-severity impacts from being considered material, maintaining focus on the most significant topics.
— Impact evaluations were conducted under the lead of the Bank's Sustainability Office, engaging in expert interviews with in-house representatives, setting scores based on evidence and/or expert opinion.
— The material impacts were aligned with the outcome of the financial materiality assessment for sustainability matters whereby financial materiality would be triggered by impact materiality.
— The result of this approach was a final score per impact, which was quality assured by an expert jury.

In addition, in 2025 the Erste Group Bank conducted a portfolio analysis, including a portfolio analysis of the Group. The analysis used a quantitative approach using publicly available impact assessment frameworks from the United Nations Environment Programme Finance Initiative (UNEP FI) and the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) database to evaluate the environmental and social impacts of the Group's lending and investment portfolio. To run the analysis, the Group provided portfolio data, including loan details, exposure values and associated industries using NACE codes. Each loan was then assigned ESG impact scores based on its sector, which were weighted by exposure to create a portfolio-wide ESG impact profile and aggregated by sector to show which industries contribute most to ESG impacts. UNEP FI impact categories were mapped to ESRS sub-topics and topics were flagged as relevant if their impact score exceeded the 90th percentile threshold. These flagged topics were then reviewed and validated by internal experts to determine whether they represent material impacts for the Group. The portfolio analysis replaced the previous manual assessment approach by establishing materiality through a structured, data-driven process.

The impact materiality assessment was performed separately for the Group's upstream value chain, own operations 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 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 (2024), 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.

Impacts Relating to 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 and 2) and its financed portfolio (Scope 3 financed 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 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. The assessment was carried out in alignment with the process outlined above, incorporating both the portfolio analysis and expert evaluations.

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.

Impacts Relating to 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 as the Group's focus on financing real estate, public infrastructure projects, and agriculture 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. 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.

Impacts Relating to G1 Business Conduct

All sub-topics except for animal welfare were generally deemed relevant for the Group's own operations, with the sub-topic of corruption and bribery also being relevant for the 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 two material positive impacts in connection to corporate culture, and the prevention of corruption and bribery, described in chapter G1 SBM-3.

Financial Materiality Assessment

The assessment was based on the following central assumptions:

— Each risk and opportunity were individually assessed with regard to its relevance across the value chain and scored within each time horizon of its assumed occurrence.
— For a sustainability matter to be deemed as material, only one material risk or opportunity is sufficient, regardless of the count of additional immaterial risks or opportunities, its allocated time horizon or value chain relevance.
— Identified risks and opportunities were evaluated in terms of the magnitude of their financial effect on a three-notch scale from 0-3 and subsequently multiplied by the probability of occurrence on a five-notch scale from 0-5. Only sustainability-related risks were considered for this reassessment; other types of risks were excluded.
— Risks and opportunities with a total score above 1.5 on a three-notch scale from 0 to 3 were considered material.
— The scoring system was supported by interpretation guidance, which was based on an annual materiality assessment, complemented by additional qualitative thresholds.
— Risks and opportunities were defined and evaluated separately under the lead of the Bank's Sustainability Office, engaging in expert interviews with in-house representatives (i.e. Strategic Risk, Strategy, Business Development, and sector-specific experts). The score was set individually per risk or opportunity.
— 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).
— 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 final scoring per risk and opportunity was quality assured by an expert jury.

Risks and Opportunities Relating to E1 Climate Change

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 centred 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, including the results of the 2024 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 reassessment, 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 centred 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 reassessment, 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 shortages due to increasing energy costs and related default risk.

Given the fact that the decarbonisation of the portfolio for the Group as part of the Erste Group Bank, 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 customers in high impact sectors to provide their climate transition plans. This is further described in chapter E1-2.

Non-material Sustainability Matters

In line with ESRS IRO-1 requirements, this section addresses only those sustainability matters for which disclosure is required regardless of their non-material assessment. The Group examined various topics, including pollution, water and marine resources, resource use and circular economy. In all these areas, no material IROs were identified. The assessment considered the Group's business model as a financial institution and its up- and downstream value chain. The assessment indicated that the potential IROs were considered minor and non-material due to the Group's non-manufacturing business model and the structure of its portfolio. Given the immateriality of the topics, no direct consultations were conducted with affected communities. Since no IROs were identified in relation to these topics, no further information is published.

E2 Pollution

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 IROs of other industries. As the Group is not a manufacturing company and has no direct reference points to pollution, potential impacts were assessed not to be material. 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. 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 minimise 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.

E3 Water and Marine Resources

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 IROs 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. 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 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 assessed as not material.

E5 Resource Use and Circular Economy

The analysis took into account the Group's business model, focused on the provision of financial services. Consequently, it was determined that the sub-topics of resource inflows and outflows are not significantly influenced by the Group's own operations and are therefore relevant primarily through the financed portfolio, whereas the sub-topic of waste was deemed relevant for the Group's own operations. 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. 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. 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.

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 datapoints using the EFRAG Guidance. Additionally, the Group discloses entity-specific information following the policy, action and target structure for the sustainability matters of financial literacy and 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 the process of the double materiality assessment. The Group has not set up any thresholds for determining material information. All information required by disclosure requirements is reported.

List of disclosure requirements

ESRS Standard	Disclosure Requirement	Description	Page number
ESRS2	BP-1	General basis for preparation of the sustainability statement	297
	BP-2	Disclosures in relation to specific circumstances	297
	GOV-1	The role of the administrative, management and supervisory bodies	300
	GOV-2	Information and sustainability aspects dealt with by the company's administrative, management and supervisory bodies	302
	GOV-3	Integration of sustainability-related performance in incentive schemes	302
	GOV-4	Statement on due diligence	303
	GOV-5	Risk management and internal controls over sustainability reporting	304
	SBM-1	Strategy, business model and value chain	305
	SBM-2	Interests and views of stakeholders	305
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	307
	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	310
	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	313
E1	GOV-3	Integration of sustainability-related performance in incentive schemes	302
	ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	310
	E1 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	339
	E1-1	Transition plan climate change mitigation	342
	E1-2	Policies and transition measures for climate change mitigation and adaptation	343

ESRS Standard	Disclosure Requirement	Description	Page number
	E1-3	Actions and resources in relation to climate change policies	345
	E1-4	Targets related to climate change mitigation and adaptation	347
	E1-5	Energy consumption and mix	352
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	352
E2	ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	310
E3	ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	310
	E4 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	360
	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	360
E4	E4-2	Policies related to biodiversity and ecosystems	361
	E4-3	Actions and resources related to biodiversity and ecosystems	361
	E4-4	Targets related to biodiversity and ecosystems	361
	E4-5	Impact metrics related to biodiversity and ecosystems change	361
E5	ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	310
	S1 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	363
	S1-1	Policies related to own workforce	364
	S1-2	Processes for engaging with own workforce and workers' representatives about impacts	365
	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	366
	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	367
S1	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	369
	S1-6	Characteristics of the undertaking's employees	370
	S1-9	Diversity metrics	372
	S1-14	Health and safety metrics	372
	S1-16	Remuneration metrics (pay gap and total remuneration)	373
	S1-17	Incidents, complaints and severe human rights impacts	374
	S3 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	375
	S3-1	Policies related to affected communities	375
S3	S3-2	Process for engaging with affected communities about impacts	376
	S3-4	Taking action on material impacts on affected communities and managing the effectiveness of those actions	376
	S3-5	Targets related to advancing positive impacts	377
	S4 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	378
	S4-1	Policies related to consumers and end-users	379
	S4-2	Processes for engaging with consumers and end-users about impacts	380
S4	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	380
	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	381
	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	383
	ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies	300
	ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	310
G1	G1-1	Business conduct policies and corporate culture	386
	G1-3	Prevention and detection of corruption and bribery	388
	G1-4	Incidents of corruption or bribery	388

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		300
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		300
ESRS 2 GOV-4	30	Statement on due diligence	Indicator number 10 Table #3 of Annex 1				303
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	342
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, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g) and Article 12.2		342
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		347
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				352

Disclosure Requirement	Data Point		SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
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)		352
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)		352
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
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

Disclosure Requirement	Data Point		SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
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				310
ESRS 2- IRO 1 - E4	16 (b)		Indicator number 10 Table #2 of Annex 1				310
ESRS 2- IRO 1 - E4	16 (c)		Indicator number 14 Table #2 of Annex 1				310
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	Indicator number 11 Table #2 of Annex 1				361
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				361
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				364
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		364
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	Indicator number 11 Table #3 of Annex I				364
ESRS S1-1	23	Workplace accident prevention policy or management system	Indicator number 1 Table #3 of Annex I				364
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	Indicator number 5 Table #3 of Annex I				366
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		372
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	Indicator number 3 Table #3 of Annex I				372
ESRS S1-16	97 (a)	Unadjusted gender pay gap	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		373
ESRS S1-16	97 (b)	Excessive CEO pay ratio	Indicator number 8 Table #3 of Annex I				373
ESRS S1-17	103 (a)	Incidents of discrimination	Indicator number 7 Table #3 of Annex I				374

Disclosure Requirement	Data Point		SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
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)		374
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				375
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)		375
ESRS S3-4	36	Human rights issues and incidents	Indicator number 14 Table #3 of Annex 1				376
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				379
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)		379
ESRS S4-4	35	Human rights issues and incidents	Indicator number 14 Table #3 of Annex 1				381
ESRS G1-1	10 (b)	United Nations Convention against Corruption	Indicator number 15 Table #3 of Annex 1				386
ESRS G1-1	10 (d)	Protection of whistleblowers	Indicator number 6 Table #3 of Annex 1				386
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)		388
ESRS G1-4	24 (b)	Standards of anti- corruption and anti- bribery	Indicator number 16 Table #3 of Annex 1				388

Environmental Information

EU Taxonomy Disclosures

Legal Framework at EU Level

The European Commission's Delegated Regulation (EU) 2026/73 (further referred to as the "revised EU Taxonomy DDA") amending the European Commission's Delegated Regulation (EU) 2021/2178 (further referred to as the "unrevised EU Taxonomy DDA") as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities addresses the requirements of the revised EU Taxonomy's Article 8 by specifying the accordingly revised content and presentation of information to be disclosed concerning environmentally sustainable economic activities, and specifying the accordingly revised methodology to comply with that disclosure obligation.

The revised EU Taxonomy DDA was published in the EU's Official Journal on 8 January 2026, applicable from 1 January 2026 for the financial year 2025. The necessity of such a revision stems from the experience with the first year of reporting by financial undertakings and the two consecutive years of reporting by non-financial undertakings, which was found to provide a sufficient basis for the European Commission (EC) to introduce certain targeted simplification measures to streamline reporting obligations and thereby reduce administrative burden on reporting undertakings, while not losing relevant and material data from the Taxonomy reporting framework. These measures, in a draft form open for comments, were issued in February 2025, as part of the so-called "Sustainability Omnibus Proposal" (hereafter referred to as "Omnibus"), then further refined and published on 4 July 2025 in the form of an EC Delegated Regulation. In parallel, the Omnibus' "stop the clock" proposal - that is, applying year-end 2024's scope of undertakings subject to CSRD (hence: to EU Taxonomy disclosures as well) until further reassessment of the scope's previously enacted gradual widening across the years 2025-2028 - was fast-tracked for immediate enactment at EU level.

As mandated by its Article 4, the Group initially applies the revised EU Taxonomy DDA for the reporting year ending on 31 December 2025. Therefore, the Group's EU Taxonomy disclosures as of 31 December 2025 (as included below), as well as the number, content and structure of the related templates have been adapted to fully reflect the requirements of the revised EU Taxonomy DDA, notably the amendments to Annex VI to the unrevised EU Taxonomy DDA (providing the updated layouts of the currently required templates 0-5) and the deletion of Annex XII to the unrevised EU Taxonomy DDA (previously integrating the requirements of the Delegated Regulation 2022/1214 and the related previously applicable templates dedicated to direct and indirect applicable exposures towards the nuclear and fossil gas energy sectors).

Basis for the Recalculated Comparative Figures

Where this chapter refers to year-end 2024 figures "as recalculated", these figures reflect a voluntary simulation exercise carried out by the Group for the purpose of enhancing the year-on-year comparability of the main Taxonomy KPIs. The recalculated figures do not constitute a restatement of the Group's previously published year-end 2024 EU Taxonomy disclosures, which remain unchanged. In essence, the simulation was prepared by remapping the year-end 2024 reported asset amounts and counterparty classifications into the revised EU Taxonomy DDA template structure and by applying the revised "symmetrical" approach to the GAR denominator composition, both as introduced by the revised EU Taxonomy DDA, with no other assumptions changed relative to the originally published figures. The resulting recalculated KPIs are presented exclusively in the narrative sub-chapters below to allow a meaningful assessment of year-on-year trends on a like-for-like basis.

The Group's Application of Revised EU Taxonomy DDA's Provisions Prompting Reporting Credit Institutions to Make Own Reporting Choices

10% De Minimis Threshold Applicable to UoP (Use of Proceeds) Assets with Respect to Sustainability Assessment

In accordance with the revised EU Taxonomy DDA, up to 10% of credit institutions' on-balance "use of proceeds known" assets or off-balance items included in the denominator of the related Taxonomy KPI of the credit institution can be omitted from such an assessment and reported instead as non-assessed exposures in a newly available dedicated section of the related EU Taxonomy templates. For the year ending on 31 December 2025, being also the first year of application of the revised EU Taxonomy DDA by the Group (and, inherently, by any other CSRD-obligated undertaking), the Group opted not to apply the above-described 10% de minimis threshold. Consequently, the newly introduced columnar section "Non-assessed exposures" is reported empty across all rows in all related EU Taxonomy simplified templates of the Group as of 31 December 2025.

10% Net Turnover De Minimis Threshold Applicable to Reporting Credit Institutions' EU Taxonomy KPIs to Be Disclosed

Another key change brought by the revised EU Taxonomy DDA relates to the possibility for reporting credit institutions to not report a given EU Taxonomy KPI provided that the related assets or off-balance items contribute by 10% or less to institution's net turnover, as defined by the applicable regulatory requirements. On this basis, the Group has proceeded with determining the relative contribution of the Group's asset management fees, as reported in the Group's consolidated statement of comprehensive income for the financial year ending on 31 December 2024 and concluded that this contribution, together with financial guarantees, amounts to 4% and did not reach the mentioned de minimis threshold of 10%. Consequently, the Group does not disclose its AuM KPI or its FinGuar KPI as of 31 December 2025 in any of the applicable views. The related rows in Template 1, as presented below (all applicable views), are therefore not populated and Template 5 is not disclosed.

Option to Include Selected Assets of Non-CSRD-Obligated Undertakings in the GAR Calculation

In accordance with the revised EU Taxonomy DDA as well, the applicable taxonomy KPIs can be either mandatorily or voluntarily disclosed by the related undertakings. However, in the latter case and provided that the reporting credit institution opts to consider exposures to such undertakings in its Green Asset Ratio (GAR), the applicable

general-purpose exposures and the calculated amounts arising from the above-mentioned weighing shall be distinctly disclosed in a newly available dedicated section of the related EU Taxonomy templates, along any specific-purpose applicable exposures towards non-CSRD-obligated undertakings that the credit institution may voluntarily include in the assets covered by the GAR calculation (hence: assess the specifically financed activities accordingly). For year-end 2025 EU Taxonomy reporting purposes, the Group opted for including in its assets covered by the GAR calculation neither applicable general-purpose exposures to undertakings having voluntarily disclosed their taxonomy KPIs nor applicable specific-purpose exposures towards non-CSRD-obligated undertakings (whether they voluntarily disclosed any taxonomy KPIs or not). Therefore, the newly included row "Exposures included on a voluntary basis" is reported empty across all columns in all related EU Taxonomy simplified templates of the Group as of 31 December 2025.

Revised EU Taxonomy DDA's Approach to GAR Calculation and Its Implementation in the Group

The GAR represents the ratio of the taxonomy-aligned assets or economic activities financed by the Group in relation to the total "GAR assets". The revised EU Taxonomy DDA has introduced a key change in the composition of GAR's denominator, aimed at achieving GAR's "symmetry" in the sense of ensuring a full overlap with respect to the categories of assets and counterparties falling in the respective scopes of GAR's numerator and denominator. This means that:

— Non-trading non-derivative financial assets of non-CSRD-obligated undertakings, previously included in the GAR denominator only, have been fully excluded from the assets covered by the GAR calculation, unless the reporting credit institution would opt to include them on a voluntary basis, which, as mentioned above, is not the case for the Group for 31 December 2025;
— Other categories of financial assets previously included in GAR's denominator only, such as hedging derivatives, on-demand interbank loans, cash and cash-related assets, have been fully excluded from the assets covered by the GAR calculation;
— Other categories of assets, such as goodwill and other non-financial assets, previously included in GAR's denominator only, have been fully excluded from the assets covered by the GAR calculation.

As a direct result of the newly adopted "symmetrical" approach to the GAR calculation, the Group further proceeded with the following two reallocations out of the "GAR assets" into the category of assets not covered for the GAR calculation:

— Loans to households other than those identified as taxonomy-eligible (EU Taxonomy-eligible household loans and Gross Carrying Amount may not be equal, as eligible classification does not necessarily correspond to the full Gross Carrying Amount), that means other than those collateralised by residential real estate or building renovation loans or motor vehicle loans granted since 2022, previously considered as a category of assets covered in both the numerator and the denominator of the GAR (although inherently not eligible for contributing to GAR's numerator), have been fully excluded from the assets covered by the GAR calculation and considered instead within the GAR-excluded category "Undertakings and entities not subject to CSRD" within the related Taxonomy templates as per the revised EU Taxonomy DDA;
— Similarly, general or sundry financings of local governments, previously considered as a category of assets covered in both the numerator and the denominator of the GAR (although inherently not eligible for contributing to GAR's numerator), have been fully excluded from the assets covered by the GAR calculation and considered instead within the GAR-excluded category "Undertakings and entities not subject to CSRD" within the related Taxonomy templates as per the revised EU Taxonomy DDA.

Non-trading non-derivative financial assets having CSRD-obligated undertakings as counterparties are mandatorily included in the GAR calculation. Considering the "stop the clock" decision of the EC in respect to the CSRD scope of obligated undertakings (as also referred to above), the criteria applied at year-end 2024 for identification of the CSRD-obligated undertakings continue to apply in full at year-end 2025 as well. Thus, all undertakings considered to be of public interest and employing more than 500 employees either as individual entities or at the related group level are required to comply with Article 8(1) of Regulation (EU) 2020/852 and hence identified as CSRD-obligated, even when such an obligation does not apply at the related undertaking's individual level, provided that the related undertaking is identified as a subsidiary of a parent undertaking CSRD-obligated at consolidated level only.

The assets covered in the GAR calculation due to having financial or non-financial undertakings identified as CSRD-obligated as counterparties 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 MS-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 calculation, if the financed economic activities demonstrably meet all the applicable technical screening criteria.

Financial assets previously already fully excluded from the GAR calculation, namely those towards central governments, supranational issuers and central banks, as well as all trading assets, remain excluded.

Ensuing Implications on the Eligibility KPI

Another significant KPI is the taxonomy-eligibility KPI. This KPI puts the assets covered in the GAR calculation that are classified as taxonomy-eligible in relation to the total assets covered by the GAR calculation. Similarly to the GAR, covered financial assets of financial or non-financial undertakings are considered in both the numerator and the denominator of the eligibility KPI, provided that the related counterparties are themselves CSRD-obligated at either individual or consolidated level or belong to a group headed by a CSRD-obligated undertaking or are included by the reporting credit institution on a voluntary basis (not the case for the Group for year-end 2025, as mentioned above). 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 financing); 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.

Derived KPIs (“proportions”) Additionally Introduced by the Revised EU Taxonomy DDA

Aside from the GAR and the Eligibility KPI, the revised EU Taxonomy DDA has introduced within the GAR KPI stock and flow templates a new column named "Proportion of Taxonomy aligned in Taxonomy eligible", where the ratio of taxonomy-aligned assets to the taxonomy-eligible assets, as already referred to by Annex V of the unrevised EU Taxonomy DDA as "second step" KPIs, has to be distinctly disclosed.

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 2025, in accordance with the CRR scope of consolidation, amount to CZK 2,038,514 million (2024: CZK 2,030,013 million) (net of related credit loss allowances in the amount of CZK 19,712 million (2024: 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 2,038,533 million (2024: CZK 2,030,076 million) according to the IFRS consolidation scope. This slight difference is due to an entity qualifying as a subsidiary under the IFRS scope of consolidation only.

For year-end 2025, unlike for year-end 2024, the Group, as a credit institution, applies Annexes V and VI of the EU Taxonomy Disclosures Regulation, as modified by the revised EU Taxonomy DDA. Inherently, this legislative update impacts therefore the year-on-year comparability of some of the Group's Taxonomy KPIs. The Group applied methodological changes brought by the revised EU Taxonomy DDA for year-end 2024 as well, the related Taxonomy KPIs of the Group which are detailed in the sub-chapter "Summary of the revised EU Taxonomy DDA’s effects on the comparative information as of year-end 2024" below.

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.

Summary of the Published EU Taxonomy Reporting Templates Accompanied by Considerations on Selected year-on-year Developments

This paragraph provides a concise description of the EU Taxonomy reporting templates published by the Group as of 31 December 2025, simultaneously addressing the requirements of Annex XI to the EU Taxonomy Disclosures Regulation with regard to qualitative explanations addressing significant developments in the main taxonomy KPIs, starting with the second year of implementation.

Template 0 “Summary of KPIs to Be Disclosed by Credit Institutions Under Article 8 Taxonomy Regulation”

Template 0 provides a summary of key amounts and the most significant taxonomy KPIs, as further disclosed in Templates 1 and 3 (see below). According to Annex VI to the EU Taxonomy Disclosures Regulation as modified by the revised EU Taxonomy DDA, Template 0 does not feature a comparative (“T-1”) section. Therefore, the Group does not create a comparative Template 0 as of 31 December 2024. However, the significant year-on-year developments in the quantitative information featured in Template 0 are further outlined below.

Total Environmentally Sustainable Assets / Activities (turnover view)

As of 31 December 2025, the Group discloses in Template 0 total taxonomy-aligned assets (“stock”) in the amount of CZK 9,896 million (2024: CZK 4,942 million) in “turnover” view and respectively CZK 8,985 million (2024: CZK 11,255 million) in “CapEx” view. Out of them, those having been initially recognised during the current year (“flow”) amount to CZK 2,696 million (2024: CZK 1,858 million) in “turnover” view and respectively CZK 2,459 million (2024: not disclosed) in “CapEx” view. The “turnover” view indicates that – as far as general-purpose financings to CSRD-obligated clients or issuers having published Taxonomy KPIs are concerned – the related exposures have been weighted by their respective taxonomy KPIs in connection to their revenue-generating activities (non-financial undertakings) or financings thereof (financial undertakings). The “CapEx” view indicates that – as far as general-purpose financings to CSRD-obligated clients or issuers having published Taxonomy KPIs are concerned – the related exposures have been weighted by their respective taxonomy KPIs in connection to their capital expenditure activities (non-financial undertakings) or financings thereof (financial undertakings).

The year-on-year increase in the taxonomy-aligned financings is mainly attributable to mortgage loans to households that could be assessed as taxonomy-aligned for the first time at year-end 2025, thanks to improvements in the completeness and quality of the underlying data with respect to both the energy performance of the financed real estate collaterals and the applicable physical risks scorings in the geolocations of those collaterals, as modelled across the required time horizons and RCP scenarios. The increase was also supported by the first wave of CSRD-obligated undertakings reporting their EU Taxonomy KPIs, which improved the overall availability of counterparty data. Thus, taxonomy-aligned loans to households increased from CZK 0 million at 31 December 2024 to CZK 2,742 million at 31 December 2025 (stock) in both turnover and CapEx views. Further methodological details are provided in the chapter "Removal of GAR Structural Constraints and Limitations in Data Availability" below.

The taxonomy-aligned financings to financial undertakings and respectively CSRD-obligated non-financial undertakings have shown mixed developments on a year-on-year basis, with increases observed in the turnover view offset by decreases in the CapEx view:

	Turnover view (stock)		CapEx view (stock)	
in CZK million	Dec 2025	Dec 2024	Dec 2025	Dec 2024
Financial undertakings	2,395	1,768	2,929	4,244
Non-financial undertakings	4,759	3,173	3,314	7,011

Total environmentally sustainable assets are further detailed, notably per categories of assets and related counterparties, but also per eligibility and alignment towards each of the six environmental objectives within Template 1 “Assets for the calculation of GAR”, disclosed in both the turnover view and the CapEx view and, as newly required by the revised EU Taxonomy DDA, as both stock and flow as well. Template 1 no longer features a “T-1” comparative section.

Total GAR Stock and Flow (turnover view and CapEx view)

The below considerations addressing the year-on-year development (31 December 2025 vs 31 December 2024) in the Group's GAR Stock and Flow (turnover and CapEx views) are based on year-end 31 December 2024's related GAR ratios having been recalculated by retrospectively applying the changes in GAR's calculation approach induced by the revised EU Taxonomy DDA, as outlined in the preceding sub-chapter above and further summarised (in terms of quantitative impact) in the sub-chapter “Summary of the revised EU Taxonomy DDA’s effects on the comparative information as of year-end 2024" below. Such retrospective recalculation has the purpose of ensuring “like-for-like” comparability of the GAR ratios as at 31 December 2025 vs 31 December 2024, thus ensuring the adequacy of the below considerations by reference to Annex XI's related requirements.

The Group’s total GAR (turnover view) amounted to 1.61% as at 31 December 2025, compared to 0.87% as at 31 December 2024 (stock) as recalculated and respectively 3.15% as at 31 December 2025, compared to 2.36% as at 31 December 2024 (flow) as recalculated. GAR’s significantly favourable change for stock results essentially from the above-described year-on-year positive development in total taxonomy-aligned mortgage and building renovation loans to households, most of which originated in prior years (and therefore had an insignificant impact on “flow”).

In the CapEx view, the GAR amounted to 1.47% as at December 2025, compared to 1.98% as of 31 December 2024 (stock) as recalculated and respectively 2.87% as at December 2025, compared to 6.01% as of 31 December 2024 (flow) as recalculated.

The Group’s GAR Stock as of 31 December 2025 remains nevertheless significantly limited by the inherent difficulties in fully assessing, beyond any reasonable doubt, the taxonomy alignment of the Group’s mortgage loans to households, in particular with regard to the DNSH criterion, notably where a high or very high physical risk is identified at the financed collateral’s geolocation. In such cases, an asset-level vulnerability assessment would be required, referencing appropriate asset-level adaptation measures beyond those already reflected in the scoring methodology. Consequently, none of these mortgage loans could be reported as taxonomy-aligned, although the SC criterion would be met for some exposures. See ‘Developments in data availability’ below. In addition, the consistent application of relative performance benchmarks, such as the Top 15% criterion, is constrained by the availability of locally accepted, comparable and standardised building stock data. Therefore, as of 31 December 2025, out of the Group’s consolidated mortgage and building renovation loans to households amounting to CZK 511,070 million (2024: CZK 468,563), only a relatively small fraction of CZK 2,742 million (2024: CZK 0 million) could be reported as taxonomy aligned, despite most of this volume (CZK 501,226 million (2024: CZK 460,637 million)) being assessed and reported as taxonomy-eligible.

GAR Stock and GAR Flow are further detailed, notably per categories of assets and related counterparts, but also per combined eligibility (across all 6 environmental objectives) and alignment towards each environmental objective within Template 3 “GAR KPI Stock” and Template 4 “GAR KPI Flow” respectively. These templates are disclosed in both the turnover view and the CapEx view, with no "T-1" comparative sections, in accordance with Annex VI as modified by the revised EU Taxonomy DDA. In accordance with the revised EU Taxonomy DDA, both these templates now include columnar sections respectively dedicated to disclosing the proportion of aligned assets in the related eligible assets, as well as the proportion of non-assessed assets in the related total assets covered by the GAR calculation.

Template 2 GAR Sector Information

This template provides, in both stock turnover view and stock CapEx view, a breakdown per the applicable NACE codes of all the eligible and aligned amounts featured in Template 1 as assets covered in the GAR calculation, limited to the first 10 NACE codes in terms of materiality of the related gross carrying amounts. Template 2 features two additional rows dedicated to the on-balance banking book exposures covered by the EU Taxonomy and fully (specific-purpose) or partly (general-purpose) attributable to the nuclear and respectively fossil gas energy sectors, either directly (CSRD-obligated non-financial undertakings primarily active in the mentioned energy sectors) or indirectly (CSRD-obligated financial undertakings exposed in their turn to CSRD-obligated non-financial undertakings primarily active in the mentioned energy sectors).

The taxonomy-eligible and taxonomy-aligned amounts disclosed in the two additional rows of Template 2 relating to nuclear and fossil gas activities, expressed as a proportion of the Group's total assets covered by the GAR calculation, are as follows:

	Nuclear energy activities		Fossil gas activities	
GAR Stock (turnover view)	**31.12.2025**	**31.12.2024***	**31.12.2025**	**31.12.2024***
Eligibility proportion	0.37%	0.37%	0.62%	0.71%
Alignment proportion	0.37%	0.37%	0.00%	0.00%

	Nuclear energy activities		Fossil gas activities	
GAR Stock (CapEx view)	**31.12.2025**	**31.12.2024***	**31.12.2025**	**31.12.2024***
Eligibility proportion	0.11%	0.52%	0.36%	0.91%
Alignment proportion	0.11%	0.52%	0.00%	0.01%

	Nuclear energy activities		Fossil gas activities	
GAR Flow (turnover view)	**31.12.2025**	**31.12.2024***	**31.12.2025**	**31.12.2024***
Eligibility proportion	1.28%	0.69%	0.64%	1.96%
Alignment proportion	1.28%	0.69%	0.00%	0.00%

	Nuclear energy activities		Fossil gas activities	
GAR Flow (CapEx view)	**31.12.2025**	**31.12.2024***	**31.12.2025**	**31.12.2024***
Eligibility proportion	0.35%	0.95%	0.40%	2.51%
Alignment proportion	0.35%	0.95%	0.00%	0.02%

*) retrospectively calculated for comparability purposes only, using as numerators the relevant amounts reported at 31 December 2024 in the formerly required nuclear- and fossil-gas-related Templates 2 and 4 in relation to GAR and as denominators the total assets covered by the GAR calculation as at 31 December 2024, recalculated consistently to 31 December 2025, i.e. based on the "symmetrical" approach to the GAR calculation as required by the revised EU Taxonomy DDA.

As mentioned above, the Group does not disclose its AuM KPI or its FinGuar KPI as of 31 December 2025 in any of the applicable views, due to applying the "de minimis" provision of the revised EU Taxonomy DDA with respect to the credit institution's main Taxonomy KPIs covering assets or off-balance sheet items contributing by less than 10% to the institution's net annual turnover. Therefore, the related proportions in respect of the taxonomy-eligible and respectively taxonomy-aligned amounts attributable to the nuclear energy and respectively fossil gas activities, as presented above with regard to GAR (all views) have not been determined and are therefore not available and not disclosed for the AuM KPI or the FinGuar KPI.

According to the revised EU Taxonomy DDA, Template 2 does not feature a “T-1” comparative section and is provided as both stock and flow, in both the turnover and CapEx views.

Revised EU Taxonomy DDA’s Brought Forward Disclosures Addressing Financing of Nuclear and Fossil Gas Related Economic Activities

According to the revised EU Taxonomy DDA, such disclosures are limited to those already captured in Template 2, as described above. Following the deletion of Annex XII to the EU Taxonomy Disclosures Regulation, the nuclear and fossil gas additional templates formerly required and consequently published by the Group for the year-end 2024 are no longer featured in the Group’s EU Taxonomy disclosures as at 31 December 2025.

Selected KPI's overview

As of 31 December 2025, the Group's total eligibility KPI and total GAR can be summarised as follows:

Turnover View

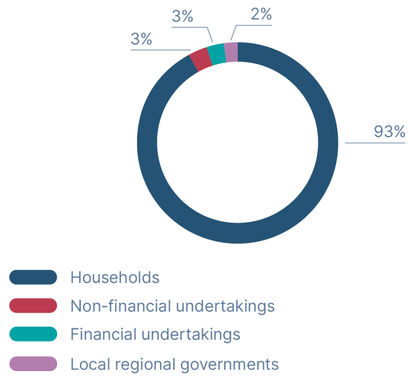
— The Group's consolidated taxonomy-eligible assets amount to CZK 541,831 million (2024: CZK 505,506 million), representing 88.42% (2024 as formerly reported 42.21% and as recalculated 88.98%) of the total covered assets;
— The Group's consolidated taxonomy-aligned assets amount to CZK 9,896 million (2024: CZK 4,942 million), representing 1.61% (2024 as formerly reported 0.41% and as recalculated 0.87%) of the total covered assets.

CapEx View

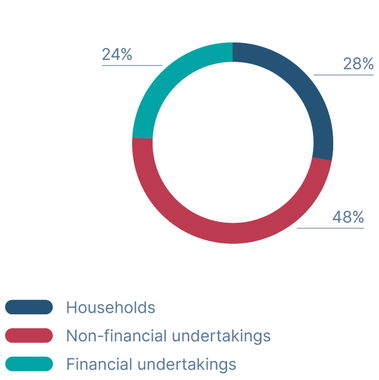
— The Group's taxonomy-eligible assets amount to CZK 549,845 million (2024: CZK 513,545 million), representing 89.73% (2024 as formerly reported 42.88% and as recalculated 90.40%) of the total covered assets;
— The Group's taxonomy-aligned assets amount to CZK 8,985 million (2024: CZK 11,255 million), representing 1.47% (2024 as formerly reported 0.94% and as recalculated 1.98%) of the total covered assets.

In the turnover view, the total eligibility KPI and total GAR as of 31 December 2025 are further comparatively analysed and presented in the charts below:

Taxonomy eligible:
CZK 541,831 million (88,4%)



Taxonomy aligned:
CZK 9,896 million (1,6%)



Thus, as of 31 December 2025, the Group's total taxonomy-eligibility KPI consists of the following main components:

— Financing to private households in the amount of CZK 501,584 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 14,737 million and to financial undertakings in the amount of CZK 14,415 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 11,095 million, the purpose of which corresponds to taxonomy-eligible activities.

Removal of GAR Structural Constraints and Limitations in Data Availability

In 31 December 2024, the Taxonomy disclosures and KPIs of the Group as of 31 December 2025, as well as their year-on-year development as outlined above, were inherently influenced by both structural constraints arising from both the legal design of the GAR and the restricted scope of the CSRD, as well as by various other data availability limitations outlined below.

Removal of GAR Structural Constraints

Due to the extensive information required to evaluate the applicable Taxonomy alignment technical criteria (SC, DNSH), as well as MS 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 meant for year-end 2024, namely before the issuance of the revised EU Taxonomy DDA and its first-time application by the Group as at 31 December 2025, that a significant part of the portfolio (small and medium-sized enterprises non-CSRD-obligated or part of such a group) could be considered in the numerators of the taxonomy-eligibility KPI and the GAR, with most of them qualifying for the respective denominators only ("GAR structural asymmetry").

As outlined above in the introductory part of this chapter, the revised EU Taxonomy DDA removed GAR's structural asymmetry by ensuring the scopes of assets covered in the numerator and respectively the denominator of the GAR are the same, with the direct consequence of assets previously falling in the scope of the GAR denominator only, notably the non-trading exposures towards non-CSRD-obligated undertakings, being removed in full from the GAR calculation. Another consequence for the Group was that taxonomy inherently non-eligible exposures towards households and respectively local governments, notably general- or sundry-purpose consumer loans to retail customers and general or sundry financings of local governments, previously deemed relevant for both GAR's numerator and denominator although inherently unable to make any contribution to the former, have been removed in full from the GAR calculation as well.

Whilst, on the one hand, the revised EU Taxonomy DDA has thus removed GAR's structural asymmetry, GAR's coverage, hence arguably GAR's representativeness of the reporting credit institution's total assets has on the other hand contracted accordingly. Thus, as at 31 December 2024, the proportion of total covered assets in total assets, as previously reported by the Group, amounted to 58.41% for stock and 38.89% for flow. When, for comparability

purposes only, they are retrospectively recalculated based on the revised EU Taxonomy DDA, they decrease to 27.71% and respectively 10.04%. At 31 December 2025, as featured in Template 0 presented below, the Group's GAR coverage amounts to 29.77% (stock) and respectively 12.64% (flow).

Developments in Data Availability

For real estate and vehicle financing for households, as well as financing of housing or other taxonomy-eligible specific-purpose projects by local governments, for collateral which meets the substantial contribution criteria of climate change mitigation (e.g. energy efficiency), an assessment of climate-related physical risks and vulnerabilities is performed to ensure alignment with the DNSH criterion on climate change adaptation. This assessment is based on recognised scientific sources, best-practice methodologies and available climate risk data, including external datasets and modelling where appropriate.

These efforts resulted in an enhanced methodology and more comprehensive underlying internal processes for assessing the DNSH criterion for Climate Change Adaptation with regard to the mortgage loans to households financing building acquisition/ownership or building renovation identified as substantially contributing to the Climate Change Mitigation based on the related financed real estate collateral being substantiated as highly energy efficient, by providing Primary Energy Demand ("PED") within the top 15% most energy-efficient residential building stock, based on relevant PED thresholds, as determined from external technical studies to ensure national benchmarking.

In essence, for each such CCM substantially contributing loan to households, the DNSH criterion had been deemed met for CCA provided that all 21 physical risks identified as relevant for the real estate sector have been determined as scoring lower than "high" or, in the case of the risks of subsidence, drought and precipitation, lower than "very high" severity in the specific geolocation of the related real estate collateral, across all applicable statistically modelled RCP (representative concentration pathway) scenarios with regard to greenhouse gas concentration expectations and all available time horizons by reference to the generally accepted span of a residential building's economic life, hence irrespective of the expected remaining maturity of the related loans. The setting of the scoring threshold to "very high" for the DNSH criterion to be deemed failed in the particular case of the above-mentioned three physical risks reflects the Group's reasonable expectation that all due adaptation measures are by default embedded into the advanced design and construction of high-energy-efficient buildings. Also, as far as the risk of floods is concerned, by factoring in the related "defended risk" indices into the above-described DNSH assessment approach, the Group has ensured that the due adaptation measures were considered in the retrieved scoring, hence in the applied "high" scoring threshold below which the DNSH criterion was deemed met with respect to this particular physical risk.

All such CCM substantially contributing loans for which, based on the aforementioned approach, the DNSH criterion for CCA has been deemed met have been further classified as taxonomy-aligned, additionally based on the MS non-applicability as stemming from Annex V of the revised EU Taxonomy DDA (definition of the numerator of the retail lending alignment KPI), further corroborated by the Group's interpretation that the FAQ 37 from the EC's Third Commission Notice (indicating that the MS compliance assessment for retail lending should address the corporate manufacturers upstream retail client's supply chain with regard to the financed object) does not apply to buildings as far as the financed eligible activity is acquisition or ownership, rather than construction.

Furthermore, regarding both new and existing business 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-eligible with regard to the environmental objectives 3-6, which resulted in relatively few instances of “use of proceeds known” financing having been classified as of 31 December 2025 as eligible by reference to these environmental objectives, none of them being further assessed as taxonomy-aligned for the related objective. At the same time, the Taxonomy templates as per Annex VI as modified by the revised EU Taxonomy DDA no longer require the breakdown of eligible exposures covered by Taxonomy per the six environmental objectives.

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 value adjustments was used – regardless of the counterparty type;
- For all other assets falling into lines 1-40 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 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 IAS 28/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 were required to report EU Taxonomy disclosures as of 31 December 2024. Following the national legislative amendment in the Czech Republic, the reporting obligation for 2025 applies only to companies with more than 1,000 employees as at 31 December 2025 under the CSRD, taking into account the EC’s „stop the clock“ decision referred to in the opening part of this chapter. 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 preparing the “flow” views of Templates 1, 2, and 4 “flow” has been defined as a subset of “stock”, limited to related asset deals having been initially recognised 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 on-balance investment funds: “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.

Significant Notes for the Consideration of Assets in Template 1

Accepted for the numerator and the denominator of the GAR and therefore relevant for the taxonomy-eligibility or -alignment review are non-trading loans and advances, debt securities, equity instruments having CSRD-obligated financial or non-financial undertakings as counterparties (or subsidiaries thereof), as well as real estate and car financing to private households, use of proceeds known financing with local governments, and real estate collateral obtained through taking possession. As outlined above, the Group chose not to consider any "exposures included on a voluntary basis" in the Group's GAR calculation as at 31 December 2025.

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, was fully excluded from the GAR calculation, irrespective of their domicile (EU or non-EU);
— Multilateral development banks listed in Article 117(1) or Article 117(2) of Regulation (EU) 575/2013 (CRR) are considered credit institutions according to the clarifications of the "Environmental Act"; financing to them is allowed for the GAR numerator and denominator, provided they are based in the EU.

Private Households:

— Financing to private 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) have been fully excluded from the GAR calculation and the related gross carrying amounts are therefore included in column A of Template 1, row 25, “Undertakings and entities not subject to CSRD”;
— Financing of building renovation and loans collateralised by residential immovable property are only 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 has been fully excluded from the GAR calculation, the related gross carrying amounts being therefore included in column A of Template 1, row 25, “Undertakings and entities not subject to CSRD”.

New Section of Template 2 “GAR Sector Information” on Nuclear and Fossil Gas Activities (all views):

In the portfolio of the Group, there are no material “use of proceeds known” financings 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 two additional rows newly required by the revised EU Taxonomy DDA within Template 2 (all views) as at 31 December 2025 is essentially 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 nuclear- and fossil-gas-related Templates 2 and 4 (related views), as reported at 31 December 2024 based on the requirements of the former Annex XII to the unrevised EU Taxonomy DDA, meanwhile deleted by the revised EU Taxonomy DDA.

Summary of the Revised EU Taxonomy DDA’s Effects on the Comparative Information as of Year-End 2024

In accordance with the Taxonomy templates’ layouts as per Annex VI to the unrevised EU Taxonomy DDA as modified by the revised EU Taxonomy DDA, no prior-year comparatives are presented in any of them. However, for comparability purposes only in the context of addressing Annex XI's requirement of providing qualitative disclosures around the year-on-year development in reporting institution's main Taxonomy KPIs, the Group is summarising below prior year's Taxonomy KPIs and other related quantitative information as at 31 December 2024, both as previously published and as recalculated.

	As previously published	As recalculated
Template 0		
GAR% Stock – turnover	0.41%	0.87%
GAR% Stock – CapEx	0.94%	1.98%
% coverage over total assets - stock	58.41%	27.71%
GAR% Flow – turnover	0.61%	2.36%
GAR% Flow – CapEx	1.55%	6.01%
% coverage over total assets - flow	38.89%	10.04%
Template 3 turnover view, additional changes		
Eligibility KPI – Households	69.82%	97.40%
Eligibility KPI – Local Governments	48.49%	100.00%
Eligibility KPI – Total	42.21%	88.98%
Template 3 CapEx view, additional changes		
Eligibility KPI – Households	69.82%	97.40%
Eligibility KPI – Local Governments	48.49%	100.00%
Eligibility KPI – Total	42.88%	90.40%

The comparative figures that would have been impacted as detailed above are not presented once again accordingly in the respective views of the related templates, given that, according to the revised EU Taxonomy DDA, the related templates no longer feature a comparative "T-1" section.

EU Taxonomy Tables

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

31 December 2025		Total exposure to Taxonomy-aligned activities (in CZK million)		KPI	KPI	% coverage (over total assets)	Non assessed exposures (% of covered assets)	Non assessed exposures (% of covered assets)
		Turnover-based	CapEx-based	Turnover-based	CapEx-based		Turnover-based	CapEx-based
Main KPI	**Green asset ratio (GAR) stock**	**9,896**	**8,985**	**1.61%**	**1.47%**	**29.77%**	**0.00%**	**0.00%**

		Total exposure to Taxonomy-aligned activities (in CZK million)		KPI	KPI	% coverage (over total assets)	Non assessed exposures (% of covered assets)	Non assessed exposures (% of covered assets)
		Turnover-based	CapEx-based	Turnover-based	CapEx-based		Turnover-based	CapEx-based
Additional KPIs	*GAR (flow)*	2,696	2,459	3.15%	2.87%	12.64%	0.00%	0.00%
	Trading book							
	Financial guarantees							
	Assets under management							
	Fees and commissions income							

1.1. Assets for the calculation of GAR, stock turnover-based view

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	31 December 2025 in CZK million	Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown per environmental objective									Non-assessed exposures	Of which financing non-material activities or counterparties	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution
					Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling				
1	**GAR - Covered assets in both numerator and denominator**	**612,790**	**541,831**	**9,896**	**9,722**	**169**	**3**	**2**	**0**	**-**	**2,742**	**2,288**	**2,623**	**-**	**-**	**-**	**-**
2	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**612,790**	**541,831**	**9,896**	**9,722**	**169**	**3**	**2**	**0**	**-**	**2,742**	**2,288**	**2,623**	**-**	**-**	**-**	**-**
3	**Financial undertakings**	**42,985**	**14,415**	**2,395**	**2,225**	**169**	**1**	**0**	**0**	**-**	**-**	**436**	**1,073**	**-**	**-**	**-**	**-**
4	Loans and advances	21,794	7,123	1,508	1,339	168	1	-	-	-	-	287	833	-	-	-	-
5	Debt securities, including UoP	20,633	7,178	861	860	1	0	0	0	-	-	149	240	-	-	-	-
6	Equity instruments	558	114	26	26	-	-	-	-	-		-	-	-	-	-	-
7	**Non-financial undertakings**	**42,100**	**14,737**	**4,759**	**4,755**	**0**	**2**	**2**	**-**	**-**	**-**	**1,852**	**1,550**	**-**	**-**		**-**
8	Loans and advances	33,583	9,509	3,343	3,339	0	2	2	-	-	-	1,505	1,236	-	-		-
9	Debt securities, including UoP	8,516	5,229	1,416	1,416	-	0	-	-	-	-	347	314	-	-		-
10	Equity instruments	0	0	0	0	-	-	-	-	-		-	-	-	-		-
11	**Households**	**516,611**	**501,584**	**2,742**	**2,742**	**-**		**-**			**2,742**	**-**	**-**	**-**	**-**		**-**
12	of which loans collateralised by residential immovable property	482,824	472,980	2,742	2,742	-		-			2,742	-	-	-	-		-
13	of which building renovation loans	28,246	28,246	-	-	-		-			-	-	-	-	-		-
14	of which motor vehicle loans	5,541	358	-	-						-	-	-	-	-		-
15	**Local governments financing**	**11,095**	**11,095**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
16	Housing financing	-	-	-	-	-		-			-	-	-	-	-		-
17	Other local government financing	11,095	11,095	-	-	-	-	-	-	-	-	-	-	-	-		-
18	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**		**-**			**-**	**-**	**-**	**-**	**-**		**-**
19	**Exposures included on a voluntary basis**	**-**	**-**	**-**	**-**	**-**		**-**			**-**	**-**	**-**	**-**	**-**		
20	**Total GAR assets**	**612,790**												**-**	**-**	**-**	**-**
21	**Assets not covered for GAR calculation**	**1,445,529**															
22	**Central governments and Supranational issuers**	**415,817**															
23	**Central banks exposure**	**345,834**															
24	**Trading book**	**10,553**															
25	**Undertakings and entities not subject to CSRD**	**628,535**															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	411,338															
27	Loans and advances	399,130															
28	of which loans collateralised by commercial immovable property	157,780															
29	of which building renovation loans	4,196															
30	Debt securities	7,929															
31	Equity instruments	4,279															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	5,418															
33	Loans and advances	4,355															
34	Debt securities	1,064															
35	Equity instruments	-															
36	**Derivatives**	**3,149**															
37	**On demand interbank loans**	**722**															
38	**Cash and cash-related assets**	**12,561**															
39	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**28,357**															
40	**Total assets**	**2,058,319**															
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																	
41	Financial guarantees																
42	Assets under management																
43	Of which debt securities																
44	Of which equity instruments																

1.2 Assets for the calculation of GAR, flow turnover-based view

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	31 December 2025 in CZK million	Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown per environmental objective									Non-assessed exposures	Of which financing non-material activities or counterparties	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution
					Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling				
1	**GAR - Covered assets in both numerator and denominator**	**85,676**	**63,778**	**2,696**	**2,694**	**0**	**0**	**2**	**-**	**-**	**495**	**1,103**	**694**	**-**	**-**	**-**	**-**
2	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**85,676**	**63,778**	**2,696**	**2,694**	**0**	**0**	**2**	**-**	**-**	**495**	**1,103**	**694**	**-**	**-**	**-**	**-**
3	**Financial undertakings**	**13,052**	**2,817**	**370**	**370**	**0**	**0**	**-**	**-**	**-**	**-**	**2**	**312**	**-**	**-**	**-**	**-**
4	Loans and advances	11,415	2,376	298	298	0	0	-	-	-	-	0	275	-	-	-	-
5	Debt securities, including UoP	1,638	441	72	72	-	-	-	-	-	-	2	37	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-
7	**Non-financial undertakings**	**10,063**	**3,221**	**1,831**	**1,829**	**0**	**0**	**2**	**-**	**-**	**-**	**1,101**	**383**	**-**	**-**		**-**
8	Loans and advances	8,649	2,344	1,484	1,482	0	0	2	-	-	-	953	314	-	-		-
9	Debt securities, including UoP	1,414	877	347	347	-	0	-	-	-	-	147	68	-	-		-
10	Equity instruments	-	-	-	-	-	-	-	-	-		-	-	-	-		-
11	**Households**	**61,987**	**57,166**	**495**	**495**	**-**		**-**			**495**	**-**	**-**	**-**	**-**		**-**
12	of which loans collateralised by residential immovable property	57,443	54,999	495	495	-		-			495	-	-	-	-		-
13	of which building renovation loans	1,905	1,905	-	-	-		-			-	-	-	-	-		-
14	of which motor vehicle loans	2,639	262	-	-						-	-	-	-	-		-
15	**Local governments financing**	**574**	**574**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
16	Housing financing	-	-	-	-	-		-			-	-	-	-	-		-
17	Other local government financing	574	574	-	-	-	-	-	-	-	-	-	-	-	-		-
18	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**		**-**			**-**	**-**	**-**	**-**	**-**		**-**
19	**Exposures included on a voluntary basis**	**-**	**-**	**-**	**-**	**-**		**-**			**-**	**-**	**-**	**-**	**-**		
20	**Total GAR assets**	**85,676**												**-**	**-**	**-**	**-**
21	**Assets not covered for GAR calculation**	**592,397**															
22	**Central governments and Supranational issuers**	**23,971**															
23	**Central banks exposure**	**336,326**															
24	**Trading book**	**2,331**															
25	**Undertakings and entities not subject to CSRD**	**216,949**															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	135,336															
27	Loans and advances	134,727															
28	of which loans collateralised by commercial immovable property	29,290															
29	of which building renovation loans	664															
30	Debt securities	522															
31	Equity instruments	87															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	3,984															
33	Loans and advances	3,787															
34	Debt securities	197															
35	Equity instruments	-															
36	**Derivatives**	**250**															
37	**On demand interbank loans**	**9**															
38	**Cash and cash-related assets**	**12,561**															
39	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**-**															
40	**Total assets**	**678,073**															
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																	
41	Financial guarantees																
42	Assets under management																
43	Of which debt securities																
44	Of which equity instruments																

1.3 Assets for the calculation of GAR, CapEx-based view, stock

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	31 December 2025 in CZK million	Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown per environmental objective									Non-assessed exposures	Of which financing non-material activities or counterparties	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution
					Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling				
1	**GAR - Covered assets in both numerator and denominator**	**612,790**	**549,845**	**8,985**	**8,910**	**62**	**0**	**13**	**0**	**-**	**2,742**	**817**	**3,722**	**-**	**-**	**-**	**-**
2	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**612,790**	**549,845**	**8,985**	**8,910**	**62**	**0**	**13**	**0**	**-**	**2,742**	**817**	**3,722**	**-**	**-**	**-**	**-**
3	**Financial undertakings**	**42,985**	**20,468**	**2,929**	**2,864**	**62**	**0**	**3**	**0**	**-**	**-**	**194**	**1,725**	**-**	**-**	**-**	**-**
4	Loans and advances	21,794	13,231	1,801	1,738	61	0	2	-	-	-	115	1,297	-	-	-	-
5	Debt securities, including UoP	20,633	7,121	1,099	1,097	1	-	1	0	-	-	79	428	-	-	-	-
6	Equity instruments	558	117	29	29	-	-	-	-	-		-	0	-	-	-	-
7	**Non-financial undertakings**	**42,100**	**16,699**	**3,314**	**3,304**	**0**	**-**	**10**	**-**	**-**	**-**	**623**	**1,997**	**-**	**-**		**-**
8	Loans and advances	33,583	10,774	2,348	2,340	0	-	8	-	-	-	500	1,308	-	-		-
9	Debt securities, including UoP	8,516	5,925	966	964	-	-	2	-	-	-	123	689	-	-		-
10	Equity instruments	0	0	0	0	-	-	-	-	-		-	0	-	-		-
11	**Households**	**516,611**	**501,584**	**2,742**	**2,742**	**-**		**-**			**2,742**	**-**	**-**	**-**	**-**		**-**
12	of which loans collateralised by residential immovable property	482,824	472,980	2,742	2,742	-		-			2,742	-	-	-	-		-
13	of which building renovation loans	28,246	28,246	-	-	-		-			-	-	-	-	-		-
14	of which motor vehicle loans	5,541	358	-	-						-	-	-	-	-		-
15	**Local governments financing**	**11,095**	**11,095**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
16	Housing financing	-	-	-	-	-		-			-	-	-	-	-		-
17	Other local government financing	11,095	11,095	-	-	-	-	-	-	-	-	-	-	-	-		-
18	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**		**-**			**-**	**-**	**-**	**-**	**-**		**-**
19	**Exposures included on a voluntary basis**	**-**	**-**	**-**	**-**	**-**		**-**			**-**	**-**	**-**	**-**	**-**		
20	**Total GAR assets**	**612,790**												**-**	**-**	**-**	**-**
21	**Assets not covered for GAR calculation**	**1,445,529**															
22	**Central governments and Supranational issuers**	**415,817**															
23	**Central banks exposure**	**345,834**															
24	**Trading book**	**10,553**															
25	**Undertakings and entities not subject to CSRD**	**628,535**															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	411,338															
27	Loans and advances	399,130															
28	of which loans collateralised by commercial immovable property	157,780															
29	of which building renovation loans	4,196															
30	Debt securities	7,929															
31	Equity instruments	4,279															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	5,418															
33	Loans and advances	4,355															
34	Debt securities	1,064															
35	Equity instruments	-															
36	**Derivatives**	**3,149**															
37	**On demand interbank loans**	**722**															
38	**Cash and cash-related assets**	**12,561**															
39	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**28,357**															
40	**Total assets**	**2,058,319**															
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																	
41	Financial guarantees																
42	Assets under management																
43	Of which debt securities																
44	Of which equity instruments																

1.4 Assets for the calculation of GAR, CapEx-based view, flow

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	31 December 2025 in CZK million	Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown per environmental objective									Non-assessed exposures	Of which financing non-material activities or counterparties	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution
					Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling				
1	**GAR - Covered assets in both numerator and denominator**	**85,676**	**69,944**	**2,459**	**2,456**	**0**	**0**	**3**	**-**	**-**	**495**	**325**	**1,207**	**-**	**-**	**-**	**-**
2	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**85,676**	**69,944**	**2,459**	**2,456**	**0**	**0**	**3**	**-**	**-**	**495**	**325**	**1,207**	**-**	**-**	**-**	**-**
3	**Financial undertakings**	**13,052**	**9,073**	**938**	**938**	**0**	**0**	**0**	**-**	**-**	**-**	**1**	**726**	**-**	**-**	**-**	**-**
4	Loans and advances	11,415	8,402	688	688	0	0	0	-	-	-	0	572	-	-	-	-
5	Debt securities, including UoP	1,638	670	250	250	-	-	-	-	-	-	1	154	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-
7	**Non-financial undertakings**	**10,063**	**3,131**	**1,026**	**1,023**	**0**	**-**	**3**	**-**	**-**	**-**	**324**	**481**	**-**	**-**		**-**
8	Loans and advances	8,649	2,206	735	732	0	-	3	-	-	-	280	304	-	-		-
9	Debt securities, including UoP	1,414	925	291	291	-	-	0	-	-	-	43	178	-	-		-
10	Equity instruments	-	-	-	-	-	-	-	-	-		-	-	-	-		-
11	**Households**	**61,987**	**57,166**	**495**	**495**	**-**		**-**			**495**	**-**	**-**	**-**	**-**		**-**
12	of which loans collateralised by residential immovable property	57,443	54,999	495	495	-		-			495	-	-	-	-		-
13	of which building renovation loans	1,905	1,905	-	-	-		-			-	-	-	-	-		-
14	of which motor vehicle loans	2,639	262	-	-						-	-	-	-	-		-
15	**Local governments financing**	**574**	**574**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
16	Housing financing	-	-	-	-	-		-			-	-	-	-	-		-
17	Other local government financing	574	574	-	-	-	-	-	-	-	-	-	-	-	-		-
18	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**		**-**			**-**	**-**	**-**	**-**	**-**		**-**
19	**Exposures included on a voluntary basis**	**-**	**-**	**-**	**-**	**-**		**-**			**-**	**-**	**-**	**-**	**-**		
20	**Total GAR assets**	**85,676**												**-**	**-**	**-**	**-**
21	**Assets not covered for GAR calculation**	**592,397**															
22	**Central governments and Supranational issuers**	**23,971**															
23	**Central banks exposure**	**336,326**															
24	**Trading book**	**2,331**															
25	**Undertakings and entities not subject to CSRD**	**216,949**															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	135,336															
27	Loans and advances	134,727															
28	of which loans collateralised by commercial immovable property	29,290															
29	of which building renovation loans	664															
30	Debt securities	522															
31	Equity instruments	87															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	3,984															
33	Loans and advances	3,787															
34	Debt securities	197															
35	Equity instruments	-															
36	**Derivatives**	**250**															
37	**On demand interbank loans**	**9**															
38	**Cash and cash-related assets**	**12,561**															
39	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**-**															
40	**Total assets**	**678,073**															
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																	
41	Financial guarantees																
42	Assets under management																
43	Of which debt securities																
44	Of which equity instruments																

2.1 GAR sector information, turnover-based view, stock

	a	b	c	d	e	f	g	h	i	j
	Breakdown by sector - NACE 4 digits level (code and label) 31 December 2025 in CZK million	Total [Gross] carrying amount	Of which Taxonomy eligible	Of which Taxonomy aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
1	O84.11	24,955	11,095	-	-	-	-	-	-	-
2	T98.20	23,915	4,699	-	-	-	-	-	-	-
3	K64.19	19,795	7,014	416	415	1	-	0	0	-
4	N77.11	11,571	4,198	533	533	-	-	-	-	-
5	D35.11	10,137	4,217	3,828	3,826	-	2	-	-	-
6	L68.20	7,623	5,674	168	0	168	-	-	-	-
7	H49.10	4,887	4,301	586	586	-	-	-	-	-
8	K64.91	4,490	826	17	17	-	-	-	-	-
9	J61.10	3,708	51	-	-	-	-	-	-	-
10	D35.22	3,515	1,352	1,188	1,187		1	-	-	-
11	Nuclear activities	77,945	2,269	2,267						
12	Fossil gas activities	77,945	3,803	0						
13	Of which non-assessed exposures	-								

2.2 GAR sector information, turnover-based view, flow

	a	b	c	d	e	f	g	h	i	j
	Breakdown by sector - NACE 4 digits level (code and label) 31 December 2025 in CZK million	Total [Gross] carrying amount	Of which Taxonomy eligible	Of which Taxonomy aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
1	N77.11	8,682	2,353	299	299	-	-	-	-	-
2	D35.11	3,832	1,778	1,693	1,693	-	0	-	-	-
3	J61.10	3,211	45	-	-	-	-	-	-	-
4	T98.20	2,275	-	-	-	-	-	-	-	-
5	O84.11	2,099	574	-	-	-	-	-	-	-
6	K64.91	1,640	312	7	7	-	-	-	-	-
7	K64.19	1,253	378	10	10	0	-	-	-	-
8	A01.50	687	8	-	-	-	-	-	-	-
9	H49.10	677	596	81	81	-	-	-	-	-
10	G47.11	561	18	-	-	-	-	-	-	-
11	Nuclear activities	22,957	1,101	1,101						
12	Fossil gas activities	22,957	551	-						
13	Of which non-assessed exposures	-								

2.3 GAR sector information, CapEx-based view, stock

	a	b	c	d	e	f	g	h	i	j
	Breakdown by sector - NACE 4 digits level (code and label) 31 December 2025 in CZK million	Total [Gross] carrying amount	Of which Taxonomy eligible	Of which Taxonomy aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
1	O84.11	24,955	11,095	-	-	-	-	-	-	-
2	T98.20	23,915	4,699	-	-	-	-	-	-	-
3	K64.19	19,795	6,579	507	506	1	0	0	0	-
4	N77.11	11,571	9,830	1,229	1,229	-	-	-	-	-
5	D35.11	10,137	2,630	2,413	2,405	-	-	8	-	-
6	L68.20	7,623	5,674	61	0	61	-	-	-	-
7	H49.10	4,887	4,740	342	342	-	-	-	-	-
8	K64.91	4,490	835	28	28	-	-	-	-	-
9	J61.10	3,708	916	-	-	-	-	-	-	-
10	D35.22	3,515	976	888	885	-	-	3	-	-
11	Nuclear activities	77,945	674	674						
12	Fossil gas activities	77,945	2,221	0						
13	Of which non-assessed exposures	-								

2.4 GAR sector information, CapEx-based view, flow

	a	b	c	d	e	f	g	h	i	j
	Breakdown by sector - NACE 4 digits level (code and label) 31 December 2025 in CZK million	Total [Gross] carrying amount	Of which Taxonomy eligible	Of which Taxonomy aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
1	N77.11	8,682	7,663	690	690	-	-	-	-	-
2	D35.11	3,832	980	913	911	-	-	2	-	-
3	J61.10	3,211	779	-	-	-	-	-	-	-
4	T98.20	2,275	-	-	-	-	-	-	-	-
5	O84.11	2,099	574	-	-	-	-	-	-	-
6	K64.91	1,640	315	11	11	-	-	-	-	-
7	K64.19	1,253	407	15	15	0	0	-	-	-
8	A01.50	687	8	-	-	-	-	-	-	-
9	H49.10	677	657	47	47	-	-	-	-	-
10	G47.11	561	198	21	19	-	-	2	-	-
11	Nuclear activities	22,957	304	304						
12	Fossil gas activities	22,957	344	-						
13	Of which non-assessed exposures	-								

3.1 GAR KPI stock, turnover-based view

		a	b	c	d	e	f	g	h	i	j	k	l	m
	% (compared to corresponding total covered assets in the denominator) 31 December 2025	Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective									Proportion of Taxonomy aligned in Taxonomy eligible	Non-assessed exposures
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling		
1	**GAR - Covered assets in both numerator and denominator**	**88.42%**	**1.61%**	**1.59%**	**0.03%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.45%**	**0.37%**	**0.43%**	**1.83%**	**0.00%**
2	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**88.42%**	**1.61%**	**1.59%**	**0.03%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.45%**	**0.37%**	**0.43%**	**1.83%**	**0.00%**
3	**Financial undertakings**	**33.54%**	**5.57%**	**5.18%**	**0.39%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**1.01%**	**2.50%**	**16.61%**	**0.00%**
4	Loans and advances	32.68%	6.92%	6.14%	0.77%	0.00%	0.00%	0.00%	0.00%	0.00%	1.32%	3.82%	21.17%	0.00%
5	Debt securities, including UoP	34.79%	4.17%	4.17%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.72%	1.16%	11.99%	0.00%
6	Equity instruments	20.40%	4.69%	4.69%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	22.99%	0.00%
7	**Non-financial undertakings**	**35.01%**	**11.31%**	**11.30%**	**0.00%**	**0.00%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**4.40%**	**3.68%**	**32.29%**	**0.00%**
8	Loans and advances	28.31%	9.96%	9.94%	0.00%	0,01%	0.01%	0.00%	0.00%	0.00%	4.48%	3.68%	35.16%	0.00%
9	Debt securities, including UoP	61.39%	16.63%	16.63%	0.00%	0,00%	0.00%	0.00%	0.00%	0.00%	4.08%	3.69%	27.08%	0.00%
10	Equity instruments	19.74%	0.41%	0.41%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	2.08%	0.00%
11	**Households**	**97.09%**	**0.53%**	**0.53%**	**0.00%**		**0.00%**			**0.53%**	**0.00%**	**0.00%**	**0.55%**	**0.00%**
12	of which loans collateralised by residential immovable property	97.96%	0.57%	0.57%	0.00%		0.00%			0.57%	0.00%	0.00%	0.58%	0.00%
13	of which building renovation loans	100.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
14	of which motor vehicle loans	6.46%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%
15	**Local governments financing**	**100.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
16	Housing financing	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
17	Other local government financing	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	**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%**	**0.00%**
19	**Exposures included on a voluntary basis**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**0.00%**			**0.00%**	**0.00%**	**0.00%**	**0.00%**	
20	**Total GAR assets**	**88.42%**	**1.61%**	**1.59%**	**0.03%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.45%**	**0.37%**	**0.43%**	**1.83%**	**0.00%**

3.2 GAR KPI stock, CapEx-based view

		a	b	c	d	e	f	g	h	i	j	k	l	m
	% (compared to corresponding total covered assets in the denominator) 31 December 2025	Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective									Proportion of Taxonomy aligned in Taxonomy eligible	Non-assessed exposures
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling		
1	**GAR - Covered assets in both numerator and denominator**	**89.73%**	**1.47%**	**1.45%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.45%**	**0.13%**	**0.61%**	**1.63%**	**0.00%**
2	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**89.73%**	**1.47%**	**1.45%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.45%**	**0.13%**	**0.61%**	**1.63%**	**0.00%**
3	**Financial undertakings**	**47.62%**	**6.81%**	**6.66%**	**0.14%**	**0.00%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.45%**	**4.01%**	**14.31%**	**0.00%**
4	Loans and advances	60.71%	8.26%	7.97%	0.28%	0.00%	0.01%	0.00%	0.00%	0.00%	0.53%	5.95%	13.61%	0.00%
5	Debt securities, including UoP	34.51%	5.33%	5.32%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.38%	2.07%	15.44%	0.00%
6	Equity instruments	20.95%	5.24%	5.24%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	25.01%	0.00%
7	**Non-financial undertakings**	**39.66%**	**7.87%**	**7.85%**	**0.00%**	**0.00%**	**0.02%**	**0.00%**	**0.00%**	**0.00%**	**1.48%**	**4.74%**	**19.85%**	**0.00%**
8	Loans and advances	32.08%	6.99%	6.97%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	1.49%	3.90%	21.79%	0.00%
9	Debt securities, including UoP	69.57%	11.35%	11.33%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	1.44%	8.09%	16.31%	0.00%
10	Equity instruments	20.44%	0.67%	0.67%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.02%	3.28%	0.00%
11	**Households**	**97.09%**	**0.53%**	**0.53%**	**0.00%**		**0.00%**			**0.53%**	**0.00%**	**0.00%**	**0.55%**	**0.00%**
12	of which loans collateralised by residential immovable property	97.96%	0.57%	0.57%	0.00%		0.00%			0.57%	0.00%	0.00%	0.58%	0.00%
13	of which building renovation loans	100.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
14	of which motor vehicle loans	6.46%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%
15	**Local governments financing**	**100.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
16	Housing financing	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
17	Other local government financing	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	**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%**	**0.00%**
19	**Exposures included on a voluntary basis**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**0.00%**			**0.00%**	**0.00%**	**0.00%**	**0.00%**	
20	**Total GAR assets**	**89.73%**	**1.47%**	**1.45%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.45%**	**0.13%**	**0.61%**	**1.63%**	**0.00%**

4.1 GAR KPI flow, turnover-based view

		a	b	c	d	e	f	g	h	i	j	k	l	m
	% (compared to corresponding total covered assets in the denominator) 31 December 2025	Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective									Proportion of Taxonomy aligned in Taxonomy eligible	Non-assessed exposures
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling		
1	**GAR - Covered assets in both numerator and denominator**	**74.44%**	**3.15%**	**3.14%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.58%**	**1.29%**	**0.81%**	**4.23%**	**0.00%**
2	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**74.44%**	**3.15%**	**3.14%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.58%**	**1.29%**	**0.81%**	**4.23%**	**0.00%**
3	**Financial undertakings**	**21.58%**	**2.83%**	**2.83%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.02%**	**2.39%**	**13.13%**	**0.00%**
4	Loans and advances	20.81%	2.61%	2.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.41%	12.56%	0.00%
5	Debt securities, including UoP	26.94%	4.42%	4.42%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.13%	2.28%	16.42%	0.00%
6	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%
7	**Non-financial undertakings**	**32.01%**	**18.19%**	**18.17%**	**0.00%**	**0.00%**	**0.02%**	**0.00%**	**0.00%**	**0.00%**	**10.94%**	**3.80%**	**56.84%**	**0.00%**
8	Loans and advances	27.10%	17.17%	17.13%	0.01%	0.00%	0.03%	0.00%	0.00%	0.00%	11.02%	3.63%	63.32%	0.00%
9	Debt securities, including UoP	62.01%	24.52%	24.51%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	10.40%	4.84%	39.54%	0.00%
10	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%
11	**Households**	**92.22%**	**0.80%**	**0.80%**	**0.00%**		**0.00%**			**0.80%**	**0.00%**	**0.00%**	**0.87%**	**0.00%**
12	of which loans collateralised by residential immovable property	95.75%	0.86%	0.86%	0.00%		0.00%			0.86%	0.00%	0.00%	0.90%	0.00%
13	of which building renovation loans	100.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
14	of which motor vehicle loans	9.91%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%
15	**Local governments financing**	**100.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
16	Housing financing	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
17	Other local government financing	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	**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%**	**0.00%**
19	**Exposures included on a voluntary basis**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**0.00%**			**0.00%**	**0.00%**	**0.00%**	**0.00%**	
20	**Total GAR assets**	**74.44%**	**3.15%**	**3.14%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.58%**	**1.29%**	**0.81%**	**4.23%**	**0.00%**

4.2 GAR KPI flow, CapEx-based view

		a	b	c	d	e	f	g	h	i	j	k	l	m
	% (compared to corresponding total covered assets in the denominator) 31 December 2025	Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective									Proportion of Taxonomy aligned in Taxonomy eligible	Non-assessed exposures
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling		
1	**GAR - Covered assets in both numerator and denominator**	**81.64%**	**2.87%**	**2.87%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.58%**	**0.38%**	**1.41%**	**3.52%**	**0.00%**
2	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**81.64%**	**2.87%**	**2.87%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.58%**	**0.38%**	**1.41%**	**3.52%**	**0.00%**
3	**Financial undertakings**	**69.51%**	**7.18%**	**7.18%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.01%**	**5.56%**	**10.33%**	**0.00%**
4	Loans and advances	73.61%	6.02%	6.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.01%	8.18%	0.00%
5	Debt securities, including UoP	40.93%	15.26%	15.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%	9.41%	37.29%	0.00%
6	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%
7	**Non-financial undertakings**	**31.12%**	**10.20%**	**10.17%**	**0.00%**	**0.00%**	**0.03%**	**0.00%**	**0.00%**	**0.00%**	**3.22%**	**4.78%**	**32.77%**	**0.00%**
8	Loans and advances	25.51%	8.49%	8.45%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%	3.24%	3.51%	33.29%	0.00%
9	Debt securities, including UoP	65.40%	20.55%	20.53%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	3.06%	12.57%	31.42%	0.00%
10	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%
11	**Households**	**92.22%**	**0.80%**	**0.80%**	**0.00%**		**0.00%**			**0.80%**	**0.00%**	**0.00%**	**0.87%**	**0.00%**
12	of which loans collateralised by residential immovable property	95.75%	0.86%	0.86%	0.00%		0.00%			0.86%	0.00%	0.00%	0.90%	0.00%
13	of which building renovation loans	100.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
14	of which motor vehicle loans	9.91%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%
15	**Local governments financing**	**100.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
16	Housing financing	0.00%	0.00%	0.00%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
17	Other local government financing	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	**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%**	**0.00%**
19	**Exposures included on a voluntary basis**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**0.00%**			**0.00%**	**0.00%**	**0.00%**	**0.00%**	
20	**Total GAR assets**	**81.64%**	**2.87%**	**2.87%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.58%**	**0.38%**	**1.41%**	**3.52%**	**0.00%**

Climate Change

As part of the Group's sustainability strategy, special focus is placed on the topic of climate change. Through its DMA, 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 and reduce its Scope 1 and Scope 2 emissions.

To ensure that these sustainability priorities are reflected at the highest level, performance criteria for individual Board members include indicators related to sustainability. 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.

SBM-3 – Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model

Sustainability Matter	Type of IRO	IRO Description	Value chain	Time horizon
Climate change adaptation	Risk	The Group faces a higher credit risks as climate-related physical 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	All time horizons
Climate change mitigation	Potential negative impact	If the Group does not reduce its own emissions from banking operations and upstream value chain in the coming years, it may lead to the loss of climate stability and contribute to global warming.	Upstream & Own operations	Medium- and long-term
	Actual negative impact	Investing in and financing energy-intensive companies and households that still rely on fossil fuels lead to high CO_2e emissions, contributing to climate change.	Portfolio	All time horizons
	Risk	The Group is exposed to climate-related transition and physical 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	Medium- and long-term
	Opportunity	The Group can gain financial opportunities by investing in and financing customers who are decarbonising and transitioning to sustainability.	Portfolio	All time horizons

Sustainability Matter	Type of IRO	IRO Description	Value chain	Time horizon
Energy	Potential negative impact	If the Group, or its upstream value chain, consume large amounts of energy or transition too slowly to renewable energy sources, it may contribute to climate change and the adverse impacts associated with it.	Upstream & Own operations	Long-term
	Actual negative impact	Investing in and financing energy-intensive companies and households that still rely on fossil fuels lead to high CO_2e emissions, contributing to climate change.	Portfolio	All time horizons
	Potential positive impact	The Group's financing of energy efficiency and renewable energy projects reduces climate risks and enables CO_2e-neutral energy production, which is essential for transitioning to a sustainable economic system.	Portfolio	All time horizons
	Risk	The Group faces energy-related transition 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.	Portfolio	Medium- and long-term
	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	All time horizons

Resilience of the Business Model

Erste Group Bank has implemented a comprehensive scenario-based approach to assess and quantify transition and physical risks in the short, medium and long term in relation to its own operations, client relationships and the asset portfolio across all its core markets, including the Czech Republic, and across Group entities. The systematic analysis of potential future scenarios enables the identification of opportunities for enhanced resilience and adaptation. In addition, the Group has developed its own scenario-based approach for large corporate and SME clients to assess and quantify the impact of transition risk on the credit risk of the Bank‘s corporate portfolio. The outcomes of Erste Group Bank’s resilience analysis conducted under adverse scenarios, localised for the Group, feed into the Group’s risk materiality assessment.

Scenario Analysis Framework

Erste Group Bank’s analytical framework incorporates scenarios informed by the Network for Greening the Financial System (NGFS) to explore the impact of transition and physical risks. These scenarios encompass three distinct pathways:

Type	Name	Description
Baseline	Central Scenario	Reflects Erste Group Bank’s baseline view on the expected development of its environment by combining NGFS’ Below 2°C and Fragmented World.
Adverse	Delayed Transition	Assumes that the implementation of strong climate policies is stalled until 2030 ultimately leading to high transition risk implications.
	Current Policies	Assumes that existing climate policies remain in place but there is no ambition to further strengthen them leading to increasing physical risks (Hot House World).

The evaluation of transition and physical risks is conservatively based on the results of the two adverse scenarios, the Delayed Transition Scenario for transition risk and the Current Policies Scenario for physical risk. The delayed transition scenario examines the implications of a rapid, disorderly transition to a low-carbon economy, characterised by sudden policy changes in 2030 triggering market disruptions as countries rush to meet the Paris Agreement target of limiting global warming to well below 2°C[30]. Meanwhile, the Current Policies Scenario reflects a future with minimal climate mitigation, resulting in severe physical impacts such as extreme weather events (e.g. floods, fires). By choosing these scenarios, Erste Group Bank ensures it is testing its portfolio under adverse conditions, thereby strengthening its resilience and enhancing risk awareness for robust climate risk management.

The Group’s own assessment of the impact of transition risk impact on the credit risk of the corporate portfolio directly incorporates NGFS scenarios. The approach compares the impacts of three distinct pathways, Delayed Transition[31], Current Policies (both described above), and Net Zero 2050 – a scenario assuming that ambitious, immediate, and globally coordinated climate policies are implemented to limit global warming to around 1.5°C by 2100, requiring rapid emissions reductions and widespread deployment of low-carbon technologies, leading to higher near-term transition risks but significantly lower long-term physical climate risks. Among the three scenarios, the Current Policies scenario is assessed by the Group as the closest representation of the expected development in short to medium term. As such, it provides the most realistic forward-looking view for internal planning purposes and is inherently reflected in the Group’s current calculation of expected credit losses.

It should be noted that the resilience analysis is subject to uncertainties as it uses long-term (up to 30 years) climate and macro-economic projections that depend on assumptions about future policies, technologies and how quickly the transition will progress. Uncertainty also comes from the limited historical data on extreme climate events and from the sensitivity of the risk models, which means actual impacts may differ from the estimates.

(30) For Erste Group Bank's usage it is considered "accelerated", implying that the disorderly transition starts already in the next year rather than in the 2030s allowing for a consistent assessment of the short- (2026) and medium-term (2030) respectively.
(31) Unlike Erste Group Bank, the Group uses the Delayed transition scenario in line with its NGFS definition (the disorderly transition starts in 2030; no „acceleration“ in the Group’s application of the scenario).

Scope of the Resilience Analysis

The analysis of transition risks performed by Erste Group Bank covers clients including sovereigns, financial institutions, large corporates, SMEs and real estate clients (commercial real estate including income producing residential real estate and retail mortgages). The analysis of physical risks covers loans collateralised by real estate (commercial real estate including income producing residential real estate and retail mortgages) and Erste Group Bank's own and outsourced operations (i.e. headquarters and branches, including critical facilities such as data centres).

The Group's own assessment covers clients falling into the Bank's large corporate and SME segments and the outputs are calculated for the years 2030, 2040, 2050.

The assessment of both risks is conducted over the short-, medium and long-term horizons. The time horizons used for the physical and transition risk assessments are as follows:

— Short-term: Up to 1 year;
— Medium-term: 1 to 5 years;
— Long-term: Over 5 years (for transition risk up to 2050, for physical risks up to 2100).

Description of the Resilience Analysis

Erste Group Bank's methodology for the **transition risk** assessment 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 counterparties as well as the indirect effects of macroeconomic developments. The macroeconomic parameters were derived from regulatory scenarios and from the economic research department of Erste Group Bank and cover each critical sector individually in projections of gross value added. The developments are based on each scenario's narrative tailored to the current economic starting points of key markets. Critical assumptions about developments are therefore aligned with regulatory as well as scientific scenarios. The Group used calculations performed in late 2024 based on a June 2024 starting datapoint in its risk materiality assessment as these were the latest available at the time.

The Group's methodology for **transition risk** combines a bottom-up approach, projecting company-level energy use, emissions, costs, investments, and financial statements under each scenario, with a top-down approach that extrapolates impacts where granular data are limited. Client energy consumption is derived from Eurostat energy balances and linked to NGFS projections by sector and NACE code, with country-level downscaling. Scope 1 and 2 emissions are translated into energy use and costs; scenario-driven changes affect revenues, COGS, operating costs, CAPEX, debt, depreciation, and interest through accounting relationships. Required green investments (carbon mitigation and, for electricity producers, renewable capacity) are estimated using NGFS technology price paths and IPCC cost assumptions and financed as needed. Results are translated into rating impacts under multiple scenarios over a long-term horizon (2023–2050). Finally, the risk provisions and risk weighted assets are calculated in order to quantify the impacts on the Bank's P&L and capital requirements. The results presented herein were calculated using a December 2025 starting datapoint.

Erste Group Bank's **physical risk** assessment combines quantitative analyses which simulate extreme weather events like floods or fires to evaluate portfolio resilience under adverse conditions:

— Comprehensive scenario analysis: As with the transition risk scenario analysis, the basis was represented by an NGFS scenario, namely Current Policies. Additionally, two dedicated physical risk models were designed to simulate the direct effects of two key climate-related hazards, namely river flooding and fire weather[32]. The river flood model with data as of 2023 was used for the Group's materiality assessment. In addition, a scenario analysis from the 2022 ECB climate stress test was used for drought materiality assessment. Due to limited changes in physical risk severity and limited changes in the Group's portfolio collateralised by real estate[33] between the analyses and 2025, the Group considers these analyses – the only ones available – representative of its risk exposure as of 2025. The impact affects the credit portfolio collateralised by real estate (i.e. RRE, CRE) via LGD shifts.
— Munich RE hazard data: The Location Risk Intelligence dataset on physical risks from Munich RE provides an extensive list of hazards and climate-related variables such as various time horizons as well as scenarios. Erste Group Bank bases its risk materiality assessment of future time frames on the RCP 8.5 and SSP 5 scenarios respectively, capturing physical risk exposures under adverse conditions reflected by high-emission and fossil-fuelled trajectories. Applying these severe downside scenarios guarantees a highly conservative approach in evaluating Erste Group Bank's resilience to climate-related risks.

Results of the Resilience Analysis

Transition Risk

Credit Risk: In short to medium term, the Group does not anticipate notable impact from transition risk on its portfolio credit risk under baseline scenario. In case of a stress scenario of a transition to a low-carbon economy occurring in an adverse fashion (accelerated delayed transition) the analysis conducted by Erste Group Bank for the Group indicates material exposure to transition-induced credit risk across short-, medium- and long-term horizons. This elevated credit risk exposure would be mainly driven by climate-related factors and drivers such as environmental taxation and subsidies, regulatory requirements, energy and transport policies, behavioural changes among investors, consumers, suppliers and employees as well as technological developments.

According to the Group's own analysis, in the medium term (by 2030), the Bank's corporate portfolio would experience the annual transition-related credit losses CZK 500 million higher in the Net Zero 2050 scenario compared to the Delayed Transition and Current Policies scenarios, which show nearly identical outcomes in medium term. These credit losses in the Net Zero scenario would be driven by the immediate introduction of climate-protective policies and the significant investment required from companies to adopt carbon-neutral technologies. Correspondingly, Pillar 1 Credit RWA in 2030 would be projected to be about CZK 30 billion higher under the Net Zero scenario compared to the other two scenarios.

Looking further ahead to 2050, Net Zero would continue to generate the highest cumulative transition-related credit losses, followed by Delayed Transition and then Current Policies. However, the long-term differences would narrow down considerably: annual credit losses in Net Zero would exceed those in Current Policies by only CZK 38 million, and the gap in Pillar 1 Credit RWA also shrinks – by 2050, Net Zero Pillar 1 Credit RWA would be only about CZK 10 million higher than under Current Policies.

(32) The fire weather model was being developed during 2025. It was not available at the time of the Group's risk materiality.
(33) The Group's real estate-collateralised portfolio consists mainly of mortgages with long maturities.

From an operational risk perspective, two relevant transition-risk drivers have been identified over the medium and long term. First, there is an increased risk of regulatory non-compliance due to rapidly evolving ESG requirements and heightened regulatory oversight. Second, shifting behaviours and expectations of stakeholders regarding environmental performance create additional operational challenges that require careful management.

Market, Liquidity, Strategic and Reputational Risk: The evaluation concluded that no material transition risks were identified across all time horizons – short-, medium- and long-term.

To evaluate business-model resilience, it is essential to assess the effectiveness of Erste Group Bank's strategic responses and mitigation actions to determine the net impact. This process involves comparing the financial impact of the transition risk scenario with and without mitigating actions, especially considering the implemented decarbonisation strategy. Erste Group Bank has the ambition to achieve net zero status for its portfolio by 2050. By pursuing its strategy towards established targets for key sectors, Erste Group Bank's exposure to climate-related transition risks is expected to decline.

Other components of the risk-management framework that help effectively manage and reduce exposure to transition risks include various mitigation tools, such as enhancing the existing limit framework, strengthening underwriting standards, improving monitoring processes and expanding ESG-related data collection.

Physical Risk

Credit Risk: According to Erste Group Bank's assessment, physical risks are a material driver for credit risk across all time horizons. This elevated credit risk exposure is mainly driven by climate-related physical risk hazards. These are expected to intensify in severity and frequency from the mid-century onwards, with additional risk drivers becoming material in the long-term in line with scientific projections.

Operational Risk: For internal operations, according to Erste Group Bank's assessment, physical risks are an immaterial driver for the Group across all horizons until 2050. Looking beyond 2050, heat waves are expected to reach a material level across all geographies, both for its own operation and for third-party service providers.

Strategic Risk: Erste Group Bank assesses the impact of physical risk drivers on strategic risk as material in the long term coming mainly from the elevated climate-related physical risk hazards affecting its credit portfolio.

Market, Liquidity and Reputational Risk: The evaluation concluded that no material physical risks were identified across all time horizons – short-, medium- and long-term.

The Group has strengthened risk management processes by embedding climate and environmental factors into collateral management frameworks. To mitigate physical risks, Erste Group Bank continuously monitors and reports on collaterals. Furthermore, the Group has updated its collateral policy to include detailed guidelines for assessing increased physical risks in both residential and commercial real estate valuations.

E1-1 – Transition Plan for Climate Change Mitigation

The Group is within the scope of the EU Paris-aligned benchmarks, which have the primary goal of assisting the transition towards a low-carbon economy and limiting global temperature rise to 1.5°C above pre-industrial levels.

In 2025, Erste Group Bank began developing its prudential transition plan in line with the requirements of the Capital Requirements Directive (CRD VI). The plan is being prepared centrally and is intended to cover all core markets of Erste Group Bank, including the Czech Republic. This plan focuses on assessing and managing financial risks arising from environmental and broader sustainability factors, with the business and sustainability strategy and sector-specific decarbonisation levers serving as a key input - providing strategic direction, decarbonisation targets and implementation pathways that inform risk-relevant conclusions. This integration continues to strengthen the alignment between its sustainability strategy and prudential risk management, ensuring consistency across regulatory frameworks and internal planning processes. Additionally, the Group is required to submit a prudential transition plan or its draft to the Czech National Bank by 30 April 2026 and is collaborating with Erste Group Bank on its development.

Decarbonisation Levers and Key Actions

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.

The Group has immaterial exposures in the oil and gas extraction and cement production sectors. The remaining four sectors have allocated targets compatible with limiting global warming to 1.5°C in line with the Paris Agreement.

In addition, the Groupis dedicated to supporting the decarbonisation of real estate portfolios:

— Mortgages;
— Commercial real estate.

For both, the Group has set targets that are not currently aligned with the Paris Agreement. The commercial real estate and mortgage loan targets are aligned with temperature pathways of 1.7°C and 2.2°C, respectively.

The level of GHG emissions produced by debtors 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 for low- or zero-emissions projects or sectors;
— Increasing the share of transition financing, i.e. providing financing to debtors 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 debtors to invest in and deploy these technologies. The willingness and ability of debtors 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 Group 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 chapter E1-3.

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 Group 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 and further advanced this in 2025, developing strategies for the electricity generation, automotive, cement, and iron and steel sub-portfolios. These strategies were not subject to formal approval by the Board of Directors.

The Group's aim is for the portfolio emissions reduction targets to be embedded within its business strategy and financial planning. The Group plans that 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 product strategies.

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 emitters in the Group's portfolio – should ensure that the Group avoids material GHG lock-in. The Group does not consider locked-in emissions from its other assets to be relevant.

Own Operations Emissions

With respect to the Group's own operations, the following decarbonisation lever has been identified:

— Energy efficiency improvements.

The lever focuses on activities such as increasing energy efficiency and optimising energy consumption across the Group's own real estate through central monitoring and refurbishment. Further actions include switching to low-carbon energy sources and installing renewable energy sources, where technically and economically feasible, taking into account the heritage protection requirements of certain buildings, as well as transitioning to an electric corporate car fleet. The strategy and action plans to effectively reduce the Group's own operational emissions by 2030 are described in chapter E1-3. The planned move to a new headquarters in Prague will also significantly contribute to emission reduction from its own operations.

The Group does not yet quantify the investments (CapEx), OpEx and funding that support the implementation of its transition plan.

E1-2 – Policies Related to Climate Change Mitigation and Adaptation

Material Sustainability Matter	Policy
Climate change adaptation	Responsible Financing Policy
	Commercial Real Estate Financing Policy
Climate change mitigation	Responsible Financing Policy
	Lending Policy for Renewable Energy
	Commercial Real Estate Financing Policy
	Car Policy
Energy	Lending Policy for Renewable Energy
	Commercial Real Estate Financing Policy
	Car Policy

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 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. The policy aims to reduce the environmental impact of corporate lending – namely financed emissions – by focusing financing on climate change mitigation and transition projects, including the EU Taxonomy-eligible/aligned projects.

The Bank has set internal thresholds for exposures across all products and services in the Corporates and Markets Division of the Bank, as well as for a client's turnover related to the economic activity in question. Once these thresholds are exceeded, any exposure falls within the scope of the policy.

The Bank is committed to a progressive reduction of its financing of 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. By the end of 2025, the Bank had engaged in in-depth discussions with clients to set respective

transition plans and has continued to support their transition efforts to disengage from the thermal coal sector within the 2030 timeframe.

The Bank acknowledges that the Czech Republic relies 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 protected 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 every two years. The policy is subject to approval by the member of the Board of Directors responsible for the Corporates and Markets Division. 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 and 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 its implementation in subsidiaries that provide corporate lending has been postponed to 2026 due to the planned update of the policy

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.

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 Board member responsible for financial markets and corporate banking. 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 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 object 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 B-1 Manager responsible for Corporate Credit Risk Management. 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, with the most recent review conducted in 2025, 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.

In addition to the above disclosed policies, the Group also follows Erste Group Bank's Sustainable Finance Methodology (SFM), which was updated in 2025 but has not yet been implemented.

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 GHG emissions, including 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 sets criteria and guidelines for the Group's fleet, including CO_2 limits. The Group's ambition was to reach 25% electric car penetration in the fleet by 2025 and to have only electric cars in the fleet by 2030, with progress on these targets disclosed in chapter E1-4.

The policy is owned by the People and Culture Unit, which is responsible for the implementation of the policy and is subject to approval by the CEO, following a prior decision by the Board of Directors, while the Property Management Unit 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.

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 for 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.

The Group is committed to a progressive reduction of its financing of thermal-coal mining, and thermal-coal power generation, with an ultimate target of achieving zero exposure by 2030. By the end of 2025, the Group had engaged in in-depth discussions with clients to set the respective transition plans and has continued to 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 on 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 financing portfolio and retail 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.

Based on the SFM, the Group defines the following categories under which financing can be qualified as sustainable:

1. Either complies fully with the respective EU Taxonomy criteria for specific purpose financings or general purpose financings weighed by counterparty's most recently published Taxonomy-alignment KPI, if the purpose of the financing is unknown (please refer to the EU Taxonomy Disclosure chapter for more information) or;
2. Activities for which a simplified internal criterion set for evaluation applies by either showing reduction in carbon emissions compared to the market standard or by supporting climate and nature related objectives,
3. Support of projects from supranational institutions in key sectors;
4. Fulfilment of project categories of voluntary frameworks;
5. Support of dedicated national programmes.

In 2026, Erste Group Bank plans to refine its sustainable financing approach to better support decarbonisation targets. As the Group follows Erste Group Bank' SFM, it will follow the updated version once it is implemented. The focus of Sustainable Financing will be broadened to include a wider range of impactful activities and sectors, making it more relevant and connected to market developments. Beyond energy-efficient buildings and renewable energy the refined approach will for example include, among others, low-carbon manufacturing, water and efficiency improvements across all sectors. The updated methodology will remain anchored in established standards and robust governance, with ongoing stakeholder engagement ensuring alignment with market expectations.

Decarbonisation Lever – Increase the Share of Transition Financing, i.e. Providing Financing to Borrowers Who Are Decarbonising

Action Plan – Decarbonisation Strategy for the Heating Sector (NACE 35.30)

The Group has prepared the strategy with the goal of reducing reported (financed) emissions by 42% compared to the 2022 base year, with this target to be achieved by 2030, corresponding to a target level of 513.7 thousand tCO_2e in 2030.

The Group estimates, based on analysis of the NECP (National Energy and Climate Plan) and other market research, that the Czech heating sector will require up to CZK 200 billion of investment by 2030. The Group sees this as an opportunity to co-finance the mentioned investments and thus contribute to sector decarbonisation.

The Group plans to achieve its goals by:

— Leading in-depth dialogues with the largest clients and communicating the Group's decarbonisation goals;
— Providing general ESG advisory to respective clients in support of their transition plans;
— Prioritising projects with high decarbonisation impacts, aligned with the 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.

Action Plan – Decarbonisation Strategy for the Electricity Generation Sector (NACE 35.11)

The Group has prepared the strategy with the goal of reducing reported (financed) emissions by 54% compared to the 2022 base year, with this target to be achieved by 2030, corresponding to a target level of 237.6 $kgCO_2e/MWh$ in 2030.

The Group estimates, based on an analysis of the NECP and other market research, that the total investments in the production, storage and distribution of electricity in the Czech Republic will amount to approximately

CZK 700 billion by 2030. The Group aims to support this transition to renewables by increasing the share of sustainable financing for projects that accelerate the shift to cleaner energy sources, including solar, wind, battery storage and nuclear.

The Group plans to achieve its goal by:

— Providing financing and general ESG advisory to clients in support of their transition plans;
— Prioritising financing of renewable and other low-carbon technologies, while phasing out coal and supporting transitional solutions such as natural gas and biomethane;
— Engaging in dialogue with the largest clients on their decarbonisation strategies, including transition planning, emission trajectories and technological mix when considering new financing or loan revisions;
— Supporting lending activities through Erste Grantika Advisory a.s., which helps clients identify suitable subsidy programmes and implement measures that would otherwise not be economically viable.

Action plan – Decarbonisation Strategy for the Automotive Sector (NACE 29.10)

The Group has prepared the strategy with the goal of reducing reported (financed) emissions by 32% compared to the base year 2023, with this target to be achieved by 2030, corresponding to a target level of 117.0 gCO_2e/km in 2030.

The Group aims to support the transition to low-emission mobility by financing projects that accelerate the adoption of battery electric and hydrogen vehicles, advanced batteries, and charging infrastructure. The Group engages with Original Equipment Manufacturers (OEMs) and key suppliers to promote decarbonisation across vehicle lifecycles and supply chains, supporting the shift to more sustainable transport solutions.

The Group plans to achieve its goal by:

— Cooperation with established OEMs and key suppliers with clear emission reduction targets, including support for their transition to low-emission vehicles and adherence to regulatory standards;
— Consideration of electromobility impacts on supplier production and potential investment in new technologies;
— Support for innovative projects in areas such as advanced batteries, green hydrogen, charging infrastructure, advanced biofuels, and digital solutions including autonomous driving.

Action plan – Decarbonisation Strategy for the Iron and Steel Sector (NACE 24.10, 24.20 and 25.51, 24.52)

The Group has prepared the strategy with the goal of reducing reported (financed) emissions by 22% compared to the base year 2023, with this target to be achieved by 2030, corresponding to a target level of 1.5 tCO_2e/tonne steel in 2030.

The Group aims to support the transition to low-emission steel production by financing projects that accelerate the adoption of low-carbon production technologies, renewable energy sources, recycling capacity expansion, and innovative decarbonisation solutions. The Group engages with steel producers and metal fabricators to promote emission reduction across production processes, supporting the shift towards more sustainable manufacturing practices in this carbon-intensive sector.

The Group plans to achieve its goal by:

— Providing financing and general ESG advisory to clients in support of their transition plans;
— Cooperation with clients transitioning away from high-emissions production routes, particularly those reducing reliance on blast furnace-basic oxygen furnace (BF-BOF) technologies, increasing the share of electric arc furnaces (EAF), recycled scrap and low-emission steel in their production mix, including support for innovative projects such as renewable energy installations, carbon capture solutions and energy efficiency improvements;
— Focusing on resilient business models, such as vertically integrated producers, manufacturers of specialised or high-value-added products, companies with diversified supply chains and customer bases and companies active in metal recycling or circular economy solutions.

In recent years and as of the end of 2025, the Group had no material exposure to clients in the cement sector meeting the defined decarbonisation scope, and exposure to the iron and steel sector remained limited. Sector-specific decarbonisation strategies for both sectors have been prepared; however, due to the limited exposure, these strategies have not been formally approved. While a decarbonisation strategy for the cement sector (NACE 23.51) has been developed, it is not described in detail given the absence of clients falling within its scope. Should the Group begin to finance clients in the cement sector, the strategy outlines preferred activities and technologies that would be supported in line with decarbonisation objectives.

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 a specialised team that assists 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 improvements in 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 210,859 tCO_2e. Once all selected households have been reached, the next phase will be launched. As of 31 December 2025, 57% of households (2024: 33%) have been contacted so far. Clients are responding positively and are interested in more detailed advice on energy-efficient and sustainable housing and possible renovation projects. On 1 September 2025, the campaign was redesigned to include support from experts from a specialised call centre team, providing additional guidance to clients.

This action represents a long-term initiative designed to achieve a sustained impact in the area of 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 properties it finances and/or direct measurement of their energy consumption and retaining this data;
— Data on direct CO_2e 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 guidance on reducing future energy demand for housing.

This action plan is aimed at obtaining more accurate data to set more relevant portfolio decarbonisation targets. This is an ongoing process for improving the data quality score for the reported financed emissions targets.

Since 2025, the Group has run a model that calculates the effects of climate scenarios on the portfolio of corporate clients based on scenarios from NGFS. This action plan represents a long-term initiative designed to achieve a sustained impact in the area of 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 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. By the end of 2025, the Group had already achieved an electric-car share of 36% in its car fleet, exceeding the 2025 target.

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 optimises 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;
— Implementation of a centralised database of the car fleet with technical parameters within internal systems;
— Regular monitoring of car fleet usage, which could lead to the introduction of car-sharing;
— From 2027, the internal rental fleet will include only electric cars (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 minimising 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 modernise buildings according to the annually approved maintenance and investment plan;
— Continue developing and expanding 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, taking into account the heritage protection requirements of the buildings;
— 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, the construction of which began 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.

In 2025, The Group assessed financial resources related to the implementation of the action plans related to climate change, including a review of historical expenditures as well as expected future spending. Based on this assessment, the associated costs are deemed immaterial, except for those costs related to the Action Plan for Improving Management and Maintenance of All Properties which comprise of the ESG-related share of capital expenditures on Property and equipment. These ESG-related improvements represent approximately 10% of annual additions to capital expenditure on Property and equipment, excluding ČS NHQ s.r.o.

E1-4 – Targets Related to Climate Change Mitigation and Adaptation

The Group has set the following key targets with respect to GHG emissions:

— Portfolio decarbonisation targets;
— Sustainable financing targets;
— Net Zero Scope 1 and Scope 2 target;
— Electric car fleet target.

The Group's portfolio decarbonisation targets were originally approved by the Bank's Board of Directors in 2023, with other targets approved in 2024. All targets were presented to the Group's relevant subsidiaries and

were re-approved in 2025. Except for the changes described in chapter BP-2 and the rebaselining of real estate decarbonisation targets, which is further described in this chapter, no other modifications were made.

Financed Emissions Reduction Target or Portfolio Decarbonisation Target

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 the International Energy Agency (IEA), so that the loan portfolio achieves net zero emissions by 2050. The portfolio emissions reduction target is set for loan portfolios at the Group level, and its measurement has not been validated by any external body.

Erste Group Bank's consolidated targets were first approved in 2023, based on which the Group set its own decarbonisation targets at the level of loan sub-portfolios. The targets were set and derived from Erste Group Bank's targets, which engaged with 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.

The 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. 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 IEA to benchmark its targets for electricity generation, heat and steam generation, the automotive sector, and iron and steel production. The Group benchmarked electricity, heat and steam generation, automotive, and iron and steel production against the IEA Net Zero Emissions by 2050 (NZE2050), which meets the 1.5°C target.

The Group's real estate decarbonisation targets are defined for clients within the scope of the PCAF real estate module and cover Scope 1 and 2 emissions. As communicated in the 2024 CSRD report, the Group proactively considered rebaselining these targets because the existing ambition was not aligned with a 1.5°C scenario.

In 2025, Erste Group Bank made the decision to rebaseline its real estate decarbonisation targets following the implementation of significant enhancements to the PCAF real estate module, including scope expansion, the introduction of a machine-learning EPC proxy model and the consideration of a financed property flag, and the updated National Energy and Climate Plans by EU member states. This was subsequently followed by the Group's rebaselining of these targets, using a 2024 baseline, with the revised targets approved by the Board of Directors.

The methodological approach of the rebaselining combined a proprietary internal model with a science-based pathway assessment. The internal model simulates the development of portfolio emission intensity based on asset-level data, energy performance characteristics, and market assumptions. In parallel, a science-based decarbonisation pathway is applied using the Science Based Targets Initiative (SBTi) SDA methodology aligned with a 1.5°C scenario (based on CRREM pathways). Both approaches allow the Group to track and manage the physical emission intensity of this portfolio using a metric that measures the amount of CO_2e emissions per square metre ($kgCO_2e/m^2$). To benchmark the results from the internal model and assess the implied temperature alignment, an external analysis was conducted using the X-Degree Compatibility (XDC) model developed by Right° based on science GmbH.

Mortgage Rebaselining

External benchmarking using the XDC model shows that the Group's current 2050 retail mortgage portfolio pathway (target: 7.5 $kgCO_2e/m^2$) corresponds to an implied temperature alignment of 2.2°C. The updated mortgage portfolio decarbonisation target is to achieve a 28% reduction in the portfolio's physical emission intensity by 2030, decreasing from a 2024 baseline of 69.7 $kgCO_2e/m^2$ to 50.4 $kgCO_2e/m^2$. The portfolio is predominantly composed of retail business volumes. The Group closely monitors progress, with interim results for 2025 showing a decline to 67.1 $kgCO_2e/m^2$ as of 2025.

Decarbonising the residential mortgage segment remains highly dependent on government action, regulatory incentives and the pace of national energy-system decarbonisation – areas where progress in the Czech Republic is currently limited. Achieving a 1.5°C-aligned pathway would require large-scale building renovations, substantial energy-efficiency upgrades and a rapid shift towards low-carbon heating technologies. These developments rely heavily on external factors such as the availability of public subsidies, predictable long-term frameworks, simplified permitting procedures, and accelerated decarbonisation of the national electricity grid. At present, progress in these areas remains uneven and households continue to face a significant financial burden. As a result, the external environment limits the feasibility of achieving a fully Paris-aligned decarbonisation pathway for this portfolio.

Given the Group's priority to support clients in reducing the carbon footprint of their real estate assets, the Group has adopted a prudent and responsible level of ambition that supports the decarbonisation of the housing sector while safeguarding affordability, inclusion and access to finance. As regulatory frameworks evolve and government incentives strengthen, the Group will reassess its ambition level to ensure continued alignment with the broader transition of the real estate sector.

Commercial Real Estate Rebaselining

External benchmarking using the XDC model shows that Erste Group Bank's current 2050 commercial real estate portfolio pathway (target: 4.1 $kgCO_2e/m^2$) corresponds to an implied temperature alignment of 1.7°C, which confirms the previous level of ambition set by the Group (as published in the 2024 CSRD report). The updated commercial real estate portfolio decarbonisation target is to achieve a 31% reduction in the portfolio's physical emission intensity by 2030, decreasing from a 2024 baseline of 47.2 $kgCO_2e/m^2$ to 32.5 $kgCO_2e/m^2$. The portfolio predominantly consists of volumes in the corporate business segment, primarily from the sub-segment of commercial real estate and SMEs. The Group closely monitors progress, with interim results for 2025 showing a decline to 44.8 $kgCO_2e/m^2$ as of 2025.

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, the EU's classification of economic activities, 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	Methodology	Scenario/ Pathway	Emission Scope	Baseline Year	Baseline Value	Targets 2030	Targets 2050
Mortgages	$kgCO_2e/m^2$	Internal Model	XDC ITR 2,2 °C	1 and 2	2024	69.7	50.4	7.5
Commercial Real Estate	$kgCO_2e/m^2$	Internal Model	XDC ITR 1,7 °C	1 and 2	2024	47.2	32.5	4.1
Electricity Production	$kgCO_2e/MWh$	PACTA	IEANZE2050	1 and 2	2022	520.3	237.6	32.6
Heat & Steam production	thousand tCO_2e	SBTi AC	IEA NZE2050	1 and 2	2022	885.8	513.7	88.6
Automotive	gCO_2e/km	PACTA	IEA NZE2050	1, 2 and 3	2023	172.0	117.0	40.0
Iron and Steel[34]	tCO_2e/tonne steel	PACTA	IEA NZE2050	1 and 2	2023	1.9	1.5	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 automotive also including Scope 3 emissions as the most significant emitting activity is the actual use of passenger cars (downstream Scope 3 emissions).

Progress against Emission Reduction (Decarbonisation) Targets

Sector	Metric	Methodology	Scenario/ Pathway	Baseline Year	Baseline Value	2025 Value	2025 % Reduction	Targets 2030	Targets 2050
Mortgages	$kgCO_2e/m^2$	Internal Model	XDC ITR 2,2 °C	2024	69.7	67.1	-4%	50.4	7.5
Commercial Real Estate	$kgCO_2e/m^2$	Internal Model	XDC ITR 1,7 °C	2024	47.2	44.8	-5%	32.5	4.1
Electricity Production	$kgCO_2e/MWh$	PACTA	IEA NZE2050	2022	520.3	255.7	-51%	237.6	32.6
Heat & Steam production	thousand tCO_2e	SBTi AC	IEA NZE2050	2022	885.8	295.3	-67%	513.7	88.6
Automotive Sector	gCO_2e/km	PACTA	IEA NZE2050	2023	172.0	145.5	-15%	117.0	40.0
Iron and Steel	tCO_2e/tonne steel	PACTA	IEA NZE2050	2023	1.9	1.0	-47%	1.5	n/a

Sector	Metric	Methodology	Scenario/ Pathway	Baseline Year	Baseline Value	2024 Value	2024 % Reduction	Targets 2030	Targets 2050
Mortgages	$kgCO_2e/m^2$	SBTi SDA	IEAB2DS	2022	48.1	56.4	17%	27.6	0.8
Commercial Real Estate	$kgCO_2e/m^2$	SBTi SDA	IEAB2DS	2022	68.6	60.8	-11%	34.4	1.0
Electricity Production	$kgCO_2e/MWh$	PACTA	IEA NZE2050	2022	520.3	335.7	-35%	237.6	32.6
Heat & Steam production	thousand tCO_2e	SBTi AC	IEA NZE2050	2022	885.8	443.6	-50%	513.7	88.6
Automotive Sector	gCO_2e/km	PACTA	IEA NZE2050	2023	172.0	175.8	2%	117.0	40.0
Iron and Steel	tCO_2e/tonne steel	PACTA	IEA NZE2050	2023	1.9	0.8	-57%	1.5	n/a

In mortgages, improvements in data quality in the calculation of financed emission, which are described above, led to an increase in emission intensity between 2024 and 2025 and triggered the target rebaselining described above. However, the underlying portfolio of financed real estate remains structurally unchanged and continues to improve its energy efficiency; combined with the greening of the energy mix in the Czech Republic, this leads to the gradual decarbonisation of the Group's mortgage portfolio, as represented by the decline from a 2024 baseline of 69.7 $kgCO_2e/m^2$ to 67.1 $kgCO_2e/m^2$ at the year-end 2025.

In commercial real estate, calculation refinements of financed emissions, which are described above, led to a decrease in emission intensity between 2024 and 2025 and triggered the target rebaselining described above. However, the underlying portfolio of financed real estate remains structurally unchanged and continues to improve its energy efficiency; combined with the greening of the energy mix in the Czech Republic, this leads to the gradual decarbonisation of the Group's CRE portfolio, as represented by the decline from a 2024 baseline of 47.2 $kgCO_2e/m^2$ to 44.8 $kgCO_2e/m^2$ at the year-end 2025.

In electricity production, the emission intensity declined from 335.7 $kgCO_2e/MWh$ in 2024 to 255.7 $kgCO_2e/MWh$ in 2025. The Group continues searching for opportunities to finance renewable and low-carbon energy projects and supports the transition of key electricity producers in the Czech Republic. The overall emission intensity of the electricity producers' portfolio is dependent on its structure at a given moment (including treasury deals such

(34) 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.

as reverse repos) and fluctuates quarter-on-quarter. However, the long-term trend has shown a steady decline in emission intensity in line with the Group's target, as evidenced by the year-on-year decline between 2024 and 2025.

In heat & steam production, the continuing decline of financed emissions stems from reduced exposure in the segment – the exposure declined by 23% year-on-year, and the total financed emissions declined even faster, by 33% year-on-year.

In the automotive sector, the emission intensity returned to the decarbonisation path set by the Group and reached 145.5 gCO_2e/km in 2025 (2024: 175.8 gCO_2e/km). The main driver was client composition in factoring and progress in clients' decarbonisation. While the Group's car production portfolio includes companies throughout the car manufacturing supply chain, the decarbonisation target is set only for passenger car manufacturers.

In iron & steel production, the target was set with enough headspace to allow financing of the transition away from basic oxygen furnaces in the Czech Republic. These transactions have been postponed; as a result, the target is currently being met. The intensity marginally increased from 0.8 tCO_2e/tonne of steel in 2024 to 1.0 tCO_2e/tonne of steel in 2025 due to client composition in factoring.

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. Except for the rebaselined real estate decarbonisation targets where 2024 was used as the baseline, the Group selected the base years of 2022 and 2023 in line with Erste Group Bank and considers them to be broadly representative. These targets are being actively supported through the implementation of the Responsible Financing Policy.

The Group is closely monitoring its oil and gas and cement production portfolios and has not set a decarbonisation target for these sectors. 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.

The Group recognises 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 of specific action plans to its GHG emission reduction targets, broken down by Scopes 1, 2, and 3.

Metrics development and comparisons to the set targets are regularly monitored and presented to management, including the Board of Directors.

Sustainable Financing Targets

The Bank has 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. 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 of specific 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, capitalise on opportunities such as investments in renewable energy projects, enhance positive impacts by financing climate change adaptation solutions and decarbonisation 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 operational plans are set in EUR and recalculated for reporting purposes using the FX rate as of the balance sheet date.

For 2025, the plan for new sustainable financing (SF) was set at CZK 6.7 billion (2024: CZK 2.1 billion) and was exceeded, as retail mortgage new SF commitments were provided in the amount of CZK 13.4 billion (2024: CZK 6.3 billion). The Bank's retail mortgage SFR was 7.4% as of 31 December 2025 (2024: 6.6%). The operational plan for new SF in the retail mortgage portfolio in 2026 has been set at CZK 11.7 billion.

The increase in the SFR in 2025 (from 6.6% to 7.4%) was driven by strong performance in new SF transactions in 2025 (target was overachieved at approximately 199% as described above).

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 operational plans are set in EUR and recalculated for reporting purposes using the FX rate as of the balance sheet date.

For 2025, the plan for new sustainable financing (SF) was set at CZK 20.1 billion (2024: CZK 9.1 billion) and was exceeded, as corporate new SF commitments were provided in the amount of CZK 32.4 billion (2024: CZK 25.3 billion). The Bank's corporate SFR as of 31 December 2025 was 25.4% (2024: 20.0%). The operational plan for new SF in the corporate portfolio in 2026 has been set at CZK 24.97 billion.

In 2025, the Bank exceeded its targets for the new sustainable financing volumes and the sustainable financing ratio, driven primarily by strong performance in financing energy efficient real estate projects and renewable energy. Going forward, it will continue supporting clients in their sustainable transformations through advisory services and financing. In the corporate segment, the Bank has already achieved the SFR target for 2026 (25%) mainly due to strong performance in new SF transactions in 2025 (target was overachieved at approximately 161% as described above).

Progress against Sustainable Financing Targets

	Metric	2025	2024	Target year	Target
Sustainable corporate financing	% of corporate financing portfolio	25.4%	20.0%	2026	25%
Sustainable retail mortgages	% of retail mortgage portfolio	7.4%	6.6%	2027	15%

The targets were set and derived from Erste Group Bank's targets, which were informed by guidance gathered through bilateral discussions, conferences and dialogues with supervisory and regulatory authorities, investors, analysts and rating agencies as well as NGOs and academic and environmental institutions. The experts' recommendations were subsequently integrated into the target-setting process. Metrics development and comparisons to the set targets are regularly monitored and presented to management, including the Board of Directors.

Even though there is no formalised target in place for the sustainability matter of climate change adaptation, the Group continues to implement a range of initiatives in this area, as described in chapter E1-3, and is assessing options for setting a measurable target in the future.

Own Operations Emissions Targets

Net Zero Scope 1 and Scope 2 Target

The Group has a net zero target to reduce emissions from its own operations, i.e. Scope 1 and Scope 2 emissions (measured using a market-based approach for Scope 2) as defined by the GHG Protocol, by 90% 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. The original target, set in 2021, aimed for an 80% reduction and was defined as a percentage reduction (i.e. not in absolute terms) and in total for Scope 1 and Scope 2 and was not set as science-based. In 2025, the Group updated its ambition to a 90% reduction by 2030, in line with Erste Group Bank's net zero strategy. The baseline year remains unchanged. The updated target was approved by the Board of Directors in 2025. The Group recognises energy efficiency improvements as a decarbonisation lever contributing to its climate change mitigation efforts. However, it currently does not track the estimated quantitative contributions of this lever and of specific 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. Construction of the Group's new headquarters in Prague is underway and is expected to contribute to emission reductions from its own operations.

Initiatives such as the installation of a photovoltaic power plant in Prague, the ongoing installation of smart meters, and continuing to use renewable energy through biomass and biomethane certificates are actively contributing to the reduction of the Group's carbon footprint. In 2025, the Group continued the project of purchasing biomass and biomethane certificates, which was successfully piloted in 2024. The certificates covered 9,001 MWh (2024: 13,450 MWh), accounting for approximately 31% (2024: 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 58% (2024: 68.1%).

The targets were set and derived from Erste Group Bank's targets. Erste Group Bank 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 Bank's and the Group's target setting process.

As of 31 December 2025, the reduction in emissions from the Group's own operations, measured using a market-based approach, was 82% (2024: 86%). The Group's Scope 1 and Scope 2 emissions show a 4% change in the reported reduction level, primarily due to a lower volume of purchased certificates compared to the previous year. Despite this temporary increase, the Group remains on track to achieve its 2030 target. Emission reductions are not expected to follow a strictly linear trajectory, and further significant decreases are anticipated in the coming years, supported in particular by the planned relocation to a new headquarters with substantially higher energy efficiency.

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 share of fully electric cars in the fleet as of 31 December 2025 was 36% (2024: 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 256 cars in 2025 (142 electric cars in 2024) and further development of the charging network. Building on the significant expansion of its charging network in 2024 and the achievement of a fully electric or hybrid internal rental car fleet, the Group continues to extend its charging infrastructure in 2025, further supporting the transition.

Own Operations Targets

					Targets			
					Short-term		Mid-term	
	Metric	Base year	2025	2024	Year	Target	Year	Target
Total Scope 1 + 2 emissions	% reduction of tCO_2e	2017	82%	86%	-	-	2030	90%
Electric car fleet	% of e-cars in total carfleet	-	36%	20%	2025	25%	2030	100%

Metrics development and comparisons to the set targets is regularly monitored and presented to management, including the Board of Directors.

E1-5 – Energy Consumption and Mix

Energy consumption at 1,367 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 collected and stored internally.

The split between energy from fossil, nuclear, and renewable sources is performed directly in the Tagetik 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 or district heating consumption 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 locations, the data must be extrapolated because invoices are received after the reporting deadline or to account for different cut-off periods.

For locations where consumption values supported by a supplier invoice are unavailable, median consumption is automatically applied and calculated for the individual location based on expert judgement, applying historical energy consumption trends and taking into account net floor area and seasonal fluctuations, as well as considering a national average split of energy sources into fossil, nuclear, and renewables.

Energy Consumption Mix

in MWh	2025	2024
Total fossil energy consumption	24,589	18,545
Share of fossil sources in total energy consumption (%)	**42%**	**32%**
Consumption from nuclear sources	0	0
Share of consumption from nuclear sources in total energy consumption (%)	0%	0%
Total energy consumption from renewable sources disaggregated by:	**34,021**	**39,617**
-fuel consumption for renewable sources[35]	0	0
-consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	34,014	39,617
-consumption of self-generated non-fuel renewable energy	7	0
Share of renewable sources in total energy consumption (%)	**58%**	**68%**
Total energy consumption	**58,610**	**58,162**

The total energy consumption in 2025 amounted to 58,610 MWh (2024: 58,162 MWh) with renewable energy accounting for 58% (2024: 68.1%).

(35) incl. biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renew. sources

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 prioritised due to their lower relevance to the Group's activities, as Scope 3 Category 15 represents the most significant contribution, while the remaining categories are of limited relevance in comparison.

The organisational scope for reporting emissions aligns with the consolidation perimeter described in chapter ESRS 2. The Group has set the operational boundary to include leased assets such as vehicles and buildings in the emissions inventory because they are assets that it controls and operates (operational control approach).

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 Scope 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 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. To calculate emissions from activities, emission factors with a GWP100 were used, including the relevant GHG emissions (CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3).

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 calculations and which 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 values are not validated by any external body.

Scope 1 and 2

The Group uses the Tagetik consolidation solution to gather Scope 1 and Scope 2 environmental data as stated in chapter E1-5. 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. For conversion to greenhouse gas equivalents (CO_2e), Tagetik uses emission factors from DBEIS 2025 (UK Department for Business, Energy & Industrial Strategy), IEA 2024 and AIB 2024 (Association of Issuing Bodies). 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 2025, the Group purchased certificates of origin for 26,651 MWh (2024: 28,813 MWh) for a reported total of 25,296 MWh (2024: 26,750 MWh) of purchased electricity. Furthermore, the Group has also been purchasing certificates for biomass and biomethane to partially cover its gas and heating consumption. The Group purchased 9,001 MWh (2024: 13,450 MWh) of these certificates for a reported total gas and heating consumption of 8,718 MWh (2024: 12,722 MWh). In 2025, biogenic emissions outside of Scope 2 amounted to 1,003 tCO_2e (2024: 1,464 tCO_2e).

The Group procures 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, fully covering the Group's electricity consumption and most of the consumption 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.

Scope 1 and 2 Restatement

In 2025, following the definition of the GHG Protocol – Scope 2 Guidance (indirect emissions from purchased energy), a uniform reporting approach was applied to ensure consistency in gas heating consumption data for all consumption points in leased properties. Under this approach, such energy consumption is reported in Scope 2, whereas in 2024 it was reported as Scope 1. The 2024 comparative figure has been restated accordingly (2024 as originally reported: 1,991 tCO_2e in Scope 1, 15,986 tCO_2e in Scope 2 location-based and 1,919 tCO_2e in Scope 2 market-based). The overall impact on combined Scope 1 and Scope 2 emissions was minimal, representing a change of less than 1%, demonstrating that the reclassification has no material effect on the Group's total emissions.

Total GHG Emissions

	Base				
	Year[36]	Value	2025	2024 restated	% Change compared to previous year
Scope 1 GHG emissions[37]					
Gross Scope 1 GHG emissions (tCO_2eq)	2017	3,587	1,511	1,748	-14%
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	16,142	16,201	0%
Gross market-based Scope 2 GHG emissions (tCO_2eq)	2017	23,950	3,433	2,132	61%
Significant Scope 3 GHG emissions					
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)		6,578,860	8,607,137	8,260,009	4%
Downstream leased assets	2022	22,089	29,368	20,998	40%
Investments	2022	6,556,771	8,577,769	8,239,011	4%
Total GHG emissions					
Total GHG emissions (location-based) (tCO_2eq)		6,633,189	8,624,790	8,277,986	4%
Total GHG emissions (market-based) (tCO_2eq)		6,606,397	8,612,081	8,263,919	4%

GHG Intensity per Net Revenue

in tCO_2eq/CZK million	2025	2024	% Change compared to previous year
Total GHG emissions (location-based) per net revenue	80.3	69.6	15%
Total GHG emissions (market-based) per net revenue	80.2	69.4	15%

Net Revenue

Net revenue is equivalent to 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

(36) Base year for Scope 1 and 2 is related to the Bank only.
(37) No biogenic emissions are emitted.

— 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.

Reconciliation of Net Revenue

in CZK million	2025	2024
Interest income	79,312	90,771
Other similar income	7,140	9,747
Fee and commission income	15,384	14,350
Dividend income	47	59
Net trading result	3,236	3,413
Gains/losses from financial instruments measured at fair value through profit or loss	53	(48)
Net result from equity method investments	273	241
Rental income from operating leases	273	232
Other operating result	1,710	247
Total net revenue (used for GHG intensity calculation)	**107,428**	**119,012**

Adjusted GHG Intensity per Net Revenue

The Group also calculated GHG intensity per net revenue related to the Group's individual assets included in the total GHG emission calculation and recognised on the balance sheet as of the reporting date, 31 December 2025. Revenues related to assets not included in the GHG emissions calculation or derecognised during the reporting period are excluded from the calculation. The revenue used in the adjusted GHG Intensity calculation amounted to CZK 1,481 million for 2025 (2024: CZK 36,538 million) and includes the proportion of revenue from the above categories generated by assets included in the GHG calculation, as well as rental income.

in tCO_2eq/CZK million	2025	2024	% Change compared to previous year
Total GHG emissions (location-based) per net revenue	240.3	226.6	6%
Total GHG emissions (market-based) per net revenue	239.9	226.2	6%

Scope 3.13 and 3.15 - Financed Emissions

Financed emissions stood at 8.6 million tonnes CO_2e (2024: 8.3 million tonnes CO_2e) and include investments and downstream leased assets in the Financed Emissions table[38]. Financed emission per exposure stood at 8.9 tCO_2e/CZK million (2024: 8.8 tCO_2e/CZK million), which is a year-on-year increase of 0.1 tCO_2e/CZK million. This metric is calculated as total financed emissions divided by the value of exposures for which financed emissions are calculated. The increase in intensity can be mainly explained by Scope 3 intensity increase in PCAF asset class business loans. A decrease in Scope 1 and 2 business loan intensity and an overall decrease in project financing intensity had an opposite effect.

(38) These figures exclude emissions of the PCAF-defined asset class "sovereign debt", which are reported separately.

Scope 1 and 2 financed emissions stayed level at 3.6 million tonnes CO_2e despite increasing exposure development across industries. In line with the GHG Protocol, the Group reports financed biogenic emissions separately from financed emissions, which amounted to 43 thousand tonnes CO_2e.

Overall, the calculation of 2025 financed emissions, including sovereign emissions, covers 60.1% of credit exposure, up from 58.4% in 2024. The remaining uncovered exposure originates from the fact that selected portfolios (e.g., exposure to central banks and credit institutions, off-balance sheet items and consumer loans) are not part of the current financed emission calculation. The Group applies the GHG Protocol to determine the minimum boundaries of its financed emission calculation.

Share of the Portfolio Covered by the Calculations

	2025			2024		
		Covered by financed emissions			Covered by financed emissions	
in CZK million	Credit exposure	Amount	%	Credit exposure	Amount	%
Off-balance sheet exposures	303,249	-	0.0%	283,009	-	0.0%
Central banks	326,884	-	0.0%	440,098	-	0.0%
Central governments	440,848	413,770	93.9%	415,050	389,506	93.8%
Credit institutions	39,687	-	0.0%	42,212	-	0.0%
Other financial corporations	50,505	46,290	91.7%	43,765	39,277	89.7%
Non-financial corporations	420,870	417,849	99.3%	396,419	393,738	99.3%
Households	714,531	502,931	70.4%	659,719	509,401	77.2%
Total	**2,296,574**	**1,380,840**	**60.1%**	**2,280,272**	**1,331,922**	**58.4%**

The Group uses Erste Group Bank's methodology, which follows the PCAF methodology (version 2022), to account for its financed emissions (Scope 3, Category 15 – Investments). As this standard is in conformity with the internationally recognised GHG Protocol (Corporate Value Chain (Scope 3) Accounting and Reporting Standard) emissions are calculated for all seven GHGs that are listed in the Kyoto Protocol. These are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) and the fluorinated gases (F-gases): hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6) as well as nitrogen trifluoride (NF_3). For details of the methodology, including assumptions, see the Methodology sections below.

The Group includes the following PCAF-defined asset classes in its calculation:

— Corporate bonds and listed equity;
— Business loans and unlisted equity;
— Project finance;
— Commercial real estate finance and mortgages.

Additionally, the Group calculates emissions for the PCAF-defined asset class "sovereign debt" and reports them in a separate table. The leasing business (Category 13 – Downstream Leased Assets) is included in the Group's Scope 3 emissions. This category is calculated using the same methodology as for category 15 and is separately shown as a sub-item. For simplicity and following market practice, the report refers to the PCAF-defined asset class "corporate bond and listed equity" as "corporate bond" and the asset class "business loan and unlisted equity" as "business loans".

Weighted Average Carbon Intensity (WACI) sets the client emissions in relation to client revenues, weighted by the share of the respective client in the total portfolio. The WACI can only be calculated for the PCAF asset classes business loans, corporate bonds and project finance. For the real estate object related financed emission calculation, the metric is not meaningful, as the calculation is dependent on the financed object and not the client emissions. The portfolio WACI stands at 591 gCO_2e/CZK revenue. Scope 1 and 2 WACI increased from 202 gCO_2e/CZK revenue (2024) to 222 gCO_2e/CZK revenue (2025), mainly due to natural resources and commodities and transportation industries. In comparison to that, in Scope 3, the WACI decreased from 385 gCO_2e/CZK revenue (2024) to 369 gCO_2e/CZK revenue (2025), primarily due to energy industry.

The Group would restate financed emissions of the base year and the previous year in case:

— A significant methodological change were to lead to a deviation of +/-5% of financed emissions in the reporting year vs. base year;
— A detected error were to lead to a deviation of +/- 5% of financed emissions in the reporting year vs. base year.

No such situation occurred in 2025.

Methodology Business Loans, Corporate Bonds and Project Finance

In the case of business loans, the Group follows the PCAF methodology by relying either on emissions reported by the corporate customers or emission factors drawn from the PCAF database.

In 2025, the Group refined its PCAF asset class allocation methodology, enabling the reclassification of loans between general-purpose (business loans) and specific-purpose calculations (commercial real estate and mortgages). This shift was made possible by aligning the PCAF definition of commercial real estate with the Group's internal Commercial Real Estate Financing Policy. Consequently, the Group discontinued the previous approach of applying commercial real estate intensity factors to real estate companies classified under NACE L68.

The Group is deviating from the PCAF standard for listed companies in the business loan and corporate bond modules. It applies the balance sheet value instead of the Enterprise Value including Cash (EVIC) as the denominator to calculate the attribution factor, as using EVIC might lead to higher volatilities only driven by capital market movements, e.g., in a market stress situation its financed emissions would increase, which need not be directly related to movements in the physical production of the company. The use of EVIC in the financed emission calculation is not applied by all financial institutions due to the limitation of the metric. The topic was recognised by PCAF, which published a first discussion paper on that topic in December 2024.

In the case of project finance, the Group assumes that renewable energy projects (wind, solar, geothermal and hydropower) have an emission factor for Scope 1 and 2 of zero. Otherwise, in the absence of a financing purpose and specific emission factors, project finance follows the calculation methodology for the business loans asset class by using either the emissions reported by the businesses or estimates based on financial metrics and emission factors drawn from the PCAF database.

The Group continues to use PCAF emission factors with 2015 as the base year (Exiobase database) for the 2025 reporting to ensure comparability with the figures of the previous year, which were also used as a basis for target setting. The initial PCAF version was based on the Exiobase 2015 database and was the most up-to-date version until March 2023, being replaced by Exiobase 2019 database. Keeping the Exiobase 2015 database for 2025 is also in line with the user briefing published by PCAF, providing as a recommendation to apply the same economic emission factor dataset for longer periods of time (minimum 3 years). For Scope 3, PCAF Emission factors do not contain downstream emissions. In October 2025, PCAF released a new database version based on the Comprehensive Environmental Data Archive (CEDA), which the Group is currently reviewing. Due to uncertainties regarding certain emission factors in specific industries, the Group (and the whole Erste Group Bank) plans to transition to this database in 2026.

Methodology Commercial Real Estate and Mortgages

With regard to commercial real estate and mortgages, the calculation of financed emissions is based on building data; as a first step, this is used to calculate building-level emissions. Depending on data availability, the Group calculates emissions from buildings in the following order (which does not reflect the data quality score):

1. CO_2e emissions as per the energy performance certificate (EPC);
2. Final energy demand (FED) as per the EPC;
3. Primary energy demand from non-renewable sources (PED) class as per the EPC;
4. FED as per the Group’s advanced proxy estimation approach;
5. PED class as per Erste Group Bank’s advanced EPC class proxy estimation approach;
6. PED class based on the year of construction;
7. FED based on the national average for the particular asset type drawn from the local “TOP 15%” study.

The Group has enhanced the real estate based financed emissions calculation methodology by an energy demand proxy estimation approach (for both FED and PED). Furthermore, Erste Group Bank has developed its own EPC class proxy estimation approach. Both approaches apply advanced methodologies (e.g., machine-learning algorithms) to derive energy demands and EPC class, respectively, from known collateral data fields or other relevant information.

For calculations 3, 5 and 6, average final energy demand is based on the asset type recorded in the local “TOP 15%” study as of 2024. Once final energy demand has been determined, it has to be converted into emissions as input for calculations 2 to 7.

The Group decided to use emission conversion factors based on statistical data on energy mixes and emission intensities. These factors are also a key component in the development of scenarios for the future in the decarbonisation model. In addition, conversion factors obtained in this manner have the advantage that, where in-house portfolio data are available, national averages may be substituted by the relevant portfolio data (e.g. if the gas portion in the portfolio is below or above the national average). Moreover, these internally developed emission conversion factors enable the Group to apply values tailored to the specific heating medium used, thereby aligning with the Group's financed data rather than relying on national averages. The main data sources for the energy mixes and electricity-based emission intensities of the core countries were Eurostat and Electricity Maps, and for heating-based emission intensities the German UBA. Relevant local data sources were also taken into consideration, particularly for non-EU countries.

Financed Emissions

in CZK million	Credit exposure	Credit exposure covered by emissions calculation	Financed emissions, thousand tCO_2e		Emission intensity in tCO_2e/CZK million		Weighted data quality (high=1; low=5)		Weighted average carbon intensity	
			Scope 1 + Scope 2	Scope 3	Scope 1 + Scope 2	Scope 3	Scope 1 + Scope 2	Scope 3	Scope 1 + Scope 2	Scope 3
2025										
per PCAF asset class										
Corporate bonds		13,540	97	75	7	6	2.1	3.1	465	388
Business loans		349,114	2,148	4,769	6	14	3.6	3.7	195	361
Project finance		11,206	55	121	5	11	2.8	3.5	793	600
Mortgages		477,305	1,174	-	2	-	3.9	-	-	-
Commercial real estate		115,801	168	-	1	-	3.3	-	-	-
Total	**2,296,574**	**966,966**	**3,642**	**4,965**	**4**	**5**	**3.7**	**3.6**	**222**	**369**
per sector										
Natural resources & commodities	74,997	57,263	747	872	13	15	3.5	3.7	437	433
Energy	73,026	42,703	804	641	19	15	2.4	2.8	912	589
Construction	75,565	28,080	177	439	6	16	3.9	4.0	132	302
Automotive	42,994	35,178	72	539	2	15	3.0	3.0	52	689
Cyclical consumer goods	43,187	28,491	109	350	4	12	3.7	3.8	64	229
Non-cyclical consumer goods	48,039	32,528	148	796	5	24	3.3	3.4	80	424
Machinery	37,350	21,012	52	242	2	12	3.7	4.0	74	531
Transportation	47,155	28,828	113	521	4	18	3.3	3.8	163	351
TMT	32,057	21,170	32	119	2	6	3.2	3.0	41	162
Healthcare & Services	31,565	23,618	59	169	2	7	4.0	4.0	84	236
Hotels and Leisure	27,639	20,133	50	126	2	6	3.6	3.8	56	212
Real estate	133,295	115,795	173	31	1	0	3.4	4.1	63	147
Public sector	779,267	2	0	0	15	7	4.9	4.8	51	174
Financial institutions	83,727	15,315	6	24	0	2	3.7	3.7	28	122
Private customers	766,461	496,850	1,100	96	2	0	4.0	5.0	15	88
Other sectors	248	-	-	-	-	-	-	-	-	-
Total	**2,296,574**	**966,966**	**3,642**	**4,965**	**4**	**5**	**3.7**	**3.6**	**222**	**369**
of which category 13 (Downstream Leased Assets)		**1,497**	**10**	**19**	**7**	**13**	**3.1**	**3.8**		
according to risk countries										
Czech Republic		924,662	3,359	4,454	4	5	3.7	3.7	224	349
Germany		5,985	160	162	27	27	2.6	2.7	439	641
Luxembourg		4,135	58	59	14	14	2.1	2.3	864	755
France		2,649	4	52	2	20	2.2	3.1	35	1,031
Slovakia		7,219	10	38	1	5	3.3	3.8	101	245
Austria		1,075	10	28	9	26	2.8	2.4	351	857
Spain		1,705	3	29	2	17	2.0	2.9	84	1,669
Norway		19	1	29	38	1,489	3.2	2.0	1,097	44,311
Croatia		154	5	22	31	142	3.8	3.7	56	300
Poland		2,125	5	18	2	8	2.6	3.9	70	476
Remaining Countries		17,238	26	74	2	4	3.3	2.8	61	342
Total	**2,296,574**	**966,966**	**3,642**	**4,965**	**4**	**5**	**3.7**	**3.6**	**222**	**369**

in CZK million	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	
			Scope 1 + Scope 2	Scope 3	tCO_2e/ CZK million	Scope 1 + Scope 2	Scope 3	Scope 1 + Scope 2	Scope 3
2024									
per PCAF asset class									
Corporate bonds		13,289	107	66	13	2.6	3.1	608	378
Business loans		353,861	2,247	4,406	19	3.8	3.9	184	362
Project finance		10,943	77	151	21	3.5	3.5	483	949
Mortgages		474,749	1,095	-	2	4.0	-	-	-
Commercial real estate		89,594	112	-	1	3.3	-	-	-
Total	**2,280,272**	**942,436**	**3,637**	**4,623**	**9**	**3.8**	**3.9**	**202**	**385**
per sector									
Natural resources & commodities	75,052	55,603	679	802	27	3.7	3.7	357	499
Energy	64,032	37,721	1,031	594	43	2.7	2.9	1,251	723
Construction	70,571	26,457	177	462	24	4.0	4.1	126	337
Automotive	41,008	33,724	81	419	15	3.2	3.2	107	566
Cyclical consumer goods	43,077	28,247	91	256	12	3.9	3.9	64	190
Non-cyclical consumer goods	46,258	33,158	129	814	28	3.5	3.5	65	430
Machinery	32,297	17,480	48	273	18	3.9	4.0	62	357
Transportation	43,763	26,572	94	412	19	3.6	3.8	93	409
TMT	25,793	15,847	30	151	11	3.5	3.6	38	194
Healthcare & Services	26,127	19,908	42	120	8	4.0	4.1	61	197
Hotels and Leisure	25,723	19,353	47	134	9	3.8	4.1	61	216
Real estate	129,271	111,843	204	77	3	3.7	5.0	116	90
Public sector	867,916	1	-	-	18	4.9	4.9	50	336
Financial institutions	89,360	13,413	5	10	1	3.5	3.9	38	82
Private customers	700,022	503,109	981	99	2	4.0	4.9	15	88
Other sectors	1	1	-	-	16	5.0	5.0	43	326
Total	**2,280,272**	**942,436**	**3,637**	**4,623**	**9**	**3.8**	**3.9**	**202**	**385**
of which category 13 (Downstream Leased Assets)		**1,455**	**6**	**15**	**14**	**4.0**	**4.0**		
according to risk countries									
Czech Republic		901,761	3,475	4,281	9	3.9	3.9	204	383
Luxembourg		4,045	70	56	31	2.3	2.3	1,073	858
Poland		2,361	16	45	26	4.0	4.3	78	225
Germany		4,756	14	47	13	3.1	3.1	145	541
Slovakia		8,606	23	36	7	3.3	3.3	116	190
France		2,228	2	35	17	2.3	2.7	57	1,069
Spain		2,192	4	33	17	2.1	2.8	73	573
Austria		1,100	9	21	27	2.8	2.4	269	672
Romania		307	1	21	71	4.3	4.4	50	1,115
Hungary		891	4	10	16	4.2	4.2	79	208
Remaining Countries		14,190	18	38	4	3.7	3.7	70	165
Total	**2,280,272**	**942,436**	**3,637**	**4,623**	**9**	**3.8**	**3.9**	**202**	**385**

Detailed Results by Data Quality

The Group relies on the PCAF methodology for scoring data quality (data availability), where the scale ranges from a score of DQ 1 (= highest data quality) to DQ 5 (= lowest data quality)[39]. The data quality of the calculations reflects the high dependence on sectoral emission factors, as relevant customer information was not widely available. Reported emissions in the corporate customers segment are currently not distinguished between verified and non-verified, and therefore the DQ 2 is applied, following a conservative approach.

The weighted average data quality of Scope 1 and 2 emissions in the quantified portfolio was 3.7 as of the 2025 reporting date and thus improved versus the previous year (2024: 3.8). The same holds for the weighted average data quality of Scope 3 emissions, which improved to 3.6 (2024: 3.9). The table below shows a breakdown of financed emissions distinguished by data availability (energy performance certificates for the real estate sector and reported emissions for the other PCAF asset classes).

The Group also discloses financed emissions from clients' reported emissions or derived from available energy performance certificates, separately from financed emissions calculated using PCAF factors or some other proxy tool to calculate financed emissions. The share of emissions derived from reported emissions or an available energy performance certificate amounts to 27% of credit exposure (covered by the emission calculations) and 20% of financed emissions. This divergence is primarily due to the mortgage segment, where the available energy performance certificates are skewed towards energy-efficient property classes, thereby increasing their share of exposure while contributing proportionally less to financed emissions. Both shares are substantially higher for the commercial real estate sector, even though it must be noted that the energy performance certificate partially covers only the energy demand and not the level of emissions.

Financed Emissions by Data Quality

	Credit exposure	Financed emissions thousand tCO_2e		Emission intensity tCO_2e/in CZK million		Weighted data quality (high=1; low=5)	
in CZK million	covered by calculated emissions	Scope 1 + Scope 2[40]	Scope 3	Scope 1 + Scope 2	Scope 3	Scope 1 + Scope 2	Scope 3
2025	**966,966**	**3,642**	**4,965**	**4**	**5**	**3.7**	**3.6**
Reported emissions / energy performance certificate available (by PCAF asset class)							
Corporate bonds	5,858	65	57	11	10	2.0	2.0
Business loans	65,224	451	1,573	7	24	2.0	2.0
Project finance	3,182	3	77	1	24	2.0	2.0
Mortgages	100,836	116	-	1	-	2.9	-
Commercial real estate	88,030	102	-	1	-	3.0	-
Total	**263,130**	**737**	**1,707**	**3**	**6**	**2.7**	**2.0**
No Reported emissions / no energy performance certificate available (by PCAF asset class)							
Corporate bonds	7,682	31	18	4	2	2.2	4.0
Business loans	283,890	1,697	3,196	6	11	3.9	4.1
Project finance	8,024	52	44	6	6	3.1	4.0
Mortgages	376,469	1,059	-	3	-	4.2	-
Commercial real estate	27,771	66	-	2	-	4.4	-
Total	**703,836**	**2,904**	**3,258**	**4**	**5**	**4.0**	**4.0**

(39) Where the Group uses reported emissions for calculating scope 3 emissions, this includes – if both are reported – both upstream and downstream emissions. Where the Group uses emissions with national emission factors from the PCAF database, only Scope 3 upstream emissions are accounted for due to data availability. The data quality score for Scope 3 emissions is therefore reported separately.

(40) including CO2e emissions

in CZK million	Credit exposure covered by calculated emissions	Financed emissions thousand tCO_2e Scope 1 + Scope 2[41]	Financed emissions thousand tCO_2e Scope 3	Emission intensity tCO_2e/in CZK million Scope 1 + Scope 2	Emission intensity tCO_2e/in CZK million Scope 3	Weighted data quality (high=1; low=5) Scope 1 + Scope 2	Weighted data quality (high=1; low=5) Scope 3
2024	**942,436**	**3,637**	**4,623**	**4**	**12**	**3.8**	**3.9**
Reported emissions / energy performance certificate available (by PCAF asset class)							
Corporate bonds	5,995	77	51	13	8	2.0	2.0
Business loans	57,762	304	1,422	5	25	2.0	2.0
Project finance	3,389	0	104	0	31	2.0	2.0
Mortgages	70,625	96	-	1	-	3.0	-
Commercial real estate	70,014	75	-	1	-	3.0	-
Total	**207,784**	**552**	**1,576**	**3**	**23**	**2.7**	**2.0**
No Reported emissions / no energy performance certificate available (by PCAF asset class)							
Corporate bonds	7,294	30	16	4	2	3.1	4.0
Business loans	296,100	1,943	2,984	7	10	4.2	4.3
Project finance	7,553	77	47	10	6	4.2	4.2
Mortgages	404,124	999	-	2	-	4.2	-
Commercial real estate	19,581	37	-	2	-	4.4	-
Total	**734,652**	**3,085**	**3,047**	**4**	**10**	**4.2**	**4.3**

(41) including CO2e emissions

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 September 2025. The database primarily provides 2021 figures, expressed in USD million. For the calculation of sovereign emissions, the Group converted the emission factor to USD using the USD/EUR exchange rate for the relevant emission factor year.

2025	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***	**Scope 1****
Czech Republic	388,797	4,803	4,487	12	12	1.0
Remaining Countries	24,973	270	272	11	11	1.3
Total	**413,770**	**5,073**	**4,758**	**12**	**12**	**1.0**

2024	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***	**Scope 1****
Czech Republic	366,058	4,352	4,065	12	11	1.0
Remaining Countries	23,434	285	276	12	12	1.5
Total	**389,492**	**4,637**	**4,342**	**12**	**11**	**1.0**

* Land use, land change and forestry (LULUCF)

** No change between incl. & excl LULUCF

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. Recognising the intrinsic value of natural habitats and the services they provide, the Group is committed to assessing and disclosing its biodiversity-related impacts, dependencies, risks and opportunities. The Group recognises the indirect impact its investments can have on biodiversity through the identified subtopic soil sealing.

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-use change and sea-use change, direct exploitation such as hunting and overfishing, climate change, pollution, and invasive alien species.

SBM-3 – E4 Biodiversity and Ecosystems

Sustainability Matter	Type of IRO	IRO Description	Value chain	Time horizon
Soil sealing	Potential negative impact	Financing real estate and public infrastructure can have a negative impact on biodiversity as soil is sealed, and land is degraded. 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. As part of the resilience analysis, both physical and transitional risks are tracked and analysed. Within this framework, biodiversity loss is categorised under other environmental risks. Systemic risks are not treated as a separate risk type, but are indirectly covered when transition and physical risks are assessed based on comprehensive stress testing. 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 used for the assessment of the business environment and resilience are as follows:

— Short-term: Up to 1 year;
— Medium-term: 1 to 5 years;
— Long-term: Over 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. The evaluation for the resilience analysis was carried out in a comprehensive and qualitative manner and included in the assessment process. Further details can be found in chapter E1 SBM-3.

Results of the Resilience Analysis

The primary goal of the resilience analysis 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 or transition risks. Systemic risks have not yet been analysed. Further details regarding the resilience analysis can be found inchapter E1 SBM-3.

Strategy and Business Model

The Group is assessing its strategy and business model on an ongoing basis. It recognises 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 two 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. The scope of the policy includes exclusion criteria for activities and construction projects in protected areas to address 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 every two years. 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 ecosystem-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 2026.

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. Due to the emerging nature of this topic for the Group, specific action plans have not yet been established. However, the identified material impact will serve as the basis for defining specific actions to measure progress within the next two 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. Due to the emerging nature of this topic for the Group and the limitations in the quality and availability of biodiversity-related data, specific targets have not yet been established. However, the identified material impact will serve as the basis for more comprehensive disclosures within the next two 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

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.

SBM-3 – S1 Own Workforce

The impact on employees is closely aligned with the Group's People and Culture strategy. 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, equal pay, 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.

Sustainability Matter	Type of IRO	IRO Description	Value chain	Time horizon
Work-life balance	Actual positive impact	Promoting the compatibility of career and family positively impacts the quality of life and satisfaction of employees.	Own operations	Short-term
Health and safety	Actual positive impact	By offering a wide range of supportive activities focused on a healthy lifestyle and by promoting accessible preventative healthcare, the Group enhances employee well-being, reduces absenteeism, and boosts effectiveness and engagement of its employees.	Own operations	Short-term
Gender equality and equal pay for work of equal value	Actual 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
Training and skills development	Actual positive impact	A training system that addresses both professional development and personal development contributes to employees' overall success in the labour market, while also enhancing their satisfaction and effectiveness.	Own operations	All time horizons
	Opportunity	Training and further education can increase employee motivation, improve professional skills, enhance qualifications, and lead to greater employee loyalty and productivity over time.	Own operations	Medium- and long-term
Diversity	Potential 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	All time horizons

Health & Safety and Work-Life Balance

By prioritising 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 employee well-being, engagement and effectiveness at work.

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 development programmes enhance the professional qualifications and personal skills of employees and lead to greater personal satisfaction with a positive impact on employees. The Group’s primary focus is 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 a competency framework that provides a structured foundation for targeted and strategic employee development. It is complemented 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 and the Diversity and Inclusion 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.

The Group plans to address the human rights due diligence process through the local implementation of Erste Group Bank’s Code of Conduct, ensuring the alignment of its internal human rights policies 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.

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 prioritising 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 regular 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 Remuneration Policy promote equality and ensure equal pay for equal work, fostering a secure environment with standardised and fair 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 pay ranges 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, encompassing the Bank as well as all subsidiaries with employees. 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 adhere to any third-party standards or initiatives and is accessible to all employees through the Group's intranet.

Training and Skills Development

Comprehensive information regarding possibilities for training and skills development is available to all employees on the intranet, although these activities are not formalised in a standalone overarching policy.

The Group manages this topic of training and skills development through a structured learning framework that supports continuous professional growth, strengthens key competencies, and builds future-ready skills. Development activities include easily accessible learning programmes available through an internal e-learning system, complemented by webinars, mentoring or coaching, and access to external learning platforms. In addition, targeted programmes also focus on digital skills and AI adoption, helping employees adapt to the technological transformation of their roles. Further details are provided in chapter S1-4. The Group is currently preparing a new learning and development strategy to be introduced in 2026.

Diversity & Work-life Balance

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.

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 Unit 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 Unit. The interests of these key stakeholders are considered through ongoing collaboration and regular consultations, including quarterly Ethics Committee meetings involving units such as People and Culture, Company Affairs, Compliance and Retail.

In 2024, the Bank strengthened its commitment to diversity and inclusion by issuing an internal Diversity and Inclusion Directive. Binding for all employees of the Bank, the directive builds on the policy and provides clear guidance for integrating diversity into corporate culture and business practices. It emphasises the Bank's commitment to building an inclusive work environment and assigns specific responsibilities to the Board of Directors, B-1 managers, the People and Culture Unit and the Sustainability Office. It also includes measures supporting work-life balance, such as flexible working hours, remote work options, and part-time arrangements, ensuring employees can better align their professional and personal responsibilities.

The Diversity and Inclusion Policy covers both the Bank's own workforce and its customers. The Chief Sustainability Officer (B-2) is the most senior-level executive accountable for the implementation of both the policy and the directive. The Diversity and Inclusion Policy as well as the Diversity and Inclusion Directive do not reference any third-party standards or initiatives and are available to all employees on the intranet. Currently, both the policy and the directive are applicable only to the Bank with no plans for their implementation in its subsidiaries at this time.

S1-2 – Processes for Engaging with Own Workforce and Workers' Representatives About Impacts

The Group recognises the importance of engaging with its workforce to understand the impacts of its operations on its employees. To foster positive impacts and mitigate negative ones, the Group promotes a feedback culture and continuously monitors and enhances employee engagement. This approach helps to better understand employees' 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 engagement 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+

Včelín+ is a social network that provides a modern, simple, and intuitive space for all employees – enabling them to share ideas, ask questions, and celebrate joint successes. Launched in 2024, it has become an informal hub for collective discussions, open communication, shared inspiration, and support. The largest communities focus on CSR and volunteering, digital tools, and education within branches.

Intranet

In 2025, the Group introduced "echo", a new intranet connecting employees across all Erste Group Bank countries. Echo combines proven intranet features with new functionalities, offering easy access to key news, events and communities. With its modern design, intuitive navigation, and advanced search, it provides a central space for sharing ideas, opinions and inspiration across the Group. 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 individual posts.

Intranet channels are regularly monitored by the Communication Unit, 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 members of the Board present 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 Unit 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 Unit conducts anonymous surveys twice a year to assess employee engagement, identifying both strengths and areas for growth. 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 units, 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 Unit analyse specific individual comments and trends. The engagement survey includes 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 their team's 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 Unit 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 through mandatory web-based ESG training, which 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 foster 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 considered to be 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.

Other channels for raising complaints or concerns within the Group include the whistleblowing channel, which addresses cases of unacceptable behaviour as defined in the Whistleblowing Policy, employee representation bodies (e.g. trade unions) and the internal filing process with the Group's Ombudsman. One of the key benefits of having a whistleblowing process and an Internal Ombudsman 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 these mechanisms, there is a risk of creating an unsafe environment where instances of misconduct may go undetected for an extended period. 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 internal 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.

Channels to Raise Concerns

The Group offers multiple channels through which employees can raise concerns and have their needs addressed:

— Line managers as the first contact point to raise any concerns;
— Whistleblowing process;
— Employee engagement survey;
— Contact with the Internal Ombudsman.

Managing Workforce Transitions

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 29 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 Unit 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.

In 2025, the Group assessed financial resources related to the implementation of the action plans related to own workforce, including a review of historical expenditures as well as expected future spendings. Based on this assessment, the associated costs were deemed immaterial. Expenditures connected to the implementation of the action plans are integrated into the standard operating budgets of the respective divisions and are managed as part of regular business operations. The implementation of action plans does not depend on the allocation of additional material financial resources beyond existing budgets.

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 unit, 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, which was in a pilot phase during 2024, began its rollout to the branch networks in 2025.The offer is further enhanced by parental leave beyond the scope of the law, which includes four additional days off per year 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 once every four years, during which they are replaced by interim managers to ensure continuity. In both 2024 and 2025, 9 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 medical specialists, occupational physicians, psychologists, and physiotherapists assists the Group's employees in all matters of health and well-being. The effectiveness of the mental health support programme is reflected in improved employee resilience and overall well-being, contributing to a positive working environment.

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. All employees have free and anonymous access to 24/7 online medical counselling and support in arranging appointments with medical specialists. In addition, all employees and their family members can use free and fully anonymous psychological counselling, offering up to six sessions per year (online or in person) with short waiting times and a 24/7 crisis help line.

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 routine yearly flu and coronavirus vaccinations. The medical services at the Health Centre extend even further, as it provides specialised facilities for various health needs. These include massage services by visually impaired masseurs as well as other qualified massage professionals, 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. The Health Centre regularly measures the Net Promoter Score (NPS) of its patients, with consistently high ratings among registered employees.

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, Remuneration Structure and Implementation of Competency Model

In 2024, the Bank initiated a programme focused on revising and precisely defining the responsibilities of individual job positions while ensuring their appropriate integration into the remuneration system. A central element of this programme is the development and implementation of a competency model, which provides a structured framework for assessing, comparing and aligning roles across the Bank. This framework ensures fair remuneration for all employees by properly comparing and evaluating positions, regardless of gender, while also strengthening access to professional opportunities. It is closely linked to other internal processes, such as career path updates and better-targeted professional development opportunities.

During 2025, the first phase of the programme was completed, delivering a detailed description of activities, responsibilities, and a competency model covering 90% of the Bank's employees. In Q4 2025, managers informed employees about the changes, followed by the publication of comprehensive job descriptions on the Bank's SharePoint, ensuring access for all employees. At the same time, the new structure was implemented into the system. The implementation of this programme is planned for 2026 in the Bank's subsidiaries that have employees.

To support its practical use, a new tool was introduced for managers and employees, enabling comparison between an employee's assessed competency level and the requirements of a specific position. Based on this comparison, individual development plans were initiated in 2025. 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.

Training and Skills Development

Talent Management and Talent Attraction

The Group's current learning and development strategy is based on three key pillars:

1. Why – Purpose of learning

— The Group's new competency framework defines expected leadership skills, soft skills and professional expertise. It provides a structured foundation for targeted and strategic employee development, ensuring alignment with long-term organisational needs.

2. How – Approach to learning

— A culture of strengths is being developed through the Gallup CliftonStrengths methodology, which builds on individual talents and promotes effective learning.

3. What – Content of learning

— The learning team provides end-to-end development support across the Group - from needs assessment to content design, programme delivery, and evaluation. This comprehensive approach increases workforce adaptability and strengthens organisational resilience to future change.

The Group is working on developing a new learning and development strategy and is exploring ways to measure its impact. 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, and employees also have access to external educational platforms such as Seduo, Digiskills, and Red Button EDU, where they can develop their skills in a wide range of areas that match their individual learning interests. 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. Commonly discussed topics during coaching and mentoring sessions include personal challenges such as family-related issues and professional concerns, including career-related challenges and leadership interactions. This comprehensive coaching and mentoring framework foster 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. Since its launch, over 4,600 individuals (2024: 2,000) have been trained on how to identify, recognise, and leverage their unique strengths, including 2,600 employees trained in 2025. This training not only enhances personal development but also fosters a more collaborative and effective workplace.

As of 31 December 2025, the digital skills and AI adoption programme has reached over 8,500 employees (2024: over 8,000) 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 140,000 visits as of 31 December 2025 (2024: over 80,000). 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. Furthermore, AI teams have been established within divisions to collect and share specific use cases and to participate in new development activities, such as the MS Copilot Licensee Academy, launched in the first half of 2025.

Additionally, in the first half of 2025, the Bank introduced the initiative “My stronger future”, designed to equip employees with the skills needed for future careers. The initiative targets primarily employees in operations whose roles are expected to be gradually transformed by AI. Based on individual talents and motivation, it offers tailored learning paths to help employees develop relevant skills and remain competitive, whether they continue their careers within the Bank or pursue new opportunities beyond it.

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, work on identifying and preparing an appropriate solution is ongoing, with implementation planned in the coming years.

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 Board members 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 2025, 257 B-1 managers and executives (2024: 180) participated in the programme.

Diversity

Employer's Human Rights Ten Commandments

In 2025, the Group entered the implementation phase of the Employer’s Human Rights Ten Commandments, a framework designed to promote human rights, diversity, and inclusion in the workplace. The main objective remained to strengthen the internal culture of inclusion, foster collaboration among stakeholders, and encourage employers to fulfil their diversity and human rights commitments in practice.

To support an inclusive and respectful working environment, two mandatory trainings were introduced across the Group for all employees in the first half of 2025: Recognising and Preventing Sexual Harassment and Building Respectful Interactions.

The Group also formalised the structure of Employee Resource Groups (ERGs) to support internal communities and promote diverse representation. In 2025, the first ERG was launched, focusing on LGBTQ+ inclusion. This group provides a platform for open dialogue, community events, and internal advocacy.

Several initiatives were carried out to support generational diversity and intergenerational dialogue. In the first quarter of 2025, the internal campaign “Age is Just a Number” was launched to challenge age-related bias and foster a culture of respect for all generations. In January 2025, six young representatives of Generation Z joined the Bank as part of the Future Mindset Board initiative. Their primary role is to act as advisory partners to the Board of Directors, participating in weekly Board meetings and being involved in presentations covering topics from all divisions of the Bank. In addition, they hold regular meetings with individual Board members to provide feedback on the organisation of these sessions and to share insights regarding how younger generations perceive key issues.

The Future Mindset Board concept was subsequently extended to the B-1 management level, resulting in the inclusion of an additional 13 young professionals. Composed mainly of early-career professionals, the Future Mindset Board played a central role in bringing fresh perspectives to strategic topics and promoting generational inclusion across the Group.

As part of monitoring and transparency, the Group utilises and continuously develops a diversity dashboard designed to provide insights into own workforce composition. The dashboard enables a detailed analysis of gender representation across divisions with a specific focus on women, including age distribution. Quarterly meetings of the Steering Committee continued throughout 2025 to evaluate progress and ensure alignment with the principles of the Ten Commandments. Awareness webinars and conferences were organised to further support human rights, alongside educational activities and workshops.

Overall, the implementation of this plan in 2025 contributed to embedding diversity and inclusion into corporate culture and governance, in line with the Group’s sustainability strategy, but also delivered on the Diversity Indexing action plan previously disclosed in the 2024 Consolidated Sustainability Statement. This long-term initiative will continue with further activities planned for the coming years.

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. In the previous Consolidated Sustainability Statement, the Bank reported a single target for both its managing bodies (2024: share of women in Supervisory Board and Board of Directors was 27%). In 2025, this approach was revised by setting separate targets for the Board of Directors and the Supervisory Board. The change aligns with the Bank’s Diversity Policy, ensuring equal focus on both bodies and reflecting their specific composition and responsibilities. The overall ambition, to strengthen gender diversity and ensure at least 30% representation of the underrepresented gender, remains unchanged.

The share of the underrepresented gender is to be 30% on the Bank’s Board of Directors by 2028, and 30% on the Bank’s Supervisory Board 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.

Progress towards Diversity Targets

			Targets	
	2025	2024	Year	Target
Share of women in Board of Directors	17%	17%	2028	30%
Share of women in Supervisory Board	33%	33%	2028	30%
Share of women in B-1	26%	20%	2028	33%

The Bank continued to make progress towards its long-term goal of increasing female representation in leadership. In 2025, women comprised 26% (2024: 20%) of the B-1 level, 17% at the Board of Directors level and 33% at the Supervisory Board level (both unchanged from 2024). As part of its succession and talent management processes, the Bank conducts Leaders' Sessions twice a year, during which it reviews female representation, the leadership pipeline, and the readiness of potential successors. Additionally, targeted development activities support high-potential women identified for future leadership roles.

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 and training and development, which are addressed through separate indicators and 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 points 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 engagement survey conducted in December of the respective year.

eNPS

	2025	2024	Target
Employee Net Promoter Score (eNPS)	63	57	≥ 70

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.

Training and Skills Development

The Group systematically monitors and evaluates the time employees spend on learning and development activities, offering a broad range of development opportunities to enhance skills, knowledge, and professional capabilities as described in chapter S1-4. This commitment not only contributes to increased productivity but also strengthens employee engagement and loyalty. Progress is assessed through indicators such as participation in Leaders' sessions and employee engagement with dedicated learning resources, including the AI-focused intranet website. While a formalised target for this sustainability matter has not yet been established, the Group is developing a new Learning and Development strategy to further guide its approach in this area.

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 temporarily performing a public function, and expatriate workers (who have an employment contract with another entity within Erste Group Bank but work in the 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 five days per week, eight hours per day, i.e. 40 hours per week.

The exception is a shift employee who is not scheduled to work eight hours per day but is, by law, 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.

As members of the Board of Directors work under the Agreement on the Performance of the Position of the Company's Director, which by their nature and content differ from standard employment contracts, they are not included in the FTE calculation and are reported as 0.

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, consistent with the prior year.

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 and presents the average of month-end figures for the period. The measurement of employee-related metrics is not subject to external validation.

Employee Headcount Broken Down by Gender

in headcount	2025	2024
Male	3,514	3,534
Female	6,544	6,743
Other	0	0
Not reported	0	0
Total number of employees	**10,058**	**10,277**

Distribution of Employee Headcount by Contract Type, Broken Down by Gender

	2025					2024				
in headcount	Female	Male	Other	Not dis-closed	Total	Female	Male	Other	Not dis-closed	Total
Number of employees	6,544	3,514	0	0	**10,058**	6,743	3,534	0	0	**10,277**
Number of permanent employees	5,986	3,288	0	0	**9,274**	6,093	3,263	0	0	**9,356**
Number of temporary employees	558	226	0	0	**784**	650	271	0	0	**921**
Number of full-time employees	5,308	3,337	0	0	**8,645**	5,535	3,332	0	0	**8,867**
Number of part-time employees	1,236	177	0	0	**1,413**	1,208	202	0	0	**1,410**
Number of non-guaranteed hours employees	0	0	0	0	**0**	0	0	0	0	**0**

Average Distribution of Employees in FTE

FTE	2025	2024
Female	6,198	6,263
Male	3,399	3,390
Total number of employees	**9,597**	**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 2025.

Employee Turnover (including retirements)

	2025	2024
New hires	**1,107**	**1,262**
Female	635	740
Male	472	522
Other	0	0
Not reported	0	0
Leavers	**1,466**	**1,418**
Female	975	902
Male	491	516
Other	0	0
Not reported	0	0
Turnover rate (%)	**14%**	**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 a termination date on 31 December 2025 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

	2025				2024			
	Board of Directors	%	B-1 Managers	%	Board of Directors	%	B-1 Managers	%
Female	4	14%	11	26%	3	12%	9	20%
Male	25	86%	31	74%	23	88%	36	80%
Total number	**29**	**100%**	**42**	**100%**	**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. The share of women on the Board of Directors increased from 12% to 14%, while representation at B-1 management level rose from 20% to 26%, reflecting the Group's sustained, systematic efforts to strengthen gender balance in leadership and advance its long-term diversity commitments.

Distribution of Employees by Age

	2025		2024 restated	
	Number of employees	%	Number of employees	%
Under 30 years old	1,421	14%	1,546	15%
Between 30 and 50 years old	5,482	55%	5,736	56%
Over 50 years old	3,155	31%	2,995	29%
Total number of employees	**10,058**	**100%**	**10,277**	**100%**

In 2025, the Group aligned the methodology used to calculate the "Over 50 years old" category with the approach applied at Erste Group Bank. Under this aligned methodology, the category includes all employees aged 50 and above, whereas the previously reported figures were calculated using a threshold of 51 and over. The 2024 comparative figure has been restated accordingly to reflect the updated methodology (2024 as originally reported: 6,091 employees between 30 and 50 years old, 2,640 employees over 50 years old). The restatement has no impact on the Group's underlying workforce composition.

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 Labour 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 Physical Security Unit.

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 number of sick leave days is calculated as sick leaves in total business days divided by the employee headcount.

Health and Safety

	2025	2024
Number of cases of recordable work-related ill health	0	0
Number of recordable work-related accidents	77	105
Rate of recordable work-related accidents	4	5
Number of days lost to work-related injuries/ill health/fatalities	294	1,324
Sick leaves in total business days	108,154	108,395
Average Sick leave days	11	11
Percentage of employees covered by health and safety management system	100%	100%

There were 0 fatalities (2024: 0) 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 2025. The significant decrease in days lost to work-related injuries compared to the prior reporting period reflects the absence of employees on long-term sick leave resulting from work-related injuries in 2025.

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 inspected 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. The Bank is a holder of 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 total 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. As of 31 December 2025, 5 employees (2024: 6) from one subsidiary, whose data is managed through a separate third-party system, are not included in the calculation.

Variable remuneration for performance in 2025 and 2024 was based on the overall performance of the entity and the individual performance of each employee. As most of the variable remuneration is paid out in April in the following year, the current-year pay gap calculation uses estimated variable remuneration based on prior year performance. 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 (in 2024 both internal definition and external definition according to Korn Ferry, since 2025 only external definition according to Korn Ferry);
— Segment;
— Management responsibility; and
— Receiver of incentives (removed in 2025).

The adjusted pay gap is calculated as a regression within the groups of employees combined by these parameters, using annualised FTE total pay level. Workers on specific types of employment contracts are excluded from the adjusted pay gap calculation.

In 2025, the Group simplified the methodology by removing the internal definition of Job Family and the receiver of incentives parameter, as these were found to have immaterial impact on the adjusted pay gap. No restatement of prior period figures was performed due to the immaterial nature of these changes. The focus remains on the parameters with the most impact on 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 and variable 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 for 2025 and 2024. 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 20,800 per month in 2025 (2024: CZK 18,600).

Gender Pay Gap

	2025	2024
Gender Pay Gap - Unadjusted	34.4%	37.5%
Gender Pay Gap - Adjusted	2.0%	2.0%
Remuneration ratio	49.6	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.

In 2025, the Group aligned its methodology regarding reporting complaints filed through channels for people in its own workforce with Erste Group Bank methodology, so that it now relates only to complaints filed by its own workforce and concerning workplace related matters. In the previous reporting period, the Group reported all complaints filed by its own workforce, including those that were in fact not related to workplace related matters. Furthermore, the definition of cases has been refined. The 2024 comparative figure has been restated accordingly (2024 as originally reported: total number of complaints 84, thereof number of incidents of discrimination 10).

Complaints, Incidents and Fines

	2025	2024 restated
Number of complaints filed through channels for people in the undertaking's own workforce to raise concerns (including grievance mechanisms)	56	64
Thereof: number of incidents of discrimination	4	13
Number of severe human rights incidents	0	0
Total amount of material fines	CZK 0	CZK 0

Affected Communities

The Group has an impact on the wider community through the activities of the Česká spořitelna Foundation (hereinafter referred to as the "Foundation"), which forms part of its downstream value chain. The initiatives of the Foundation are carefully designed to promote financial literacy, with the goal of strengthening financial education across society. In 2023, the Bank and the Foundation committed to making high-quality financial education accessible to all children in the Czech Republic. While preparatory work and pilot testing for the Skoala digital platform took place in previous years, the initiative became materially relevant in 2025, following the decision to officially launch the platform; it was presented to the public in 2025. Skoala is a digital platform for primary and secondary school teachers that provides free interactive learning resources primarily aimed at developing financial literacy, while also supporting key competencies such as critical thinking, problem-solving, and resilience.

SBM-3 – S3 Material Impact and Its Interaction with Strategy and Business Model

The Group, through the initiatives of the Foundation, addresses the financial literacy of primary and secondary school children in the Czech Republic, i.e. children aged 6–19 years. This group can be classified as a specific group of affected communities and is considered part of the Group's downstream value chain. As the Group has identified only positive impacts in this context, the topic does not involve communities who are or could be negatively affected.

The Foundation was established by the Bank in 2002 as an independent entity with its own strategy, focusing primarily on educational initiatives targeted at children and young adults. Although it operates independently, its objectives are closely aligned with the Bank's strategy. The Bank is the main funder of the Foundation and shares the common goal of contributing to prosperity and a healthy society by strengthening civil society, philanthropy, and education. The Foundation regularly reports on its activities to both its own Governing Board and the Bank's managing bodies, ensuring transparency and accountability in the implementation of its initiatives.

Sustainability Matter	Type of IRO	IRO Description	Value chain	Time horizon
Financial literacy (entity-specific)	Potential positive impact	Through the ČS Foundation, the Group promotes financial literacy among children in the Czech Republic by providing primary and secondary schools with free, interactive tools based on competency-based education. These initiatives aim to strengthen key skills, support informed decision-making, and contribute to the prosperity of individuals and society.	Downstream	Medium- and long-term

S3-1 – Policies Related to Affected Communities

The Group includes in its downstream value chain the activities and related positive impact of the Foundation, in particular the Skoala educational platform. The Foundation operates in compliance with applicable local legal requirements and adheres to the principles of human rights and ethical conduct in all its activities. While its internal regulations do not explicitly reference international declarations, its approach is consistent with the general principles promoted by international instruments such as 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. The competency-based approach guiding the Foundation's educational content is aligned with the EU/OECD Competency Framework, adheres to the financial literacy standard defined by the Ministry of Finance of the Czech Republic, and is in line with the Framework Educational Programme for Primary Education of the Czech Republic.

The Foundation's approach ensures respect for the human rights of its end-users, referred to as the affected community, through transparent rules, equal access to educational opportunities and a focus on non-discrimination. Engagement with users is fostered through accessible communication channels, regular feedback opportunities and continuous adaptation of the platform to users' needs. Members of the affected community and the general public have the possibility to raise concerns or complaints via a publicly available email address. The Foundation does not have specific policies addressing the rights of indigenous peoples, as its activities and operations are not directed towards this group of affected communities. There were no cases of non-respect that involve affected communities in 2025.

Financial Literacy

Although the Foundation does not have a standalone policy on financial literacy, its activities are guided by a comprehensive strategy that sets key objectives and principles for managing the Foundation's positive impact in this area. The strategy is built on four pillars, with the Skoala platform reflected in the second one:

1. Support competence education (not only) in schools;
2. Improve financial education of young people;
3. Help in times of crisis situations;
4. Help communicate, advocate and analyse data.

The current strategy of the Skoala digital platform was approved by the Foundation's Governing Board in 2023, and the progress of the programme is reported to the Skoala Steering Committee on a monthly basis. A new long-term strategy for the 2026–2030 period is currently in preparation to establish a clear long-term direction of the programme, support its scaling, and ensure its sustained impact.

S3-2 – Processes for Engaging with Affected Communities about Impacts

Processes of Engagement Related to Positive Impact

The development and continuous improvement of the Skoala educational platform are based on active engagement with its primary users, teachers and children, as well as with experts and relevant institutions. All methodological materials were developed in cooperation with leading state institutions and academic experts and are continuously tested with schools and teachers across the Czech Republic.

Since 2023, the Foundation has worked with a panel of 30 schools, representing different regions, sizes, and approaches to financial education, with which it maintains ongoing collaboration. Teachers from these schools were consulted in creating methodologies and testing content directly in classrooms. Feedback is gathered through quarterly meetings (both online and in person), during an annual summer school, a dedicated advisory panel, and through direct digital channels, including newsletters, the platform interface, and a support email. In 2024, a Children's Advisory Group of 24 children (aged 6–19) was established to test interactive elements and provide direct user feedback.

Skoala was developed under the guidance of expert stakeholders and through consultations with relevant external partners. The platform is under the patronage of the Ministry of Education, Youth and Sports (MŠMT) and the Ministry of Finance. The Foundation further supports its development by engaging with the wider professional community through expert panels, conferences, and cooperation with institutions such as the Czech Banking Association, Czech National Bank, Czech School Inspectorate, National Pedagogical Institute, Charles University, Masaryk University, and Palacký University Olomouc.

Community satisfaction with the Skoala platform is also monitored via the Net Promoter Score (NPS). During the early development phase in 2024, prior to the official launch of the platform, NPS was measured once, with an additional measurement conducted at the end of the year, following the launch of the beta version. The average score of these two measurements was 78, demonstrating a high level of satisfaction among the target group. The results are based on feedback from just over 100 schools, reflecting the insights from an initial phase of the platform's development. From 2025, NPS is measured on an annual basis. The results are regularly evaluated and reported to the Foundation's Governing Board.

Skoala's product owner (B-2 manager) has operational responsibility for coordinating surveys and ensuring that user feedback directly informs programme improvements and future scaling. The Foundation also regularly monitors the number of active schools, which is considered an indicator of community satisfaction.

S3-4 – Taking Action on Material Impacts on Affected Communities and Managing the Effectiveness of Those Actions

Financial Literacy

Skoala Educational Platform

Skoala is a digital platform that provides free, high-quality online and printable materials for cross-curricular education and the development of children's financial competences. The platform is primarily aimed at primary and secondary school teachers in the Czech Republic, who play a central role in the platform's long-term success by serving as the key channel through which it reaches children. It offers a wide range of methodologies, worksheets, videos, mini-games, quizzes, and other practical tools that help strengthen children's financial competences and broader life skills. The content is based on the Foundation's competence framework for financial literacy, developed in collaboration with teachers, experts, and children, and is systematically tested in schools to ensure quality and relevance.

In May 2024, the first version of the platform was tested with 50 primary schools, followed by the launch of the beta version in September 2024 with expanded testing. The platform was launched in March 2025, making it available to the general public, while primarily targeting schools across the Czech Republic. The ultimate goal, as defined in the Foundation's strategy, is to improve the financial education of young people. The achievement of this goal is measured by the number of active schools using Skoala as the implementation of the platform directly contributes to reaching this target.

The programme is designed as a continuously evolving platform that is regularly expanded and improved. In addition to developing nearly 150 tested methodologies, new features are introduced on an ongoing basis, such as the Economic Data module, which since September 2025, has provided teachers and children with up-to-date economic indicators. In the following years, the focus will be on scaling the platform, further content development, and teacher development.

Progress is monitored through both quantitative and qualitative indicators, including the number of registered and active schools, the scope and relevance of the content, and community satisfaction as measured by the NPS. These indicators and the overall progress of the programme are regularly reported to the Skoala Steering Committee. The Foundation's dedicated project team is responsible for the development and implementation of the action plan.

Resources related to the Skoala platform are part of the Foundation's operational and capital expenses and amounted to CZK 73.7 million in 2025 (cash flow view, excluding personnel costs), with cumulative expenditure reaching CZK 139 million. The Foundation expects to continue allocating financial resources to the Skoala platform in the future, with annual expenditure anticipated at levels similar to those in 2025 and in line with its strategic objectives. The Foundation does not measure or report on severe human rights issues and incidents connected to affected communities.

S3-5 – Targets Related to Advancing Positive Impacts

Financial Literacy

The Foundation is committed to improving the financial literacy of young people in the Czech Republic. To achieve this objective, a target focused on the number of active schools has been introduced. The number of active schools serves as both an indicator and a driver of progress towards this objective, as higher engagement of schools directly reflects the reach of financial education across the Czech Republic. At the same time, the Foundation is piloting an outcome-oriented target, which, subject to the successful completion of the pilot phase, is expected to be introduced and reported.

According to the Foundation's segmentation methodology based on the level of platform use, an active school is defined as a school with at least one engaged teacher. An engaged teacher is defined as a light user or higher, where a light user is one who has opened more than one and fewer than five methodologies during the school year. Only methodologies that have been opened at least twice, once for preparation and once for teaching, are counted.

The Foundation has set both short-term and medium-term targets for this metric, involving internal stakeholders in the target setting process. The targets are set in both absolute and relative terms. The short-term target is to reach 2,000 active schools, while the medium-term target is to reach 80% of all primary and secondary schools in the Czech Republic, corresponding to 4,447 schools out of a total of 5,559 schools nationwide. Progress is regularly monitored through a BI report, with results presented monthly to the Skoala Steering Committee and annually to the Foundation's Supervisory Board. These insights inform the continuous improvement of the Foundation's approach to improving financial literacy, helping to refine strategies and ensure effective progress toward its objectives. 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. While this target serves to steer the Foundation's positive impact, it does not directly capture the actual impact achieved, nor does it represent an outcome-oriented target within the meaning of ESRS. The metric has not been validated by any external body.

Number of Active Primary and Secondary Schools

		Targets			
		Short-term		Medium-term	
	2025	Year	Abs.	Year	in %
Active schools	2,432	2025	2,000	2030	80%

In 2025, the Foundation successfully exceeded its target of 2,000 active schools, reaching a total of 2,432 active schools. This represents 44% of all primary and secondary schools in the Czech Republic, demonstrating strong engagement across schools and reflecting the continued effectiveness and reach of the Skoala educational platform.

Consumer 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 environment. This process involves integrating innovative features into the George platform, such as the FIT section, as well as focusing on areas such as building financial reserves, retirement savings, financial education, effective loan management, and enhancing business competitiveness. At the same time, the Group places importance on customer data privacy and security, ensuring that all handling of personal information complies with applicable regulations and safeguards customers' trust. It actively monitors and implements measures to prevent data breaches and cyberattacks, mitigating risks to both clients and the business.

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 IROs 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
Financial health (entity-specific)	Potential 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	Medium- and long-term
Privacy	Potential 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	All time horizons
	Risk	Processing substantial amounts of personal data and information subject to banking secrecy inherently involves a risk of privacy breaches, which may result in a significant loss of trust, reputational damage, and potential litigation and compensation costs.	Own operations	All time horizons

Financial Health

The Group may positively impact the financial health of its customers by promoting financial health initiatives and inclusion, improving their financial literacy and reducing inequalities. 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

Handling customer data is a crucial part of the Group's business model. As such, the Group is dedicated to protecting this data and is vigilant about potential data breaches or cyberattacks, which pose a material risk to the business. Such incidents could compromise the security and privacy of affected customers by exposing their private and financial data, potentially resulting in a loss of customer trust, reputational damage and legal consequences for the Group.

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 the 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 Personalisation 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 five indicators that support its customers to:

1. Live within financial means;
2. Build a financial reserve;
3. Manage risks;
4. Save for retirement; and
5. Grow wealth through investments.

In 2025, the Bank refined its approach by consolidating and simplifying the previously disclosed six indicators into five. The calculation of these indicators helps the Group to form a personalised approach to supporting each customer. They are assessed using a colour scale (a simplified traffic-light system) and evaluated based on the unified Erste Group methodology. Each indicator also contains an explanatory component that explains and visualises the factors behind the assessment of the customer's financial position. 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 each individual subsidiary that has employees. The Head of Compliance (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 member of the Board responsible for Risk Management, 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, or changing legal or regulatory requirements like the Digital Operational Resilience Act (DORA), 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. The Cyber and Information Security Policy does not directly reference any third-party standards or initiatives and is available to all employees on the Intranet.

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 engage directly with customers, providing 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 Unit (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 jeopardise 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 (DPO) who reports to the Head of Compliance 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 Bank 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 Security Unit responsible for the investigation must promptly notify the DPO. If there are indications that the personal data security violation should be reported to the Office of Personal Data Protection (DPA – Data Protection Authority) or the data subject, the Data Protection Officer, after consulting with the Compliance manager, decides whether the case will be reported to the DPA or the data subject. The Board of Directors must be informed of all cases reported to the DPA.

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. Individual requests from data subjects are recorded in internal systems.

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 regularly, while each subsidiary reports its own statistics to its respective Board of Directors. Under certain circumstances (for example, in cases of high risk to the rights and freedoms of the individual), the controller is obliged to report a breach of personal data to the DPA 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.

In the 2024 Consolidated Sustainability Statement, the Group reported the number of substantiated complaints related to privacy and data protection, including data breaches. In 2025, the Group improved the data collection process, thanks to formalising its internal methodology.

In line with GDPR requirements, the Group ensures that all data breaches are properly handled, monitored and reported. Such cases are monitored through weekly and monthly reports from EMUS, where all cases of operational risks are recorded in accordance with internal regulations, as well as through other reporting channels (e.g. phone or email). The Security Unit is responsible for their monitoring, and should the data breach concern personal data, the GDPR Unit gets involved. In the first half of 2025, the Bank introduced a dedicated data breach register, consolidating all reported cases and supporting consistent monitoring and follow-up. In 2025, 175 data breaches were recorded. In 2024, 104 substantiated complaints were filed in relation to privacy and data protection. The metric has not been validated by any external body.

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 at the Internal Ombudsman level 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.

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.

In 2025, the Group assessed financial resources related to the implementation of the action plans related to consumers and end-users, including a review of historical expenditures as well as expected future spendings. Based on this assessment, the associated costs were deemed immaterial. Expenditures connected to the implementation of the action plans are integrated into the standard operating budgets of the respective divisions and are managed as part of regular business operations. The implementation of action plans does not depend on the allocation of additional material financial resources beyond existing budgets.

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 successful implementation of the project was verified by an independent external assurance provider and 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. In 2025, the Bank completed a self-assessment organised by the DPO of Erste Group Bank, which was audited and approved at the Erste Group Bank level and identified only minor areas of improvement, which were addressed and closed by year-end.

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 Unit. However, many other departments are involved in the process to ensure the privacy of customers, such as Operational Risk, Cyber Security units, the Ombudsman Office, and the Customer Complaints Centre.

The Bank's certified 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 latest DORA EU regulation, national Banking Act and Cyber Security Act, and guidance from authorities, as well as PSD2, SWIFT, and PCI requirements. The Bank also adopts best practices from open standards like CIS Benchmarks, OWASP, and MITRE frameworks, continuously updating its practices in anticipation of new EU regulations and directives.

The Bank continuously identifies and manages threats and 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 were no severe human rights-related incidents (2024: 0) connected to the Group's customers reported in 2025. 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.

In 2025, the Bank launched new awareness campaigns focused on specific risky customer activities. For example, customers are informed about the dangers of investment frauds involving remote access misuse as soon as these risks are detected. Timely and targeted communication of campaigns helps reduce the overall burden of general information while ensuring that customers receive relevant warnings precisely when they need them most.

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 Unit 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.

In 2025, organised crime continued its attacks on the funds of customers of banks in the Czech Republic with increasing intensity. This trend is evident both in the Bank and across the entire banking market. Positively, the Bank has continued to reduce losses in cases where a fraudster initiates a transaction, achieving a 6% reduction in these losses compared to 2024, and 48% in the area of phishing. However, fraudsters extract much larger sums from clients through manipulation, where they persuade the clients to initiate the transaction themselves. These cases account for nearly 85% of total client transaction losses and have increased by 29% year-on-year. The most significant contributors to this increase are cases where the perpetrator impersonates the victim's child in need and sends messages requesting financial assistance.

To prevent smaller and harder-to-detect manipulative frauds, the Bank has introduced a new feature in the George mobile banking app. When a customer initiates a risky payment, the app displays an alert highlighting the most common types of fraud. Before authorising the transaction, the customer can decide whether it shows any signs of fraud and can make an informed decision.

A new method of fraud, still rare in 2024, involved persuading the deceived customer to withdraw cash and hand it directly to the fraudsters. In such cases, the fraudsters often impersonate bankers or police officers, claiming that the customers' accounts or identities have been misused. Under the pretext of saving their money, they instruct the customer to withdraw all funds in cash at a branch and hand them over to a courier who will transport them to safe custody. The Bank addresses these cases primarily through cooperation with personal bankers and by distributing flyers that describe this type of fraud, informing the customers when withdrawing larger amounts of cash.

Overall, these measures in 2025 protected customer funds valued at over 3.9 billion CZK (2024: CZK 2.7 billion).

Financial Health

FIT section in George Mobile Banking App

The Bank provides complex solutions combining both personal and digital advisory services for all customers. These services are centred around the FIT section which was introduced to the George mobile banking app in 2023 and redesigned in 2024 to offer a new personalised experience, with continuous updates improving its functionality and user experience. Built on the Bank's proprietary methodology of financial health indicators, the FIT section includes tools such as Plans, Advisory Scenarios, and many other features, all designed with the goal of enhancing customers' financial health. The FIT section offers customers an up-to-date overview of their financial health and provides simple, actionable steps for their improvement. The entire FIT section is tailored to each client, based on their data, behaviour, and product portfolio, enabling the delivery of highly personalised advice. 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 section with an annual target set for the total number of unique customers who have familiarised themselves with financial health indicators. The FIT section is available in the George mobile banking app to all retail customers as well as to all Erste Premier customers.

Hey George and AI-Driven Assistance

In 2025, the Bank introduced Hey George, a smart AI assistant, designed to help customers address their everyday banking needs quickly and clearly. The assistant responds to questions related to accounts, transactions, cards, and products, thereby reducing the workload of personal bankers by handling routine inquiries.

Hey George adapts responses to the individual needs of each customer by leveraging a curated knowledge base and integration with the Bank's systems. It can, for example, display transaction summaries for a selected period

or provide information about a specific product. Its functionalities are continuously expanded based on customer feedback and demand, enhancing both personalisation and relevance. In more complex areas such as investments, the assistant redirects customers to human specialists or educational resources within the George mobile banking app. The system is designed to deliver stable and fast responses even under high load, with quality control ensured through a combination of automated evaluation and human oversight.

In parallel, the Bank is piloting AI-generated transaction summaries. Each morning, personal bankers receive AI-generated transaction insights to support their scheduled advisory meetings. This approach increases the volume of transactions analysed with higher consistency and accuracy, improving the quality of consultations and enabling bankers to provide more personalised guidance.

By combining real-time AI support with data-driven advisory tools, these innovations help customers gain a clearer understanding of their financial situation, make informed decisions, and take proactive steps to improve their financial health. Customers receive faster and more tailored digital support, while bankers are relieved of routine tasks to focus on in-depth consultations and financial advisory. These innovations are available to all retail customers aged 18 and over, and the effectiveness is tracked through the number of customers who try a dialogue with Hey George. Bi-monthly reports are presented to the Bank's Board of Directors. The Personalisation Tribe is responsible for the development and implementation of the action plan.

Personalization and Refinement of Financial Health Indicators

With a new Five Wins strategy for 2030, effective from 2025, 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 refined its financial health indicators, simplifying them from six to five and standardising them across all services. Since Q4 2025, these indicators are displayed in the George mobile banking app, offering customers easy access to their financial health data. Personal bankers are also using tablets with a new FIT 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, besides Erste Private Banking, and its effectiveness is tracked at an individual customer level by analysing steps taken by the customer in the FIT section and providing tailored personalised support in the area of financial health. Monthly reports are presented to the Bank's Board of Directors. The Advisory and Personalisation Tribe is responsible for the development and implementation of the action plan. The action plan was successfully completed in 2025, achieving its intended objectives.

S4-5 – Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities

Financial Health of Customers

The Group prioritises 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 five key financial health indicators, including spending, reserves, insurance, pensions, and investments.

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 health indicators. This includes customers who have accessed their indicators either digitally through the FIT section 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. The metric has not been validated by any external body.

While this target serves to steer the Group's positive impact, it does not directly capture the actual impact achieved, nor does it represent an outcome-oriented target within the meaning of ESRS. Nevertheless, the Bank monitors an impact-oriented target, the number of unique clients who, based on digital advisory, purchased a recommended product, solution, or service within a 30-day attribution period, which is tracked internally but is not reported due to its confidentiality. In parallel, the Bank is piloting another impact-oriented target, which, subject to the successful completion of the pilot phase, is expected to be introduced and reported.

Unique Customers Who Are Aware of Their Financial Health Indicators

	2025	2024	Target year	Target
Unique customers (in million)[42]	1	1.1	2025	1.55

Over time, increasing awareness and usage of financial health indicators becomes progressively more challenging, reflecting the relatively high level of coverage within the target base. As a result, further expansion has proven to be a significantly more demanding discipline than initially anticipated. For this reason, the plan for 2026 focuses on targeted activities aimed at strengthening engagement within the FIT section in order to drive higher usage, complemented by more intensive communication initiatives to further build awareness.

From a broader perspective, financial health remains one of the strong drivers of NPS. At the same time, the specific targets reflected in this chapter were set at a very ambitious level, which explains the gap between achieved results and original expectations.

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.

(42) 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

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.

All members of the Board of Directors and the Supervisory Board are experienced professionals who possess the necessary personal qualities and professional experience required to fulfil their roles. Members of the Board of Directors are appointed and dismissed by the Supervisory Board. In compliance with the Banking Act, nominees for Board membership at the Bank are discussed in advance with the Czech National Bank, which assesses the nominees' professional qualifications, credibility, experience, capacity to perform the role, as well as potential conflicts of interest. Detailed professional biographies of all members of both the Board of Directors and the Supervisory Board, attesting to their qualifications, professional abilities and practical experience, are published in chapters Board of Directors and Supervisory Board in the Annual Report.

In the context of the DMA, two sustainability matters have been identified within Business Conduct, each with positive impacts:

Sustainability Matter	Type of IRO	IRO Description	Value chain	Time horizon
Corporate Culture	Actual positive impact	A positive corporate culture fosters a healthy work environment, boosting employee satisfaction.	Upstream & Own operations	All time horizons
Prevention and detection including training	Potential positive impact	Training all employees helps prevent unethical behaviour, corruption and bribery, benefiting everyone (in the interests of customers, employees, business partners and society as a whole) and fostering a trustworthy workplace and business environment. A clear policy supports prevention efforts.	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 behavior 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.

Corruption and Bribery – Prevention and Detection including Training

Prevention training offered to all employees is another key component of the Group's strategy to prevent potential corruption and bribery. By educating employees on the importance of ethical behavior 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

Corporate Culture

Committed to upholding high ethical and moral standards, the Group aligns with Erste Group Bank's principles, emphasising 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, terrorist financing and sanctions violations, 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 due to the withdrawal 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 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 conflicts 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, with the last review conducted in 2025. 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 changes in the policy by Erste Group Bank. If an urgent need arises, the policy may be reviewed, and processes may 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 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 is 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. 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 behavior and misconduct early. The policy defines the categories under which employees can report potential misconduct while ensuring the anonymity of whistleblowers. 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 and is formed by specially qualified and authorised employees. Whistleblowing Officers receive, process, and investigate reports submitted by whistleblowers and propose appropriate measures to the Bank's management 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 programme among 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 the following subsidiaries: Stavební spořitelna České spořitelny, a.s., Factoring České spořitelny, a.s., Leasing České spořitelny, a.s. and Česká spořitelna – penzijní společnost, a.s.. Effective 1 January 2025, the Bank established 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 for 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 respectful process of resolving 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. In cases involving complaints of unacceptable behaviour, the Anti-Discrimination Officer from the Sustainability Office is involved in the resolution process, with the handling procedure aligned and coordinated accordingly.

Records about the progress of the investigation are stored in a secure database, accessible only to the Internal Ombudsman, the Deputy to the Internal Ombudsman and the Manager for Ethics. Anonymised data are used for semi-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.

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.

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 Compliance Unit, such as Prevention and Detection, Investigation, AML and International Sanctions, which reports directly to the Chief Risk Officer (CRO). The Investigation Team operates separately and reports its findings through the Compliance Unit remaining independent from other teams in the Bank that may be subject to investigation. The Compliance Unit 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 Unit of Erste Group Bank.

The Group has a mandatory web-based annual compliance training for all employees. The one-hour training must be completed by employees within three months of commencing their employment in the Group and annually thereafter. 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 mandatory for the members of the Board of Directors. It is not required for the Supervisory Board members and is therefore not reported.

Compliance Training

	2025		2024	
	Staff at-risk functions	Board of Directors	Staff at-risk functions	Board of Directors
Training coverage	98%	86%	98%	81%
Total trainings completed	9,969	24	10,105	21

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 whose deadline was not yet due are not included in the coverage percentage, leading to a higher non-completion rate. These metrics have not been validated by any external body.

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 & 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. In addition, the Group has an internal fraud detection system that monitors indications of potentially suspicious behavior. This approach ensures that the Group does not rely solely on whistleblowing reports but also proactively detects and addresses undesirable behavior, reinforcing integrity and accountability across its operations. 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 (2024: 0) related to violation of anti-corruption and anti-bribery laws within the Group in 2025. 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.

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