Erste Bank Hungary Zrt.

Disclosure Report
2025

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Definitions

Reporting period

The report is based on figures as of 31 December 2025. In case tables include information on more periods, figures belonging to each period are properly marked.

Exposure for the regulatory purpose

Regulatory exposure corresponds to exposure amount applied in credit risk Standardised approach (Part Three, Title II, Chapter 2, Article 111 of the CRR) or to exposure at default (EAD) in case of Internal Rating Based approach (Part Three, Title II, Chapter 3, Article 166, 168 of the CRR).

Exposure classes

The breakdown by exposure class is presented in accordance with Part Three, Title II, Chapter 2, Article 112 (referred to as Standardised Approach) and in accordance with Part Three, Title II, Chapter 3, Section 1, Article 147 (referred to as IRB Approach) of the Capital Requirements Regulation (CRR).

Gross carrying amount

For financial assets at amortised cost the gross carrying amount includes the contractual amount outstanding at the reporting period, adjusted by any interest accrued for the period based on the effective interest rate of the asset. For financial instruments measured at fair value through other comprehensive income (FVTOCI), gross carrying amount is fair value after adding back the accumulated impairment recognized against OCI. For performing debt instruments measured at fair value, gross carrying amount is fair value, while for non-performing debt instruments is fair value after adding back accumulated negative fair value changes.

Accounting values

The accounting values correspond to the book values (carrying amount) reported in financial statements. Carrying amounts in case of assets measured at amortised cost are the gross carrying amounts after deduction of the loss allowance. For financial instruments measured at fair value through other comprehensive income (FVTOCI) and fair value through profit and loss is fair value. Off-balance represent nominal values of off-balance item (guarantees given, loan commitments, other commitments), before application of the CCF. Net value in case of off-balance are nominal values after deduction of provisions for off-balance items.

Credit risk adjustments

Credit risk adjustments include loss allowances and provisions calculated in line with the relevant accounting standards. Credit risk adjustments presented in the report are calculated in line with the IFRS 9 and IAS 37 standards. Loss allowances, according to IFRS 9, represent 12 months or lifetime expected loss for financial assets measured at amortised cost (including lease and trade receivables), financial assets measured at FVTOCI and provisions for off balance items (loan commitments and financial guarantees). Other commitments, booked as off-balance items, are subject to provisioning in line with IAS37.

Write-offs

Derecognition of financial instruments as the bank has no reasonable expectation of recovering the contractual cash flows. Write-offs include (1) decrease of book value directly recognised in profit and loss and (2) utilisation of allowances (decrease of book value based on allowances created in previous period).

Disclosures in other published reports

A number of CRR disclosure requirements are also covered by Erste Bank Hungary Zrt.'s (hereinafter referred to as 'EBH' or the 'Bank') annual report. EBH's Pillar 3 disclosure report covers the full range of information to be disclosed, no complete equivalent publication is available. EBH's Annual Report has partial overlap (Risk management, Notes 28-35) with the Pillar 3 disclosure. The respective articles of the CRR and the corresponding chapter(s) of the annual report for 2025 can be found in the table below.

CRR article		Disclosure requested in the CRR article	Reference to annual report	Sub-chapter in annual report
435-1(a)	Risk management objectives and policies	Strategies and processes to manage those categories of risk	Note 28. Risk and capital management	Risk policy and strategy
435-1(b)	Risk management objectives and policies	Structure and organisation of the relevant risk management function including information of its authority and statue, or other appropriate arrangements	Note 28. Risk and capital management	Risk management organization, Risk management structure
435-1(c)	Risk management objectives and policies	Scope and nature of risk reporting and measurement systems	Note 28. Risk and capital management	Risk appetite, Portfolio and risk analytics, RCC, Risk reporting systems, Risk planning and forecasting, Recovery and resolution plans

Table 1: Overview of CRR disclosure requirements also covered by EBH's annual report

Erste Hungary's consolidated financial statements are legally required to be audited in order to ensure independent control and review of the accounts. The remaining information in the Pillar 3 Disclosure Report is also subject to review by internal audit.

Remuneration Policy – DISCLOSURE REQUIREMENTS Art. 450 CRR HR

EU REMA – Remuneration Policy

(point a) REMA) Information on the remuneration policy and practices at Erste Bank Hungary Zrt. are also disclosed in a separate document, which is published on the Bank's website under https://www.erstebank.hu/hu/ebh-nyito/bankunkrol/erste-bank-hungary-zrt/vallalatiranyitas/javadalmazasi-politika.

The main body overseeing remuneration during the financial year in Erste Bank Hungary Zrt. is the Remuneration Committee. The Committee consists of three external members of Board of Directors. The Committee held 2 physical meetings in the 2025 financial year.

Erste Bank Hungary Zrt. has not used external advisors so far in respect of Remuneration Governance bodies.

In point 4 of the published Remuneration Policy of Erste Bank Hungary Zrt. describes the classification of the employees who have major influence for the company's risk profile (identified staff / Material Risk Takers).

(point b) REMA) The purpose of the Remuneration Policy is to determine for Erste Bank Hungary Zrt. and the Hungarian subsidiaries of Erste Group that are subject to consolidated supervision remuneration principles that will ensure the secure and prudent operation of the organisations, consistently with efficient and effective risk management, as well as with the business strategy, objectives, values and long-term interests of the entities.

The consistent classification of material risk takers by institutions within Erste Group is guaranteed through a combination of common qualitative and appropriate quantitative criteria directly included in Article 92(3) of the CRD V, and those criteria set out in EBA/RTS/2020/05, together with the requirements set out in Article 92(2) of the CRD V.

The Bank's Supervisory Board adopts and - as frequently as required - reviews the principles of the remuneration policy based on Section 117/B (5) of the Hpt., whereas the Bank's Board of Directors is responsible for its supervision, which is audited by the Bank's Internal Audit at least once a year. The Managing Board reports to the Board of Directors on its decisions made within the framework of the remuneration policy on a quarterly basis, which report is acknowledged by the Board of Directors, but if it does not agree with the decision of the Managing Board, it may override it and make a different decision or instruct the Managing Board to amend the decision, thereby completing the performance of its duties specified in Section 117 (5) of the Hpt.

In addition to elaborating the remuneration policy, it is also the task of the Supervisory Board to control any cases that are exceptional in terms of the application of the remuneration policy, to approve any necessary amendments to the remuneration policy, and to assess the impacts of such individual amendments or exceptions.

The main changes of the Remuneration Policy have been made in 2025 are as follows:

- refinement of the remuneration governance framework, the rules on performance bonus payments for employees whose employment is about to be terminated, and the provisions on sales incentive and bonus schemes.

Employees engaged in internal Control Functions shall be independent from the business units they oversee, have appropriate authority, and are remunerated in accordance with the achievement of objectives linked to their functions, independent of the performance of the business units they control, without compromising the objectivity required to execute their task appropriately.

The variable remuneration is based on performance, not guaranteed. A commitment to pay performance-related pay is only made in exceptional circumstances, when a new employee is recruited (sign-on bonus). The rules for awarding severance payments are described in point 6.8 of the published remuneration policy.

(point c) REMA) In point 3., 6.3. and 6.5. of the published remuneration are described the ways in which current and future risks are taken into account in the remuneration processes.

(point d) REMA) The ratios between fixed and variable components of remuneration is described in point 2.5 of the published Remuneration Policy.

(point e) REMA) The Supervisory Board and the Management Board of the Erste Group may, together with the Group Performance Management, annually define bonus payment thresholds for the Group and its subsidiaries and for the local banks (minimum profitability). It is based on at least two indicators, which both have to be met: Financial results of the entity and capital ratios of the entity (e.g. RAS core metrics).

The Remuneration Committee and the Management Board of Erste Bank Hungary Zrt. may define those specific groups of employees that will be effected in the event that the performance does not reach the threshold specified above.

The process of variable remuneration systems and performance appraisal are described in the published Remuneration Policy, point 2.4 and 3.

(point f) REMA) The deferred bonus payment procedure is described in point 6 of the published Remuneration Policy.

(point g) REMA) The employees are entitled, in line with the terms of the cafeteria policy, to a cafeteria allowance, the amount determined in the cafeteria policy. Further, the Bank provides other benefits to all of its employees, in the same amount and with the same accessibility to all, about which the employees may get information on site as usual (via the intranet). This includes, for example, the group life and accident insurance or the preferential employee loan. Depending on the job classification and the nature of the job-related tasks, and in line with the car and mobile phone use policy, a specified category of employees is entitled to the use of company cars and mobile phones. In addition under the employee share program WeShare by Erste Group, all employees who are in active employment in a participating entity, starting from 2021, as of the last day of the respective financial year and who have been employed for more than 6 months at the end of the performance year receive shares of Erste Group Bank AG with a net equivalent value approved annually by the Management Board of the Erste Group Bank AG (in addition to their fixed and variable remuneration).

(point i) REMA) Erste Bank Hungary Zrt. does not benefit from a derogation laid down in Article 94 (3) CRD.

(point j) REMA) Quantitative information regarding the remuneration of governing bodies is included in the remuneration information tables.

The aggregated quantitative information on remuneration data of the Bank and its subsidiaries under consolidated supervision for the 2025 financial year is presented on the Bank’s website.

Overview of non-applicable disclosures

The following table provides an overview of the Articles of the CRR not covered by the Disclosure Report or included in other disclosures as mentioned above with an explanation of reasons for non-disclosure in this report.

	CRR article	Disclosure requested in the CRR article	Reason for non-applicable disclosure
437 (f)	Disclosure of own funds	Where institutions disclose capital ratios calculated using elements of own funds determined on a basis other than that laid down in this Regulation, a comprehensive explanation of the basis on which those capital ratios are calculated.	EBH does not disclose capital ratios calculated using elements of own funds determined on a basis other than that laid down in the CRR.
437a	Disclosure of own funds and eligible liabilities	Disclosure of own funds and eligible liabilities for institutions subject to Article 92a and 92b.	EBH is not classified as G-SII.
438 (g)	Disclosure of own funds requirements and risk-weighted exposure amounts	The supplementary own funds requirement and the capital adequacy ratio of the financial conglomerate calculated in accordance with Article 6 of Directive 2002/87/EC and Annex I to that Directive where method 1 or 2 set out in that Annex is applied.	EBH is doesn't fulfil conditions to be classified as financial conglomerate.
439 (k)	Disclosure of exposures to counterparty credit risk	Estimate of α if the institution has received the permission of the competent authorities to estimate α.	EBH does not apply any own estimates of the scaling factor.
439 (m)	Disclosure of exposures to counterparty credit risk	Institutions shall disclose the information regarding their exposure to counterparty credit risk in case using the methods set out in Sections 4 to 5 of Chapter 6 of Title II Part Three	Starting with June 2021, Erste Bank switched to using the standardised approach for counterparty credit risk (SA-CCR) and replaced the original exposure method and the current exposure method used previously.
441	Disclosure of indicators of global systemic importance	G-SIIs shall disclose, on an annual basis, the values of the indicators used for determining their score in accordance with the identification methodology referred to in Article 131 of Directive 2013/36/EU.	EBH is not classified as G-SII.
447 (h)	Disclosure of key metrics	Disclosure of their own funds and eligible liabilities ratios and their components, numerator and denominator, as calculated in accordance with Articles 92a and 92b and broken down at the level of each resolution group, where applicable.	EBH is not classified as G-SII.
449 (e)	Disclosure of exposures to securitisation positions	A list of any legal entities in relation to which the institutions have disclosed that they have provided support in accordance with Chapter 5 of Title II of Part Three CRR.	No implicit support in accordance with Chapter 5 of Title II of Part Three CRR has been provided to EBH RMTG 2025-1 securitisation transaction by EBH
449 (f)	Disclosure of exposures to securitisation positions	A list of legal entities affiliated with the institutions and that invest in securitisations originated by the institutions or in securitisation positions issued by SSPEs sponsored by the institutions.	No affiliated legal entities of EBH are invested in securitisations originated by EBH.
449 (i)	Disclosure of exposures to securitisation positions	Where applicable, a description of the Internal Assessment Approach as set out in Chapter 5 of Title II of Part Three CRR including the structure of the internal assessment process and the relation between internal assessment and external ratings of the relevant ECAI disclosed in accordance with point (h), the control mechanisms for the internal assessment process including discussion of independence, accountability, and internal assessment process review, the exposure types to which the internal assessment process is applied and the stress factors used for determining credit enhancement levels.	The Internal assessment approach for calculation of the risk weighted exposure amounts is not applied by EBH.
449b	Disclosure of aggregate exposure to shadow banking entities	Institutions shall disclose the information concerning their aggregate exposure to shadow banking entities, as referred to in Article 394(2), second subparagraph.	EBH does not have any exposures in shadow banking entities.
451b	Disclosure of crypto-asset exposures and related activities	Institutions shall disclose the following information on crypto-assets and crypto-asset services as well as any other activities related to crypto-assets.	EBH does not have any exposures in crypto assets.
453 (j)	Disclosure of the use of credit risk mitigation techniques	For institutions calculating risk-weighted exposure amounts under the IRB Approach, the risk-weighted exposure amount before and after recognition of the credit risk mitigation impact of credit derivatives; where institutions have received permission to use own LGDs and conversion factors for the calculation of risk- weighted exposure amounts, they shall make the disclosure set out in this point separately for the exposure classes subject to that permission.	EBH does not use credit derivatives as credit mitigation technique.
455 (a) (ii)	Use of internal market risk models	Where applicable, for the internal models for incremental default and migration risk and for correlation trading, the methodologies used and the risks measured through the use of an internal model including a description of the approach used by the institution to determine liquidity horizons, the methodologies used to achieve a capital assessment that is consistent with the required soundness standard and the approaches used in the validation of the model.	EBH does not use internal models for incremental default and migration risk and for correlation trading.
455 (d) (iii)	Use of internal market risk models	Highest, lowest and mean of risk numbers for incremental default and migration risk and for the specific risk of the correlation trading portfolio over the reporting period and at the end of the reporting period.	EBH does not use internal models for incremental default and migration risk and does not have a correlation trading portfolio.

Table 2: Overview of non-applicable disclosures

List of abbreviations

AC	Amortised Cost
ALCO	Asset Liability Committee
ALM	Asset Liability Management
ALMM	Additional Liquidity Monitoring Metrics
AMA	Advanced Measurement Approach
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
ASF	Available Stable Funding
AT1	Additional Tier 1
ATM	Automated Teller Machine
BIA	Basic Indicator Approach
BRRD	The Bank Recovery and Resolution Directive
CCA	Climate Change Adaptation
CCF	Credit Conversion Factor
CCM	Climate Change Mitigation
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CE	Climate-related and Environmental
CEE	Central and Eastern Europe
CET1	Common Equity Tier 1
CFC	Carbon Footprint Calculation
CFP	Contingency Funding Plan
CIU	Collective Investment Undertakings
CLA	Credit Loss Allowances
CMDI	Crisis Management and Depositor Insurance
COO	Chief Operating Officer
COREP	Common Reporting Framework
CRC	Corporate Risk Committee
CRD	Capital Requirements Directive
CRM	Credit Risk Mitigation
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation
CSR	Corporate Social Responsibility
CVA	Credit Valuation Adjustments
DCF	Discounted Cash Flow
DGSD	Deposit Guarantee Scheme Directive
DNSH	Do No Significant Harm
DPD	Days Past Due
DRC	Depreciated Replacement Cost
EAD	Exposure at Default
EaSI	Employment and Social Innovation
EBA	European Banking Authority
EBH	Erste Bank Hungary Zrt.
EBRD	European Bank for Reconstruction and Development
ECAI	The External Credit Assessment Institution
ECB	European Central Bank
ECL	Expected Credit Loss
EEPE	Effective expected positive exposure
EHQLA	Extremely High Quality Liquid Assets
EIF	European Investment Fund
EIH	Erste Befektetési Zrt
EPC	Energy Performance Certificates
ERBA	External-ratings-based approach
ERE	Erste Ingatlan Kft.
ERM	Enterprise-wide Risk Management
ESG	Environmental, Social and Governance
EU	European Union
EVE	Economic Value of Equity
FCP	Funded Credit Protection
FKi	Female Key indicators
FLI	Forward-looking information
FTP	Funds Transfer Pricing
FV	Fair Values
FVTOCI	Fair Value through Other Comprehensive Income
FX	Foreign exchange
GAR	Green Asset Ratio
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
G-SII	Global Systemically Important Institution
HICP	Harmonized Index of Consumer Prices
Hpt.	Act CCXXXVII. of 2013 on Credit Institutions and Financial Enterprises
HQLA	High quality liquid assets
IAA	Internal Assessment Approach

IAS	International Accounting Standards
ICAAP	Internal Capital Adequacy Assessment Process
ICMA	International Capital Market Association
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
ILAAP	Internal Liquidity Adequacy Assessment Process
IMA	Internal Models Approach
IMM	Internal Model Method
IPCC	Intergovernmental Panel on Climate Change
IRB	Internal Ratings Based
IRRBB	Interest Rate Risk in the Banking Book
ISDA	International Swaps and Derivatives Association
ITS	Implementing Technical Standards
JZB	Erste Jelzálogbank Zrt.
KPI	Key Performance Indicator
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
LMRM	Liquidity and Market Risk Management
LORCO	Local Operational Risk Committee
LRE	Leverage Ratio Exposure
LT EAD	Life-time Exposure at Default
LT PD	Life-time Probability at Default
LTP	Erste Lakástakarék Zrt.
MNB	Hungarian National Bank
MPE	Multiple Point of Entry
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
NFR	Non-Financial Risks
NGO	Non-governmental Organization
NII	Net Interest Income
NPE	Non-performing Exposure
NPL	Non-performing Loan
NPV	Net Present Value
NSFR	Net Stable Funding Ratio
NZBA	Net Zero Banking Alliance
OCI	Other Comprehensive Income
OLC	Operational Liquidity Committee
OTC	Over-the-counter
O-SII	Other Systemically Important Institution
PACTA	Paris Aligned Capital Transition Assessment
P3DH	Pillar 3 Data Hub
PCAF	Partnership for Carbon Accounting Financials
PD	Probability of Default
PFE	Potential Future Exposure
POCI	Purchased or originated credit-impaired
PPU	Permanent Partial Use
RAG	Red, Amber, Green (early warning signal)
RAS	Risk Appetite Statement
RC	Replacement Cost
RCC	Risk-bearing Capacity Calculation
RGC	Risk Governance Committee
RMA	Risk Materiality Assessment
RRC	Retail Risk Committee
RSF	Available Stable Funding
RTS	Regulatory Technical Standards
RW	Risk Weight
RWA	Risk-Weighted Assets
RWEA	Risk Weighted Exposure Amount
S&P	Standard & Poor's
SA-CCR	Standardised Approach for Counterparty Credit Risk
SEC	Securitisation
SFF	Sustainable Finance Framework
SFG	Sustainable Finance Guideline
SFT	Securities Financing Transactions
SICR	Significant Increase in Credit Risk
SL	Specialised Lending
SME	Small and Medium-sized Enterprises
SPA	Survival Period Analysis
SPE	Single Point of Entry
SREP	Supervisory Review and Evaluation Process
SRMR	Single Resolution Mechanism Regulation
SSPE	Securitisation special purpose entity
STRL	Structural Liquidity Ratio
sVaR	Stressed Value at Risk
T2	Tier 2
TCFD	Task Force on Climate Related Financial Disclosures
TOR	Technical Object Rating
TREA	Total Risk Exposure Amount
UFCP	Unfunded credit Protection

UNEP FI United Nations Environment Programme Finance Initiative

VaR Value at Risk

WCAG Web Content Accessibility Guidelines

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Declaration

under Regulation 575/2013 / EU (CRR) disclosure for the 2025 business year obligation Erste Bank Hungary Zrt. (hereinafter Bank) makes the following statement regarding its Disclosure:

Erste Bank Hungary Zrt. declares that the institution's risk management system is appropriate in terms of the company's strategy and profile.

The Disclosure document describes the institution's overall risk profile associated with the business strategy it uses. Key ratios and indicators are included in the document, which provides a comprehensive picture to external stakeholders on the risk management of the institution, including the connection between the Bank’s risk profile and its risk appetite set by the management body.

PricewaterhouseCoopers Könyvvizsgáló Ltd. verifies that the information contained in the disclosure report is in accordance with the data sent to MNB, the National Bank of Hungary.

Budapest, 29 April 2026.

Jelasity Radován

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Jelasity Radován

Chief Executive Officer

Zsiga Krisztina

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Krisztina Zsiga

Chief Risk Officer

Introduction

DISCLOSURE REQUIREMENTS Art. 436 (a) CRR

The provisions of Part Eight of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amended by Regulation (EU) 2025/1215, hereinafter referred to as the Capital Requirements Regulation (CRR) apply to Erste Bank Hungary Zrt. on a consolidated basis.

Erste Bank Hungary Zrt. is a limited liability company, incorporated and domiciled in Hungary. The core activities of Erste Bank Hungary Zrt. are savings, investments, loans and credits as well as leasing services. Geographically the Bank focuses primarily on the Hungarian market and offers its services for private individuals, small and medium-sized enterprises as well as large corporations, financial institutes, municipalities, public sector and non-profit organizations. The Bank with its fully owned subsidiaries forms Erste Hungary. The Bank's subsidiaries comply with the disclosure requirements laid down under Part Eight of CRR on a consolidated basis.

Erste Bank Hungary Zrt. has been a member of Erste Group since 1997. Erste Group Bank AG is Erste Bank Hungary Zrt.'s parent company and sole shareholder since December 2023.

Erste Group Bank AG was founded in 1819 as the first Austrian savings bank. Today, Erste Group has an extensive presence in its core markets of Austria, Croatia, Czech Republic, Hungary, Romania and Slovakia – all of which are members of the European Union. In Serbia, which has been assigned European Union candidate status, Erste Group maintains a minor presence. Besides the core markets, direct and indirect majority and minority banking participations are held in Slovenia, Montenegro, Bosnia and Herzegovina and North Macedonia. Erste Group's shares are listed on the Vienna Stock Exchange, on the Prague Stock Exchange and on the Bucharest Stock Exchange.

This disclosure report gives readers a comprehensive overview of the current risk profile and risk management of Erste Bank Hungary Zrt. and covers the following areas:

- risk management;
- capital structure;
- capital adequacy;
- risk management systems and procedures;
- risk management with respect to each type of risk;
- risks assumed;
- credit risk mitigation techniques; and
- environmental, social and governance (ESG) risks.

Disclosure policy and structure

The current Disclosure Report of Erste Bank Hungary meets the disclosure requirements of the Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (hereinafter Hpt.) Article 122 and Part Eight of the CRR, which took effect on 1 January 2014. In addition, the report complies with the requirements set in Implementing technical standards (ITS) on public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 (EU/2024/3172 published on 29 November 2024) and other disclosure related guidelines.

The Disclosure Report provides comprehensive disclosures on risks, risk management and capital management. This disclosure is published once a year - in Hungarian as well as in English -, following the scope and frequency as defined by Art. 433 and 433a of the CRR, further specified by ITSs on public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 (EU/2024/3172 published on 29 November 2024).

Erste Hungary has opted for the Internet as the medium of this publication https://www.erstebank.hu/hu/ebh-nyito/bankunkrol/erste-bank-hungary-zrt/vallalatiranyitas/hivatalalos-kozzetetelek as well as on EBA webpage at P3DH.

The preparation of the Disclosure Report and the formal review for completeness and compliance with the applicable requirements is carried out by Strategic Risk Management. The Disclosure Report is subject to review by internal audit.

The General Disclosure Policy, supplemented by a series of operating procedures (such as Procedure for the Pillar 3 Disclosure Report), sets out the overarching principles and guidelines used by EBH inorder to fulfil its disclosure requirements under Part Eight of the CRR as well as the processes in place to establish, review and approve the actual disclosures.

The Disclosure Report has been attested by the Board of Directors.

Based on the institutions' audited data of 31 December 2014 the Bank was identified by the central bank of Hungary (referred to as 'MNB'), acting within its macro-prudential supervisory function, as a systemically important credit institution. Thus, the Bank is subject to a yearly 'Supervisory Review and Evaluation Process', to guarantee that the Bank has adequate rules, strategies, processes and mechanisms as well as capital and liquidity to ensure a sound management and coverage of their risks.

The regulatory framework of Basel IV

Implementation of Basel IV in the European Union (EU)

On 26 June 2013, the European Parliament adopted the new capital and liquidity requirements for the implementation of Basel III in the EU (Capital Requirements Directive IV, - CRD IV and Capital Requirements Regulation – CRR I). On 20 May 2019, the amendments to the Capital Requirements Directive (CRD V) and the Capital Requirements Regulation (CRR II) were published in the Official Journal of the EU. Later, on 31 May 2024, amendments to the Capital Requirements Regulation (CRR III) and Capital Requirements Directive (CRD VI) were published.

The application of the new regulatory requirements for credit institutions and investment firms (CRR III) became effective as of 1 January 2025 with transitional period up to 2032.

The "Three Pillars" were introduced for the first time under Basel II. The objectives of this framework are: more risk sensitive capital allocation (Pillar 1 – Minimum Capital Requirements), more detailed regulatory assessment of material risk categories (Pillar 2 - Supervisory Review Process) and increased market transparency (Pillar 3 – Market Discipline). Reforms introduced by latest Basel 3.1 framework complete a decade-long process of reform and aim to enhance consistency and comparability of risk weighted assets (RWAs) across institutions, particularly by limiting the variability stemming from internal models and by implementing the output floor. This includes revised standardized approaches and restricted use of advanced IRB modelling. The overarching objective remains to ensure institutions can better withstand financial stress and contribute to financial stability. Additionally a stronger ESG risk dimension was added into the prudential framework.

Pillar 1 – Minimum requirements

As already introduced by Basel II, Pillar 1 covers the calculation of capital requirements for credit risk, market risk and operational risk. As such, it details the different methods available for calculating risk weighted assets for the three risk types and provides information on the eligibility criteria for the constituents of the capital base. Under Basel III, a leverage exposure requirement was introduced to complement the minimum risk-based capital requirements.

Basel III extended minimum requirements to also cover liquidity in addition to capital. In this regard, Pillar 1 specifies the requirements for the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR).

Basel IV (3.1) introduced an output floor in order to ensure that total RWA does not fall below 72.5% of the RWA calculated under the standardized approaches. In the phase-in period, the output floor starts at 50% in 2025 and is fully in charge in 2030 with 72.5%.

Pillar 2 – Supervisory review process

Pillar 2 requires banks to conduct an internal capital adequacy assessment process (ICAAP) to demonstrate that they have implemented methods and procedures to safeguard capital adequacy with due attention to all material risks. The ICAAP supplements the minimum regulatory requirements of Pillar 1. It considers a broader range of risk types as well as EBH's risk and capital management capabilities.

In parallel to the introduction of Pillar 1 requirements for liquidity through the Basel III framework, the ICAAP was complemented with an internal liquidity adequacy assessment process (ILAAP) to ensure banks have implemented processes and tools to safeguard the adequacy of their funding and liquidity.

Furthermore, Pillar 2 requires supervisors to conduct a Supervisory Review and Evaluation Process (SREP) to assess the soundness of banks' ICAAP and ILAAP and take any appropriate actions that may be required.

Pillar 3 – Market discipline

Taking account of Pillar 1 (Minimum Capital Requirements) and Pillar 2 (Supervisory Review Process), Pillar 3 aims to increase market transparency by providing information on the scope of application, regulatory capital, risk positions, risk measurement approaches and therefore, the capital adequacy of a bank.

Risk management at Erste Bank Hungary Zrt.

DISCLOSURE REQUIREMENTS Art. 435 (1) CRR and Art. 435 (2) CRR

Risk policy and strategy

A core function of a bank is taking risks in a conscious and selective manner and professionally steering those risks. Adequate risk policy and risk strategy is essential to a bank's fundamental financial health and operational business success.

Erste Bank Hungary has developed a risk management framework that is forward-looking, tailored to its business and risk profile and adequate for Erste Hungary's risk profile and strategy. This framework is based on a clear risk strategy that defines the overall strategic direction of the Bank in terms of risk-taking and sets strategic-level limits by risk type, which are derived from the Risk Appetite Statement (RAS). The risk strategy is consistent with the business strategy and incorporates the expected impact of external environment on the planned business and risk development.

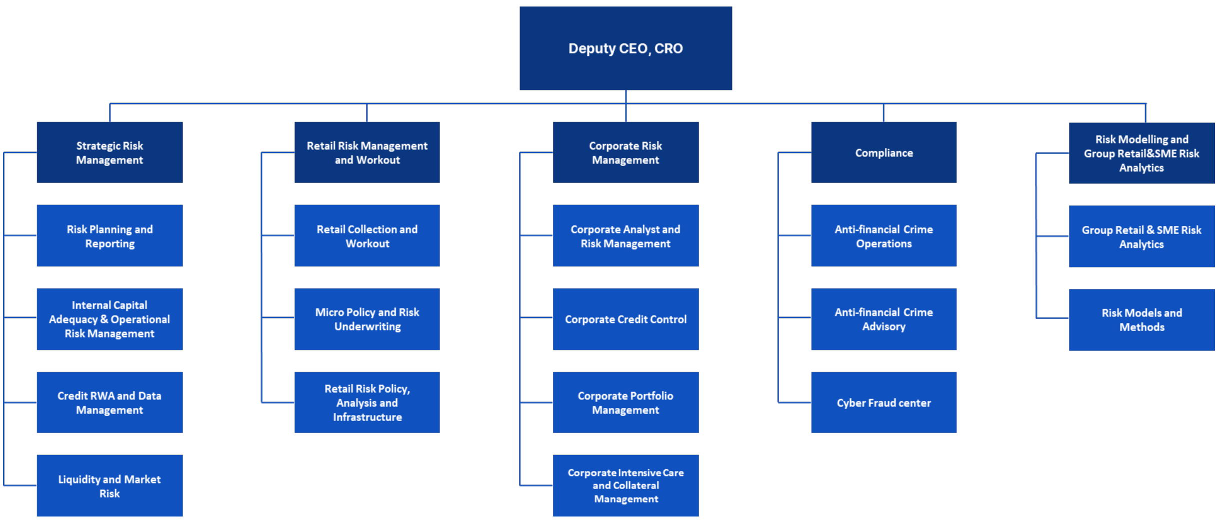
The risk strategy describes the current and targeted risk profile, defines risk management principles, strategic goals and initiatives for the main risk types as well as sets strategic limits for the significant financial and non-financial risk types as defined in the Risk Materiality Assessment. The 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. It also defines key elements of the risk management framework and their integration to ensure an adequate and consistent implementation, as well as principles and activities to enhance risk culture across EBH.

Environmental, Social and Governance (ESG) risks remained one of the top priorities in 2025. Focus in risk was on advancements in implementation of initiatives to achieve compliance with regulatory requirements and expectations such as improvements in the Carbon Footprint Calculation, development of methodologies for setting decarbonization targets for priority sectors, enhancement of Risk Materiality Assessment and reporting system, and incorporation of climate-related and environmental risks in credit risk processes.

Risk management organisation

Risk management is achieved through a clear organizational structure with defined roles and responsibilities, delegated authorities and risk limits. Risk management units are completely separate from each business unit.

The following chart illustrates the organizational structure of the risk management area:



Strategic Risk Management
Provides data, methodology and professional competence to determine the Bank's risk exposure. Promotes the stable capital situation and effective operation of the Bank by forecasting future developments in risk exposures, as well as supports the Bank's growth in line with legal requirements.

Retail Risk Management and Workout
It evaluates credit risks against retail customers, checks credit proposals, develops risk management opinions, checks documents, records and systems, and then makes decisions. The responsibilities include the operation of retail risk management reports, analyses, and the management information system, as well as the coordination and implementation of retail workout activities.

Corporate Risk Management
Its responsibility is to evaluate the credit risks of clients falling within its competence, to make decisions, to check the credit proposals from the point of view of risk management and compliance with the rules, to comment on them, and to check the documents, records and systems related to risk taking.

Compliance
Compliance function covers all the duties stemming from applicable local and international legal requirements in the field of anti-money laundering and combating of terrorist financing. It is also responsible for the maintenance of fraud management governance as well and also takes part in the operative fraud prevention. Furthermore, the function is accountable for anti-corruption internal framework, handling conflict of interest and in its advisory role stands by almost all the other functions of the bank. The 24/7 card and payment fraud monitoring team also belongs to the Compliance area.

Risk Modelling and Group Retail & SME Analytics
Its responsibility is to collect data for the development of rating models and for model development (Basel and IFRS 9 parameters), monitoring and validation purposes, and ad hoc analyses. Developing a rating methodology that meets current strategic objectives and expectations. Development, maintenance, monitoring and validation of rating models and credit risk parameters based on relevant methodologies.

ENTERPRISE-WIDE RISK AND CAPITAL MANAGEMENT

Enterprise-wide Risk Management (ERM) includes as its fundamental component the Internal Capital Adequacy Assessment Process (ICAAP) required under Pillar 2 of the Basel framework and regulatory guides (e.g. MNB ICAAP Handbook).

The ERM framework is designed to support the bank's management in managing the risk portfolios as well as the coverage potential to ensure that the bank always holds adequate capital for the nature and magnitude of its risk profile. The framework is tailored to EBH's business and risk profile and reflects the strategic goal of protecting shareholders and senior debt holders while ensuring the sustainability of the organisation.

ERM framework is a modular and comprehensive management and steering system within Erste Bank Hungary as well as an essential part of the overall steering and management instruments. The ERM components necessary to ensure all aspects, to fulfil regulatory requirements and to provide an effective internal steering tool, can be clustered as follows:

- Risk Appetite Statement (RAS);
- portfolio and risk analytics including Risk Materiality Assessment (RMA), concentration risk management, and stress testing;
- Risk-bearing Capacity Calculation (RCC);

In addition to the elements of the above mentioned ERM framework, the Bank's risk management also performs the following functions:

- Risk planning and forecasting;
- Recovery and Resolution Planning;
- Risk Reporting.

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.

A fundamental objective of the Bank is to implement its strategic objectives by driving prudent and risk-conscious operations. The Bank lays down its risk management principles in its Risk Strategy. Erste Bank Hungary Zrt. uses a risk management and control system that is proactive and tailored to its business and risk profile. It is based on a clear Risk Appetite Statement (RAS) that is consistent with the Bank's business strategy and focused on early identification and management of risks and trends. In addition to meeting the internal goal of effective and efficient risk management, the Bank's risk management and control system has been developed to fulfil external and, in particular, regulatory requirements. The Bank defines its Risk Strategy and Risk Appetite through the annual planning process to ensure proper alignment of risk, limit system, capital, liquidity and performance targets.

The Bank has always focused on a reliable risk culture. As part of this, proactive behaviour and a strong risk management culture are expected from all employees. In terms of individual behaviour and decision-making, personal integrity and a high level of professionalism are essential.

Risk appetite

Risk appetite defines the maximum level of risk EBH 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 EBH includes risk limits set in Risk Appetite Statement (RAS) and Risk Strategy, industry limits, maximum lending limits, climate related metrics and operational limits.

The RAS acts as a binding constraint to EBH's business activities within its overall risk appetite via triggers and limits approved by the Board of Directors and the Supervisory Board and acknowledged by the Managing Board. It is integrated and embedded into Erste Bank Hungary's structural processes; including business and risk strategy, budgeting process, capital and liquidity planning, recovery plan, stress testing and remuneration framework. The 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's 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 EBH 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, EBH 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 EBH is willing to accept. In order 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 pre-defined threshold leads to an escalation to the designated governance and the discussion of potential remediation actions.
- RAS is red: The undershooting or overshooting of a pre-defined limit initiates an immediate escalation to the designated governance and a prompt implementation of remediation actions.

Moreover, stress indicators are defined for selected core metrics and integrated into the assessment of the stress test results. They are reported as early warning signals to the management board to support proactive management of the risk and capital profile.

In addition, supporting metrics and principles are defined by material risk type in the Risk Strategy based on 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.

EBH RAS for 2025 was approved by the Board of Directors and the Supervisory Board in April 2025, and was acknowledged by the Managing Board in March 2025. In the second half of 2025, an interim revision of EBH RAS was conducted and approved by the designated governance.

ESG risks are embedded in the EBH Risk Appetite Statement and in the risk strategy and are also part of EBH's Risk Materiality Assessments. They are integrated into Erste Group's and thus EBH's risk taxonomy as general or transversal risk drivers impacting primary risk types, such as credit, market, liquidity, non-financial and other risks. Erste Group's definition of ESG risk drivers is part of the Group ICAAP guideline and covers a wide range of risks arising from environmental, social and governance factors.

The table below provides an overview of performance at year-end 2025 against the approved EBH RAS:

RAS core metrics	Category	Year-end 2025	Status	Governance
Solvency Ratio (phase-in)	Capital	27.16%	●	Board of Directors / Supervisory Board
Tier 1 Ratio (phase-in)	Capital	21.72%	●	Board of Directors / Supervisory Board
Common Equity Tier 1 Ratio (phase-in)	Capital	19.30%	●	Board of Directors / Supervisory Board
Economic Capital Adequacy Ratio	Capital	47.18%	●	Board of Directors / Supervisory Board
Leverage Ratio (phase-in)	Capital	9.55%	●	Board of Directors / Supervisory Board
Survival Period Analysis (SPA)	Liquidity	EUR 1 158 million	●	Board of Directors / Supervisory Board
Liquidity Coverage Ratio (LCR)	Liquidity	161.81%	●	Board of Directors / Supervisory Board
Net Stable Funding Ratio (NSFR)	Liquidity	159.97%	●	Board of Directors / Supervisory Board
Return on Tangible Equity (forward looking)	Earnings / Profitability	21.89%	●	Board of Directors / Supervisory Board

Table 3: Risk Appetite Assessment

Portfolio and risk analytics

Erste Bank Hungary 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, 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

Erste Bank Hungary has implemented a process to identify, measure, control and manage risk concentrations. This process is essential to ensure the long-term viability of Erste Bank Hungary, especially in times of an adverse business environment and stressed economic conditions. The output of the risk concentration analysis additionally contributes to the identification of material risks within the RMA and to the setting/calibration of the Bank's limit system.

Stress testing

Modelling sensitivities of the Bank's assets, liabilities and profit or loss provide management steering impetus and help to optimise Erste Bank Hungary's risk-return profile. Stress tests help to factor in severe but plausible scenarios providing further robustness to measurement, steering and management. Risk modelling and stress testing are vital forward-looking elements of the ICAAP. Finally, sensitivities and stress scenarios are considered within the Bank’s planning process.

Erste Bank Hungary’s most complex stress testing activities are scenario stress tests that take a comprehensive account of the impact of various economic scenarios, including second-round effects on all risk types (credit, market, liquidity and operational) and effects on the associated volumes of assets and liabilities as well as on profit and loss sensitivities. In addition to the standard scenario-driven stress testing exercises, reverse stress tests are performed to identify a scenario or a combination of scenarios in which viability of the current business model can be questioned. Stress testing is complemented with target-specific sensitivity tests using tools developed by the Bank. The results revealed by the analysis are fundamental to determining the Bank’s risk appetite, which is an integral part of the Bank’s risk strategy.

The Bank has integrated climate risk analysis into the internal stress testing framework. Both physical risk and transition risk due to projected climate change are included in the internal climate risk stress test. Consideration of climate-based stress analysis helps to support the Bank's overall strategic approach to climate risk.

The Bank pays special attention to prevent the reproduction of the problematic portfolio and to reduce the previously non-performing portfolio.

Risk-bearing capacity calculation

Within the Risk-bearing Capacity Calculation (RCC), all material risks are regularly quantified, aggregated and compared to the coverage potential, to the bank’s own funds and to limits set in risk appetite. The result and evaluation of the calculation are part of the regular reports prepared for management, supporting senior management in their decision-making processes in order to comply with prudent risk-taking and risk limits. Insights generated by the assessment are used to improve risk management practices and further mitigate risks within EBH.

The 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 Erste Bank Hungary as expected by the MNB ICAAP Handbook. 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 EBH 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 and the Supervisory Board. The economic capital requirement is then compared to internally available capital (coverage potential) to cover the Bank’s risks in Pillar 2. The calculation of internal capital or coverage potential required to cover Pillar 2 risks/unexpected losses is the same as the Pillar 1 regulatory own funds according to CRR, CRR II and CRR III (Regulation (EU) No 575/2013, Regulation (EU) 2019/876 amending Regulation (EU) No 575/2013 and Regulation (EU) 2024/1623 amending Regulation (EU) No 575/2013) as expected by the MNB Guide to ICAAP. Both economic capital and coverage potential are computed on the CRR scope of consolidation of EBH as ultimate parent entity based on IFRS accounting standards.

The Management Board, the Risk Governance Committee, the Board of Directors and the Supervisory Board are briefed quarterly on the results of the ICAAP capital adequacy through the EBH ICAAP Report. It includes risks profile developments, available capital (own funds and coverage potential), consideration of potential losses in stress situations, the degree of the risk limit utilisation and the overall status of capital adequacy and outlines risk profile development in relation to risk appetite.

Risk reporting systems

The cooperation of the Bank's units in charge of risk management and the managerial reporting system ensures that management is provided with a comprehensive view of the Bank's risk position at all times.

In relation to its risk position, the Bank regularly prepares reports about its risk exposure, actual and forecasted capital position under Pillar I and Pillar II, results of comprehensive and supervisory Stress Testing, liquidity and market risk profile and concentration risk for discussion and approval for decision-making bodies and committees: for the Board of Directors, for the Managing Board, for the Supervisory Board, for the Risk Governance Committee as well as for the Risk Committees.

Risk planning and forecasting

The responsibility for risk management within the Bank includes ensuring sound risk planning and forecasting processes, focusing on both portfolio and economic environment changes. The forecasts determined by risk management are the result of close co-operation with all stakeholders in the Bank's overall planning process, and in particular, with Controlling, Finance and Accounting, Strategic/ Corporate/Retail Risk Management and the Asset Liability Management by assessing:

- the expected portfolio quality and impairment levels;
- risk-weighted asset management and ensuring capital adequacy;
- capital allocation to entities, business lines and segments;
- forecasting the liquidity and interest rate risk.

All insights from the ICAAP and controlling processes is used to allocate capital with a view to risk-return considerations.

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. Methodology for allocation reflects risk and controlling processes in order to allocate capital with risk-return considerations.

Recovery and resolution plans

The Directive (EU) 2014/59 as amended (Bank Recovery and Resolution Directive – BRRD) has been implemented in Hungary into national law by the Hungarian Resolution Act. On 18 April 2023, the European Commission published a legislative package for a framework on Crisis Management and Depositor Insurance (CMDI). The package consists of amendments to the BRRD, the Single Resolution Mechanism Regulation (SRMR), the Deposit Guarantee Scheme Directive (DGSD) and the Daisy Chain deduction regime. The CMDI legislative package was endorsed by the European Parliament and the Council and is currently subject to interinstitutional negotiations between these bodies. The amendments to the Daisy Chain deduction regime were implemented through a Directive that was published in the Official Journal of the European Union in April 2024, applicable since November 2024 and was also implemented in the Hungarian Resolution Act. The other parts of the CMDI package could enter into force in 2026 and be applicable in 2028.

Recovery Planning. In compliance with the Hpt. 114.§ Erste Bank Hungary Zrt. is required to draw up a recovery plan for potential crisis situations. In 2025 an updated Recovery Plan was submitted to the Regulator by the Bank. The EBH Recovery Plan identifies potential options for the replenishment of capital and liquidity resources of the bank in order to cope with a range of severe scenarios including both idiosyncratic and market-wide stress. The Recovery Framework is reconciled with the Risk Appetite Framework across indicators and indicator thresholds, ensuring comprehensive enterprise-wide risk management. The recovery governance described in the plan ensures timely identification and proper management of any recovery situation. Furthermore, the assessment of the EBH Recovery Plan and the recently addressed assessment of the overall recovery capacity are part of the Supervisory Review and Evaluation Process (SREP) assessment. It is relevant to demonstrate that, in a severe stress which is close to a failing or likely to fail situation, there is sufficient recovery capacity available.

Resolution Planning. Erste Bank Hungary collaborates with the resolution authorities in the drawing up of resolution plans based on local and EU regulation. Based on a joint decision taken in the Resolution College, Erste Group in April 2020 received notification of the preferred Multiple Point of Entry (MPE) resolution strategy on cross-country level, but a Single Point of Entry (SPE) resolution strategy within a country. This results in being MPE in Hungary.

MREL. The Bank Recovery and Resolution Directive (BRRD) introduced the Minimum Requirement for own funds and Eligible Liabilities (MREL), which is – in case of Erste due to the MPE resolution strategy – set on Resolution Group level. MREL requirements are expressed as a percentage of the total risk exposure amount (TREA) as well as leverage ratio exposure (LRE).

Potential changes in the MREL requirement will be reflected in Erste Bank Hungary's funding plan as to ensure compliance with MREL and subordination targets.

Information on MREL targets has been published on EBH's website based on legal notifications released by the National Bank of Hungary. MREL metric is integrated into the RAS and Recovery Framework of EBH.

RISK MONITORING

All risks the Bank is exposed to and the relevant exposures are monitored on a continuous basis and managed on the following levels: portfolio, organisational and risk type level. The following figure presents an overview of the risk monitoring framework at Bank level consisting of both strategic and operational oversight as set out below.

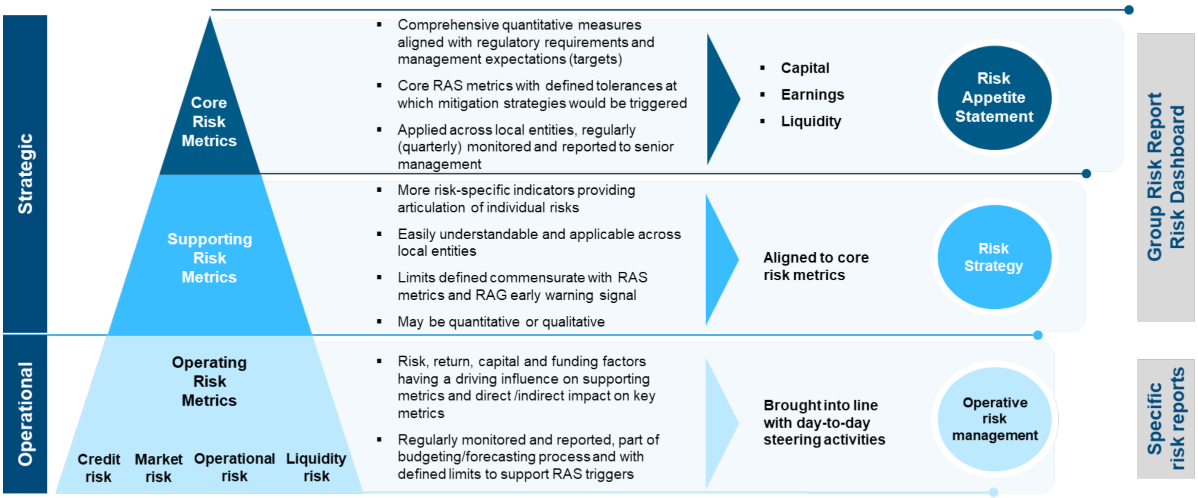


Figure 1: Strategic and operational risk oversight and management at Erste Bank Hungary

Strategic oversight

The RAS sets the boundary for the maximum risk the bank is willing to accept in order to pursue its business objectives; this includes a set of core steering metrics with trigger levels providing strategic guidelines for risk management and planning. The risk strategy defines the overall strategic direction of the Bank in terms of risk-taking and sets strategic-level limits by risk type, based on the target risk profile and RAS, and provides a balanced risk-return view considering the strategic focus and business plans.

Both are regularly monitored and reported in the EBH ICAAP Report including a traffic light overview together with respective measures to address deviations from strategic plans or objectives identified. The EBH ICAAP Report is presented and discussed quarterly in the Managing Board, the Risk Governance Committee, the Board of Directors and the Supervisory Board.

Operational oversight

Risk management by risk type ensures that the risk-specific profile remains in line with the risk strategy and operational limits support achievement of the strategic targets. The development of the specific risk profile (i.e. retail credit, corporate credit, operational risks, etc.) is reported through dedicated risk reports in a more granular way and supports risk decision-making of the dedicated risk functions to ensure the risk profile remains within the risk strategy (i.e. operational risk report, retail risk report, etc.). These reports also include specific monitoring metrics that provide an early warning signal for adverse developments of, e.g., portfolio quality (client, segment, countries and industries) or risk drivers.

Selection and assessment of members of management bodies

The qualification requirements (skills and expertise) for members of the governing and controlling bodies of Erste Bank Hungary Zrt. are governed by the internal guidelines for the selection and assessment of members of the management and supervisory boards, defined by the Nomination Committee of the company.

These guidelines define, in accordance with applicable legal provisions (Hpt. 112. §.), the internal framework for the selection and assessment of proposed and appointed members of the management bodies, corporate bodies and are also an important tool for ensuring good corporate governance and control. The assessment of proposed and appointed members of management bodies is based on the following criteria:

- reputation requirements (no criminal record, no violation of the statutory regulations pertaining to financial organizations);
- experience criteria (education and professional experience);
- governance and independence (examination of potential conflicts of interest; the overall (existing) composition of the Board of Directors or Supervisory Board and the relevant, necessary collective knowledge and experience; the ability of the candidate to perform his/her duties independently, without undue influence from other persons).
- time expense
- overall compliance

Both on individual and on overall level the management and supervisory bodies and their members possess the necessary knowledge, experience and expertise required to fulfil their role at the company, as follows:

Overview of education:	Overview of professional experience:	Overview of expertise:
Master - of Business Administration, - in Economics, - in Finance, - or in Engineering.	Diverse background gained at several local/regional/global organizations, private/public financial institutions as well as in consulting.	Relevant expertise in fields of banking operations.
Studies in internationally acknowledged institutions.	Overall experience of the board members covers the whole banking operation.	Deep expertise of financial markets.
Various extracurricular activities.	At least 15 years of professional experience in the banking sector or 10+ years of experience in managing respective fields.	Proven leadership skills and expertise.

Table 4: Skills and expertise of the managing and governing bodies of Erste Bank Hungary Zrt. as of 31 December 2025

Members of the Board of Directors on 31 December 2025

Radovan Jelasity Chairman of the Board of Directors, CEO (01.06.2011. -)

Radovan Jelasity was born in Baja, finished his secondary school in Budapest. He obtained an MBA at the Finance Faculty of Illinois University in Chicago after acquiring a degree in economics at the Belgrade University. He started his banking career at the Deutsche Bank in Frankfurt where he worked for four years as area manager responsible for Central-Eastern Europe. Later he participated in banking projects in Germany, Poland and Bulgaria, on behalf of McKinsey & Company in Frankfurt. As Vice President of the Banking Rehabilitation Agency he participated in the reorganization of the banking sector and in the launch of the privatization process of several large banks. After serving as Deputy Governor, he was appointed the Governor of the National Bank of Serbia in 2004 and held this office until 2010. As central banker, Mr Jelasity played an important role in the consolidation of the Serbian banking sector and the insurance market, as well as in the strengthening of the regulatory and supervisory bodies; furthermore he played a key role in Serbia's negotiations with international financial institutions. Radovan Jelasity - as Chief Executive Officer of the Bank since June 2011 – beyond his responsibilities specified by the laws and by the by-laws of the Board of Directors - is responsible for the financial stability of the Bank, acts as managing director of the Bank and assists the Board of Directors in making decisions affecting the entire Bank. He contributes to setting directions to the Bank's business policies with evaluation of local and foreign business and macro-economic environment. In addition to his position held in the Bank, he has been the member of the General Council in the Hellenic Financial Stability Fund in Athens from October 2016 till November 2019. He is the president of the Hungarian Banking Association from May 2020.

László Harmati Managing Director, Deputy CEO Retail (02.04.2013. -)

László Harmati started his career at the ITCB - Consulting and Training, then between 1998 and 1999 he was Head of Department of Entrepreneurship and Regulation in the Ministry of Finance. Between 1999 and 2002, as Head of Department of Regulation at the National Bank of Hungary, he played a leading role, amongst others, in the development and launching of the domestic trading book regulation and the implementation of the Basel capital rules in Hungary. From 2002 until early 2013, as Deputy CEO at FHB Mortgage Bank Nyrt, and as CEO from 2010 the supervision of the entire business area belonged into his his competence and as a consequence, he played a leading role in the management of the bank's business strategy. In 2006 and 2007 he undertook an active role in founding the FHB Bank Zrt where he fulfilled the position of the CEO. In 2010 and 2011 he was in charge of the acquisition of Allianz Bank Zrt. László Harmati is associated with the establishment of the new business model, managing the rationalization project, and the intensive retail online developments (netbank, netbroker, lead generation via the Internet). He had a leading role in the cost rationalization, the development of the new set of tools for housing subsidy, he is credited with the re-tuning of the collection protocols, and the increase of the branch and direct channels' cross-sale potential. László Harmati as Deputy CEO (Chief Retail Officer) of the Bank – since April 2013 – manages and coordinates the retail division of the Bank, supervises the operation of the branch network, manages and supervises the sale of retail products, the customer service and the telesales channel of the Bank.

Krisztina Zsiga Managing Director, Deputy CEO Risk management (06.11.2017. -)

Krisztina Zsiga graduated in 1993 at the Manchester Metropolitan University. She has been working in risk management for more than 20 years. She gained wide experience in this area in various European countries. Between 1995 and 2007 she worked at Inter-Európa Bank, Citibank and the CitiGroup in Budapest, Moscow, Norway, Prague, and London. She joined Erste Group Bank AG in January 2008 where she was working as Head of Retail Risk Management. Between 2013 and 2016 she was member of the Bank's Supervisory Board before she had been elected as external member of the Board of Directors. In November 2017 Krisztina Zsiga was elected as Deputy CEO for Risk Management (Chief Risk Officer) of the Bank. She supervises the credit policies of the Bank's business lines, including the credit rating, collateral valuation and provisioning policies. She regularly reviews market risks, supervises the delegation of functions regarding credit clients and she holds responsibility for the safe and secure operation of the Bank.

Manfred Schmid, Managing Director, Deputy CEO Finance (01.06.2021. -)

Manfred Schmid studied in Universität Wien at Faculty of Business Informatics between 1986 and 1991, he graduated at the Robert Kennedy University in 2002 where he got his International Tax Law Diploma. He has more than 20 years' experience as Senior Manager (Board-1) in Finance (Accounting and Controlling, Participation Management and Statutory Reporting), working in CEE subsidiaries in different countries as well as in the Erste Group Bank AG, responsible for the group financials. He has substantial experience with due diligences in acquisition processes and preparation of capital increases. He joined Erste Bank Hungary on the 1st of June 2021, as CFO. He is responsible for Controlling, Finance and Accounting, ALM, Facility and Property Management and Procurement areas.

András Kaliszky, Managing Director, Deputy CEO IT and Operation (01.01.2025. –)

András Kaliszky graduated from the Budapest University of Technology with a degree in Civil Engineering in 1991, with a degree in Teaching Engineering in 1993, and with a Master of Business Administration degree from the University of Wisconsin Milwaukee in 1996. Afterwards, he worked in banking systems development and operational strategy at PwC from 1997 and at IBM from 2003. From 2004, he worked as a program manager at HVB Bank in the framework of the bank's retail expansion strategy program, from 2006 he was Head of Operations at Unicredit Bank, and from 2008 he was a member of the Board of Directors responsible for IT and Operations. From 2014, he was Head of IT and Operations at Raiffeisen Bank Hungary, and from 2018, he was Head of IT and Operations at Sberbank CZ, and member of the Board of Directors. From 2022 until 2024, he was head of IT and Operations at Erste Bank Serbia. He joined Erste Bank Hungary Zrt. on 1 January 2025 as Deputy CEO for IT and Operations, managing the IT area of the Bank (IT Run, IT Platform Tribe and Business Intelligence, IT Modernization and Governance), as well as the areas of Central Operations, Security Management and Project Portfolio Management.

Róbert Cselovszki, Managing Director, Deputy CEO, Chief Corporates and Markets Officer (17.03.2023. -)

Róbert Cselovszki graduated in 1991 at the Collage of Finance and Accounting, and attended several courses and exams at the Montreal Stock Exchange, Budapest Stock Exchange and Tokyo Stock Exchange. He is a former member of the Board of Directors and Supervisory Board of Budapest Stock Exchange. Since December 2002, he has been President of the Investment Services Association. He has worked in the financial sector for more than 30 years, and he has more than 25 years of management experience. He has strengthened the Erste team for almost 25 years, he has been working in a senior position at Erste Investment Ltd. for more than 24 years, previously as President and since 2016 as CEO. He has a high level of professionalism and his domestic market experience is complemented by the official Montreal Stock Exchange professional examination. He also has international experience, having led Erste Group's international equity sales for 4 years under matrix functional management. He is a high-level leader by example and is constantly involved in the development of the culture of the institution, setting the direction for his colleagues and team.

Dr. János Rudnay, external Board of Directors member (01.10.2004. -)

Dr. János Rudnay graduated at the Vienna University' Law School in 1977. Between 1977 and 1994 he worked in management positions at various Philips affiliates. As of 1994 he was the CEO of the Pécs Brewery Rt. then from 1995 he was the CEO of Reemtsma Debrecen Tobacco Plant Kft. Between 2001 and 2002 he was the member of SPB Investment Rt's advisory board. He has been a consultant to Erste Group Bank AG since September 2002. From 4 December 2003 he was external Board member of Postbank and Savings Fund Rt, then from 1 October 2004 he has been elected as external member of the Board of Directors at the Company.

Rainer Hauser, external Board of Directors member (01.02.2023. -)

Rainer Hauser graduated in 1993 at the Saarland University, then obtained a PhD degree in 1993 at the University of St. Gallen. He started his professional career in banking during his university studies in Germany. His career path has quickly taken an upward curve, holding senior positions with the Financial Markets Service Bank in Munich and later with Bank Austria Creditanstalt in Vienna. He led the restructuring of the entire Vereinsbank Victoria Bauspar in Germany, including subsidiaries in the Czech Republic and Romania, under the leadership of senior management. From 2008-2009 he was Head of Hypovereinsbank's Mortgage Business, from 2009-2013 he was Member of the Management Board of Bank Austria, Head of Consumer & SME Banking. He was member of the senior management of USB for 8 years from 2014, Head of Strategy and Business Development until 2017, then Head of Asset Management, Head of Global Wealth Management Client Strategy Office and Head of Operations EMEA Client Strategy from 2018 to 2022. In 2022, he joined the management team of Erste Group AG as Head of Group Strategy, responsible for Group Strategic Initiatives, Group Corporate Development and M&A, Group ESG Office and Social Banking.

Damien Charron, external Board of Directors member (24.05.2025. -)

Damien Charron graduated in 1994 from the Central School of Nantes with a master's degree in engineering with focus on mechanical and numerical science, after which he obtained a Master of Business Administration degree from the ESEEC Business School in 1997. He began his career in 1995 at DASSAULT Aviation, responsible for exchange rate and interest rate management. In 1998, he joined BNP PARIBAS Lease Group as a credit and financial analyst, later holding leadership roles. From 1999, he served as managing director of BNP PARIBAS Lease Group's Austrian subsidiary and as risk management director in the UK from 2005 to 2007 and he continued in France as a risk management director until 2010. Joining Erste Group AG in 2010 as the Group-level ICAAP and RWA leader, he was responsible for the Group's overall capital adequacy and risk-taking frameworks, the planning and forecasting of Group risks, and the group-level planning and execution of initiatives aimed at optimizing credit risk-weighted assets. From 2020 to 2022, as Group-level credit risk management leader, he was responsible for the underwriting, portfolio management, and restructuring of all credit assets of Erste Group. Currently, he is the corporate risk management leader/deputy credit director at Erste Group Bank AG, a position he has held since 2022. Additionally, since 2020, he has been a member of the supervisory board of Intermarket Bank AG, and since 2023, he has also held a supervisory role at sWohnbaubank AG.

Members of the Supervisory Board on 31 December 2024

Dr. Manfred Wimmer, Supervisory Board member, Chairman of the Supervisory Board (01.09.2008. -)

Dr. Manfred Wimmer graduated in 1978 at the Law School of the Innsbruck University. Between 1982 and 1999 he worked at the International Division of Creditanstalt, Wien. He has been working at ERSTE Bank der Oesterreichischen Sparkassen AG. between 1998-1999 as Head of International Marketing Department, between 1999-2002 as acquisition and integration Project Manager of Ceska Sporitelna, then between 2002-2007 as Head of Strategic Holding Development Area. Between 2007 and 2008 ha held the position of the President and Board Member of Banca Comerciala Romana. Since 2008 Mr Wimmer is Board Member at Erste Group Bank AG responsible for Finance and Accounting and Performance Management. He retired as of 1 September 2013, but he is keeping the Chairman position of Erste Bank Hungary's Supervisory Board.

Friedrich Rödler, Supervisory Board member (28.04.2012. -)

Friedrich Rödler graduated in 1975 in Mathematics and IT specialty at the Vienna Technical University , then obtained an academic degree at the Vienna School of Economics in 1976, then a second degree in International relations specialty. From 1976 until 1986 he was employed by Arthur Andersen & Co, then between 1986 and 1990 he worked as a partner at GRT Robol & CO. He held various positions at PWC from 1990 to 2013. Mr Rödler is the Chairman of the Supervisory Board of Erste Group Bank AG. He has more than 34 years of work experience in financial, accounting and tax consultancy matters.

Alexandra Habeler-Drabek, Supervisory Board member (01.04.2021 -)

Alextandra Habeler-Drabek started her carrer in 1995 at the Creditanstalt-Bankverein Bank as Restrucuring and Workout Manager, in 1999 she became the Head of Risk Management Corporate & SME. Between 2001 and 2010 she held different leader positions in Unicredit Bank Austria. In 2010 she became head of Workout & Restructuring & Op-risk in Erste Bank Österreich, then she was the head of Operative Risk Management between 2012 and 2014. Between 2013 and 2016 she was the head of Group Enterprise-wide Risk Management in Erste Group Bank AG. She was the CRO of Slovenská sporiteľňa, a.s. between 2017-2019, since 2019 she is member of the Board of Directors and the CRO and Managing Director of Erste Group Bank AG.

Katalin Selényi, Supervisory Board member, representing employees (01.08.2025. -)

During her professional career, Katalin Selényi has gained extensive experience in retail risk management, collections, and workout areas. Her leadership career began in 1999 at Citibank Europe plc, where she worked as a Collections Team Leader, and between 2010 and 2015, she was responsible for managing the unsecured credit portfolio as Head of the Collections Call Center. From January 2015 to February 2017, she served as Collections Manager at Citibank Europe plc, managing the NPL (non-performing loans) portfolio and maintaining expected collection performance levels. Since February 2017, she has been the Head of the Retail Collections and Workout department at Erste Bank Hungary Zrt. Her tasks include ensuring the department's efficient operation in compliance with laws and internal regulations. She is responsible for developing and modifying Retail Collections and Workout strategies, as well as coordinating and executing collections and workout activities for the retail customer base.

Attila István Balla, Supervisory Board member, representing employees (06. 12. 2018. -)

Attila István Balla is the regional head of the branch network in the East Hungarian region, originally graduated as an engineer, but he also finished economy studies in 1993. Before joining the Company in 2010, he worked for several other credit institution in various positions (head of sale at retail and SME segment for Unicredit Bank, branch director for Raiffeisen Bank). He was mainly responsible for sales activities in his positions, but he had committee mandates as well, like Supervisory Board member for Erste Biztosító as well as for UniCredit Bank.

Name	Number of directorate
Radován Jelasity	-
Krisztina Zsiga	-
László Szabolcs Harmati	-
Manfred Schmid	-
András Kaliszky	-
Róbert Cselovszki	-
dr. János Rudnay	-
Damien Charron	-
Rainer Hauser	-
Manfred Wimmer	-
Friedrich Rödler	-
Alexandra Habeler-Drabek	-
Katalin Selényi	-
Attila István Balla	-

Table 5: Directorate outside the Group

Members of Managing Board on 31 December 2025

Jelasity Radován: Chairman of the Board of Directors, CEO

László Harmati: Managing Director, Deputy CEO Retail

Krisztina Zsiga: Managing Director, Deputy CEO Risk management

Manfred Schmid: Managing Director, Deputy CEO Finance

András Kaliszky: Managing Director, Deputy CEO IT and Operation

Róbert Cselovszki: Managing Director, Deputy CEO, Chief Corporates and Markets Officer

Number of meetings held by the Board of Directors and the Supervisory Board in 2025

In 2025 both the Board of Directors and Supervisory Board held four meetings.

The quorum at the 2025 meetings of the Board of Directors and the Supervisory Board was ensured in each case.

The presentation of criteria considered when evaluating the work of the Board of Directors, the Supervisory Board, the Managing Board, as well as of the members of these bodies

The Company is a credit institution subject to the Credit Institution Act, where, in line with the legislative provisions the Nomination Committee appraised the members of the Board of Directors and the Supervisory Board. The appraisal criteria for members of these bodies are laid down in the Remuneration Policy published by the Company, its Fit & Proper regulation and other criteria laid down in the Credit Institution Act. No further measures were made as a follow-up to this appraisal.

Policy of diversity

Erste Hungary fosters an inclusive corporate culture that creates an open environment of acceptance and support for all employees, regardless of gender, ethnic background, sexual orientation, age or any other characteristics. A work culture of acceptance, respect, fairness and equal opportunities has a positive impact on its employees and increases employer attractiveness, as one of the pillars of Human Resources strategy and company business strategy. Erste Bank Hungary, in alignment with Erste Group's diversity governance, recognizes both positive and potential negative impacts related to diversity. This positive impact is visible in the support provided to vulnerable groups by fostering an open, supportive environment that values and empowers the respective groups (such as people with disabilities, queer people and women). It addresses stakeholders' expectations by describing the common understanding of what diversity and inclusion mean for the whole Erste Group, including Erste Hungary. Moreover, it outlines roles and responsibilities, as well as general guidelines on how to develop, implement, and adjust the diversity and inclusion strategy and targets. The policy mitigates the risk of poor practices in equality or cases of discrimination, which pose reputational risks.

Diversity is an integral part of the company's identity, the client interactions, and the corporate culture of Erste Group as well as of Erste Hungary. Accordingly, the resources supporting diversity measures are embedded across various departments. Therefore, the budget varies and depends on the number of projects, training courses, and initiatives for the respective year.

Actions taken by Erste Hungary to address diversity and equality include various diversity initiatives such as Erste Colours and Erste Women's Hub, furthermore EBH supports 21 employee clubs and Erste Green resource group. FKi (Female Key indicators) diversity indexing is an action to establish a group-wide monitoring methodology. Compared to all companies indexed in the FKi, Erste Bank Hungary has achieved a total index value well above the average of all companies. All sub-indexes also achieved a score above average. Sub-index C is even close to the average of the top 25 companies.

During 2016, the Bank has joined the European Diversity Charter and since then, renewed its membership in all years.

Employee resource groups

The main goal of Erste Hungary's business resource groups is to provide a platform for networking and empowering women, LGBTIQ people and people for the environment. There are 3 Business Resource Groups (Erste Women, Erste Green, Erste Colours), which promote an inclusive corporate culture that strengthens both the internal and external perception of Erste Hungary as an attractive workplace.

Erste Colours advocates for the agendas of LGBTIQ people as a business resource group of Erste Hungary. The primary goal of the club is to empower LGBTQIA employees. By raising the visibility of its members and organising support programmes, they have raised awareness that Erste is an inclusive and accepting environment where no one should fear discrimination and everyone can be who they are without fear. The club has also helped to raise awareness of the topic among non-affected colleagues through sensitisation presentations, which further strengthens the acceptance of the community.

Their major themes overarch every activity they organize: minority and diversity, and the stress of feeling inferior. They also pursue an important mission to build community.

Erste Women is committed to a safe environment and visibility for women in the company. Regular events on a wide range of business topics enable female colleagues to network and learn from each other. Erste Women discussed and brought into the bank topics that we tend to shy away and are not considered appropriate for public discussion such as work-life balance, career management, mental self-defense or attention to male community members.

Erste Green was launched in early 2016 as an initiative of an internally organised volunteer group with the primary aim of raising awareness, education and commitment to sustainability among our colleagues. The main activities of the team include organising environmental community programmes, "green" everyday life, sensitising and promoting eco-consciousness, being present in Erste's corporate life, liaising with other employee clubs and achieving a positive social impact. They have influence and continuous relation with real estate management or Erste Bank Hungary in order to protect the environment with eco-friendly advisory.

The Business Resource Groups have no date of completion and will continue their work in the future.

Accessibility framework

Erste Hungary's various initiatives share a common goal of promoting financial inclusion, social impact and sustainability. These actions are designed to address the diverse needs of different demographic groups, from individuals facing financial exclusion to small and medium-sized enterprises seeking growth. Each initiative leverages partnerships with local organizations, employs dedicated teams, and adheres to high standards of service and compliance. Continuous monitoring, regular assessments, and stakeholder engagement are essential to ensure the effectiveness and adaptability of these programs. By focusing on education, financial stability, and social innovation, Erste Hungary aims to create a positive and lasting impact on the communities it serves. By creating an environment where customers with special needs, such as those with disabilities, have adequate access to these offerings, Erste Hungary demonstrates its commitment to inclusivity. This is an ongoing effort of our entire Retail banking division and affiliates, both at Group and at Erste Hungary.

EU Directive 2019/882 was transposed into Hungarian law (Act XVII. of 2022), requiring all new consumer products and services to meet accessibility standards from 28 June 2025.

The European Accessibility Act aims to ensure equal access to essential products and services for people with disabilities across the EU. By setting common accessibility standards, it promotes inclusivity and removes barriers in everyday interactions. In banking, this means simpler, more user-friendly digital platforms and services, making financial management easier and more convenient for everyone. Additionally, it drives compliance with EU regulations and fosters innovation, encouraging banks to develop accessible solutions that benefit all customers.

Erste Hungary is committed to ensure equal opportunities for persons with disabilities in accessing banking services and began preparing for compliance with the European Accessibility Act (EAA) in a timely manner.

Erste Hungary conducted a comprehensive compliance review starting February 2023, involving approximately 50 colleagues and subsidiaries, coordinated by the Diversity Officer. The assessment covered all applicable requirements, client-facing systems, and even beyond the scope of the law physical accessibility of the branches.A structured approach is demonstrated to meet the digital accessibility requirements with performing a comprehensive, documented compliance assessment, establishment of an effective governance framework, and supported with proper coordination and supervision of the ongoing implementation measures. The assessment process strengthened awareness and in-house expertise.

Digital accessibility, as core focus of the legislation, requires specialized expertise, which was appropriately ensured through external audits of a certified professional, in accordance with internationally recognized web accessibility guidelines and standards. Targeted trainings were also delivered by the same expert to project participants. The Bank also engaged civil organizations to validate needs and test solutions.

Based on the external audit results, improvement areas were appropriately identified, and a detailed action plan was developed. Progress regarding accessibility initiatives, related tasks and developments has been monitored through structured reporting at expert, senior management, and Board levels.

Key achievements include making the website, mobile apps, ATMs, chatbot, and supporting processes (Call Center, complaints handling) accessible, revising and clarifying online documents, and redesigning card mailers.

Erste Hungary modified 65 of its branches out of 98 units following the refurbishment of the branch network, providing full access to entrance for people with reduced mobility and larger interiors. Going forward, all branch investments will be made with easy access in mind, unless physical or other barriers arise. To facilitate this, Erste Hungary has engaged a professional auditor who has already certified 62 of our branches as accessible based on their inspection. The auditor’s mapping has helped to develop new actions around branch investments: 54 branches have been equipped with devices (induction loops), all branches have installed a CONTACT sign language translation service, and staff have been trained to support the hearing impaired. Tactile lanes have been installed in 16 branches and others are being installed in an ascending manner. Mobile ramps are available in the 12 branches most frequented by wheelchair users. The entrances and glass surfaces have contrasting stickers and pictograms at the entrances help you find the way around. The menu system of the branch call centers has been renewed and simplified, with a number display that follows the WCAG standard. All new and renewed branches in the network follow the "new concept" methodology, which takes into account the opinions of accessibility engineers in the design.

Over the past few years, Erste Hungary has paid special attention to the accessibility of its ATM network.

For several years now, the entire ATM network has been equipped with keyboards with tactile elements to assist blind and partially sighted customers in using the ATM, which has been complemented by screen reader support from the beginning of 2023. Screen reader support can be activated by connecting a headset. All functional steps are accompanied by a light signal, and warning steps are accompanied by sound. The ATM screens have a privacy filter, which does not allow page views, and the reading software can only be activated when an earpiece connects, in which case the screen also goes dark. A dedicated website and information tool about accessible ATM usage is available at erstebank.hu.

The ATM modernization program, which will run until the end of 2026, will aim to ensure accessibility and usability for both existing and new ATMs. Currently, 74% of Erste's ATM network is accessible without barriers and 78% is usable without barriers. Since 2024 non-branch ATMs started to be replaced by more modern ones. The new type of ATMs also offers the possibility to set contrast, further increasing the satisfaction of blind and partially sighted customers when using ATMs. Contrast can be adjusted in the top right corner of the screen or with the grey button on the keyboard after the transaction has been initiated.

George website and application, erstebank.hu website and all eDM-s follow WCAG 2.1 guidelines, including contrast, resizing settings, page read-aloud options and more. From 2024, the Bank was actively preparing to comply with the European Union's accessibility directive, which came into force from 2025 June.

Complaint handling system tracks separately the ones related to accessibility and being regularly evaluated by Diversity Officer & Complaint team. A dedicated policy formalizes principles for equal access to financial services for persons with disabilities and tasks related to the EAA. Product managers are required to ensure that all products and services comply with EU and local accessibility regulations, meeting criteria of being perceivable, operable, understandable, and unambiguous.

Risk governance committees

Risk management is achieved through a clear organisational structure with defined roles and responsibilities, delegated authorities and risk limits. Besides the Risk Governance Committee (RGC) the Bank has also established local committees in order to support an efficient decision-making process and in order to ensure a multi-functional supervision (i.e. ensuring the participation of various fields of professions). The main task of the committees are managing the risks, forming the related principles and risk strategies, harmonizing with business strategy, following up and monitoring the strategy and its execution, as well as strengthening the risk awareness and risk culture. The main objectives of the committees include the promotion of mutual understanding and coordination in the field of corporate and retail lending activities and between the internal management functions.

Risk Governance Committee

The Board of Directors established – with the acknowledgment of the Supervisory Board – according to “Banking Act” 110 § the Risk Governance Committee. The Risk Governance Committee held four meetings in 2025 at which it took decisions which are within its duties as outlined below:

- advises the Board of Directors with regard to current and future risk tolerance; the credit institution’s risk strategy and monitors the implementation of this risk strategy;
- it further checks whether the incentives offered by the internal remuneration system duly consider the risk, the capital, the liquidity and the probability as well as the time of realised profits;
- it is responsible for granting approval in all those cases in which loans and exposures or large exposures reach an amount exceeding the approval authority of the Managing Board defined in the approval authority regulation;
- it is responsible for monitoring risk management at Erste Bank Hungary Zrt.;
- it further checks whether services and products are adequately priced to take into account the business model and the credit institution’s risk strategy.

Asset-Liability Management Committee (hereinafter ALCO) task and purpose:

In order to ensure the Bank's profitability and secure operation, it regularly reviews in terms of market risks the following:

- the Bank’s short and medium term liquidity and the financial assets of the Bank;
- the interest rate margin of the bank’s balance sheet;
- the structure and volume of market risk, with special focus on the changes in profitability resulting from eventual interest rate volatility;
- balance sheet growth.

To ensure the Bank's profitability and secure operation it has a decision-making right in the areas of liquidity and refinancing, capital, internal transfer pricing listed below in the core competence section of the chapter.

Capital Committee

The Bank established the Capital Committee as of 01.01.2025, which, as an independent committee, will take over the capital-related responsibilities from ALCO.

The Capital Committee (CapCom) is a designated sub-committee of the Management Board of Erste Bank Hungary (Managing Board). The CapCom holds delegated decision authority from the Managing Board with respect to capital management activities, submits its decisions to the Managing Board and informs the Assets and Liabilities Committee (ALCO) thereof. It may decide on matters as listed below.

The CapCom is the sole forum for all joint alignments, endorsements, decision making as well as acknowledgements related to capital management relevant topics in Erste Bank Hungary across all its divisions, departments and staff units.

In order to ensure the Bank's secure capital position, the management of the optimal level of capital, and compliance with capital-related limits, its key responsibilities:

- Regularly monitors and discusses the Bank's solvency situation in order to ensure that the Bank's capital adequacy (solvency) is maintained at all times
- Review of proposals for the implementation of capital demand and supply measures in order to steer the capital adequacy steering in the green zone of the Risk Appetite Statement (RAS) for EBH
- Review of capital and MREL short and medium term plans for each forecasting and budgeting round as well as on ad-hoc basis
- Review of the Capital Management governance including the distribution policy
- Informed on both executed and planned capital measures
- Review of internal management buffer (IMBU) reports
- Review and recommendation of capital targets to Managing Board
- Review and recommendation of leverage ratio targets to Managing Board

Retail Risk Committee (hereinafter RRC) task and purpose:

The Retail Risk Committee (hereafter RRC) is responsible for continuous supervision of the Bank’s retail lending activity; supervision of the retail collection and work out activity; supervision of the retail credit portfolio risk; definition of regulations related to lending criteria, processes and documents which are not regulated elsewhere.

No individual risk-taking decision competence is granted to this Committee. Its tasks contain:

- develop and decide on retail risk strategy which derived from the Risk Appetite Statement approved by the Board of Directors;
- setting risk triggers fit into the annual budget and also into risk strategy of EBH;
- deciding about policy rules for retail lending products;
- decide about risk related material changes in product setup;
- granting authority for daily operative portfolio decisions, differentiate them from material decisions;
- monitoring and approving GAPs versus the Holding risk regulations;
- risk monitoring of retail lending portfolio;
- monitoring of retail collection and work out activity;
- approve risk margin to be considered in pricing;
- inform monthly the Managing Board about its decisions;
- setting the risk limits relevant for the retail portfolio in line with the risk strategy and monitoring of these limits;
- contributing to the ICAAP tasks with input, inquires and discussion on topics related to the retail portfolio.

Corporate Risk Committee (hereinafter CRC) task and purpose:

The Corporate Risk Committee (CRC) is implemented for the general purpose to strengthen the communication and understanding between Corporate Business (VÜ)/ Real Estate Finance (IF)/ Capital Markets Financial Institutions (FI) and Risk Management areas and to support establishment of well based decisions about risk appetite, general business policies and risk policies in corporate area.

The CRC is responsible for continuous supervision of the corporate/project/real estate/Financial institution lending activity, the products developed and sold for clients, the trends of the corporate/ institutional markets and the behaviour of the corporate portfolio. CRC is focusing also on interpretation of risk parameters, understanding the impacts thereof and approving the parameters. The functions of CRC are extended also to the corporate work-out & restructuring activities, trends of problematic portfolios, strategies for real estate property portfolios taken over to the books of the bank or to subsidiaries also.

The CRC is the forum of discussions and decisions on new business initiatives, on application of new tools, systems or procedures in business and in risk management, on regular reports about the high priority business and risk projects in corporate banking area.

The CRC does not take decisions regarding individual corporate clients or transactions.

Depending on the CRC topics, it also acts in the following capacity:

- Local Model Committee.

Main tasks of Corporate Risk Committee:

- Defining and monitoring the corporate strategy (including all corporate areas listed above) which derived from the Risk Appetite Statement approved by the Board;
- Decision on the methodologies of provisioning and budgeting, forecasting in terms of NPL and Risk Costs;
- Decision on non-retail provisioning parameters;
- Monitoring of the volume trends, quality changes and concentrations of Corporate (IF/SF/FI) credit portfolio;
- Decision on minimum risk requirements for corporate/IF/SF/FI clients and products;
- Decision on accepting annual validation result of non retail scorecards and parameters;
- Decision on non retail PD, LGD, CCF models and parameters;
- Decision on new non-retail scorecard implementation;
- Decision on Expected Risk Margin Matrix used for pricing;
- Monitoring of the lending procedures and the sufficient controls applied in the processes;
- Monitoring of client and product segments in terms of profitability and capital requirement;
- Supervising the development of the main projects of risk and business areas;
- Supervising the collateral management functions and regulatory compliance thereof;
- Monitoring of the general compliance of local rules and procedures with risk guidelines of Erste Group and with requirements of regulators;
- Supervising the strategy of corporate intensive care, and monitoring the collection and restructuring activity of the bank;
- Monitoring the changes in external and internal risk regulations, identifying the impacts on the business activities, capital adequacy and regulatory compliance of the bank, including the ICAAP requirement;
- Receiving the information about the overall the Risk Strategy and Risk appetite statement, on the Risk Bearing Capacity, and on the Risk Planning and forecasting methodologies;
- Contributing to the ICAAP tasks with input, inquires and discussion on topics related to the corporate portfolio, especially:
  - contributing to discussion about the Risk Materiality Assessment and Concentration risk analysis;
  - contributing to the Risk Based planning and forecasting related to the corporate portfolio, further it is informed about the overall Budget risk base case;
  - contributing to the discussion around portfolio-level Risk Limits and Targets that are in broken down from the risk strategy;
- Responsible for setting the risk limits relevant for the Corporate/IF/SF/FI business line in accordance to the risk strategy and monitoring of these limits.

Local Operational Risk Committee (hereinafter LORCO) task and purpose:

- to reduce operational risk and other Non-Financial Risk exposure: the Committee ensures that information and experience revealed and gained in the course of operational risk management shall be integrated into business and supporting processes, and thereby the EBH's exposure to operational risks can be reduced;
- supervise relevant entity-level methodologies and risk management standards: for non-financial risks on the entity level

- identify, assess, manage and reduce non-financial risk exposure: the committee will ensure that information and experience revealed and gained with regard to non-financial risk management is integrated into business and supporting processes, and thereby the Bank's exposure to non-financial risks reduced;
- provide advisory opinions to strategic decisions: the committee will provide expert opinions on entity level which may have an impact on non-financial risk exposure (e.g. merger and acquisition activities, product approval process / outsourcing / risk acceptance / risk profile);
- supervise non-financial risks and risk mitigation: the committee will ensure that all risks detected and events which have already occurred are discussed and addressed in order to implement adequate corrective measures and manage and reduce non-financial risk exposure;
- review, investigate and control relevant risks and issues: the committee shall have the authority to initiate reviews, investigations and perform control into any matters within its scope of responsibility;
- take informed decisions: the committee shall have the power and decision-making competence for the reduction of non-financial risks by deciding on risk return decision proposals and entity-wide risk mitigation actions;
- serve as escalation body: the committee provides opinion and advice on issues beyond its decision-making competence, and makes recommendations/decisions to local or Group bodies.
- Reporting: ROCC Office shall consider the local entity's risk profile of non-financial risk to be submitted to ROCC and further on to Group Operational Conduct Committee (GOCC) in line with the by-laws of these committees.
- Local implementation: The committee shall consider the decisions/recommendations made by ROCC and GOCC for local entity implementation.
- Managing Board delegates its authorities for the designing, establishing, maintaining and operating of Internal Control System to the Local Operational Risk Management Committee. These tasks are summarized in the Internal Control System Procedure.
- In case of NFR decision contains high reputational risk acts as a decision maker.

Other committees

In addition to the local committees, the CRO of Erste Bank Hungary Zrt. and the Head of Strategic Risk Department participate regularly in the Holding Level Committees. These committees are responsible for adequate coordination and implementation of Group wide risk related actions.

Group Enterprise-Wide Risk Management Committee's members are the subsidiaries' directors of Strategic Risk departments. This Committee is considered as a preliminary decision-making forum for the CRO Board in Risk relevant issues.

Material risks at Erste Bank Hungary Zrt.

At Erste Hungary, the risk materiality assessment is performed for risk types to which a credit institution is or could be potentially exposed to. This Disclosure Report presents the qualitative and - in the case of the most significant risk types - quantitative features of the following material risk types in detail:

- Credit risk (including credit risk concentration)
- Market risk (including market risks in the banking book)
- Non-financial risk (including operational risk and compliance risk)
- Strategic risk (including business risk)

Moreover, macroeconomic, (geo-)political and climate-related and other environmental risk drivers remain elevated and, due to their transversal nature, may activate or amplify other risk types within the framework.

In addition, this report describes other risk types as requested by Regulation (EU) 575/2013 and Regulation (EU) 876/2019 amending Regulation (EU) 575/2013.

Scope of application

DISCLOSURE REQUIREMENTS Art. 436 CRR

Accounting principles

The financial and regulatory figures published by Erste Hungary Zrt. are based on IFRS. The consolidated financial statements of Erste Bank Hungary for the financial year ending on 31 December 2025 were prepared in compliance with applicable International Financial Reporting Standards (IFRS) as adopted by the European Union on the basis of IAS Regulation (EC) No. 1606/2002. Eligible capital components are derived from the balance sheet and income statement which were prepared in accordance with IFRS. The uniform closing date of the consolidated regulatory figures of Erste Bank Hungary is the 31 December of the respective year.

Scope of consolidation

The financial scope of consolidation is used to describe the scope of consolidation required by IFRS, which are applicable to the financial statements of the Bank.This definition differs from the scope of consolidation according to IFRS, which also includes insurance companies and other entities, that are subject to full consolidation. The regulatory scope of consolidation is used as a synonym for the scope of consolidation that follows the regulatory requirements for consolidation as defined by the CRR and by the Hpt.

Breakdown information is shown on consolidated level throughout the whole Disclosure Report, while Erste Bank Hungary Zrt.'s tables on solo level can be found in the Appendix.

in HUF million	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying values of items				
			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
Breakdown by asset clases according to the balance sheet in the published financial statements							
Cash and cash balances	**364,205**	**364,205**	**364,205**	**-**	**-**	**34,353**	**-**
Financial assets held for trading	**240,067**	**240,067**	**-**	**43,214**	**-**	**231,177**	**-**
Derivatives	43,214	43,214	-	43,214	-	34,353	-
Other financial assets held for trading	196,853	196,853	-	-	-	196,824	-
Non-trading financial assets at fair value through profit or loss	**589,262**	**589,262**	**589,262**	**-**	**-**	**1,323**	**-**
Equity instruments	5,905	5,905	5,905	-	-	1,104	-
Debt securities	219	219	219	-	-	219	-
Loans and advances to customers	583,138	583,138	583,138	-	-	-	-
Financial assets at fair value through other comprehensive income	**582,024**	**582,024**	**582,024**	**-**	**-**	**9,340**	**-**
Debt securities	582,024	582,024	582,024	-	-	9,340	-
Financial assets at amortised cost	**3,260,163**	**3,260,163**	**2,911,232**	**6,824**	**342,036**	**775,601**	**-**
Pledged as collateral	*6,824*	*6,824*	-	*6,824*	-	-	-
Debt securities	971,205	971,205	971,205	-	-	25,892	-
Loans and advances to banks	315,655	315,655	315,655	-	-	94,038	-

in HUF million	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying values of items				
			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
Loans and advances to customers	1,973,303	1,973,303	1,624,372	6,824	342,036	655,671	-
Finance lease receivables	**37,772**	**37,772**	**37,772**	**-**	**-**	**18,555**	**-**
Property and equipment	**57,126**	**57,126**	**57,126**	**-**	**-**	**-**	**-**
Investment properties	**15,778**	**15,778**	**15,778**	**-**	**-**	**-**	**-**
Intangible assets	**41,236**	**41,236**	**-**	**-**	**-**	**-**	**41,236**
Current tax assets	**226**	**226**	**226**	**-**	**-**	**-**	**-**
Deferred tax assets	**971**	**971**	**971**	**-**	**-**	**-**	**971**
Trade and other receivables	**14,925**	**14,925**	**4,155**	**-**	**-**	**11,343**	**-**
Other assets	**50,533**	**50,533**	**50,529**	**-**	**-**	**4**	**-**
Total assets	**5,254,288**	**5,254,288**	**4,613,280**	**50,038**	**342,036**	**1,081,696**	**42,207**

Table 6: Differences between accounting and regulatory scope of consolidation of assets and mapping with regulatory risk categories – Assets (EU LI1 (EU) 2024/3172)

in HUF million	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying values of items				
			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
Breakdown by liability classes according to the balance sheet in the published financial statements							
Financial liabilities held for trading	**(42,658)**	**(42,658)**	**-**	**(42,658)**	**-**	**(34,015)**	**-**
Derivatives	(42,658)	(42,658)	-	(42,658)	-	(34,015)	-
Financial liabilities at amortised cost	**(4,432,738)**	**(4,432,738)**	**-**	**(18,747)**	**-**	**(1,025,556)**	**(3,388,434)**
Deposits from banks	(289,966)	(289,966)	-	-	-	(110,827)	(179,139)
Deposits from customers	(3,616,299)	(3,616,299)	-	(12,389)	-	(914,729)	(2,689,180)
Debt securities issued	(525,554)	(525,554)	-	(6,358)	-	-	(519,196)
Other financial liabilities	(919)	(919)	-	-	-	-	(919)
Finance lease liabilities	**(8,151)**	**(8,151)**	**-**	**-**	**-**	**-**	**(8,151)**
Provisions	**(12,351)**	**(12,351)**	**-**	**-**	**-**	**-**	**(12,351)**
Current tax liabilities	**(6,700)**	**(6,700)**	**-**	**-**	**-**	**-**	**(6,700)**
Deferred tax liabilities	**(175)**	**(175)**	**-**	**-**	**-**	**-**	**(175)**
Other liabilities	**(60,117)**	**(60,117)**	**-**	**-**	**-**	**(5)**	**(60,113)**
Total equity	**(691,397.97)**	**(691,398)**	**-**	**-**	**-**	**-**	**(691,397.97)**
Equity attributable to owners of the parent	(691,398)	(691,398)	-	-	-	-	(691,398)
Subscribed capital	(146,000)	(146,000)	-	-	-	-	(146,000)
Additional Equity instruments (AT1)	(59,233)	(59,233)	-	-	-	-	(59,233)
Additional paid-in capital	(117,492)	(117,492)	-	-	-	-	(117,492)

in HUF million	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying values of items				
			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
Retained earnings and other reserves	(368,673)	(368,673)	-	-	-	-	(368,673)
Total liabilities and equity	**(5,254,288)**	**(5,254,288)**	**-**	**(61,405)**	**-**	**(1,059,576)**	**(4,167,322)**

Table 7: Differences between accounting and regulatory scope of consolidation of assets and mapping with regulatory risk categories – Liabilities (EU LI1 (EU) 2024/3172)

Breakdown of carrying amounts refer to the risk frameworks under which capital requirement is calculated in accordance with Part Three of the CRR. Overlapping between risk frameworks exist for banking book deals in foreign exchange, as they are subject both to the credit risk and the market risk framework. There is an overlap in case of trading book derivatives and repo transactions, as they are part of both counterparty credit risk and market risk framework. Therefore, the sum of different frameworks is not equal to the total carrying values presented under CRR scope of consolidation. In the last column, on-balance positions deducted from own funds in accordance with Part Two of the CRR are presented. As a part of deductions, additional value adjustments in accordance with Article 34 of the CRR are included for the assets measured at fair value (FV).

The aim of table below is to provide information on the main sources of difference between the financial statements carrying amounts and exposure values used for regulatory purposes by relevant risk frameworks.

in HUF million	Total	Items subject to			
		Credit risk framework	Securitisation framework	CCR framework	Market risk framework
Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	**5,254,288**	**4,613,280**	**342,036**	**50,038**	**1,081,696**
Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	**4,562,891**	**-**	**-**	**61,405**	**1,059,576**
Total net amount under the scope of prudential consolidation	**5,315,694**	**4,613,280**	**342,036**	**111,444**	**2,141,272**
Off-balance-sheet amounts	986	986	-	-	
Differences in valuations	(2,482)	-	-	(2,482)	
Differences due to different netting rules, other than those already included in row 2	(56,060)	-	-	(56,060)	
Differences due to consideration of provisions	60,427	60,427	-	-	
Differences due to the use of credit risk mitigation techniques (CRMs)	(2,878)	(2,878)	-	-	
Differences due to credit conversion factors	326,668	326,668	-	-	
Differences due to Securitisation with risk transfer	(36,141)	-	(36,141)	-	
Other differences	(777,887)	(780,127)	2,241	-	
Exposure amounts considered for regulatory purposes	**4,828,327**	**4,218,356**	**308,136**	**52,902**	**2,141,272**

Table 8: Main sources of differences between regulatory exposure amount and carrying value amount in financial statements (EU LI2 (EU) 2024/3172)

Assets carrying value amount represents total assets of the bank under the regulatory scope of consolidation, while in respective columns portion related to relevant risk frameworks is presented. Exposures subject to market risk include only positions booked in the trading book or foreign exchange deals (see table 7), hence are not included in the framework split of the table above, but only in the column Total. On-balance items subject to deductions which are not considered in regulatory exposure, are as well excluded from the framework split of the table above, but are presented only within the column Total.

Off-balance sheet amount represents the nominal value of the off-balance items under the regulatory scope of consolidation. Effect of CCF to off-balance is shown separately in the row Differences due to conversion factors, within credit risk framework.

Differences in valuation are dedicated row for amount of AVA considered in regulatory exposure.

Differences due to netting rules different then accounting netting refer to the effect of regulatory exposure calculation for derivatives under SA-CCR method.

Differences due to consideration of provisions represent the net effect of total provisions considered in gross carrying amount at the starting point of regulatory exposure calculation, netted by provisions considered as decrease of EAD in Standardised Approach.

Differences due to use of credit risk mitigation techniques within credit risk framework represent net CRM effects considered in EAD, where the overall effect is majorly driven by exposure adjustments for financial collaterals under comprehensive method. The effects of CRM techniques within the counterparty credit risk framework represent net effect of collaterals used in exposure calculation for asset SFTs, as well as regulatory exposure driven by given collaterals for liability SFTs.

Differences in securitization with risk transfer are guaranteed mezzanine tranches placed with the investors, excluded from EAD of originated securitization transactions.

Other differences in securitization framework refer to solely synthetic excess spread amount for originated securitizations.

Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
Erste Befektetési Zrt.	Full consolidation	X					Brokerage services
Erste Ingatlan Kft.	Full consolidation	X					Real estate management
Erste Lakástakarék Zrt.	Full consolidation	X					Building society
Collat-reál Kft.	Full consolidation	X					Property management
Erste Jelzálogbank Zrt.	Full consolidation	X					Refinancing
Commerzbank Zrt.	Full consolidation	X					Other services
Erste Tower Kft. *	Full consolidation	X					Property management

** The company was founded at the end of 2024 by Erste Bank Hungary and acquired the headquarters leased by Erste Bank Hungary Zrt. from Erste Nyíltvégű Ingatlan Befektetési Alap.*

Table 9: EU LI3 – Outline of the differences in the scopes of consolidation (entity by entity)

Impediments to the transfer of own funds

DISCLOSURE REQUIREMENT Art. 436 (f) CRR

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

Total capital shortfall of all subsidiaries not included in the consolidation

DISCLOSURE REQUIREMENT Art. 436(g) CRR

Art 436 (g) CRR is not applicable as Erste Bank Hungary has no subsidiaries with minimum capital standards not included in the scope of consolidation.

KEY METRICS

DISCLOSURE REQUIREMENT Art. 447 (a) to (g) and 438 (b) CRR

in HUF million	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2024 Q4
Available own funds (amounts)					
Common Equity Tier 1 (CET1) capital	471,878	445,422	451,451	457,266	461,552
Tier 1 capital	531,111	504,656	510,685	516,500	520,785
Total capital	663,918	643,076	655,095	661,126	668,100
Risk-weighted exposure amounts					
Total risk exposure amount	2,444,786	2,387,470	2,469,946	2,440,067	2,418,384
Total risk exposure pre-floor	2,444,786	2,387,470	2,469,946	2,440,067	
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common Equity Tier 1 ratio (%)	19.30%	18.66%	18.28%	18.74%	19.09%
Common Equity Tier 1 ratio considering unfloored TREA (%)	19.30%	18.66%	18.28%	18.74%	
Tier 1 ratio (%)	21.72%	21.14%	20.68%	21.17%	21.53%
Tier 1 ratio considering unfloored TREA (%)	21.72%	21.14%	20.68%	21.17%	
Total capital ratio (%)	27.16%	26.94%	26.52%	27.09%	27.63%
Total capital ratio considering unfloored TREA (%)	27.16%	26.94%	26.52%	27.09%	
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	4.53%	4.53%	4.53%	4.53%	5.14%
of which: to be made up of CET1 capital (percentage points)	2.55%	2.55%	2.55%	2.55%	2.89%
of which: to be made up of Tier 1 capital (percentage points)	3.40%	3.40%	3.40%	3.40%	3.86%
Total SREP own funds requirements (%)	12.53%	12.53%	12.53%	12.53%	13.14%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Institution specific countercyclical capital buffer (%)	1.00%	1.00%	0.50%	0.50%	0.50%
Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Other Systemically Important Institution buffer (%)	0.50%	0.50%	0.50%	0.50%	0.50%
Combined buffer requirement (%)	4.00%	4.00%	3.50%	3.50%	3.50%
Overall capital requirements (%)	16.53%	16.53%	16.04%	16.04%	16.64%
CET1 available after meeting the total SREP own funds requirements (%)	14.80%	14.16%	13.78%	14.24%	14.59%
Leverage ratio					
Total exposure measure	5,559,183	5,747,086	5,483,057	6,163,737	5,312,224
Leverage ratio (%)	9.55%	8.78%	9.31%	8.38%	9.80%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	0.00%
of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0.00%	0.00%	0.00%

in HUF million	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2024 Q4
Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Liquidity Coverage Ratio					
Total high-quality liquid assets (HQLA) (Weighted value -average)	1,602,754	1,635,736	1,533,841	1,944,120	1,764,910
Cash outflows - Total weighted value	1,542,288	1,449,182	1,441,711	1,429,115	1,394,456
Cash inflows - Total weighted value	551,797	477,472	509,392	480,175	534,617
Total net cash outflows (adjusted value)	990,491	971,709	932,319	948,940	859,838
Liquidity coverage ratio (%)	161.81%	168.34%	164.52%	204.87%	205.26%
Net Stable Funding Ratio					
Total available stable funding	4,254,227	4,184,193	4,095,830	4,089,145	3,993,062
Total required stable funding	2,659,342	2,463,056	2,417,431	2,448,367	2,463,549
NSFR ratio (%)	159.97%	169.88%	169.43%	167.02%	162.09%

Table 10: Key metrics template (Art. 447 (a) to (g) and 438 (b) CRR Table EU KM1 (EU) 2024/3172)

Own Funds

DISCLOSURE REQUIREMENT Art. 437 CRR

Own funds reconciliation

For the disclosure of own funds, Erste Bank Hungary Zrt. follows the requirements according to Art. 437 CRR as well as the requirements defined in the ITS (EU) 2024/3172.

Based on the requirements defined in the CRR and ITS, the following information must be provided:

- A full reconciliation of CET1 items - additional tier 1 (AT1) items, tier 2 (T2) items, filters and deductions applied to own funds of the institution pursuant to Art. 32 to 36, 56, 66 and 79 CRR with the balance sheet in the audited financial statements of the institution. In accordance with Art. 437 (a) CRR the ITS requires to publish the EU CC2 template.
- a description of the main features of the Common Equity Tier 1 and Additional Tier 1 instruments and Tier 2 instruments issued by the institution;
- the full terms and conditions of all Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments;
- a separate disclosure of the nature and amounts of (disclosure template EU CC1 as defined in the ITS):
  - each prudential filter applied pursuant to Art. 32 to 35 of CRR
  - each deduction according to Art. 36, 56 and 66 of CRR
  - items not deducted in accordance with Art. 47, 48, 56, 66 and 79 of CRR

The tables may contain rounding differences.

Since the scope of regulatory and accounting consolidation is the same at Erste Bank Hungary, the figures presented in the financial statements correspond to those within the scope of prudential consolidation.

in HUF million	Balance sheet as in published financial statements As at period end	Reference
Assets - Breakdown by asset clases according to the balance sheet in the published financial statements		
Cash and cash balances	**364,205**	
Financial assets held for trading	**240,067**	
Derivatives	43,214	
Other financial assets held for trading	196,853	
Non-trading financial assets at fair value through profit or loss	**589,262**	
Equity instruments	5,905	
Debt securities	219	
Loans and advances to customers	583,138	
Financial assets at fair value through other comprehensive income	**582,024**	
Pledged as collateral	-	
Debt securities	582,024	
Financial assets at amortised cost	**3,260,163**	
Pledged as collateral	12,665	
Debt securities	971,205	
Loans and advances to banks	315,655	
Loans and advances to customers	1,973,303	
Finance lease receivables	**37,772**	

in HUF million	Balance sheet as in published financial statements As at period end	Reference
Property and equipment	**57,126**	
Investment properties	**15,778**	
Intangible assets	**41,236**	**d**
Current tax assets	**226**	
Deferred tax assets	**971**	
Trade and other receivables	**14,925**	
Other assets	**50,534**	
Total assets	**5,254,289**	
Liabilities - Breakdown by liability clases according to the balance sheet in the published financial statements		
Financial liabilities held for trading	**42,658**	
Derivatives	42,658	
Financial liabilities at amortised cost	**4,432,738**	
Deposits from banks	289,966	
Deposits from customers	3,616,299	
Debt securities issued	525,554	
Other financial liabilities	919	
Lease liabilities	**8,151**	
Provisions	**12,351**	
Current tax liabilities	**6,700**	
Deferred tax liabilities	**175**	
Other liabilities	**60,117**	
Total liabilities	**4,562,890**	
Shareholders' Equity		
Equity attributable to owners of the parent	691,399	
Subscribed capital	146,000	a
Additional paid-in capital	117,492	b
Retained earnings and other reserves	368,673	c
Additional capital instruments (AT1)	59,234	e
Total shareholders' equity	**691,399**	

Table 11: Reconciliation of regulatory own funds to balance sheet in the audited financial statements (Art. 437 (a) CRR Table EU CC2 (EU) 2024/3172)

The following table contains all capital instruments that are eligible at Erste Bank Hungary consolidated level based on the template published in the Official Journal of the EU No. 2024/3172 on 29 November 2024 (Art. 437 (b) CRR).

Issuer	Erste Bank Hungary Zrt	Erste Bank Hungary Zrt	Erste Bank Hungary Zrt
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	HU0000073374	HU0000364039	HU0000364831
Public or private placement	Private	Private	Public
Governing law(s) of the instrument	Hungarian	Hungarian	Hungarian
Contractual recognition of write down and conversion powers of resolution authorities	No	No	No
Regulatory treatment			

Issuer	Erste Bank Hungary Zrt	Erste Bank Hungary Zrt	Erste Bank Hungary Zrt
Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Tier 2
Post-transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Tier 2
Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo and (sub-)consolidated	Solo and (sub-)consolidated	Solo and (sub-)consolidated
Instrument type (types to be specified by each jurisdiction)	Subscribed capital	Bearer notes	Bond
Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	263 492 mn HUF	59 234 mn HUF	66 403 mn HUF
Nominal amount of instrument	146 000 000 000 HUF	150 000 000 EUR	170 000 000 EUR
Issue price	N/A	100	100
Redemption price	N/A	N/A	100
Accounting classification	Equity	Subordinated liabilities	Subordinated liabilities
Original date of issuance	N/A	2024.06.11	2024.12.18
Perpetual or dated	Perpetual	Perpetual	Dated
Original maturity date	No expiry date	No expiry date	2034.12.18
Issuer call subject to prior supervisory approval	No	Yes	Yes
Optional call date, contingent call dates and redemption amount	N/A	2029.06.11	2029.12.18
Subsequent call dates, if applicable	N/A	Each year 06.11, starting from 2020.06.11	N/A
Coupons / dividends			
Fixed or floating dividend/coupon	N/A	Floating	Floating
Coupon rate and any related index	N/A	7,55% then 5Y Mid-Swap Rate + 4,65%	3M EURIBOR (floored) + 2,36%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A	Mandatory	Mandatory
Existence of step up or other incentive to redeem	N/A	No	No
Noncumulative or cumulative	N/A	Cumulative	Cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger(s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger(s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Type of subordination (only for eligible liabilities)	N/A	N/A	N/A
Ranking of the instrument in normal insolvency proceedings	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	AT1	Tier 2	Senior preferred
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A
Link to the full term and conditions of the intrument (signposting)	N/A	N/A	https://bet.hu/kereso?category=NEWS_NOT_BET&issuer=ERSTE%20BANK%20HUNGARY%20Zrt.&query=v%C3%A9gleges

Table 12: Capital instruments main features (EU CCA)

Furthermore, the full terms and conditions of the capital instruments (Art. 437 (c) CRR) are available on Erste Bank Hungary's website or on the website of each of the issuing credit institutions, respectively.

DISCLOSURE REQUIREMENTS Art. 437 (d) and (e) CRR

The tables below present the composition of the regulatory capital based on the Implementing Technical Standards (EU) 2024/3172 (EU CC1) on the disclosure of own funds. The capital situation of the bank is stable. The capital structure exceeds the minimum requirements set out in the CRR. The consolidated solvency ratio was at 27.16% on 31st December 2025, which is significantly above the regulatory minimum.

in HUF million	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves		
Capital instruments and the related share premium accounts	263,492	
of which: Fully paid up capital instruments	146,000	a
of which: Share premium (agio)	117,492	b
Retained earnings	159,132	c
Accumulated other comprehensive income (and other reserves)	55,425	c
Funds for general banking risk	-	
Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	
Minority interests (amount allowed in consolidated CET1)	-	
Independently reviewed interim profits net of any foreseeable charge or dividend	29,751	c
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**507,800**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
Additional value adjustments (negative amount)	(2,082)	
Intangible assets (net of related tax liability) (negative amount)	(22,715)	d
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	
Negative amounts resulting from the calculation of expected loss amounts	(6,913)	
Any increase in equity that results from securitised assets (negative amount)	-	
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
Defined-benefit pension fund assets (negative amount)	-	
Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	
Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
of which: qualifying holdings outside the financial sector (negative amount)	-	
of which: securitisation positions (negative amount)	-	
of which: free deliveries (negative amount)	-	
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
Amount exceeding the 17,65% threshold (negative amount)	-	
of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
of which: deferred tax assets arising from temporary differences	-	
Losses for the current financial year (negative amount)	-	
Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
Other regulatory adjustments	(4,212)	
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**(35,922)**	
Common Equity Tier 1 (CET1) capital	**471,878**	
Additional Tier 1 (AT1) capital: instruments		
Capital instruments and the related share premium accounts	59,234	
of which: classified as equity under applicable accounting standards	-	
of which: classified as liabilities under applicable accounting standards	-	

in HUF million	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	
Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	
Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	
Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
of which: instruments issued by subsidiaries subject to phase out	-	
Additional Tier 1 (AT1) capital before regulatory adjustments	**59,234**	**e**
Additional Tier 1 (AT1) capital: regulatory adjustments		
Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	
Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
Other regulatory adjustments to AT1 capital	-	
Total regulatory adjustments to Additional Tier 1 (AT1) capital	**-**	
Additional Tier 1 (AT1) capital	**59,234**	
Tier 1 capital (T1 = CET1 + AT1)	**531,112**	
Tier 2 (T2) capital: instruments		
Capital instruments and the related share premium accounts	124,329	
Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	
Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	-	
Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	-	
Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	
of which: instruments issued by subsidiaries subject to phase out	-	
Credit risk adjustments	8,478	
Tier 2 (T2) capital before regulatory adjustments	**132,807**	
Tier 2 (T2) capital: regulatory adjustments		
Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
Other regulatory adjustments to T2 capital	-	
Total regulatory adjustments to Tier 2 (T2) capital	**-**	
Tier 2 (T2) capital	**132,807**	
Total capital (TC = T1 + T2)	**663,918**	
Total Risk exposure amount	**2,444,786**	
Capital ratios and requirements including buffers		
Common Equity Tier 1 capital	19.30%	
Tier 1 capital	21.72%	
Total capital	27.16%	
Institution CET1 overall capital requirements	11.05%	
of which: capital conservation buffer requirement	2.50%	
of which: countercyclical capital buffer requirement	1.00%	
of which: systemic risk buffer requirement	0.00%	
of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0.50%	
of which: additional own funds requirements to address the risks other than the risk of excessive leverage	2.55%	
Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	**14.80%**	
National minima (if different from Basel III)		

in HUF million	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Amounts below the thresholds for deduction (before risk weighting)		
Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	4,800	
Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-	
Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	972	
Applicable caps on the inclusion of provisions in Tier 2		
Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
Cap on inclusion of credit risk adjustments in T2 under standardised approach	1,811	
Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	8,478	
Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	9,867	

Table 13: Regulatory capital based on the Implementing Technical Standards (EU) No 2024/3172 and Art. 437 (d), (e) CRR (EU CC1)

Additional information about own funds positions:
c): Retained earnings: for regulatory reporting the planned dividend is deducted
d): Intangible assets after prudent amortisation (HUF 18.5 bn lower deduction for software assets).

Minimum Requirement of Own Funds and Eligible Liabilities (MREL)

DISCLOSURE REQUIREMENT ART. 45I BRRD

For the disclosure of own funds and eligible liabilities, Erste Bank Hungary follows the requirements according to Art. 45i BRRD, implemented into Hungarian law under 2014. XXXVII. §28/H, as well as the requirements defined in the ITS (EU) No 2024/1618 ('Implementing technical standards on disclosures and reporting on MREL and TLAC').

Erste Group's preferred resolution strategy has been determined to be Multiple Point of Entry (MPE). There are seven resolution groups defined within Erste Group, namely the Austrian, Slovakian, Croatian and Slovenian covered by the Single Resolution Board, as well as the Czech, Romanian and Hungarian resolution groups covered by the respective National Resolution Authority.

The scope of the Hungarian Resolution Group coincides entirely with the local prudential consolidation scope.

Based on the requirements defined in the BRRD (2014. XXXVII. §28/H) and ITS, the following information is disclosed:

- Semi-annual disclosure of key metrics on own funds and eligible liabilities and the requirements for own funds and eligible liabilities on the level of Hungarian Resolution Group in accordance with the template EU KM2
- Annual disclosure of composition of own funds and eligible liabilities on the level of Hungarian Resolution Group in accordance with the template EU TLAC1
- Annual disclosure of creditor ranking on the level of resolution entity of the Hungarian Resolution Group (Erste Bank Hungary Zrt.) in accordance with the template EU TLAC3b

	Minimum requirement for own funds and eligible liabilities (MREL)	G-SII Requirement for own funds and eligible liabilities (TLAC)				
	2025 Q4	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2024 Q4
Own funds and eligible liabilities, ratios and components						
Own funds and eligible liabilities	842,929					
Of which own funds and subordinated liabilities	*670,807*					
Total risk exposure amount of the resolution group (TREA)	2,444,786					
Own funds and eligible liabilities as a percentage of the TREA	34.48%					
Of which own funds and subordinated liabilities	*27.44%*					
Total exposure measure (TEM) of the resolution group	5,559,183					
Own funds and eligible liabilities as percentage of the TEM	15.16%					
Of which own funds or subordinated liabilities	*12.07%*					
Does the subordination exemption in Article 72b(4) of Regulation (EU) No 575/2013 apply? (5% exemption)						
Aggregate amount of permitted non-subordinated eligible liabilities instruments if the subordination discretion in accordance with Article 72b(3) of Regulation (EU) No 575/2013 is applied (max 3.5% exemption)						
If a capped subordination exemption applies in accordance with Article 72b (3) of Regulation (EU) No 575/2013, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised under row 1 if no cap was applied (%)						

	Minimum requirement for own funds and eligible liabilities (MREL)	G-SII Requirement for own funds and eligible liabilities (TLAC)				
	2025 Q4	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2024 Q4
Minimum requirement for own funds and eligible liabilities (MREL)						
MREL expressed as a percentage of the TREA	24.54%					
Of which to be met with own funds or subordinated liabilities	*13.50%*					
MREL expressed as a percentage of the TEM	5.87%					
Of which to be met with own funds or subordinated liabilities	*5.00%*					

Table 14: Key metrics - MREL and, where applicable, G-SII requirement for own funds and eligible liabilities (EU KM2)

As of the report's reference date the Hungarian Resolution Group is compliant with MREL and subordination requirements on both TREA and TEM-basis and including the applicable Combined Buffer Requirement.

Based on the applicable MREL reporting guidelines, Own Funds, TEM and TREA are reported at the sub-consolidated level of the Hungarian Resolution Group, while only liabilities issued by the resolution entity of the Hungarian Resolution Group, namely Erste Bank Hungary, are reported as Eligible Liabilities.

	Minimum requirement for own funds and eligible liabilities (MREL)	G-SII requirement for own funds and eligible liabilities (TLAC)	Memo item: Amounts eligible for the purposes of MREL, but not of TLAC
Own funds and eligible liabilities and adjustments			
Common Equity Tier 1 capital (CET1)	471,878		
Additional Tier 1 capital (AT1)	59,234		
Tier 2 capital (T2)	132,807		
Own funds for the purpose of Articles 92a of Regulation (EU) No 575/2013 and 45 of Directive 2014/59/EU	663,918		
Own funds and eligible liabilities: Non-regulatory capital elements			
Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	6,889		
Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	-		
Eligible liabilities instruments that are subordinated to excluded liabilities issued prior to 27 June 2019 (subordinated grandfathered)	-		
Tier 2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier 2 items	-		
Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre-cap)	177,122		
Eligible liabilities that are not subordinated to excluded liabilities issued prior to 27 June 2019 (pre-cap)	-		
Amount of non subordinated eligible liabilities instruments, where applicable after application of Article 72b (3) CRR	177,122		
Eligible liabilities items before adjustments	184,011		

	Minimum requirement for own funds and eligible liabilities (MREL)	G-SII requirement for own funds and eligible liabilities (TLAC)	Memo item: Amounts eligible for the purposes of MREL, but not of TLAC
Of which subordinated liabilities items	*6,889*		
Own funds and eligible liabilities: Adjustments to non-regulatory capital elements			
Own funds and eligible liabilities items before adjustments	847,929		
(Deduction of exposures between multiple point of entry (MPE) resolution groups)			
(Deduction of investments in other eligible liabilities instruments)	(5,000)		
Own funds and eligible liabilities after adjustments	842,929		
Of which: own funds and subordinated liabilities	*670,807*		
Risk-weighted exposure amount and leverage exposure measure of the resolution group			
Total risk exposure amount (TREA)	2,444,786		
Total exposure measure (TEM)	5,559,183		
Ratio of own funds and eligible liabilities			
Own funds and eligible liabilities as a percentage of TREA	34.48%		
Of which own funds and subordinated liabilities	*27.44%*		
Own funds and eligible liabilities as a percentage of TEM	15.16%		
Of which own funds and subordinated liabilities	*12.07%*		
CET1 (as a percentage of the TREA) available after meeting the resolution group’s requirements	9.94%		
Institution-specific combined buffer requirement			
of which capital conservation buffer requirement			
of which countercyclical buffer requirement			
of which systemic risk buffer requirement			
of which Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer			
Memorandum items			
Total amount of excluded liabilities referred to in Article 72a(2) of Regulation (EU) No 575/2013			

Table 15: Composition - MREL and, where applicable, G-SII Requirement for own funds and eligible liabilities (EU TLAC1)

	Insolvency ranking								Total
	1	2	3	5	6	7	8	10	
	(most junior)							(most senior)	
Description of insolvency rank	Common equity Tier 1 instruments	Additional Tier 1 instruments	Tier 2 capital instruments	Senior non-preferred claims	Senior unsecured claims	Eligible deposits from natural persons and micro, small and medium-sized enterprises	Covered deposits and deposit guarantee schemes after subrogating to the rights and obligations of covered depositors in insolvency	Claims of preferred creditors	
Liabilities and own funds	**471,878**	**59,234**	**139,696**	**98,118**	**994,787**	**898,756**	**2,406,675**	**10,079**	**5,079,222**
of which excluded liabilities	-	-	-	-	-	-	*2,406,675*	*10,079*	*2,416,754*
Liabilities and own funds less excluded liabilities	**471,878**	**59,234**	**139,696**	**98,118**	**994,787**	**898,756**	**-**	**-**	**2,662,468**
Subset of liabilities and own funds less excluded liabilities that are own funds and liabilities potentially eligible for meeting [choose as a appropriate: MREL/TLAC]	**471,878**	**59,234**	**139,696**	**-**	**177,122**	**-**	**-**	**-**	**847,930**
of which residual maturity ≥ 1 year < 2 years	-	-	-	-	170,685	-	-	-	170,685
of which residual maturity ≥ 2 year < 5 years	-	59,234	65,610	-	6,437	-	-	-	131,281
of which residual maturity ≥ 5 years < 10 years	-	-	74,086	-	-	-	-	-	74,086
of which residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-	-	-	-	-	-
of which perpetual securities	471,878	-	-	-	-	-	-	-	471,878

Table 16: Creditor ranking - resolution entity (EU TLAC3a)

	Insolvency ranking								Total
	1	2	3	5	6	7	8	10	
	(most junior)							(most senior)	
Description of insolvency rank	Common equity Tier 1 instruments	Additional Tier 1 instruments	Tier 2 capital instruments	Senior non-preferred claims	Senior unsecured claims	Eligible deposits from natural persons and micro, small and medium-sized enterprises	Covered deposits and deposit guarantee schemes after subrogating to the rights and obligations of covered depositors in insolvency	Claims of preferred creditors	
Own funds and liabilities potentially eligible for meeting MREL	**471,878**	**59,234**	**139,696**	**-**	**177,122**	**-**	**-**	**-**	**847,929**
of which residual maturity ≥ 1 year < 2 years	-	-	-	-	170,685	-	-	-	170,685
of which residual maturity ≥ 2 year < 5 years	-	59,234	65,610	-	6,437	-	-	-	131,281
of which residual maturity ≥ 5 years < 10 years	-	-	74,086	-	-	-	-	-	74,086
of which residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-	-	-	-	-	-
of which perpetual securities	471,878	-	-	-	-	-	-	-	471,878

Table 17: Creditor ranking - resolution entity (EU TLAC3b)

Own funds requirements and risk-weighted exposure amounts

DISCLOSURE REQUIREMENTS Art. 438 CRR

Based on the business activities of Erste Hungary, capital requirements are derived for the Pillar 1 risk types credit risk, market risk and operational risk. The capital requirements were complied with at all times during the reporting period.

in HUF million	Total risk exposure amounts (TREA) 2025	Total risk exposure amounts (TREA) 2024	Total own funds requirements 2025
Credit risk (excluding CCR)	**1,762,403**	**1,996,710**	**140,992**
Of which the standardised approach	129,036	123,283	10,323
Of which the Foundation IRB (F-IRB) approach	629,031	753,095	50,322
Of which slotting approach	274,182	314,331	21,935
Of which equities under the simple riskweighted approach	-	-	-
Of which the Advanced IRB (A-IRB) approach	730,154	806,001	58,412
Counterparty credit risk - CCR	**27,054**	**44,442.927697**	**2,164**
Of which the standardised approach	26,784	44,174	2,143
Of which internal model method (IMM)	-	-	-
Of which exposures to a CCP	3	3	-
Of which other CCR	267	266	21
Credit valuation adjustments risk - CVA risk	**5,657**	**9,879**	**453**
Of which the standardised approach (SA)	**-**	**-**	**-**
Of which the basic approach (F-BA and R-BA)	**5,657**	**9,879**	**453**
Of which the simplified approach	**-**	**-**	**-**
Settlement risk	**-**	**-**	**-**
Securitisation exposures in the non-trading book (after the cap)	**45,773**	**-**	**3,662**
Of which SEC-IRBA approach	45,773	-	3,662
Of which SEC-ERBA (including IAA)	-	-	-
Of which SEC-SA approach	-	-	-
Of which 1250% / deduction	-	-	-
Position, foreign exchange and commodities risks (Market risk)	**18,463**	**6,225**	**1,477**
Of which the Alternative standardised approach (A-SA)	-	-	-
Of which the Simplified standardised approach (S-SA)	**18,463**	**6,225**	**1,477**
Of which the Alternative Internal Models Approach (A-IMA)	**-**	**-**	**-**
Large exposures	**-**	**-**	**-**
Reclassifications between trading and non-trading books	**-**		**-**
Operational risk	**585,436**	**361,127**	**46,835**
Exposures to crypto-assets	**-**		**-**
Amounts below the thresholds for deduction (subject to 250% risk weight)	**972**	**898**	**78**
Output floor applied (%)	**50%**	**50%**	
Floor adjustment (before application of transitional cap)	**-**	**-**	
Floor adjustment (after application of transitional cap)	**-**	**-**	
Total	**2,444,786**	**2,418,384**	**195,583**

Table 18: Overview of risk weighted exposure amounts (CRR Art. 438 (d) Template EU OV1 (EU) 2024/3172)

Position amounts below the threshold for deduction (subject to credit risk 250% risk weight) is shown as a separate figure, although it represents part of capital requirement under credit risk. Main contributions to these values are significant investments according to CRR Art. 36 (1) (i) and deferred tax assets that rely on future profitability according to CRR Art. 36 (1) (c) which both are not deducted from CET1 due to threshold according to CRR Art. 48 (1).

ADDITIONAL DISCLOSURE OF SPECIALISED LENDING AND EQUITY UNDER THE SIMPLE RISK-WEIGHT

in HUF million

Specialised lending : Income-producing real estate and high volatility commercial real estate (Slotting approach)							
Regulatory categories	Remaining maturity	On-balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
Category 1	Less than 2.5 years	-	-	50%	-	-	-
	Equal to or more than 2.5 years	106,489	6,211	70%	108,973	67,334	241
Category 2	Less than 2.5 years	-	-	70%	-	-	-
	Equal to or more than 2.5 years	213,933	337	90%	213,933	201,644	1,411
Category 3	Less than 2.5 years	-	-	115%	-	-	-
	Equal to or more than 2.5 years	5,619	489	115%	5,815	5,203	163
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	1	-	250%	1	1	-
Category 5	Less than 2.5 years	-	-	-	-	-	-
	Equal to or more than 2.5 years	516	-	-	516	-	258
Total	**Less than 2.5 years**	**-**	**-**		**-**	**-**	**-**
	Equal to or more than 2.5 years	**326,558**	**7,038**		**329,238**	**274,182**	**2,074**

Table 19: Specialised lending and equity exposures under the simple risk-weighted approach (CRR Art. 438 (e), EU CR10 (EU) 2024/3172)

NON-DEDUCTED PARTICIPATIONS IN INSURANCE UNDERTAKINGS

The table below provides information on not deducted holdings of own funds instruments of an insurance undertaking, a re-insurance undertaking or insurance holding company in which the bank has a significant investment (according to Article 49 (1) CRR).

The Bank does not have non-deducted participations in insurance undertakings.

in HUF million	Exposure value	Risk exposure amount
Own fund instruments held in insurance or re-insurance undertakings or insurance holding company not deducted from own funds	-	-

Table 20: Non-deducted participations in insurance undertakings (CRR Art. 438 (f), EU INS1 (EU) 2024/3172)

INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS

DISCLOSURE REQUIREMENTS Art. 438 (a) CRR

The Risk-bearing Capacity Calculation (RCC) is a cornerstone of the Internal Capital Adequacy Assessment Process (ICAAP) as required under Pillar 2 of the Basel III framework.

Besides the Pillar 1 risk types (credit risk, market risk in the trading book, FX risk in the banking book and operational risk), risk of high-risk portfolios, credit concentration risk, interest rate risk in the banking book and business risk are explicitly considered within the economic capital calculated over a horizon of one year and at a confidence level of 99.9%. Business and strategic risk is defined as the unexpected deviation from the expected operating result which can be driven by unexpected behaviour of competitors, customers, investors and other third parties. Profit changes stemming from macroeconomic downturn are assessed under Macroeconomic risk. For the calculation of the economic capital, Erste Bank Hungary uses, where possible, more risk sensitive/advanced methodologies tailored to Erste Bank Hungary's individual risk profile and specificities of the Bank's individual risk exposures. The largest portion of economic capital requirements is coming from credit risk, which accounts for 68.3% of total economic capital requirements at the end of 2025.

The own funds and coverage potential must be sufficient to absorb Pillar 2 risks/unexpected losses resulting from the Banks'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 utilisation and stressed economic capital adequacy utilisation. At the end of 2025, the economic capital adequacy was at 47.2%, fully in line with EBH RAS.

Regular monitoring of the Bank's capital requirement and the capital available for covering risks gives sufficient time to the management to take the necessary measures and intervene in a timely manner towards the mitigation of risks, thereby ensuring the prudent operation of the Bank. The Board of Directors, the Managing Board, the Risk Governance Committee and the Supervisory Board all receive quarterly reports regarding the ICAAP framework covered risks, and the previous as well as future developments of both the Pillar I and II capital situation.

The figure below shows the distribution of risk types which make up the economic capital requirement of Erste Bank Hungary. Other risks encompass business risk.

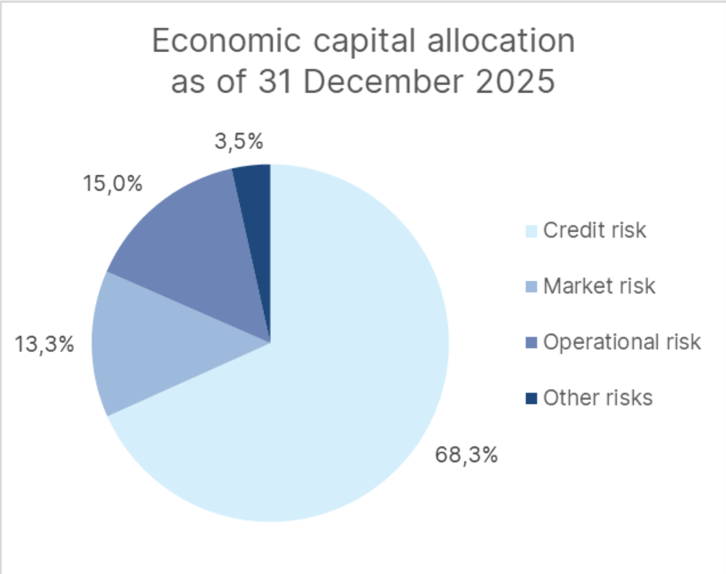


Figure 2: Economic capital composition

Risk-bearing capacity calculation

in HUF million	2025.12.31
Economic capital requirement	313,228
Coverage potential	663,918
Excess	**350,690**

Table 21: Risk-bearing capacity calculation

Comparison of modelled and standardised risk weighted exposure amounts

in HUF million	RWEAs for modelled approaches that banks have supervisory approval to use	RWEAs for portfolios where standardised approaches are used	Total actual RWEAs	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
	Risk weighted exposure amounts (RWEAs)				
Credit risk (excluding counterparty credit risk)	1,633,368	129,036	1,762,404	1,744,001	1,685,194
Counterparty credit risk	11,148	15,905	27,053	27,563	27,563
Credit valuation adjustment		5,657	5,657	5,657	5,657
Securitisation exposures in the banking book	45,773	-	45,773	43,739	43,739
Market risk	-	42,690	42,690	18,463	18,463
Operational risk		561,209	561,209	585,436	585,436
Other risk weighted exposure amounts		-	-	-	-
Total	**1,690,289**	**754,497**	**2,444,786**	**2,424,859**	**2,366,052**

Table 22: Comparison of modelled and standardised risk weighted exposure amounts at risk level (CRR Art. 438 (d, da), EU CMS1 (EU) 2024/3172)

in HUF million	RWEAs for modelled approaches that institutions have supervisory approval to use	RWEAs for column (a) if re-computed using the standardised approach	Total actual RWEAs	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
	Risk weighted exposure amounts (RWEAs)				
Central governments and central banks	49,182	25,207	49,182	25,207	25,207
Regional governments or local authorities	-	-	182	182	182
Public sector entities	-	-	2	2	2
Categorised as Multilateral Development Banks in SA		-	-	-	-
Categorised as International organisations in SA		-	-	-	-
Institutions	20,998	12,618	28,431	20,051	20,051
Equity	-	-	14,762	14,762	14,762
Corporates	738,277	417,382	755,034	492,946	434,138
Of which: F-IRB is applied	738,277	894,885	738,277	953,693	894,885
Of which: A-IRB is applied	-	-	-	-	-
Of which: Corporates - General	466,232	410,660	482,988	469,468	410,660
Of which: Corporates - Specialised lending	272,045	6,721	272,045	6,721	6,721
Of which: Corporates - Purchased receivables	-	-	-	-	-
Retail	730,154	288,472	762,211	320,530	320,530
Of which: Retail - Qualifying revolving	-	-	-	-	-
Of which: Retail - Purchased receivables	-	-	-	-	-
Of which: Retail - Other	437,354	-	466,476	-	288,472
Of which: Retail - Secured by residential real estate	292,799	-	295,736	-	-
Categorised as secured by immovable properties and ADC exposures in SA	-	700,442	2,936	700,442	700,442
Collective investment undertakings (CIU)	-	-	-	-	-
Categorised as exposures in default in SA	-	12,338	1,043	13,381	13,381
Categorised as subordinated debt exposures in SA	-	-	-	-	-
Categorised as covered bonds in SA	-	4,942	-	4,942	4,942
Categorised as claims on institutions and corporates with a short-term credit assessment in SA	-	-	-	-	-
Others	-	94,756	148,620	148,620	148,620
Total	**1,538,611**	**1,556,157**	**1,762,403**	**1,741,065**	**1,682,257**

Table 23: Comparison of modelled and standardised risk weighted exposure amounts at asset class level (CRR Art. 438 (d, da), EU CMS2 (EU) 2024/3172)

Capital buffers

DISCLOSURE REQUIREMENTS Art. 440 CRR

Erste Bank Hungary calculates countercyclical buffer requirements at consolidated level in accordance with Title VII, Chapter 4 of Directive 2013/36/EU (CRD IV). A number of jurisdictions (e.g.: Hungary, Germany, Romania, Czech Republic, etc.) applied countercyclical buffer rates of more than 0%, resulting in an overall countercyclical buffer rate for the Bank of 1.0025%.

Tables below set out the geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer as well as the institution-specific countercyclical buffer rate for the Bank. The disclosure follows templates prescribed by Commission Delegated Regulation (EU) 2024/3172 with regard to implementing technical standards for the public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013.

in HUF million or %	
Total risk exposure amount	2,444,786
Institution specific countercyclical capital buffer rate	1.0025%
Institution specific countercyclical capital buffer requirement	**24,508**

Table 24: Amount of institution-specific countercyclical capital buffer (Art. 440 (b) CRR, EU CCyB2 (EU) 2024/3172)

in HUF million	General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
Breakdown by country:													
Czech Republic	58	1	-	-	-	59	5	-	-	5	59	0.00%	1.25%
Slovakia	12	1	-	-	-	13	1	-	-	1	14	0.00%	1.50%
Sweden	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.00%
Norway	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.50%
United Kingdom	260	-	-	-	-	260	21	-	-	21	259	0.01%	2.00%
France	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.00%
Denmark	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.50%
Luxembourg	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.50%
Belgium	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.00%
Germany	169	49,749	-	-	-	49,918	925	-	-	925	11,562	0.60%	0.75%
Romania	-	402	-	-	-	402	20	-	-	20	249	0.01%	1.00%
Croatia	-	23,149	-	-	-	23,149	1,166	-	-	1,166	14,571	0.76%	1.50%
Netherlands	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.00%
Hungary	182,122	2,413,500	-	-	294,685	2,890,307	146,767	-	3,662	150,429	1,880,364	98.39%	1.00%
Cyprus	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.00%
Spain	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.50%
Greece	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.25%
Poland	619	-	-	-	-	619	50	-	-	50	619	0.03%	1.00%
Russia	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.50%
Other countries	1,682	224	-	-	-	1,906	272	-	-	272	3,397	0.18%	0.00%
Total	**184,922**	**2,487,026**	**-**	**-**	**294,685**	**2,966,633**	**149,227**	**-**	**3,662**	**152,889**	**1,911,094**	**1.00%**	

Table 25: Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer (CRR Art. 440 (a) CRR, EU CCyB1 (EU) 2024/3172

Indicators of Global Systemic Importance

DISCLOSURE REQUIREMENTS Art. 441 CRR

EBH is not identified as a global systemically important institution (G-SII) in accordance with Art. 131 CRR. Therefore, the disclosure referred to in Article 441 CRR is not relevant.

Leverage

Leverage ratio

DISCLOSURE REQUIREMENTS Art. 451 (1) (a) CRR

The leverage ratio represents the relationship between Tier 1 capital and the leverage exposure pursuant to Article 429 CRR, more specifically the Delegated Regulation (EU) 2015/62 with regard to leverage ratio (Delegated Act) of 10 October 2014, which was published in the Official Journal of the European Union on 17 January 2015. Essentially, the leverage exposure represents the sum of unweighted on-balance sheet and off-balance sheet positions considering valuation and risk adjustments as defined in the Delegated Act.

The leverage ratio for Erste Bank Hungary at consolidated level amounted to 9.55%, comfortably above the 3% minimum requirement. The Regulation (EU) 2019/876 (Capital Requirements Regulation - CRR2) amending Regulation (EU) No 575/2013, with the application date 28th June 2021, set the Tier 1 capital-based leverage ratio requirement at 3% for all EU banks as per the EBA's recommendation (Article 92 (1) (d)). The ratio is calculated on period-end values for both leverage exposure and Tier 1 capital, with the Tier 1 capital based on phased-in CRR definitions, i.e. including transitional provisions. The Bank reports development of the consolidated leverage ratio to the top management on a quarterly basis.

Leverage exposure breakdown and reconciliation

DISCLOSURE REQUIREMENTS Art. 451 (1) (a) (b) (c) CRR

Erste Bank Hungary discloses its CRR leverage ratio in accordance with the Commission Implementing Regulation (EU) 2024/3172 which specifies implementing technical standards for the disclosure of the leverage ratio.

in HUF million	Applicable amount
Total assets as per published financial statements	5,239,892
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	14,397
(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
Adjustment for eligible cash pooling transactions	-
Adjustment for derivative financial instruments	11,557
Adjustment for securities financing transactions (SFTs)	(746)
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	320,707
(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
Other adjustments	(26,624)
Total exposure measure	**5,559,183**

Table 26: Reconciliation of accounting assets and leverage ratio exposure (CRR Art. 451 (1) (b), EU LR1-LRSum (EU) 2024/3172)

in HUF million	CRR leverage ratio exposures	
	2025	2024
On-balance sheet exposures (excluding derivatives and SFTs)		
On-balance sheet items (excluding derivatives, SFTs, but including collateral)	5,213,622	4,958,875
Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
(General credit risk adjustments to on-balance sheet items)	-	-
(Asset amounts deducted in determining Tier 1 capital)	(35,922)	(27,914)
Total on-balance sheet exposures (excluding derivatives and SFTs)	**5,177,700**	**4,930,961**
Derivative exposures		
Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	19,255	44,477
Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	35,440	45,940
Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
Exposure determined under Original Exposure Method	-	-
(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	-
Adjusted effective notional amount of written credit derivatives	-	-
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
Total derivatives exposures	**54,695**	**90,417**
Securities financing transaction (SFT) exposures		
Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	6,827	63
(Netted amounts of cash payables and cash receivables of gross SFT assets)	(1,063)	36,660
Counterparty credit risk exposure for SFT assets	317	983
Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
Agent transaction exposures	-	-
(Exempted CCP leg of client-cleared SFT exposure)	-	-
Total securities financing transaction exposures	**6,081**	**37,706**
Other off-balance sheet exposures		
Off-balance sheet exposures at gross notional amount	1,316,850	884,846
(Adjustments for conversion to credit equivalent amounts)	(996,143)	(631,706)
(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	-	-
Off-balance sheet exposures	**320,707**	**253,140**
Excluded exposures		
(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-	-
(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
(Excluded guaranteed parts of exposures arising from export credits)	-	-
(Excluded excess collateral deposited at triparty agents)	-	-
(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
(Reduction of the exposure value of pre-financing or intermediate loans)	-	-

in HUF million	CRR leverage ratio exposures	
	2025	2024
(Excluded exposures to shareholders according to Article 429a (1), point (da) CRR)	-	-
(Exposures deducted in accordance with point (q) of Article 429a(1) CRR)	-	-
(Total exempted exposures)	**-**	**-**
Capital and total exposure measure		
Tier 1 capital	531,111	520,785
Total exposure measure	**5,559,183**	**5,312,224**
Leverage ratio		
Leverage ratio (%)	9.55%	9.80%
Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	9.55%	9.80%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	9.55%	9.80%
Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
of which: to be made up of CET1 capital	0.00%	0.00%
Leverage ratio buffer requirement (%)	0.00%	0.00%
Overall leverage ratio requirement (%)	3.00%	3.00%
Choice on transitional arrangements and relevant exposures		
Choice on transitional arrangements for the definition of the capital measure		
Disclosure of mean values		
Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	18,305	192,370
Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	5,764	36,723
Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5,571,724	5,467,871
Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5,571,724	5,467,871
Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	9.53%	9.52%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	9.53%	9.52%

Table 27: Leverage ratio common disclosure (CRR Art. 451 (1) (b) (c) 451 (2) 451 (3), EU LR2- LRCom (EU) 2024/3172)

The following table provides a breakdown of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures) by exposure class.

in HUF million	CRR leverage ratio exposures
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	**5,213,622**
Trading book exposures	228,970
Banking book exposures, of which:	4,984,652
Covered bonds	-
Exposures treated as sovereigns	1,492,431
Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	6,543
Institutions	633,968
Secured by mortgages of immovable properties	382,946

in HUF million	CRR leverage ratio exposures
Retail exposures	921,389
Corporates	1,019,876
Exposures in default	16,023
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	511,476

Table 28: Split-up of on-balance sheet exposures (CRR Art. 451 (1) (b), EU LR3- LRSpl (EU) 2024/3172)

Management of the risk of excessive leverage

DISCLOSURE REQUIREMENTS Art. 451 (1) (d) CRR

Regulating processes used to manage excessive leverage are covered by EBH's internal regulations. The determination of capital targets are part of strategic planning process. However, the mid- and long-term strategic plans comprise high-level guidelines in respect to the required capital level, the direct targets and limits are defined by Risk Appetite Statement (RAS) (e.g. CET1 ratio, Own funds ratio, leverage ratio). During the top-down analysis the first factor is the consideration of external stakeholders' opinion while the bottom-up analysis validates the initial targets. The analyses include also the sub-ratios (e.g. CET1 ratio). The Bank uses similar processes to manage the risk of leverage. Leverage ratio is regularly monitored. Leverage ratio limits and triggers are also defined in the RAS. If the ratio reaches the early warning signs, the Bank takes steps to manage the risks arising from the size of the leverage ratio and draws the management's attention.

Factors influencing the development of leverage exposure

DISCLOSURE REQUIREMENTS Art. 451 (1) (e) CRR

Accordance to the Article 451 (1) e) of CRR the Bank disclose that its leverage ratio has not changed significantly in 2025, which exceeds both the regulatory and the internally accepted levels. The leverage ratio changed from 9.80% at the end of 2024 to 9.55% at the end of 2025.

Credit risk quality

Goals and principles of risk management

DISCLOSURE REQUIREMENTS Art. 435 (1) (a) (b) (c) (d) (f) CRR

Credit risk arises in the traditional lending and capital market business and includes losses incurred due to the default of a borrower or the impairment of a credit exposure due to the downgrading of a debtor. Country risk is implicitly considered when assessing credit risk. Credit risk is a fundamental risk for banks, meaning that there is a possibility that borrowers are unable to repay the loan and interest at maturity, or do not pay at all. Lending is one of the core activities of Erste Bank Hungary.

Credit risk related to retail, corporate, municipality, real estate and project loan portfolios are managed to ensure regulatory compliant risk management practices and to provide customers with manageable loan facilities that are within their financial capacities.

The special risk policies and rules of procedures:

- retail customers are regulated by the Retail Risk Procedure;
- SMEs and large corporations are regulated by the Corporate Risk Policy and Corporate risk taking approval authorities policy
- municipalities are regulated by the Municipality Risk Policy
- real estate and project transactions are regulated by the Real Estate Financing Policy

Quantitative portfolio limits and qualitative risk principles are defined to ensure that the risk profile remains in line with the risk strategy. Moreover, the Bank's risk management ensures that any new products or change in lending criteria are in line with the group-wide lending framework requirements and are adequately supported by the existing risk infrastructure. Erste Bank Hungary also ensures that the local environment (market, competitive, economic, political, and legal/regulatory) is appropriately addressed. A management summary of the key developments is distributed at least quarterly to senior management and key decision makers.

Credit risk in retail lending arises from the probability that customers may fail to settle their financial obligations as stipulated by the contractual terms. Managing credit risk in retail involves dealing with a large number of relatively small exposures extended to private individuals, independent/free professionals, entrepreneurs or to micro companies in line with the Basel definitions. These exposures can be clustered into different risk segments with similar characteristics based on their rating and/or payment behaviour and treated accordingly by applying a rule-based approach. Credit risk related to retail loan portfolios is managed at the Group and local entity level as well 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 supported by underlying profitability.

At the Group level, retail credit risk is managed by the Group retail lending framework that sets out specific risk management policy requirements. All local entities engaged in lending activities must comply with these requirements. In addition, a standardised retail risk specific reporting platform is in place throughout the Group. This ensures that loan portfolio dynamics can be monitored and analysed regularly, identifying potential adverse developments early on and developing targeted mitigating actions.

Erste Hungary develops its local lending strategy in which input from local risk management plays a key role. Local retail risk management supports the local business lines by identifying which customer segments should be in focus in terms of new lending initiatives. Moreover, local retail risk management ensures that any new products or changes in lending criteria are in line with the Group lending framework requirements and are adequately supported by the existing risk infrastructure. Local risk management also has the primary responsibility for ensuring that country-specific know-how is incorporated into risk management practices and that implications of the local environment (market, competitive, economic, political and legal/regulatory) are appropriately addressed.

The Risk Strategy sets Credit Risk Management Principles to ensure sound risk management and responsible banking in retail and corporate lending. For corporate clients, Erste Hungary sets quantitative credit risk portfolio limits and qualitative risk principles to ensure that the credit risk profile remains in line with the Risk Strategy. Further, Credit Risk Portfolio derives limits based on the credit risk strategy and on portfolio considerations for industries, countries, single clients / client groups and products. These are established to manage credit risk concentration and align the portfolio composition to the relevant approved business and risk strategies and the related documents (policies and procedures). For single clients, the business and risk strategies are defined jointly by business and risk managers. The underlying principle is to ensure that lending activities towards a single client / client group are compliant with the maximum rating-based credit limit, are based on expert opinions and analyses and involve relevant cross-functional support from other departments. In addition, peer group analyses and information from industry insights, where available, are used to identify industry consolidation trends early on and to adjust the business and risk strategies accordingly.

No transaction can be executed without prior approval by credit risk management in accordance with the procedural requirements and explicitly delegated approval authorities. No credit decision is taken without a thorough assessment of the industry each borrower operates in, its risk profile, repayment capability and the assignment of an internal rating.

Collateral and credit enhancements are evaluated pursuant to internally defined rules. Depending on a rating grade, purpose and tenor, risk-bearing products are protected against losses by stipulating adequate collateral that is fully and indisputably legally enforceable and sufficiently documented for the bank. Nevertheless, collateral and credit enhancements can never substitute repayment capability.

The credit monitoring process is used to ensure consistency between the credit decision and the loan agreement, and to monitor the fulfilment of contractual obligations of a client. The process encompasses pre-drawn checks (i.e. fulfilment of all conditions precedent and other contractual conditions) and ongoing monitoring (i.e. fulfilment of conditions subsequent and operationalised covenants). 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. When risk relevant early warning signals are identified, adequate risk mitigating actions are taken.

ORGANISATION

Corporate Risk Management is the operative risk management function covering underwriting, portfolio management and workout activities for the non-retail portfolio (medium-sized enterprises, large corporate and real estate customers, corporate finance, institutional clients and counterparties, sovereigns and countries). Corporate Risk Management is the first line risk management for business booked in Erste Bank Hungary. Furthermore, it is responsible for Workout activities (workout assignments and workout reports for defined clients, preparation of scenarios for calculation of provisions) and preparation of business analysis of clients and peer group analysis for selected core industries.

Retail Risk and Workout Management is the operative risk management function responsible for defining a framework for underwriting, portfolio management and Collection (Early and Late) activities for the retail business (private individual and micro customers).

Retail Risk and Workout Management and Corporate Risk Management are responsible for setting standards and steering the retail and non-retail lending portfolios, including defining the lending and portfolio analytical framework as well as operating lending policies, credit decision-making process, early warning system, NPL steering and credit monitoring requirements for the portfolio. It ensures that only credit risk that is in line with the risk appetite, the risk strategy and limits set by Strategic Risk Management is taken on the books of Erste Bank Hungary. Furthermore, they conduct regular in-depth portfolio reviews to understand portfolio dynamics and identify potential adverse portfolio developments early on.

Both units, Corporate Risk Management and Retail Risk and Workout Management, report directly to the Chief Risk Officer (CRO) of the Management Board of Erste Bank Hungary.

Retail Risk and Workout Management and Corporate Risk Management are represented in several relevant governance committees.

As third line of defence, Internal Audit ensures an independent and objective view and assurance of credit risk management activities.

RISK MEASUREMENT AND CONTROL

For retail clients, robust end to end lending standards are in place. Prior to granting a loan, in depth analysis on the client's repayment capacity is performed in view of the risk-return trade-off supported by clients' rating. Loans can only be granted if the repayment capacity of the borrower is sufficient to service the regular repayments. Risk-adjusted pricing ensures a balanced relationship between risk and return. Once loans are granted, clients and portfolios are monitored based on implemented Early warning and Early collection frameworks. In case of adverse developments clients are serviced by the Collection units.

For non-retail clients, the creditworthiness and repayment capacity are determined via in-depth financial analyses and individual rating, based on the clients' financials, projections, industry analyses and assessments of the clients' business model. Defined lending standards apply, and credit decisions are taken in line with the currently valid internal credit risk approval authority rules. In case a new transaction deviates from some of the principles and rules regulated in the applicable credit lending policies, this must be explicitly highlighted in the credit application, justified with sound and concrete arguments and approved by the competent approval authorities. Counterparty limits are set towards a single client / client group and monitored on a daily basis to ensure that the credit risk remains within the approved limits. For each single client / client group a credit review is performed at least once a year. In addition, EWS framework is established group-wide and early warning signals are regularly monitored to timely recognise adverse developments and immediately take appropriate mitigating actions. Workout units are responsible for defined clients according to the bank´s policies with the aim to minimize potential losses.

Credit risk reports are prepared on a regular basis and contain relevant information for the risk management committees, Management Board and Supervisory Board. These reports inform about development of the credit portfolios in all segments and provide detailed risk-relevant information on customers at risk of default or already defaulted. These reports, building on up-to-date portfolio monitoring techniques (vintage analysis, delinquency trends, segment analyses, correlation analysis, etc.) show the key drivers behind specific portfolio developments. The report covers new loan bookings as well as the main developments (e.g. including FX share trends, interest rate fixation information, Loan-To-Value and debt burden information) in the existing portfolio. In case of the non-retail customers, the report includes information on rating and industry segmentation, debt and collateral coverage, etc.

To further manage credit risk concentration in the portfolio, limits are also set on products, industries and countries, are regularly monitored and reported. These reports also include specific monitoring metrics that provide an early warning signal for adverse developments of, e.g. portfolio quality (client, segment, countries and industries) and risk drivers. In instances where certain risk portfolios or single clients / client groups are identified as potentially in distress, these are closely monitored by the dedicated risk functions to manage the risk impact and to develop effective strategies to minimize potential losses. This process facilitates early risk detection and reaction. In addition, these reports serve as the basis for reviewing the credit lending standards and the risk strategy.

A management summary of the key developments is distributed at least quarterly for retail and semi-annually for non-retail clients to senior management and key decision makers.

It is the interest of Erste Bank Hungary not to put customers into a position in which they are no longer able to meet their contractual obligations. This also includes the principle of matching the term of the debt to the object financed, in particular, as regards the relationship between operating output, cash flow, repayment capability and financing need; the recoverability of the loan and its use must be plausible and verifiable. Generally, financing in local currency is given preference, especially if the customer does not have any income in foreign currency. Interest rate hedging is provided where deemed necessary or risk is explicitly covered by buffers in repayment capacity of clients. Erste Bank Hungary has established clear policies with respect to FX lending.

Erste Hungary strictly follows a cash-flow based corporate lending approach. Any financing is based on a corporate client's ability to generate future cash-flows. Lending based exclusively on collateral is avoided as collateral only serves to reduce potential losses caused by unexpected cash-flow shortfalls. All corporate lending activities (including leverage financing) are regulated by the lending policies, prescribing limits and minimum requirements.

RISK MITIGATION

Erste Bank Hungary has implemented a sound risk management framework for identification, assessment, monitoring and mitigation of credit risks, including policies and procedures for credit application and approval process, fraud prevention, early warning and credit monitoring, collateral management, risk materiality assessment and determination of controls to mitigate the material risks in the credit process.

Apart from economic creditworthiness, the provision of collateral is a central element of risk mitigation and is particularly important for specialised lending. However, collateral is no substitute for lacking creditworthiness. The eligibility of collateral is determined in accordance with the bank's internal collateral catalogue. The Bank checks the existence of the collateral, their real value and enforceability, and continuously monitors them during the period of risk. Non-collateralised portions of debt are usually not accepted for new customers below a certain credit quality as expressed by rating grades. In addition, risk mitigation for retail and non-retail clients is based, above all, on prudent lending criteria.

In non-retail lending Maximum and Operative Lending Limit framework is established to proactively manage and limit single client / client group concentrations and to ensure monitoring, reporting and steering of single client / client group concentrations in line with the approved Risk Appetite Statement and Risk Strategy. This framework is operationalized and applied in the credit application and approval process.

Lending Principles of Erste Bank Hungary need to be adhered to for financing clients / client groups. Any deviation needs to be addressed specifically towards the designated approval authority. All clients are considered in a rating process. In such cases, the group rating and the "corporate ceiling" are taken into account. Beyond a predefined exposure level, single clients / client groups are classified as limit relevant customers. In such cases a limit based on the risk appetite is determined in the respective limit application.

In retail lending, the debt-to income, debt service-to-income and loan-to-value ratios have to be limited to a level that allows for a sufficient buffer in case of stressed conditions. Furthermore, FX loans (i.e. loans that are at least partially receivable in currencies other than the legal tender of the country in which the borrower is domiciled) are not allowed – except for the following:

- customers have a natural hedge (i.e. no FX risk involved);
- the loan is fully secured with matching currency liquid collateral;
- explicitly approved loan share in the Risk Strategy.

Retail and non-retail customers experiencing financial difficulties are managed by Collection and Workout units. These units proactively support customers with payment difficulties as appropriate by applying different collection and workout strategies to maintain a healthy portfolio, increase recoveries and save costs.

Definition of past due, substandard, defaulted, impaired and forbearance

DISCLOSURE REQUIREMENTS Art. 442 (a) CRR

Erste Hungary's ongoing assessment of the customers' capacity to fulfil their obligations is carried out using a large number of risk management instruments. This includes the constant monitoring of Erste Hungary's portfolio of past due, substandard and defaulted exposures.

Past due

In the case of payments in arrears, payments are considered past due as of the date when the borrower exceeded an approved credit limit, or the borrower was advised of a lower limit than the current outstanding, or drew on an unauthorised credit facility, or did not make a contractually agreed payment in due time, and the amount concerned is significant. Unpaid credit card debt is deemed past due from the earliest due date.

'Day past due' (hereinafter DPD) count starts at the first overdue day of the account. The client level DPD is the maximum of the DPD's of the accounts for all segments (Retail, Non-retail) and products, and processes (early collection, default recognition etc.). In case of overdrafts, DPD counting starts when the client breaches the overdraft limit.

In case of credit payment moratorium DPD is frozen on contractual level.

Substandard

The borrower is vulnerable to short-term negative financial and economic developments and shows an elevated probability of failure. In some cases, restructuring measures are possible or already in place. As a rule, such loans are managed in specialised risk management departments.

Defaulted

Since October 2019 Erste Hungary has implemented the new definition of default, to comply with the EBA Guidelines on the application of the definition of default under Art.178 of CRR 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 impact of the change in the definition of default is considered immaterial for Erste Bank Hungary.

The definitions of non-performing and default are aligned within Erste Hungary (and within Erste 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 100 EUR and relative 1% on client level;
- non-retail exposure: as an absolute limit on client level of 500 EUR and relative 1% on client level.

Impaired

Credit-impaired is defined as the occurrence of one or more events that have a detrimental impact on the estimated future cash flows of a financial asset.

Implementation of IFRS 9 Financial instruments standard as of 1 January 2018 led to harmonization of defaulted and impaired definitions in EBH. An impairment relevant financial instrument is credit-impaired if the customer is in default; internal rating "R" is assigned. This means that all impairment relevant financial instruments of a defaulted customer are credit-impaired. If a customer is upgraded to a non-defaulted rating grade, then all his impairment relevant financial assets will not be credit-impaired any longer. Exposure of clients in R1-R5 non-performing status is categorized as impaired.

Methods for impairment calculation:

According to the IFRS 9 there are three main stages outlined for expected credit loss (ECL) determination for credit risk exposures which are measured at amortised cost (AC) or at fair value through other comprehensive income (FVTOCI):

- Financial instruments that are not credit-impaired at date of reporting and were not credit-impaired at their initial recognition belong to Stage 1. Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 month.
- If a significant increase in credit risk (SICR) since initial recognition is identified at a financial instrument that were not credit-impaired at their initial recognition and is not yet deemed to be credit-impaired, then the financial instrument is moved to Stage 2. Instruments in Stage 2 have their ECL measured based on expected credit losses on a lifetime (LT) basis.
- If the financial instrument is credit impaired at the reporting date but was not credit impaired at initial recognition, the financial instrument is then moved to Stage 3. Instruments in Stage 3 have their ECL measured based on credit losses expected in case of default event.
- Purchased or originated credit-impaired (POCI) financial instruments are those financial instruments that are credit-impaired on initial recognition. Their ECL is always measured on LT basis.

To recognise credit risk deterioration the Bank uses both qualitative and quantitative information both on deal and client level. The Bank may move a financial asset from Stage 1 to Stage 2 using so called portfolio level management overlay considering segment of industrial activity. Such an overlay is registered on individual exposure level.

Exposures are classified as individually significant if the total on- and off-balance exposure to the borrower exceeds a predefined materiality limit (HUF 50 million). Otherwise, the exposure to the customer is considered to be individually insignificant. ECL is calculated individually for each exposure of individually significant non-performing customer and collectively otherwise.

The individual calculation approach consists of 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 (credit-adjusted effective interest rate in case of POCI).

Under the collective approach, credit loss allowances (CLA) are calculated based on probability of default (PD), estimated exposure at default, loss given default (LGD), and in case of off-balance items, the credit conversion factor (CCF) taking into consideration the Bank’s macroeconomic expectations.

Credit loss allowance – both in individual approach and rule-based approach (through the parameters) – is calculated based on different exit strategies (auction, restructuring, cure), taking into consideration their probability of success and recovery ratios.

Restructuring and Forbearance

Restructuring means contractual modification of any of the customer’s loan repayment conditions or refinancing the existing loan. Restructuring can be initiated by the Bank or by the customer. It could consist of installment reduction, tenor extension, interest reduction or forgiveness, principal reduction or forgiveness, revolving exposure change to installment and/or other contractual modifications.

Within restructuring, ‘forbearance’ refers to those cases when the modification happened due to the customer is being in financial difficulty and the restructuring deal resulted favorable conditions for the customer. A borrower is in financial difficulties if any of the following conditions are met:

- more than 30 days past due on any accounts of the customer in the past 3 months;
- the customer would be 30 days past due or more without receiving forbearance measure;
- 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, the financial situation is deteriorated, the probability of default increased;
- the customer is under active workout treatment;
- any negative information about the customer.

Forbearance measures are the following:

- modification or 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 or 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 Bank;
- activation of embedded forbearance clauses of the contract;
- any waiver of a material financial or non-financial covenant for a client.

Both performing and non-performing clients may require restructuring, and during the restructuring period the exposure may deteriorate into non-performing status or, conversely, improve from it.

The performing forbearance classification can be discontinued and the account can become a performing 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 (monitoring or 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 monitoring or probation period (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 retail and non-retail segments;
- 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 needed (second restructuring);
- the customer becomes more than 30 days past due on a probation forbearance exposure (probation forbearances are performing forbearances which upgraded from non-performing forbearances status);
- 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:

- at least one year has passed from the latest of the following events:
    - the moment of extending the restructuring measure;
    - the moment when the exposure has been classified as defaulted;
    - the end of the grace period included in the restructuring agreement.
- the forbearance has not led the exposure to be classified as non-performing;
- the customer is not classified as defaulted according to the definition of default;
- retail customers: the customer has demonstrated the ability to comply with either of the following conditions:
    - the customer has never been more than 30 days past due during the 12 months prior to the reclassification and there is no delinquent amount;
    - the customer has repaid the full past due amount or the written-off amount (if there were any).

- corporate customers: significant amount has been paid in regular repayments, analysis of financial development that leaves no concern about future compliance with post-forbearance terms and conditions. Furthermore, the customer has never been more than 30 days past due during the 12 months prior to the reclassification and there is no delinquent amount.

Credit risk adjustments

DISCLOSURE REQUIREMENTS Art. 442 (b) CRR

The following paragraphs provide a description of the approaches and methods adopted for determining value adjustments and credit risk adjustments.

EXPECTED CREDIT LOSS MEASUREMENT

The general principles and standards for credit loss adjustment calculation are governed by internal policies in Erste Hungary. According to IFRS 9, credit loss adjustments 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 adjustments 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

The stages approach applies to financial instruments within the scope of the impairment requirements of IFRS 9 supplemented with category of purchased or originated credit impaired financial assets (POCI). Depending on the impairment status and the assessment of the development of credit risk, these financial instruments are assigned to one of these four stages.

Stage 1 includes financial instruments that were not credit-impaired at initial recognition, and are not credit-impaired at reporting date, without a significant increase in credit risk (SICR) since initial recognition. Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months.

Stage 2 includes financial instruments that were not credit-impaired at initial recognition, and are not credit-impaired at reporting date, with a significant increase in credit risk since initial recognition. In Stage 2, the credit loss adjustments are calculated as lifetime ECL. 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.

Stage 3 includes financial instruments that are credit-impaired at the reporting date but were not credit-impaired at initial recognition. In principle, a financial instrument becomes credit-impaired when the customer defaults. The default definition applied in Erste Hungary has been developed in accordance with EBA/GL/2016/07 ‘Guidelines on the application of the definition of default under Article 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 definition specifies the rules for default contagion across groups of connected clients and clarifies the concept of technical default. Erste Hungary generally applies a customer view in applying the default definition, which leads to an impairment of all claims of the borrower 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 the total exposure ceases to be impaired. In stage 3, credit loss adjustments are calculated as lifetime ECLs.

POCI includes financial instruments that were credit-impaired at initial recognition, irrespective of whether they are still credit-impaired at the reporting date. Expected credit losses against POCI exposures are always calculated on a lifetime basis (cumulative changes in lifetime ECL since initial recognition) and are reflected in the credit-adjusted effective interest rate at initial recognition. As a result, no credit loss adjustment is recognised at inception. Subsequently, only adverse changes in lifetime expected credit losses after the initial recognition are recognised as loss adjustment, whilst favourable changes are recognised as impairment gains increasing the gross carrying amount of the POCI financial assets.

Pursuant to Commission Delegated Regulation (EU) No 183/2014 in connection with EBA/RTS/2013/04, all credit risk adjustments are treated as specific credit risk adjustments in COREP.

Erste Hungary regularly reviews its expected credit risk adjustments. These exercises include the parameters and methodologies used in the credit risk adjustment calculation. Adjustments can take place in the context of specific reviews (cash flow assessment in case of individually assessed credit risk adjustments), routine maintenance of parameters (such as regular calibration) or in the case of specific events (e.g. improved knowledge about recovery behaviour, back-testing results).

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 recognized 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).

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 life-time probability at default (LT PD) and annualised LT PD value at initial recognition, considering remaining maturity of the instrument. Cumulative LT PD comparison can be used for simplification according to Erste Hungary methodology; however, such approach is rarely used. 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 and client rating level for each consolidated entity, as necessary, and are subject to initial and on-going validation.

Erste Hungary has not significantly recalibrated relative thresholds since IFRS 9 implementation. They are generally kept stable as one of the most significant estimates in ECL measurement. Validation finding or significant change of PD models may lead to thresholds' recalibration. Such a recalibration was performed in 2024 for private individuals in line with the change of related PD model.

The absolute threshold refers to difference of annualised LT PD on initial recognition and current annualised LT PD. This threshold was set in 2024 from 60 bps to 50 bps aligning group-wide value. It serves as a backstop for migrations between the best ratings (LT PDs considered for remaining maturity). In such cases, relative thresholds may be breached, however overall LT PD is very low, and therefore SICR is not triggered.

Qualitative criteria. Qualitative SICR indicators include forbearance-type flags (identification of regulatory forbearance), work-out transfer flags (when the account starts being monitored by the work-out department), 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.

Erste Bank Hungary Zrt. has introduced additional portfolio level SICR assessment criteria due to the war in Ukraine (implemented in 2022) and related economic impacts. Performing customers with increased credit risk at industries with correlation to economic downturn (cyclical industries) or current distortions in the energy market were transferred to Stage 2. This method was refined so performing customers with risk profiled associated with increased credit risk according to internal risk management processes are transferred to Stage 2 from November 2024 on. For more details on these portfolio level SICR assessment criteria refer to ‘Collective assessment’ in chapter in the next chapter.

Backstop. A backstop is applied, and the financial instruments are considered to have experienced a SICR if the borrower is over 30 days past due by more than 1000 forint on contractual payments. As observed during validation, this does not represent a major trigger for Stage 2 classification.

GROUPING OF INSTRUMENTS AND CALCULATION OF CREDIT RISK ADJUSTMENTS

Credit loss adjustments 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).

A defaulted customer is classified as individually significant if the total on- and off-balance exposure exceeds a predefined materiality limit. Otherwise, the exposure to the customer is considered individually insignificant and a rule-based (collective) approach is used for the calculation of the related credit loss adjustment 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 adjustments are calculated according to a rule-based approach irrespective of the individual significance of the exposure to the customer. The calculation of collective adjustments requires grouping the related exposures into homogenous clusters based on 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, and credit rating band.

The calculation of credit loss adjustments is done on a monthly basis on a single exposure level and in the contractual currency of the exposure. To compute the collective credit loss adjustment, Erste Hungary applies an expected credit loss (ECL) model based on a three-stage approach that leads to either a 12-month ECL or to a lifetime ECL. ECL is the discounted product of exposure at default (EAD) that also includes a credit conversion factor in the case of off-balance sheet exposures, probability of default (PD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of a borrower defaulting on its financial obligation (per definition of default below), either over next 12 months (1Y PD) for Stage 1 exposures or over the remaining lifetime (LT PD) for Stage 2 and 3 and POCI exposures.
- EAD is based on the amounts Erste 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 Erste 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 from initial recognition through the lifetime of the loans. It is assumed to be the same across all assets in the same portfolio and 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 for private and micro products is estimated as a lifetime curve for any point in time till maturity, based on historical loss observations. In case of corporate, specialized lending and project finance products LGD parameter is a function of exposure and collateral coverage rate.

The risk parameters used in the ECL calculation consider all relevant available information available at the reporting date, about including past events, current conditions and forecasts on future economic trends' development. In general, the risk parameters applied in the calculation of collective allowances differ from the risk parameters used for capital requirement purposes, which are determined on a through-the-cycle basis if the characteristics of the respective portfolio in combination with IFRS requirements necessitate such divergence. Nevertheless, the approach to modelling and selecting the estimation sample for the risk parameters remains harmonized across the Group.

Within Erste Group, risk parameters are reviewed regularly, at least once per year. The only exception is the forward-looking information (FLI) review, which is typically performed at least semi-annually.

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 weights of scenario outcome, as a deviation from baseline forecasts. The baseline forecasts are, with a few exceptions, internally determined by Erste Hungary. Given multiple scenarios, the 'neutral' PDs (and, with a few exceptions, also LGDs) are adjusted using macro models that link relevant macroeconomic variables with risk drivers. The same macro-shift models as for external and internal stress test are used. Forward-looking information is incorporated for first three years of ECL measurement. Measurement of the parameters for the remaining lifetime returns to through-the-cycle observations immediately in year four.

Thus, the unbiased scenario weighted ECL considering FLI is derived using the weights representing the outcome of each macroeconomic scenario. Typical macroeconomic variables may include real gross domestic product, unemployment rate, inflation rate, production index as well as market interest rates. The selection of variables also depends on the availability of reliable forecasts for the given local market. The main indicator of the estimated economic development and basis for alternative scenario derivation is the GDP. In addition, the ongoing war in Ukraine and continued geopolitical instability in the Middle East remain key drivers of macroeconomic uncertainty in 2026. Erste Hungary adjusted the macro-shift models to reflect expected effects of those into credit risk parameters.

Macro-shift FLI models are recalibrated regularly to reflect the most relevant macro-variables. Variables with the highest statistical relevance are included.

In case of central model for Group (Large) Corporates, Erste Group (dedicated central units) is responsible for the PD review including the FLI component which is structured on the country of risk distinguishing the macro development in the different countries.

In June 2025, the FLI shifts were reviewed. Based on the assessment of exit triggers, it was decided to remove the comprehensive stress test (CST) scenario from downside scenario modelling. It was concluded that downside risk is already considered in GDP outlook. The new parameters were already calculated with this change.

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

Baseline scenario

Erste Group anticipates a slight moderation of Eurozone economic activity in 2026, with GDP-growth forecast to reach 1.1%, following an estimated 1.4% expansion in 2025. Currently, the Eurozone economy continues to deliver solid growth, supported by robust private consumption, benefiting from rising real wages, and by investment activity driven by favourable financing conditions. With increasing competitive pressures from China and the trade barriers imposed by the United States, the outlook for foreign trade remains cautious.

Over the midterm, growth prospects have improved marginally, supported by Germany's announcement of a EUR 500 billion fiscal stimulus programme to be implemented over the next decade, as well as the relaxation of EU fiscal rules to accommodate increased defense spending across Member States. With the deposit rate at 2%, the ECB is considered to have reached the end of the current rate cutting cycle. Risks to the interest rate outlook are now more balanced, compared with the previously prevailing downside bias up to mid-2025. Assuming macroeconomic fundamentals remain stable and financing conditions supportive, no further monetary easing by the ECB is anticipated, while data driven rate cuts are expected from MNB.

Downside risks to the baseline scenario

The key downside risks include 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 about a trade deal between the US and the EU has reduced uncertainty to some extent. 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 and Hungary in light of the ongoing war between Russia and Ukraine. Any disruption in global supply chains could trigger sharp increases in energy prices, potentially forcing the countries 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.

Any 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.

Higher Harmonized Index of Consumer Prices (HICP), particularly in energy-related costs, would reduce disposable income and dampen consumption. Combined with elevated post-pandemic debt levels, rising military expenditures, and expansionary fiscal policies, this may heighten investor concerns about state debt sustainability.

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 other major Eurozone and Hungarian economies, a rebound in German industrial output would likely generate positive spillover effects across the region.

In such an upside scenario, the 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 optimistic scenario to materialise, 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 support rate cut by MNB.

Collective assessment

In December 2025, Erste Bank applied collective staging assessment (industry stage overlays), 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 our portfolio is exposed to.

During 2025, several adjustments were made to the industry stage overlays in line with updates of the 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.
- October - the Real Estate Developers sub-industry was excluded from the overlays due to stable portfolio performance. No deterioration was observed in recent periods, and no adverse developments are anticipated.
- December - the Metals (Iron/Steel) industry category was added to the industry stage overlays following a change in the Bank'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.

Out of the overall credit risk exposure of HUF 5,760 billion (2024: HUF 5,115 billion), portfolio under collective staging assessment (industry stage overlays) represents HUF 17 billion.

Effect on Expected Credit Loss

Exposure in Stage 2 due to the application of the rules for industry overlays stood at 17,190 million forint in December 2025, with additional ECL allocated in the amount of 198 million forint.

As described above, FLI were re-assessed based on the latest macro-scenarios in the fourth quarter of 2025. The Stage 2 exposure due to FLI decreased to 48,613 million forint as of December 2025 (76,211 million forint in December 2024). The decrease of the Stage 2 exposure affected the level of ECL allocated in Stage 2 due to FLI: 8,208 million forint as of December 2025 versus 8,624 million forint as of December 2024.

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 probability weighted scenario, would lead to a decrease of Stage 2 exposure by 1,572 million forint (2024: 13,814 million forint), resulting in an ECL drop by 136 million forint (2024: 693 million forint).

The downside scenario would lead to additional 14,256 million forint of exposure migration to Stage 2 in comparison with probability weighted FLI (2024: 44,415 million forint), resulting in ECL increase of 1,161 million forint (2024: 2,778 million forint).

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.

QUANTITATIVE DISCLOSURE ON CREDIT RISK

DISCLOSURE REQUIREMENTS Art. 442 (c) (d) (e) (f) (g) CRR

In order to present a clear view of the credit risk in the following tables, loans and advances, finance lease receivables, trade and other receivables and debt securities are presented, as well as cash balances with central banks and other demand deposits where relevant. On top of the asset relevant positions, off-balance items are included.

Positions that are not included in following quantitative disclosures are cash on hand, equity instruments and equity investments, derivatives, property and equipment, investment property, intangible assets, investment in joint ventures and associates, current tax assets, deferred tax assets not subject to deduction, assets held for sale and other assets, which in total comprise 4.1% of total balance sheet assets.

In the following tables, detailed split of gross credit exposure, specific credit risk adjustments, accumulated write-offs and collaterals are presented, by the significant balance sheet classes, industries, geographical areas and residual maturity. The gross carrying amount represents carrying amount before adjustment by any loss allowance and negative FV change in case of instruments measured at fair value through profit or loss. The off-balance items are presented in their nominal amount. The accumulated write-offs represent amounts to which institution's rights are not extinguished, even in cases where exposure has been completely derecognised and no enforcement action has been taking place.

in HUF million	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
Cash balances at central banks and other demand deposits	**336,664**	**336,664**	**-**	**-**	**-**	**-**	**(8)**	**(8)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	**2,933,352**	**2,044,703**	**302,857**	**45,199**	**-**	**36,551**	**(24,578)**	**(7,585)**	**(16,985)**	**(29,180)**	**-**	**(24,504)**	**(2,916)**	**2,089,575**	**9,978**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	112,809	112,690	80	3	-	-	(36)	(35)	(1)	-	-	-	-	103,902	-
Credit institutions	317,814	317,814	-	-	-	-	(227)	(227)	-	-	-	-	-	292,080	-
Other financial corporations	158,574	156,859	1,714	8	-	8	(1,246)	(1,228)	(18)	(6)	-	(6)	-	69,983	2
Non-financial corporations	821,818	702,109	119,636	15,479	-	13,144	(7,604)	(3,346)	(4,254)	(8,112)	-	(6,631)	-	522,806	4,836
Of which SMEs	*638,603*	*540,548*	*97,981*	14,649	-	12,468	(6,536)	(2,862)	(3,670)	(7,479)	-	(5,998)	-	456,620	4,818
Households	*1,522,337*	*755,231*	*181,427*	29,709	-	23,399	(15,465)	(2,749)	(12,712)	(21,062)	-	(17,867)	(2,916)	1,100,804	5,140
Debt securities	**1,556,535**	**1,552,322**	**3,993**	**2,300**	**-**	**2,300**	**(800)**	**(621)**	**(179)**	**(1,905)**	**-**	**(1,905)**	**-**	**277,325**	**-**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	1,174,873	1,174,873	-	-	-	-	(300)	(300)	-	-	-	-	-	3,600	-

	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
Credit institutions	301,986	301,986	-	-	-	-	(227)	(227)	-	-	-	-	-	268,031	-
Other financial corporations	6,038	5,819	-	-	-	-	(5)	(5)	-	-	-	-	-	4,189	-
Non-financial corporations	73,638	69,644	3,993	2,300	-	2,300	(268)	(89)	(179)	(1,905)	-	(1,905)	-	1,505	-
Off-balance-sheet exposures	**979,340**	**605,509**	**18,550**	**6,683**	**-**	**1,961**	**(2,303)**	**(1,234)**	**(1,058)**	**(2,600)**	**-**	**(1,424)**		**250,631**	**2,416**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
General governments	47	-	-	-	-	-	-	-	-	-	-	-		-	-
Credit institutions	91,897	91,897	-	-	-	-	(63)	(63)	-	-	-	-		84,141	-
Other financial corporations	45,836	11,857	-	-	-	-	(25)	(25)	-	-	-	-		3,098	-
Non-financial corporations	708,074	375,784	12,305	6,274	-	1,571	(1,364)	(879)	(485)	(2,332)	-	(1,163)		159,998	2,416
Households	133,486	125,971	6,245	409	-	390	(851)	(267)	(573)	(268)	-	(261)		3,394	-
Total	**5,805,891**	**4,539,198**	**325,400**	**54,182**	**-**	**40,812**	**(27,689)**	**(9,448)**	**(18,222)**	**(33,685)**	**-**	**(27,833)**	**(2,916)**	**2,617,531**	**12,394**

Table 29: Credit Risk – Gross credit risk exposure/nominal value, credit risk adjustments, accumulated write-offs and collateral my balance sheet classes (Art. 442 (c) (f) CRR, EU CR1 (EU) 2024/3172)

in HUF million	Net exposure value					
	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
Loans and advances	292,828	253,804	830,798	1,547,360	4	2,924,794
Debt securities	219	339,270	919,752	476,379	-	1,735,620
Total	**293,047**	**593,074**	**1,750,550**	**2,023,739**	**4**	**4,660,414**

Table 30: Credit Risk – Carrying amount of loans and debt securities by residual maturity (Art. 442 (g) CRR, EU CR1-A (EU) 2024/3172)

in HUF million	Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which loans and advances subject to impairment		
			Of which defaulted			
Agriculture, forestry and fishing	55,100	311	311	55,100	(507)	-
Mining and quarrying	225	-	-	225	(1)	-
Manufacturing	214,735	4,891	4,891	214,735	(2,744)	-
Electricity, gas, steam and air conditioning supply	26,402	189	189	26,402	(1,634)	-
Water supply	1,367	3	3	1,367	(8)	-
Construction	30,934	1,950	1,950	30,934	(1,712)	-
Wholesale and retail trade	171,866	4,169	4,169	171,866	(4,284)	-
Transport and storage	30,981	1,456	1,456	30,981	(1,252)	-
Accommodation and food service activities	5,365	703	703	5,365	(267)	-
Information and communication	11,410	159	159	11,410	(224)	-
Financial and insurance activities	11,691	224	224	11,691	(229)	-
Real estate activities	219,443	46	46	219,443	(1,535)	-
Professional, scientific and technical activities	27,263	436	436	27,263	(418)	-
Administrative and support service activities	24,516	708	708	24,516	(796)	-
Public administration and defense, compulsory social security	25	4	4	25	(3)	-
Education	324	3	3	324	(3)	-
Human health services and social work activities	3,251	27	27	3,249	(36)	-
Arts, entertainment and recreation	1,003	169	169	1,003	(37)	-
Other services	1,396	31	31	1,396	(26)	-
Total	**837,297**	**15,479**	**15,479**	**837,295**	**(15,716)**	**-**

Table 31: Credit quality of loans and advances to non-financial corporations by industries (Art. 442 (c) (d) CRR, EU CQ5 (EU) 2024/3172)

in HUF million	Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which subject to impairment			
			Of which defaulted				
On-balance-sheet exposures	**5,056,223**	**47,499**	**47,499**	**4,288,394**	**(54,169)**		**(2,299)**
Hungary	4,996,005	47,316	47,316	4,230,460	(53,907)		(2,299)
Austria	18,426	38	38	18,345	(37)		-
Romania	507	9	9	507	(9)		-
Slovakia	52	4	4	52	(6)		-
Serbia	88	1	1	88	(2)		-
Other countries	41,145	131	131	38,942	(208)		-
Off-balance-sheet exposures	**986,024**	**6,684**	**6,684**			**(4,903)**	
Hungary	972,739	6,679	6,679			(4,891)	
Austria	5,526	-	-			(2)	
Slovakia	79	-	-			-	
Romania	22	-	-			-	
Serbia	2	-	-			-	
Other countries	7,656	5	5			(10)	
Total	**6,042,247**	**54,183**	**54,183**	**4,288,394**	**(54,169)**	**(4,903)**	**(2,299)**

Table 32: Credit quality of exposures by geography (Art. 442 (c) and (e) CRR, EU CQ4 (EU) 2024/3172)

In the tables below past due credit exposure (performing and non-performing) is reported by financial instruments and respective past due bucket.

	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
in HUF million		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
Cash balances at central banks and other demand deposits	**336,664**	**336,664**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	**2,933,352**	**2,924,939**	**8,413**	**45,198**	**25,243**	**4,394**	**5,188**	**4,040**	**4,139**	**360**	**1,834**	**45,199**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	112,809	112,809	-	3	-	-	-	-	-	3	-	3
Credit institutions	317,814	317,814	-	-	-	-	-	-	-	-	-	-
Other financial corporations	158,574	158,569	5	7	-	-	-	-	6	-	1	8
Non-financial corporations	821,818	821,037	781	15,479	12,069	799	685	833	972	21	100	15,479
Of which SMEs	*638,602*	*637,822*	*780*	*14,649*	*11,383*	*799*	*685*	*833*	*829*	*21*	*99*	*14,649*
Households	1,522,337	1,514,710	7,627	29,709	13,174	3,595	4,503	3,207	3,161	336	1,733	29,709
Debt securities	**1,556,535**	**1,556,535**	**-**	**2,300**	**2,300**	**-**	**-**	**-**	**-**	**-**	**-**	**2,300**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	1,174,873	1,174,873	-	-	-	-	-	-	-	-	-	-
Credit institutions	301,986	301,986	-	-	-	-	-	-	-	-	-	-
Other financial corporations	6,038	6,038	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	73,638	73,638	-	2,300	2,300	-	-	-	-	-	-	2,300
Off-balance-sheet exposures	**979,341**			**6,683**								**6,683**
Central banks	-			-								-
General governments	47			-								-
Credit institutions	91,897			-								-
Other financial corporations	45,836			-								-
Non-financial corporations	708,075			6,274								6,274
Households	133,486			409								409
Total	**5,805,892**	**4,818,138**	**8,413**	**54,181**	**27,543**	**4,394**	**5,188**	**4,040**	**4,139**	**360**	**1,834**	**54,182**

Table 33: Credit quality of performing and non-performing exposures by past due days (Art. 442 (d) CRR, EU CQ3 (EU) 2024/3172)

Credit quality of forborne exposures

Credit quality of the forborne exposure is presented in the table below, including information on defaulted and impaired forborne exposure.

in HUF million	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
			Of which defaulted	Of which impaired				
Cash balances at central banks and other demand deposits	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	**6,539**	**14,185**	**14,185**	**13,642**	**(552)**	**(9,956)**	**6,054**	**2,777**
Central banks	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	-	6	6	6	-	(5)	1	1
Non-financial corporations	493	2,915	2,915	2,915	(10)	(1,575)	1,503	1,080
Households	6,046	11,264	11,264	10,721	(542)	(8,376)	4,550	1,696
Debt Securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loan commitments given	**118**	**158**	**158**	**95**	**(9)**	**(67)**	**16**	**16**
Total	**6,657**	**14,343**	**14,343**	**13,737**	**(561)**	**(10,023)**	**6,070**	**2,793**

Table 34: Credit quality of forborne exposures (Art. 442 (c) CRR, EU CQ1 (EU) 2024/3172)

Asset repossession

The table below shows the information on type and value of the collateral obtained by taking possession in exchange of cancellation of debt instrument. The overview consists of repossessed assets in the balance sheet as of December 2025.

in HUF million	Collateral obtained by taking possession	
	Value at initial recognition	Accumulated negative changes
Property, plant and equipment (PP&E)	**-**	**-**
Other than PP&E	**1,103**	**(90)**
Residential immovable property	13	-
Commercial Immovable property	1,090	(90)
Movable property (auto, shipping, etc.)	-	-

in HUF million	Collateral obtained by taking possession	
	Value at initial recognition	Accumulated negative changes
Equity and debt instruments	-	-
Other collateral	-	-
Total	**1,103**	**(90)**

Table 35: Collateral obtained by taking possession and execution processes (Art. 442 (d), EU CQ7 (EU) 2024/3172)

"Value at initial recognition" represents the gross carrying amount of the repossessed collateral at initial recognition in the balance sheet. "Accumulated negative changes" shows a negative difference between the current and the initial value of the collateral obtained by taking possession.

Changes in stock of non-performing loans and advances

in HUF million	Gross carrying amount
Initial stock of non-performing loans and advances	**47,123**
Inflows to non-performing portfolios	22,499
Outflows from non-performing portfolios	(24,423)
Outflows due to write-offs	*(11,220)*
Outflow due to other situations	*(13,203)*
Final stock of non-performing loans and advances	**45,199**

Table 36: Yearly development stock of non-performing loans and advances (Art. 442 (f) CRR, EU CR2 (EU) 2024/3172)

Inflows to non-performing portfolios consist of new defaults during the year, as well as other increases of existing NPLs (due to accrued interest, purchase of receivables etc.). Outflows from non-performing portfolios include upgrades, recoveries, NPL sales, write-offs and other decreases of existing NPLs during the period.

In 2025, the level of new defaults increased slightly compared to the previous year, but remained at a moderate extent. On the Retail side, the decline in non-performing exposures slowed down, driven by lower recoveries. Workout activity remained significant in the segment. In the Corporate portfolio, following a major decrease in 2024, the non-performing exposures remained at the same level in 2025. The number of new defaults slightly increased, while the volume of write-offs fell short of the 2024 figures.

Credit risk mitigation techniques

Management and recognition of credit risk mitigation

DISCLOSURE REQUIREMENTS Art. 453

Collateral management has been set up within the business area Corporate Risk, Corporate Intensive Care and Collateral Management in the Bank. Group Collateral Management Policy has been implemented, it defines, among other things, group-wide uniform valuation standards for credit collateral. This policy ensures that the requirements of CRR are met as well as the standardization of the credit risk decision-making process with respect to the assets recognized as collateral.

All collateral eligible within the Group is specified in an exhaustive list in the ‘Group Collateral Catalogue’. Locally-permitted collateral is defined by Erste Bank Hungary Zrt. (in the EBH Collateral Catalogue) in accordance with the applicable national legal provisions. The valuation and revaluation of the collateral is done in accordance with the principles defined in the Group catalogue and internal work instructions grouped by class and based on local supervisory requirements.

Collateral valuation and netting

COLLATERAL VALUATION AND MANAGEMENT

DISCLOSURE REQUIREMENTS Art. 453 (b) (c) CRR

The Bank aims at requesting liquid collaterals, i.e. those that can be exchanged for cash within the shortest possible time. The liquidity of the security is fundamentally influenced by its legal enforceability, as well as marketability, saleability.

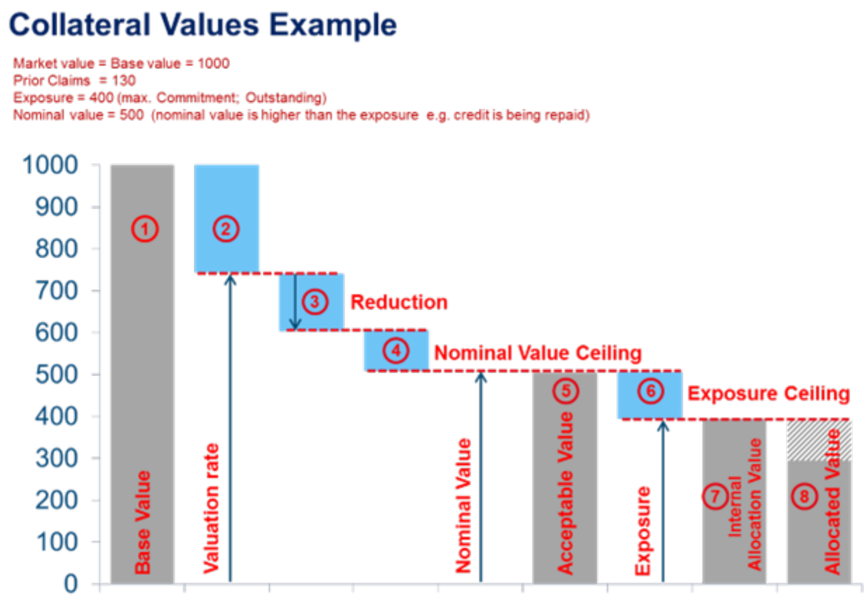
The collateral value of the offered collateral can be established as the product of the so-called base value (equals the market value) and the so-called collateral multiplier (valuation rate) that is different for the various types of collaterals, and deduction with third-party encumbrances and adjustments.

To establish the value of collateral shall be determined in accordance with the principles and calculation methods set forth in the collateral management and valuation related policies.

Collateral Management establishes the applied valuation rates described in EBH Collateral Catalogue, which are based on historical recovery rates of collaterals (both in court as well as out of court realisation).

Collateral Management monitors the valuation rates at least annually and adapted to the actual collateral recovery rates calculated in line with requirements defined by Group Credit Risk Models. In doing so the results of the last years should be considered because extremely good results as well as extremely bad results of a single year have to be balanced (”through the cycle”).

The following steps are necessary for the calculation of a collateral value within the credit decision process (it has to be ensured that the results are shown in one currency; if values – e.g. base value and nominal value or prior claims – are in different currencies they have to be converted every time the calculation is performed; in COLMAN the exchange rate is at the MNB middle rate):



1) The base value (= market value) of a collateral asset has to be identified having in mind the future marketability and the lasting characteristics of the collateral asset. An appropriate timeframe for recovery also has to be taken into consideration. Therefore, the determination of the base value within the credit decision process is subject to more stringent conditions than an evaluation in general economic life. The exact regulations, on how the base value for the specific collateral types has to be determined, are part of EBH Collateral Catalogue and of the internal working instructions.

2) Application of the valuation rate: this represents the percentage of the market value at which the asset is taken into consideration.

3) Reduction of the base value (prior claims): claims that have prior ranking rights to the collateral in question, on the same collateral asset, are the prior claims. Prior claims have to be taken into consideration independent of the beneficiary of these rights (third parties or own bank). The amount of the prior claim(s) has to be deducted from the base value (multiplied by the valuation rate).

4) Nominal value ceiling: it limits the acceptable value of the collateral in case of a contractual ceiling of the title (e.g. mortgage amount). If the nominal value is not defined the whole exposure will be taken.

5) Acceptable value: represents an internal risk view on collateral, which serves to show the most probable recovery amount of the collateral in case of its liquidation. It is calculated by using the market value (base value) and multiplying it with the valuation rate and respecting reductions. The acceptable value is limited by the nominal value.

   In case of syndicated loans, the acceptable values of the collateral have to reflect the own syndication share of the participating bank.

6) Exposure ceiling: when calculating the allocated value of collateral, it has to be considered that the acceptable value is capped by the "exposure". Where by "exposure" is meant the sum of maximum of the current commitment respectively outstanding of all connected, secured loan.

7) Internal allocation value: allocation value amount equals to acceptable value capped by the exposure; it represents the maximum value of each collateral that might be allocated to the connected exposure.

8) Allocated value: this is the part of the allocation value which is assigned to a specific credit exposure and actually used for calculation of secured / unsecured exposure (the allocated value is also named "internal collateral value".

Optional base value correction: In exceptional cases, the base value may be corrected downwards by risk management and/or collateral management. Such corrections have to be reasoned and documented in the IT system. Local collateral management has to define an exhaustive list of cases, where corrections may be applied. In such cases, the corrected base value has to be delivered for all purposes. This way of correction is optional. No other individual corrections of the values are allowed.

A collateral value in the credit process is only admissible:

- If the evaluation regulations have been met (especially the appraisal of the market value and the consideration of encumbrances).
- If all legal conditions that are necessary for the complete establishment of the collateral have been fulfilled.
- If no further activities of the borrower are necessary for the bank to assure full control of the collateral.
- If all credit and collateral agreements concluded with the borrower or with the collateral provider are legally effective and enforceable under the relevant legal regulations at the moment of the signing of the contracts.
- If the collateral is also legally effective and enforceable under the relevant legal regulations in case of an insolvency of the borrower or the collateral owner.

In case a new loan is granted these requirements have to be fulfilled before disbursement of the loan; in exceptional cases registrations of mortgages in the land register or pledges have to take place within reasonable period of time after disbursement - Collateral Management has to define the exceptional cases that are accepted locally as well as the maximum time periods. If an additional evaluation of the collateral is performed after disbursement the correct input of data into the IT system has to be ensured.

Real estate

Real estate is the most important collateral within Erste Group. Residential real estate (i.e. real estate which is or will be occupied or let by the owner for residential purposes) and commercial real estate are used for credit risk mitigation. Real estate properties are evaluated at sustainable market values. The applicable appraisal methods are predefined and depend on the type of real estate. In order to determine the market value for the purposes of collateralization, all Real Estate has to be appraised according to the principles outlined within this document. These principles and valuation methods follow internationally accepted real estate valuation standards. The market value resulting from applying these principles is considered as the value which must be used for all internal purposes.

The appraised market value (= base value) serves to express prudent expectations as to value over the long term. The following steps are required in order to exclude short-term market volatility or temporary market trends:

- Assessment of the future marketability and saleability of the property – with respect to the possible necessity of a future sale at short notice – the valuator has to identify situations where current values reflect short-term demand due to market inefficiencies.
- Consideration of the normal and local market conditions: the valuator has to examine the potential impact of wider economic and social factors. It is the responsibility of the valuator to use authoritative relevant information as to local trends and sustainable values. The valuation has to be based on market data.
- Consideration of the long-term sustainable aspects of the property such as the quality of the location, construction and layout as well as construction defects. Prudent assessment of the capitalization rate specifically, taking into account long term market data and trends and excluding all short-term expectations regarding the return on investment is of great importance.
- Current use: the valuation has to be primarily based on the existing property use. A valuation based on an alternative use is only possible if there are special proven circumstances. Essentially speculative or transient uses are excluded.
- Elimination of speculative elements: current market phenomena, which are not sustainable, have to be identified explicitly.
- The income stream of the property used in the valuation should be no more than the sustainable net rental income that the type of property produces over the time in the specific local market, excluding any unusual or extraordinary cash flows. The sustainable yield has to be assessed based on a judgment of the past and current long-term market trends and not taking any uncertain elements of possible future growth into account.
- Clear and transparent documentation: the valuation methods should be adopted and expressed clearly either in the valuation principles or in the particular valuator's report. All parameters and assumptions relevant for the valuation must be documented in detail.

In general, the accepted methods for valuating real estate can be broken down into three groups:

- Market methods which calculate the value of the property by comparing historical transaction prices of comparable properties (Comparative Method).
- Income methods are typically used for income producing properties. The Capitalization Method and the Discounted Cash Flow Method (DCF) are considered acceptable.
- Cost methods which take into consideration necessary costs related to the construction, renovation or modification of the property. These include the Depreciated Replacement Cost Method (DRC) and the Residual Value Method.

Depending on the nature of property, the following valuation methods have to be applied mandatorily:

Type/Nature of property	Valuation method*
Undeveloped land (e.g.: vacant land)	Comparative method (preferred)
	Residual Value method

Type/Nature of property	Valuation method*
Residential real estate	
Apartments (flats)/ terraced and detached houses	Comparative method (preferred)
	Cost method (preferred, not for exception apartments/flats)
	Income method
	Statistical method
Houses with less than three units**	Comparative method
	Income method
	Cost method
Income producing residential real estate* **	
Residential properties with three or more units	Comparative method
	Cost method
	Income method
Income producing commercial real estate (office, small and medium commercial, industrial, warehouse and other logistics real estate, furthermore hotel and other catering or tourism real estate and multipurpose real estate)	
Income producing commercial real estate, special commercial real estate included	Comparative method (preferred)
	Income method (preferred)
	Cost method
Owner occupied commercial real estate**	Comparative method (preferred)
	Cost method
	Income method (Capitalization Method, based on potential income)
Land owned by developers (qualified assets) with the plan to realize a project	Residual Value method
Special commercial real estate****	Income method
	Comparative method
	Cost method
Agricultural and forestry real estate (farmlands)	
Agricultural and forestry real estate	Comparative method (preferred)
	Income method (preferred)
	Cost method

** The application of the listed valuation methods is mandatory - valuator has to choose best fitting method if more than one method is applicable and justify the choice of the method.*
If the usage of the property is multiple the allocation to a collateral type has to follow the definitions of the EBH Collateral Catalogue. In such cases, land register and cadaster excerpts respectively operating permits and licenses shall be used as supporting documents.
*** This category is not distinguished in Hungarian practice.*
**** Not an eligible category for EBH.*
***** See category Income producing commercial real estate.*

Table 37: Valuation methods

In each case, the appraisal of properties and movables must be prepared with the company or external expert accepted by the Bank and holding professional license and references, or internal experts, at the cost of the borrower. The relevant order of procedure is included in the regulation on the use of appraisers. In the case of the appraisal of properties, EBH supervises the payment of the costs of the appraisal in line with the collateral management rules.

In these cases, the current value (it can be established during the decision-making and the review) of the property serving as the subject of the development, the current amount of actual development costs have to be recorded, checked and managed in accordance with the policies as collateral value has to be calculated from this.

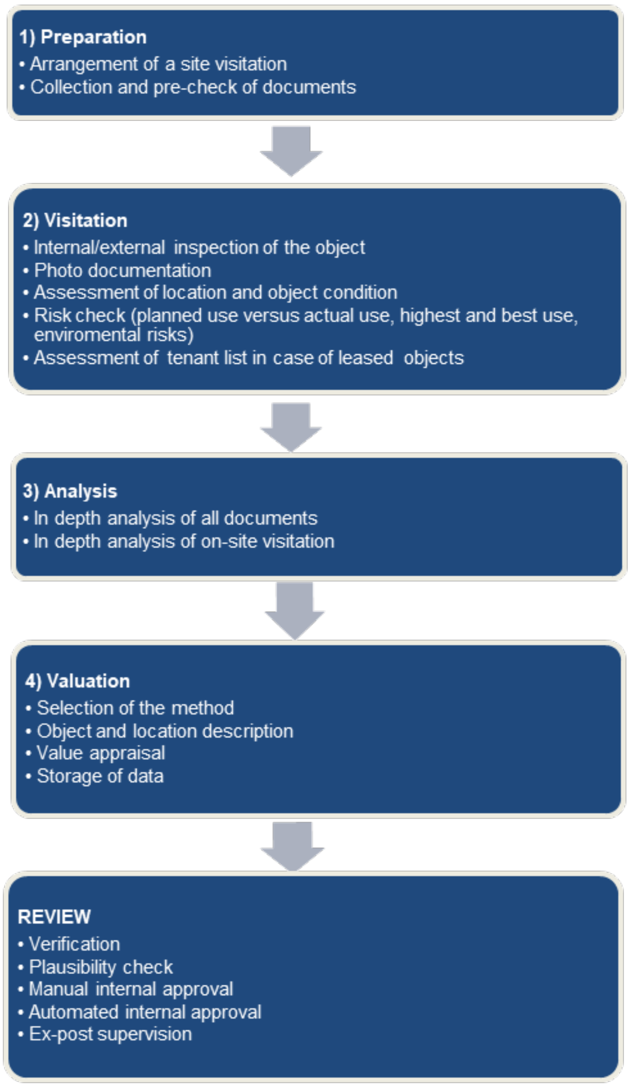
No person performing the valuation of collateral may be involved in the associated decision on risk assumption.

Changes in the value of the collaterals are continuously monitored by the Bank until the expiry of the transaction.

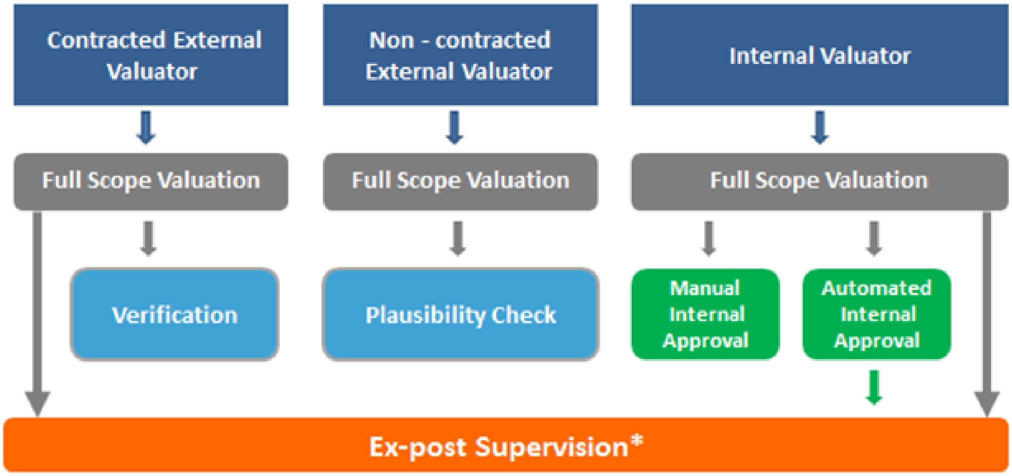
Only valuations that uphold the defined standards will be considered valid and their values accepted. A Full Scope Valuation takes all relevant factors for a comprehensive market value assessment of a property into account, including an on-site visitation, all relevant property related information, market data and a consistent appraisal. Certain minimum standards are required in order for the valuation to be accepted and local valuation units are responsible for compliance with this process.

The real estate evaluations need to be carried out by internal or external valuators who possess sufficient knowledge, experience, skills and qualifications.

The valuation process comprises of four main steps, additionally a review is to be performed after each valuation. It can be pictured as follows:



Depending on the type of valuator who carries out the valuation several kinds of checks may be done:



Financial collateral

Financial collateral assets are mainly security accounts, cash deposits (accounts, savings books) and endowment life insurance policies. The pledge or assignment of financial collateral has to be unconditional and irrevocable. If the financial collateral is held by third party institutions, they are to be notified of the pledge or assignment. The base value of the financial collateral depends on the type of collateral asset. The base value of the cash deposit is the credit balance on account or nominal value of cash assimilated instruments. The base value of security accounts (securities) is the credit balance in securities account (market value). In case of state bond and discount treasury bill the net market value, shares – market rate value, investment unit – net value of the investment unit.

Guarantees

Guarantees are mostly provided by corporates, financial institutions, sovereigns, and public sector-related entities in combination with special credit products. The guarantee (suretyship as well in case of natural persons) must represent a direct claim on the guarantor. The guarantee must be unconditional; there may not be any clause in the contract outside the direct control of the bank that could prevent the guarantor from being obliged to pay. The guarantee as collateral must be irrevocable; there must be no clause in the contract that would allow the guarantor unilaterally to cancel the credit cover.

All guarantors must be checked with regards to their economic capacity. They must have a minimum credit rating which is reviewed at least annually. The PD of the guarantor is used for risk weighted asset calculation when the defined preconditions are met.

Receivables

Assignment (pledging) of receivables (business receivables, rental receivables, leasing receivables, etc.) can be accepted as collateral if there is an organizational unit that supervises the fulfillment of all requirements for this collateral (i.e., maintaining a continuous monitoring process). This unit has to analyze the economic quality of the receivables and the third-party debtors before establishing the collateral as well as on an ongoing basis afterwards. As well, this unit is responsible for checking the fulfillment of the eligibility criteria and documentation of the results of these checks. Overdue receivables, receivables against affiliates of the borrower and claims with high commercial dependency between the collateral borrower and the garnishee as well as receivables against garnishee with doubtful economic quality or domiciled in countries where the enforcement may be problematic are excluded. The revaluation is performed at least annually.

Treasury Collateral

For more details see chapter “Counterparty Credit Risk”

POLICIES AND PROCESSES FOR NETTING

DISCLOSURE REQUIREMENTS Art. 453 (a) CRR

Netting is currently not used for risk mitigation in the on-balance sheet customer lending business. The consideration of netting agreements for the over-the-counter (OTC) derivative business is described in the chapter “Counterparty Credit Risk”.

Main types of guarantors and credit derivative counterparties

DISCLOSURE REQUIREMENTS Art. 453 (d) CRR

Most guarantees are provided by corporates, financial institutions, sovereigns and public sector-related entities.

Erste Bank Hungary uses neither credit derivatives (Article 204 CRR) nor on-balance sheet netting agreements (Article 205 CRR) as eligible credit protection.

Risk concentrations within credit risk mitigation

DISCLOSURE REQUIREMENTS Art. 453 (e) CRR

Risk concentrations resulting from CRM techniques are understood to be the risk of a detrimental correlation of risks that may arise from the use of these techniques. This may affect a single customer, but also a portfolio defined by region, industry or type of collateral.

A high positive correlation can exist where the deterioration of credit rating or risk position of the debtors results in the devaluation of the collateral, and vice versa. In the event of material and positive correlation no capital decrease can be accounted for, therefore eligibility must be verified in the control of each transaction and to indicate them with flags as described earlier.

Collateral cannot be eligible if there exists a correlation (dependency) between the borrower and the collateral. Such correlation is given in the following cases:

- The risk of the borrower depends materially upon the underlying property or project. As such, the repayment of the facility depends materially on any cash flow generated by the underlying property serving as collateral – e.g. projects.
- The value of the collateral asset depends materially upon the credit quality of the debtor – e.g. pledge of own shares.

Correlations between the borrower and the collateral have to be identified by risk management in the credit decision process case by case. Clients rated with the Specialised Lending Rating tool (project finance and income producing real estate) are assumed to be correlated with the collateral.

Quantitative disclosure on credit risk mitigation

DISCLOSURE REQUIREMENTS Art. 453 (f) CRR

The following table gives an overview on the extent of the use of CRM techniques applied to the carrying amount of loans and advances and debt securities (net of allowances impairment).

The unsecured carrying amount represents exposures which in its entirety do not benefit from any CRM technique. The secured carrying amount consists of exposures that have at least on CRM technique associated with them, regardless of whether they are recognized under CRR as eligible. The amount of collateralized exposure is capped to the carrying amount, meaning that overcollateralization is not taken into consideration.

in HUF million	Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
Loans and advances	1,161,897	2,099,552	1,206,814	892,738	-
Debt securities	1,278,805	277,325	-	277,325	
Total	**2,440,702**	**2,376,877**	**1,206,814**	**1,170,063**	**-**
Of which non-performing exposures	6,437	9,978	6,633	3,345	-
Of which defaulted	*6,437*	*9,978*			

Table 38: Overview of CRM techniques (Art. 453 (f) CRR, EU CR3 (EU) 2024/3172)

The further details on CRM techniques and credit conversion factors used in risk-weighted asset calculation, as per required by Art. 453 (g), (h) and (i), are given within dedicated chapters for Standardised and IRB Approach.

Use of the standardised approach to credit risk

Scope of application and use of external ratings

DISCLOSURE REQUIREMENTS Art. 444 (a) (b) (c) (d) CRR

Pursuant to Article 4 (98) CRR, external credit assessment institution (ECAI) means a credit rating agency that is registered or certified in accordance with Regulation (EC) No 1060/2009.

Erste Bank Hungary generally uses the IRB Approach for determining the minimum capital requirements pursuant to Basel IV. The Standardised Approach is applied to exposures in insignificant business areas and business units as well as when the rollout plan specifies a later date for transition to the IRB Approach (e.g. Micro portfolio).

STANDARD & POOR'S RATINGS

Erste Bank Hungary as part of the Erste Group generally uses external ratings provided by Standard & Poor's (S&P) ratings and CRIF Ratings S.r.l (CRIF)(Art. 444 (a) CRR). The assignment of the rating grades to credit quality steps is undertaken according to Article 136 CRR.

External ratings are used to a limited extent in some exposure classes to calculate the RWA in the Standardised Approach (Art. 444 (b) CRR):

- in case of central governments and central banks, the RW has to be determined pursuant to Article 114 CRR
- in case a credit assessment exists for a specific issuing programme or facility to which the item constituting the exposure belongs, this credit assessment shall be used to determine the risk weight to be assigned to that item in accordance with CRR Article 139;
- in case of institutions, if an external rating by an ECAI of the counterparty is available, the risk weight (RW) has to be determined pursuant to Article 120 CRR;
- in case an external rating by an ECAI of the counterparty in the institution exposure class is not available, the RW has to be determined pursuant to Article 121 CRR;
- In addition, the external ratings published by S&P and CRIF are used by EBH for the large corporate's exposure class. Furthermore, the S&P issue credit ratings of securities and issuer credit ratings of securities issuers are used for determining the eligibility of financial collateral according to Article 197 CRR and the calculation of the volatility adjustment pursuant to Article 224 (1) CRR.

Transfer and allocation of external ratings to credit quality steps and risk weights

The transfer of the issuer/issue credit ratings onto comparable assets in the banking book is pursuant to Article 138 CRR (Art. 444 (c)). The allocation of the ratings to credit quality steps is as follows:

Moody's	OECD Country Risk Ratings	Credit Quality Step
Long Term Issuer/Issue credit rating scale	Long Term Issuer/Issue credit rating scale	
Aaa too Aa3	0 to 1	1
A1 too A3	2	2
Baa1 too Baa3	3	3

Moody's	OECD Country Risk Ratings	Credit Quality Step
Long Term Issuer/Issue credit rating scale	Long Term Issuer/Issue credit rating scale	
Ba1 too Ba3	4 to 6	4
B1 too B3	6	5
Caa and below	7	6

Table 39: Allocation of external ratings to credit quality steps (Art. 444 (c) CRR)

The risk weight allocation based on the credit quality step complies with the standard association published by EBA (Art. 444 (d) CRR).

Quantitative disclosure on credit risk – Standardised Approach

DISCLOSURE REQUIREMENTS Art. 444 (e) CRR

in HUF million	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
Exposure classes	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
Central governments or central banks	1,462,929	-	2,400,883	37,267	-	0.00%
Non-central government public sector entities	2,943	47	911	-	184	20.17%
Regional government or local authorities	2,941	-	909	-	182	20.00%
Public sector entities	2	47	2	-	2	100.00%
Multilateral development banks	-	-	1,403	23	-	0.00%
International organisations	-	-	-	-	-	
Institutions	22,229	-	22,229	-	7,433	33.44%
Corporates	14,942	17,809	9,963	36,342	16,757	36.19%
Of which: Specialised Lending	-	-	-	-	-	
Subordinated debt exposures and equity	5,905	-	5,905	-	14,762	250.00%
Subordinated debt exposures	-	-	-	-	-	
Equity	5,905	-	5,905	-	14,762	250.00%
Retail	390,094	22,718	45,428	3,336	32,058	65.74%
Secured by mortgages on immovable property and ADC exposures	9,069	5,245	4,974	363	2,936	55.02%
Secured by mortgages on residential immovable property - non IPRE	1,745	22	1,448	1	453	31.24%
Secured by mortgages on residential immovable property - IPRE	-	-	-	-	-	
Secured by mortgages on commercial immovable property - non IPRE	7,324	5,223	3,526	361	2,484	63.88%
Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	
Acquisition, Development and Construction (ADC)	-	-	-	-	-	
Exposures in default	2,648	55	935	2	1,043	111.37%
Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	

in HUF million	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
Exposure classes	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
Collective investment undertakings	-	-	-	-	-	
Other items	54,020	-	54,020	-	53,863	99.71%
TOTAL	**1,964,779**	**45,874**	**2,546,651**	**77,333**	**129,036**	**4.92%**

Table 40: Standardised approach – Regulatory exposure by exposure classes and CRM effects (Art. 453 (g) (h) (i) and 444 (e) CRR, EU CR4 (EU) 2024/3172)

Exposure before CCF and CRM is regulatory exposure net of credit risk adjustments, before application of credit conversion factor to off-balance and before application of the credit risk mitigation techniques.

in HUF million	Risk weight															
Exposure classes	**0%**	**2%**	**4%**	**10%**	**20%**	**30%**	**35%**	**40%**	**45%**	**50%**	**60%**	**70%**	**75%**	**80%**	**90%**	**100%**
Central governments or central banks	2,438,150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-central government public sector entities	-	-	-	-	909	-	-	-	-	-	-	-	-	-	-	2
Regional government or local authorities	-	-	-	-	909	-	-	-	-	-	-	-	-	-	-	-
Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2
Multilateral development banks	1,426	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	2,645	13,013	-	6,019	-	59	-	-	234	-	-	-
Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	36,141	-	-	-	-	1	-	-	-	-	-	10,164
Of which: Specialised Lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt exposures and equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retail exposures	-	-	-	-	-	-	-	-	76	-	-	-	48,335	-	-	-
Secured by mortgages on immovable property and ADC exposures	-	-	-	-	1,104	-	-	-	-	-	1,271	-	1,280	-	-	1,682
Secured by mortgages on residential immovable property - non IPRE	-	-	-	-	1,104	-	-	-	-	-	-	-	346	-	-	-
No loan splitting applied	-	-	-	-	-	-	-	-	-	-	-	-	301	-	-	-
loan splitting applied (secured)	-	-	-	-	1,104	-	-	-	-	-	-	-	-	-	-	-
loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	44	-	-	-
Secured by mortgages on residential immovable property - IPRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Secured by mortgages on commercial immovable property - non IPRE	-	-	-	-	-	-	-	-	-	-	1,271	-	934	-	-	1,682
No loan splitting applied	-	-	-	-	-	-	-	-	-	-	-	-	921	-	-	1,414
loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	1,271	-	-	-	-	-
loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	13	-	-	269
Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition, Development and Construction (ADC)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	724
Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other items	156	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,863
TOTAL	**2,439,732**	**-**	**-**	**-**	**40,799**	**13,013**	**-**	**6,019**	**76**	**60**	**1,271**	**-**	**49,849**	**-**	**-**	**66,435**

in HUF million	Risk weight									Total	Of which unrated
Exposure classes	105%	110%	130%	150%	250%	370%	400%	1,250%	Others		
Central governments or central banks	-	-	-	-	-	-	-	-	-	2,438,150	
Non-central government public sector entities	-	-	-	-	-	-	-	-	-	911	
Regional government or local authorities	-	-	-	-	-	-	-	-	-	909	
Public sector entities	-	-	-	-	-	-	-	-	-	2	
Multilateral development banks	-	-	-	-	-	-	-	-	-	1,426	
International organisations	-	-	-	-	-	-	-	-	-	-	
Institutions	-	-	-	258	-	-	-	-	-	22,228	
Covered bonds	-	-	-	-	-	-	-	-	-	-	
Corporates	-	-	-	-	-	-	-	-	-	46,306	
Of which: Specialised Lending	-	-	-	-	-	-	-	-	-	-	
Subordinated debt exposures and equity	-	-	-	-	5,905	-	-	-	-	5,905	
Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-	
Equity	-	-	-	-	5,905	-	-	-	-	5,905	
Retail exposures	-	-	-	-	-	-	-	-	354	48,765	
Secured by mortgages on immovable property and ADC exposures	-	-	-	-	-	-	-	-	-	5,337	
Secured by mortgages on residential immovable property - non IPRE	-	-	-	-	-	-	-	-	-	1,450	
No loan splitting applied	-	-	-	-	-	-	-	-	-	301	
loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	1,104	
loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	44	
Secured by mortgages on residential immovable property - IPRE	-	-	-	-	-	-	-	-	-	-	
Secured by mortgages on commercial immovable property - non IPRE	-	-	-	-	-	-	-	-	-	3,887	
No loan splitting applied	-	-	-	-	-	-	-	-	-	2,334	
loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	1,271	
loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	282	
Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	-	-	-	-	-	
Acquisition, Development and Construction (ADC)	-	-	-	-	-	-	-	-	-	-	
Exposures in default	-	-	-	213	-	-	-	-	-	937	
Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	
Collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	-	-	
Other items	-	-	-	-	-	-	-	-	-	54,019	
TOTAL	**-**	**-**	**-**	**471**	**5,905**	**-**	**-**	**-**	**354**	**2,623,984**	

Table 41: Standardised approach – Regulatory exposure after CCF and CRM (Art. 444 (e) CRR, EU CR5 (EU) 2024/3172)

Table above presents exposure post CCF and CRM with the breakdown to risk weights. It includes only exposure under credit risk framework, while the split of counterparty credit risk relevant exposure is presented in corresponding chapter. Under column Unrated, exposures for which credit risk assessment by a nominated ECAI is not used and for which specific risk weights are applied depending on their exposure class.

Use of the IRB Approach to credit risk

Approved approaches and transitional rules by the regulator

DISCLOSURE REQUIREMENTS Art. 452 (a) CRR

Erste Bank Hungary was authorised to calculate risk-weighted exposure amounts for credit risk using the IRB Approach as of 1 April 2008.

The following segments fall under the Foundation IRB Approach:

- Corporates;
- Specialised Lending - Slotting Criteria approach;
- Banks;
- Sovereigns.

Private individuals fall under the Advanced IRB Approach, excluding Baby loans.

The authorisation to calculate risk-weighted exposure amounts for credit risk using the IRB approaches by the supervisory authorities was issued for an indefinite period of time.

IRB OFFICIAL NOTICES AND IRB ROLL-OUT PLAN

IRB official notice for single banking entities and at consolidated level in Hungary

IRB approval with application starting from 1 April 2008

- Erste Bank Hungary Zrt.

STANDARD APPLICATION PLANNED – PERMANENT PARTIAL USE (PPU)

For the following portfolios of EBH, Standard Approach is applied, for which a regulatory review is in place:

- Micro Enterprises - Sole Entrepreneur & Micro Enterprise

PERMANENT PARTIAL USE

Permanent Partial Use (PPU) is applicable to the following exposure classes and in the following cases:

- Subsidiaries
    - Erste Befektetési Zrt. (EIH) since 1 January 2010
    - Erste Ingatlan Kft. (ERE) since 1 January 2010
    - Erste Lakástakarék Zrt. (LTP) since 31 July 2011
    - Erste Jelzálogbank Zrt. (JZB) since 01 July 2016
- Sovereigns, where the exposure is in HUF;
- Municipalities
- Equity exposures
- Intragroup exposures
- Exposures related to the baby loan products defined by Hungarian Government under Decree 44/2019 (III.12.)

All exposures, which are assigned to the exposure class Corporate other (SONST rating method) are treated according to CRR Art. 150 (1)(c)

in HUF million	Exposure value as defined in Article 166 CRR for exposures subject to IRB approach	Total exposure value for exposures subject to the Standardised approach and to the IRB approach	Percentage of total exposure value subject to the permanent partial use of the SA (%)	Percentage of total exposure value subject to IRB Approach (%)	Percentage of total exposure value subject to a roll-out plan (%)
Central governments or central banks	**2,604,628**	**1,459,650**	**96.98%**	**3.02%**	**0.00%**
Regional governments or local authorities	**909**	**2,941**	**99.99%**	**0.01%**	**0.00%**
Public sector entities	**2**	**6**	**100.00%**	**0.00%**	**0.00%**
Institutions	**87,298**	**674,213**	**0.11%**	**99.89%**	**0.00%**
Corporates	**1,103,100**	**1,332,661**	**2.06%**	**97.49%**	**0.45%**
Of which Corporates - General		1,006,331	0.00%	0.00%	0.00%
Of which Corporates - Specialised lending		326,331	0.00%	100.00%	0.00%
Of which Corporates - Specialised lending, excluding slotting approach		-	0.00%	0.00%	0.00%
Of which Corporates - Specialised lending under slotting approach		326,331	0.00%	0.00%	0.00%
Of which Corporates - Purchased Receivables		-	0.00%	0.00%	0.00%
Retail	**980,526**	**1,263,141**	**27.88%**	**68.17%**	**3.95%**
of which Retail – Qualifying revolving		-	0.00%	0.00%	0.00%
of which Retail – Secured by residential immovable property		463,846	0.00%	0.00%	0.00%
Of which Retail - Purchased Receivables	-	-	0.00%	0.00%	0.00%
of which Retail - Other retail exposures	460,027	397,288	0.00%	200.00%	0.00%
Equity	**5,905**	**5,905**	**100.00%**	**0.00%**	**0.00%**
Collective investment undertakings (CIU)	**-**	**-**	**0.00%**	**0.00%**	**0.00%**
Other non-credit obligation assets	**-**	**-**	**0.00%**	**0.00%**	**0.00%**
Total	**4,782,368**	**4,738,518**	**38.09%**	**60.73%**	**1.18%**

Table 42: Scope of the use of IRB and SA approaches (Art. 452 (b), CR6-A (EU) 2024/3172)

In the table above, the exposure value is the Exposure at Default (EAD) used as a base for RWA calculation (post CCF and substitution effects due to credit risk mitigation) and excludes exposure under counterparty credit risk and securitisation frameworks.

Rating systems

DISCLOSURE REQUIREMENTS Art. 452 (f) CRR

A rating system comprises all models, methods, processes, controls, data collection and data processing that serve the assessment of credit risks, the allocation of exposures to rating grades and the quantification of default probabilities and loss estimates for certain types of exposures. The rating systems used by Erste Bank Hungary meet the requirements for the application of the IRB Approach.

RATING MODELS

The internal rating models and the estimates of related risk parameters play a key role in credit risk management, in the decision-making processes and in lending operations. Furthermore, they deliver the main determinants for the procedures to assess capital requirements. EBH uses empirical-statistical and expert-based model types. A periodic validation, monitoring and review of estimates ensures the quality of the rating models and risk parameters.

Empirical-statistical models

Empirical-statistical models of risk assessment require a large data base and are especially suitable for mass market businesses.

Based on sufficiently large empirical data bases (data of a large population from the customer base of the bank), scorecards are developed using logistic regression techniques. The key criterion used for selecting the best scorecard is the accuracy ratio. The accuracy ratio indicates the ability of the scorecard to differentiate between customers with low and high default risk. The result of the scorecard is presented as a rating grade, which is associated with a probability of default (PD) estimate.

The key element in rating models applied to retail portfolios is the assessment of account behaviour, which is updated on a monthly basis. This enables continuous risk monitoring of customer portfolios in the retail banking business. Furthermore, the rating models also include customer information that is updated at least once a year and, in any case, when a credit application is made (in the event of a credit decision).

The rating results (rating grades) are verifiable and objective, i.e. if the input information is the same, they supply the same rating grade regardless of the individual assessment by the account manager.

Empirical-statistical approaches are used not only in the retail business but also in the corporate segment. In the case of corporates, the emphasis is on statistically-developed financial ratings (evaluation of balance sheet information). Apart from the financial rating (hard facts), qualitative customer information (soft facts), and account behaviour also enters into the risk evaluation of corporate customers, which is updated at least once a year.

Expert-based models

For expert-based models, the empirical-statistical component targeting the default indicator is not as important – due to the lack of a sufficiently large population of customers in the respective customer segments or a sufficient number of defaulted customers – and is replaced by external ratings as modelling target (e.g. Bank Rating or Country Rating) or at least assisted by expert know-how, which takes into account quantitative criteria (e.g. financial information), qualitative criteria (e.g. market and industry developments) and macro-economic factors.

By helping to assess the specific debtor- and business-specific features, this expert knowledge makes an important contribution to the rating models mainly for the following customer segments: specialised lending, banks and sovereigns.

These rating models ensure a sound assessment of the debtor- and business-specific features, risk differentiation as well as precise and consistent quantitative risk estimates.

RATING METHODS

DISCLOSURE REQUIREMENTS Art. 452 (f) CRR

Exposure Classes	STATISTICAL MODEL	EXPERT MODEL
Retail, commercial	✓	
Corporate	✓	✓
SME	✓	
Special Lending (IPRE)		✓
Banks		✓
Other financial institutions		✓
Central government and central banks		✓
Country		✓
Sovereign		✓
Equities	✓	✓

Table 43: Exposure classes of the IRB Approach and applied rating methods (Art. 452 (f) CRR)

The rating methods Bank, Country, Specialized Lending, Large Corporate Rating are used as centralised methods throughout Erste Group, therefore also in EBH without any local modifications. The rating grades are determined by Erste Group centrally and made available to the Group companies, while the assignment process is carried out by EBH,

Other rating methods (Rating Private Individuals, Rating SME, Rating Local Corporates) are developed locally in EBH.

Rating Private Individuals

Classification

Customers are assigned to the rating method Rating Private Individuals according to their occupational status.

Development

The rating method Rating Private Individuals was developed by experts at EBH as an empirical-statistical model. The rating method is applied in case of applications for a financing decision (e.g. new loan applications) and automatically within the monthly update of customer ratings.

Rating determinants

The rating model assigns scores based on demographic information, account data, product attributes as well as external data (e.g. information supplied by the Credit Bureau). The assessment of account behaviour is performed monthly and provides an essential input for timely risk assessment. Analyses done in the case of applications take into account not only the input factors for the rating, but also the current customer information on their income and expenditure.

Outputs of the rating process

Based on a scorecard, every private individual is assigned a rating grade on a rating scale of 8 grades. The customers with rating grade A1 have the lowest and customers with rating grade D2 have the highest PD. The customer rating serves as the basis for the calculation of capital requirements and plays an essential role for the credit decision and the lending terms. Private individual ratings derived from the analysis of the loan application, which includes all loans granted and applied for, are an integral part of the decision recommendation. Rating grades of customers are updated at the monthly reappraisal of account behaviour. The monthly processing of customer and account data is also the basis for the early warning system. The early warning list supplies account managers with valuable information on current risk assessments and also contains private individuals of substandard creditworthiness because of specific customer or account features. Such customers may include, for example, those with regular overdrafts or customers that have been sent reminders.

Rating SME

Classification

The rating method Rating SME (incl. micro and small enterprises) is applied to SMEs with turnover of up to 300 million HUF as well as to independent professionals.

Development

Statistically-derived rating models are used in EBH. Ratings for SME customers and independent professionals must be determined taking into account the financial situation before and after the financing being applied for. This Basel requirement is complied with by means of an online rating initiated manually for determining the current rating grade and the rating in the case of a loan application (rating by type of financing). In addition to the online rating, there is also a monthly batch rating in which the current rating grade is determined based on behaviour. This automatically updates the rating grade (based on an evaluation of account behaviour and any available external information).

Rating determinants

According to differences in income patterns, the method is broken down into two sub-groups: customers using double-entry book-keeping, customers using single-entry book-keeping. Depending on these accounting types, the following four rating determinants apply:

- **Financial factors:** A financial rating is calculated either from balance sheet information (double-entry book-keeping customers), the statement of income and expenses (single-entry book-keeping customers).
- **Qualitative factors:** Qualitative factors make it possible to take into account input factors that cannot be derived directly from financial statements. Examples are management, accounting practices, market and its trends, and external information (credit bureau notifications).
- **Account behaviour:** Particular attention is paid to account behaviour, which is automatically assessed and updated on a monthly basis. The evaluation considers and scores, for example, the incidence of payment difficulties, account balances and the extent to which available credit and overdraft facilities are used.
- **Creditworthiness based on cash flow considerations:** Finally, the ability to service debts is evaluated based on the disposable income.

Outputs of the rating process

Based on the score, every SME or professional customer is assigned a rating grade on a scale of 13 grades. In a last step of the rating assignment process, human judgement in the sense of rating overrides is possible to a limited extent. The customer rating serves as the basis for determining the regulatory capital requirement, as an indicator for the credit decision and as a factor in the credit terms and conditions.

Rating Corporates

Classification

Corporates, i.e. commercial customers with sales revenues above the 300 million HUF thresholds, are rated by the "Rating Corporates" method. Within the corporate segment, a further size differentiation exists (Corporate, Group Corporate and Group Large Corporate).

Development

Statistically-derived rating model is used EBH. The new corporate rating model landscape is in use since March 2023. The Group Corporate and Group Large Corporate rating models are developed centrally, the latter uses external ratings as a modelling target.

Rating determinants

The assignment of ratings for corporates is done systematically both with respect to information on past developments as well as future prospects, with special attention being paid to the relevant customer segment (e.g. whether the customers' business is capital goods intensive) and the characteristics of the relevant markets (e.g. divergent accounting rules in Eastern European countries).

Rating Corporates is a two-stage process including the assignment of individual customer ratings and group ratings.

- **Individual customer rating**: The cornerstone is the evaluation of the company's financials. Based on ratios from the financial statements, a so-called "financial rating" (hard facts) is calculated. This financial rating also takes into account local factors based on the country where the company has its registered office. Another component for rating corporates is qualitative factors (soft facts). Unlike the hard facts that enter into the financial rating, these soft facts also include projections into the future. A company's potential, opportunities and risks are determined, evaluated and documented according to a standardised procedure. Moreover, the account behaviour, which is automatically assessed, is also considered in the rating calculation.

- **Group rating**: In a second step, the company is considered within the context of a Group of companies that form an economic unit. The capacity and the willingness to provide support are analysed, which may have a positive influence on the individual customer rating. Additionally, the Customer's Group rating is the cap for the rating of the individual customer. Rating caps also result from country ratings.

Outputs of the rating process

Based on the score, every corporate is assigned a rating grade on a scale of 13 grades. In a last step of the rating assignment process, human judgement in the sense of rating overrides is possible to a limited extent. The customer rating serves as the basis for determining the regulatory capital requirement, as an indicator for the credit decision and as a factor in the credit terms and conditions.

Rating Specialised Lending

Classification

The Corporates customer category includes the specialised lending customer segment. These are mainly income-producing real estate projects (e.g. rental, tourism and for-sale properties) and other project financings (e.g. power plants, infrastructure).

Development

The rating methods follow the Supervisory Slotting Approach and respective regulatory requirements. Hence, their development relies on human judgement but is backed with extensive data analysis. In 2023 the Bank updated the model to the EBA compliant slotting model.

Rating determinants

Both the hard facts (financial ratios) and the soft facts differ substantially from the rating for general corporates. The indicators include the loan-to-value and the debt service coverage ratio, features of the object financed (e.g. location quality) and project risks.

Outputs of the rating process

The model output are the regulatory risk categories in the Supervisory Slotting Approach within the IRB Approach. These categories are the basis for the calculation of the capital requirement. Human judgement in the sense of rating overrides is possible to a limited extent.

Bank Rating

Classification

The rating method "Banks" is used to evaluate foreign and domestic banks, investment banks as well as financial institutions belonging to banking groups.

Development

The Bank Rating model is developed centrally and placed on an empirical-statistical foundation, using external ratings as a modelling target. The model was developed in the Group, not in EBH.

Rating determinants

The Bank Rating combines quantitative (i.e. financial ratios reflecting profitability, liquidity, asset quality or size), qualitative (i.e. soft facts) and country-specific (i.e. related to the banking environment in the customer's home country) criteria to arrive at a rank ordering. In addition, if applicable, the customer is considered within the banking group it is belonging to. The capacity and the willingness for this banking group to provide support to the customer as well as the possibility of government support are analysed, which may have a positive influence on the individual customer rating. Additionally, the banking group's rating and the Country Rating of the customer's home country represent caps for the rating of the individual customer.

Outputs of the rating process

Based on the score achieved in the rating model, every customer from the Bank Rating segment is assigned a rating grade on a scale of 13 grades. In a last step of the rating assignment process, human judgement in the sense of rating overrides is possible to a limited extent. The rating serves as the basis for the calculation of the limit for the maximum exposure that the bank is prepared to enter into with a given customer. The rating grade must be stated in every limit and credit application. After approval of the rating, the rating grade is made available to EBH.

Sovereign Rating

Classification

The rating method Sovereign Rating is a rating for the sovereign and covers central governments, central banks and public sector entities guaranteed by the central government. In addition, the sovereign rating is also the basis for the country rating ("cross-border risk").

Development

The rating method Sovereign Rating is developed centrally, with the latest material model update in use since November 2023. It is placed on a statistical foundation, using external ratings as a modelling target. The rating reflects the risk of a default in foreign currency and thus primarily represents the transfer risk (risk arising from cross-border transactions). The sovereign ratings are determined centrally by Erste Group with binding effect for EBH (generally quarterly, at least once a year).

Rating determinants

Two groups of countries are distinguished in the modelling: industrialised and emerging markets. The reason for the distinction is that foreign debt and debt service play an important role in emerging markets but are of minor importance as indicators in established industrialised countries. Both models combine quantitative (i.e. economic) and qualitative (e.g. judgement on financial fragility, political risk or payment record) information to arrive at a rank ordering.

Outputs of the rating process

The sovereign ratings are determined centrally by Erste Group with binding effect for the entire Group (generally quarterly, at least once a year) and are made available to the Group entities. Based on the score achieved in the rating model, every customer from the Sovereign Rating segment is assigned a rating grade on a scale of 13 grades. In a last step of the rating assignment process, expert judgement in the sense of rating overrides is possible to a limited extent. The sovereign rating assigned is a key factor for determining the limits for sovereigns ("issuer rating") and countries ("cross-border risk rating"). Usually, the country rating also serves as a cap for the assessment of the companies located in a given country ("country ceiling").

External ratings (ECAIs)

External ratings are used for securitisations only.

RATING PROCESS

Mandatory elements of any rating process are defined group-wide. These include:

- A definition of persons who are authorised to assign ratings;
- A definition of rating and re-rating triggers;
- The rating approval process;
- A regulation of manual override of a rating;
- General principles of the 3rd party support;

- Mandatory conservatism in the application in case of missing or outdated risk information;
- A synchronization process for ratings of the same client in different entities.

Rating by the selected method

Decentralised methods

Under the decentralised methods – Rating Private Individuals, Rating SME, Rating Corporates, and Rating SL – the input data needed for the rating is entered into the IT system by the account manager or the risk manager or is inferred from historical data on payment and account behaviour. The result is a computer-assisted rating grade.

Centralised methods

The centralised approaches are the rating methods Bank Rating and Sovereign Rating. The input data is captured by central specialised departments; the process results in an internal rating grade.

Rating confirmation by risk management

As a main principle, the rating determined based on any of these methods must be confirmed by the risk management function. The only exceptions are certain assets in the retail portfolio, where the risk management decision may be derived from an automation-assisted rating result (unless this is manually overridden).

CONTROL MECHANISMS FOR RATING SYSTEMS AND KEY ROLES AND RESPONSIBILITIES IN RATING SYSTEM LIFE-CYCLE

DISCLOSURE REQUIREMENTS Art. 452 (c) (d) (e) CRR

CONTROL MECHANISMS FOR RATING SYSTEMS

Independent validation

The central Model Validation unit independently challenges credit risk models and makes certain that the credit risk models used within Erste Bank Hungary are fit for purpose. Every new IRB model developed must be validated prior to use by the Model Validation unit and on regular basis after its implementation.

The rating models are regularly validated by Model Validation unit by means of a standardised validation process carried out annually. An updated validation methodology was approved in 2025 and will be used from 2026, The validation methodology comprises the following validation areas:

- validation of the conceptual soundness of the model;
- validation of the model performance;
- validation of the ongoing model use.

The validation areas consist of the qualitative and quantitative tests with clear and objective assessment criteria. All validation outcomes are submitted to a respective committee for review, discussion and final decision on the validation findings and remediation plans, if necessary.

Regular Monitoring

Central Model Monitoring unit in Holding ensures quarterly control over the performance of the IRB credit risk models used in Erste Bank Hungary. The central monitoring as well as the process behind remain completely independent of the validation process and unit but the analyses conducted in the course of the monitoring is methodologically aligned with those used in the validation.

Review of Estimates

To ensure optimum model performance and that models reflect latest available data, all models and risk parameters are subject to the review of estimates process. The review of estimates is conducted at least annually with the main element to judge whether existing risk parameters are still appropriate or shall be updated with re-calibrated parameters that include latest available data. Apart from the parameter re-calibration (or re-estimation of the model, where applicable), the analyses conducted in the course of the review of estimates are methodologically aligned with those of validation and monitoring activities.

Review of the rating system assignment

The usage of rating method is determined depending on the customer classification:

- Retail;
- Corporates;
- Banks;
- Sovereigns.

Every customer is assigned to a specific rating method. This allocation process is highly automated to keep the percentage of manual decisions as low as possible. It includes a number of checks executed by the IT system, e.g. the permanent monitoring of the criteria occupational status, operating income, legal form and industry code, which are needed for the automated allocation of rating methods to customers.

The checks conducted by the system for plausibility and correct completion of the data entry fields inform the user of any errors by sending a warning or error message. Ensuring data quality is done by special periodic evaluations.

KEY ROLES AND RESPONSIBILITIES IN RATING SYSTEM LIFE-CYCLE

Model Development

The main principle of model development (incl. changes to the models and reviewing the estimates) is a “subsidiarity approach”. It means that as a rule, responsibilities are assigned to the lowest level that can effectively execute, i.e.:

- Model development is executed by EBH for our local models;
- All group-wide models are developed by the Holding.

The Holding is responsible to set standards for the development of all models, monitor their effective implementation and provides methodological support and advice to ensure consistency within the Group. A subsidiarity model for model development is therefore balancing development efforts between the Holding and local banks and is simplifying tailoring of approaches to local requirements and data situation. This design fosters local acceptance and ownership and facilitates involvement of local experts and business stakeholders.

Model Validation

Model validation is organized in a “Hub-and-Spoke” model, which means that all validation responsibilities are bundled within the Holding validation unit, but EBH is responsible for the sign-off of the results and for taking appropriate remediation action when necessary. Such design ensures independence and control of model validation, as well as enforce adherence to uniform standards.

Model Approval

Model approval is carried out via a dual approval model approach - corresponding Holding and Local Model Committee structures to reflect responsibilities depending on model perimeter. Topics which are affecting the Group (e.g. group-wide aspects, local models used for P1/P2 group consolidated purposes etc.) are approved in line with dual approval principle (local pre-approval, followed by SREC/SRMC-approval). The ultimate responsibility for models used within the Group (at consolidated level) lies with the Group CRO. Notwithstanding this, locally developed and used models (including local “usage” of group-wide models) are within the responsibility of the CRO of EBH. A formal process of local and Holding approval is implemented via a tailored committee structure.

Model Governance

Model governance is set out via a subsidiarity approach. Holding sets standards and the model risk management framework, provides support to ensure consistency within the Group and reports on model risk to senior management. Erste Bank Hungary is responsible for implementation of the model risk management framework at local level.

Model Monitoring

Model monitoring also follows a subsidiary approach:

- The Holding monitors Pillar 1 credit risk models centrally, sets monitoring standards and oversees the monitoring execution;
- EBH is responsible for local model monitoring outcomes.

Internal Audit

Internal audit reviews at least annually EBH's rating systems and its operations, including the operations of the credit function and the estimation of PDs, LGDs, ELs and conversion factors (in line with Article 191 CRR).

In order to allow an objective assessment, the internal audit function is granted an adequate level of independence from the reviewed processes and units in order to ensure that (according to ECB Guide to Internal Models – General Topics, Chapter 1.7):

- there is an effective separation between the staff performing the internal audit function and the staff involved in the operation of the internal models: model development, model validation and the relevant business areas;
- the internal audit reports directly to the management body; and
- no undue influence is exerted on the staff responsible for the audit conclusions.

Independence between internal audit and risk management functions is ensured by the separation up to the board level (audit - CEO, risk management - CRO). Ensuring that internal audit provides independent and objective assurance on risk management is vital for risks to be managed effectively.

Audit's assessment includes a confirmation of the fulfilment of tasks of quantitative nature performed by the units responsible for development and initial validation of the rating model(s) according to CRR (Article 191), EBA/RTS/2016/03 (Article 17) and internal requirements.

Reporting related to credit risk models

The Group-wide Credit Risk Models & Credit RWA Report is an internal report dedicated to monitoring internal IRB credit risk rating models, covering EBH's IRB rating models as well. The report is produced with quarterly frequency and regularly presented to senior management, in particular the Strategic Risk Management Committee. The topics covered by the report include but not limited to: development of model parameters and their drivers, risk profile by rating grades, rating migrations, RWA development, data quality, rating process monitoring.

DEFINITIONS, METHODS, AND DATA FOR THE ESTIMATION AND VALIDATION OF THE RISK PARAMETERS

DISCLOSURE REQUIREMENTS Art. 452 (f) (h) CRR

Probability of default

The PD represents the probability that a given customer will default within the subsequent twelve-months period (one-year PD). The PD is estimated internally for the portfolios Retail, Corporates, Banks and Sovereigns.

The PD estimation methodology approved in November 2023 and implemented in 2024 is in line with recently issued regulatory guidance and its resulting PDs reflect long-run average default rates on rating grade level.

Additionally, when estimating PD, a margin of conservatism is added for each portfolio in order to ensure a conservative estimate as per IRB Approach standards. The regulatory floors on the minimal level of PD are applied. The difference between PDs and actual default rates arises due to the long term-average nature of PDs and conservative margins defined in the regulation that are applied in the PD estimation.

The validation of the PDs employs both qualitative and quantitative tests within the following validation areas:

- validation of the conceptual soundness of the model;
- validation of the model performance;
- validation of the ongoing model use.

In the quantitative validation, the estimated PDs are challenged with several quantitative tests such as accuracy of the risk parameter prediction, soundness of the calibration method, long-term stability as well as performance of the final estimates. Qualitative tests comprise quality of the model documentation, sampling process, representativeness of the data used, conceptual soundness of modelling approaches as well as all model use aspects. The final validation outcomes are documented in the validation report together with the respective validation findings, if necessary. The same also applies to the risk parameters LGD and CCF described below.

The table below shows the average PDs per exposure asset classes compared to observed average default rate and average historical annual default rate based on minimum 5 years of history. The exposure classes where EBH doesn't have exposures are omitted from the overview.

in HUF million or %

A-IRB	PD range	Number of obligors at the end of previous year	Of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
Private	**0.00 to <0.15**	**-**	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Private	0.00 to <0.10	-	-	0.00%	0.00%	0.00%	0.00%
Private	0.10 to <0.15	-	-	0.00%	0.00%	0.00%	0.00%
Private	**0.15 to <0.25**	**-**	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Private	**0.25 to <0.50**	**-**	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Private	**0.50 to <0.75**	**157,617**	**201**	**0.13%**	**0.58%**	**0.58%**	**0.15%**
Private	**0.75 to <2.50**	**99,963**	**342**	**0.34%**	**1.51%**	**1.52%**	**0.53%**
Private	0.75 to <1.75	99,963	342	0.34%	1.27%	1.32%	0.49%
Private	1.75 to <2.5	-	-	0.00%	0.00%	0.00%	0.00%
Private	**2.50 to <10.00**	**79,389**	**1,142**	**1.44%**	**5.00%**	**5.28%**	**1.98%**
Private	2.5 to <5	54,030	600	1.11%	3.86%	3.65%	1.34%
Private	5 to <10	25,359	542	2.14%	8.22%	7.75%	3.27%
Private	**10.00 to <100.00**	**19,493**	**2,163**	**11.10%**	**25.70%**	**26.26%**	**10.88%**
Private	10 to <20	8,634	457	5.29%	14.87%	14.62%	6.63%
Private	20 to <30	5,660	513	9.06%	26.16%	26.38%	10.67%
Private	30.00 to <100.00	5,199	1,193	22.95%	49.89%	50.56%	21.18%
Private	**100.00 (Default)**	**9,039**	**139**	**1.54%**	**100.00%**	**100.00%**	**1.52%**

Table 44: Back-testing of PD per exposure class – A-IRB Private (Art. 452 (h) CRR, EU CR9 (EU) 2024/3172)

in HUF million or %

F-IRB	PD range	Number of obligors at the end of previous year	Of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
Corporate	**0.00 to <0.15**	**-**	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Corporate	0.00 to <0.10	-	-	0.00%	0.00%	0.00%	0.00%
Corporate	0.10 to <0.15	-	-	0.00%	0.00%	0.00%	0.00%
Corporate	**0.15 to <0.25**	**-**	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Corporate	**0.25 to <0.50**	**-**	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Corporate	**0.50 to <0.75**	**288**	**1**	**0.35%**	**0.65%**	**0.65%**	**0.27%**

F-IRB	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
Corporate	**0.75 to <2.50**	**608**	**3**	**0.49%**	**1.45%**	**1.30%**	**0.49%**
Corporate	0.75 to <1.75	608	3	0.49%	1.07%	1.14%	0.39%
Corporate	1.75 to <2.5	-	-	0.00%	0.00%	0.00%	0.00%
Corporate	**2.50 to <10.00**	**620**	**15**	**2.42%**	**4.74%**	**4.65%**	**1.21%**
Corporate	2.5 to <5	462	9	1.95%	3.38%	3.19%	0.91%
Corporate	5 to <10	158	6	3.80%	6.82%	6.68%	1.54%
Corporate	**10.00 to <100.00**	**166**	**11**	**6.63%**	**18.27%**	**19.53%**	**5.72%**
Corporate	10 to <20	48	3	6.25%	14.59%	14.17%	4.54%
Corporate	20 to <30	20	3	15.00%	25.27%	25.19%	15.79%
Corporate	30.00 to <100.00	98	5	5.10%	38.91%	36.83%	6.87%
Corporate	**100.00 (Default)**	**146**	**-**	**0.00%**	**100.00%**	**100.00%**	**0.51%**

Table 45: Back-testing of PD per exposure class – F-IRB Corporate (Art. 452 (h) CRR, EU CR9 (EU) 2024/3172)

Loss Given Default

For Pillar 1 purposes, LGD is estimated at EBH only for private individuals. LGD is defined as the expected economic loss on defaulted exposures after recoveries (from collateral and other repayments) as a percentage of EAD, modelled on pool level based on the decomposition of the total LGD in a cure rate component and loss rate components for both liquidated and cured exposures. The cure rate component is estimated via a logistic regression, while the estimation of the loss given liquidation relies on linear regression. For each of the pools, which are defined as homogeneous segments by product, client segment and exposure, a separate risk differentiation is derived. For the purpose of estimation, no further recoveries are assumed for an exposure after a maximum period of time in workout that is defined on pool level based on an analysis of closed workout cases and the recovery curve. Depending on credit exposure, LGD is then calculated taking into account proportionately allocated costs, a margin of conservatism as well as an add-on to properly reflect economic downturn conditions. The LGD for default exposures is determined as an estimation of the best estimate of expected losses (ELbe) and an add-on capturing the downturn adjustment and margin of conservatism. The ELbe modelling uses the same methodology as the LGD modelling, additionally considering the different times in default to reflect changes to the loss given liquidation and cure rate.

The validation of the LGD models is performed by the independent validation function once a year, using both qualitative and quantitative tests within the following validation areas:

- validation of the conceptual soundness of the model;
- validation of the model performance;
- validation of the ongoing model use.

The table below shows the LGD back-testing results for defaulted customers on the long-term number-weighted average. All defaults over a period of at least 10 years from internal validation reports were considered in the back-testing analysis. The estimated LGDs were higher than the observed value for all sub-classes of the retail exposure class, indicating the conservativeness of the estimates.

Asset class	Average LGD estimates	Average annual observed LGD
Retail	78.21%	65.74%
thereof SME	N/A	N/A
thereof Private Individuals	78.21%	65.74%

Table 46: Back-testing LGD (Art. 452 (f) (ii) CRR)

Credit conversion factor

Group-wide CCF models have been approved in September 2024 and are implemented at EBH since November 2024 and have been adjusted in November 2025. For Pillar 1 purposes, the CCF is estimated internally only for private individuals. It is defined as the expected drawdown of off-balance sheet, non-derivative positions within twelve months on the condition that the customer defaults within this period. EAD represents current drawings plus the off-balance sheet non-derivative positions (that is, the available undrawn credit amount) multiplied by the CCF. The CCF is estimated in a two-stage process: In the first step, empirical conversion rates are determined based on the data collected on defaulted customers. The conversion rate represents the relationship between the net credit increase from the reference date to the default date, on the one hand, and the available undrawn credit at the reference date on the other hand. The reference date is the date one year before default. The second step consists of the identification of risk drivers and based on this, the segmentation and the estimation of the CCF for each homogeneous segment. The estimates of CCFs are calculated by segment as the respective mean of all conversion rates per given segment over the entire period, plus a margin of conservatism for estimation error and, if applicable, an add-on to properly reflect economic downturn conditions.

The regular validation of the CCF risk parameter is performed by the independent validation function once a year, using both qualitative and quantitative methods:

- review of the documentation;
- review of the underlying model assumptions;
- segmentation;
- outlier rules;
- use test;
- approval of limits;
- testing of data quality;
- analysis of time series;
- benchmarking.

Quantitative methods consist primarily of the comparison of actual and expected CCFs. Qualitative methods are large population distribution tests, such as analysis of raw data and time series analysis of defaults, of conversion rates and of exposure at the reference date.

The following table presents the results of back-testing at Erste Hungary level over the time period of minimum 10 years based on the internal validation reports.

Asset class	Average CCF estimates	Average observed CCF
Retail	70.77%	41.12%
thereof SME	N/A	N/A
thereof Private Individuals	70.77%	41.12%

Table 47: Back-testing CCF (Art. 452 (f) (iii) CRR)

The alignment of the definition of default with recent regulatory requirements in general only had a minor impact on default rates, confined to the retail segment.

Quantitative disclosure on credit risk – IRB Approach

DISCLOSURE REQUIREMENTS Art. 452 (g) (i-v) 453 (g) (j) 180(1) (f) CRR

IRB exposures included in counterparty credit risk, securitization and other assets are not covered by tables below, but within respective chapters.

With respect to exposures under IRB Approach, a breakdown is given below of the exposure classes of corporates and retail by PD scales. Equity exposures, specialised lending and other non-credit obligation assets are not subject to following tables.

in HUF million or % PD scale	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
A-IRB												
Exposure class A0409												
0.00 to <0.15	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
0.00 to <0.10	-	-	-	-	0.00%	-	0.00%	-	-		-	-
0.10 to <0.15	-	-	-	-	0.00%	-	0.00%	-	-		-	-
0.15 to <0.25	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
0.25 to <0.50	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
0.50 to <0.75	**173,753**	**950**	**380**	**174,132**	**0.53%**	**23,665**	**32.81%**	**5**	**50,959**	**29.26%**	**393**	**(528)**
0.75 to <2.50	**180,933**	**805**	**322**	**181,255**	**1.44%**	**26,094**	**33.01%**	**5**	**104,622**	**57.72%**	**1,120**	**(554)**
0.75 to <1.75	180,933	805	322	181,255	1.44%	26,094	33.01%	5	104,622	57.72%	1,120	(554)
1.75 to <2.5	-	-	-	-	0.00%	-	0.00%	-	-		-	-
2.50 to <10.00	**99,165**	**351**	**141**	**99,306**	**4.93%**	**12,339**	**33.07%**	**5**	**115,553**	**116.36%**	**2,105**	**(807)**
2.5 to <5	69,220	164	66	69,286	3.79%	8,396	33.11%	5	71,715	103.51%	1,132	(386)
5 to <10	29,945	187	75	30,020	7.55%	3,943	32.98%	5	43,838	146.03%	973	(421)
10.00 to <100.00	**7,928**	**9**	**4**	**7,932**	**23.56%**	**1,246**	**33.03%**	**5**	**15,536**	**195.86%**	**804**	**(569)**
10 to <20	4,004	9	4	4,008	15.03%	690	32.72%	5	7,555	188.50%	256	(166)
20 to <30	2,184	-	-	2,184	23.28%	320	33.42%	5	4,620	211.54%	221	(173)
30.00 to <100.00	1,740	-	-	1,740	43.53%	236	33.28%	5	3,361	193.16%	327	(230)
100.00 (Default)	**8,002**	**-**	**-**	**8,002**	**100.00%**	**1,664**	**39.11%**	**3**	**6,130**	**76.61%**	**2,646**	**(4,542)**
Subtotal (exposure class)	**469,781**	**2,115**	**847**	**470,627**	**3.89%**	**65,008**	**33.05%**	**23**	**292,800**	**62.21%**	**7,068**	**(7,000)**
Exposure class A0411												
0.00 to <0.15	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
0.00 to <0.10	-	-	-	-	0.00%	-	0.00%	-	-		-	-
0.10 to <0.15	-	-	-	-	0.00%	-	0.00%	-	-		-	-
0.15 to <0.25	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
0.25 to <0.50	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
0.50 to <0.75	**76,560**	**81,274**	**68,476**	**144,969**	**0.53%**	**148,803**	**68.30%**	**2**	**81,290**	**56.07%**	**685**	**(224)**
0.75 to <2.50	**112,707**	**25,256**	**19,226**	**131,022**	**1.43%**	**80,320**	**72.47%**	**4**	**122,583**	**93.56%**	**1,778**	**(638)**
0.75 to <1.75	112,707	25,256	19,226	131,022	1.43%	80,320	72.47%	4	122,583	93.56%	1,778	(638)
1.75 to <2.5	-	-	-	-	0.00%	-	0.00%	-	-		-	-

in HUF million or % PD scale	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
2.50 to <10.00	**134,362**	**19,115**	**12,328**	**130,257**	**5.08%**	**71,265**	**73.33%**	**4**	**156,334**	**120.02%**	**6,353**	**(2,812)**
2.5 to <5	87,513	15,617	9,979	88,059	3.83%	49,146	72.98%	4	102,294	116.17%	3,218	(1,332)
5 to <10	46,849	3,498	2,349	42,198	7.69%	22,119	74.04%	4	54,040	128.06%	3,135	(1,480)
10.00 to <100.00	**41,168**	**2,633**	**1,731**	**37,018**	**24.20%**	**81,700**	**77.75%**	**4**	**70,265**	**189.81%**	**9,150**	**(6,009)**
10 to <20	19,416	1,054	714	17,521	14.76%	9,039	76.75%	4	29,019	165.62%	2,589	(1,621)
20 to <30	11,369	303	254	10,289	22.76%	5,544	77.77%	4	20,695	201.14%	2,375	(1,627)
30.00 to <100.00	10,383	1,276	763	9,208	43.75%	67,117	79.65%	4	20,551	223.19%	4,186	(2,761)
100.00 (Default)	**17,114**	**401**	**2**	**16,762**	**100.00%**	**14,543**	**76.91%**	**3**	**6,881**	**41.05%**	**12,343**	**(13,743)**
Subtotal (exposure class)	**381,911**	**128,679**	**101,763**	**460,028**	**7.60%**	**396,631**	**71.99%**	**17**	**437,353**	**95.07%**	**30,309**	**(23,426)**
Total (all exposures classes)	**851,692**	**130,794**	**102,610**	**930,655**	**5.72%**	**461,639**	**52.30%**	**40**	**730,153**	**78.46%**	**37,377**	**(30,426)**

Table 48: A-IRB Approach - Credit risk exposures by exposure class and PD range (Art. 452 (g) CRR, EU CR6 (EU) 2024/3172)

in HUF million or % PD scale	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after SME supporting factor	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
F-IRB												
Exposure class F0100												
0.00 to <0.15	**32,137**	**-**	**-**	**201,886**	**0.07%**	**2**	**45.00%**	**3**	**46,751**	**23.16%**	**60**	**(8)**
0.00 to <0.10	32,137	-	-	201,886	0.07%	2	45.00%	3	46,751	23.16%	60	(8)
0.10 to <0.15	-	-	-	-	0.00%	-	0.00%	-	-	0.00%	-	-
0.15 to <0.25	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**	**0.00%**	**-**	**-**
0.25 to <0.50	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**	**0.00%**	**-**	**-**
0.50 to <0.75	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**	**0.00%**	**-**	**-**
0.75 to <2.50	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**	**0.00%**	**-**	**-**
0.75 to <1.75	-	-	-	-	0.00%	-	0.00%	-	-	0.00%	-	-
1.75 to <2.5	-	-	-	-	0.00%	-	0.00%	-	-	0.00%	-	-
2.50 to <10.00	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**	**0.00%**	**-**	**-**
2.5 to <5	-	-	-	-	0.00%	-	0.00%	-	-	0.00%	-	-

PD scale in HUF million or %	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after SME supporting factor	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
5 to <10	-	-	-	-	0.00%	-	0.00%	-	-	0.00%	-	-
10.00 to <100.00	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**	**0.00%**	**-**	**-**
10 to <20	-	-	-	-	0.00%	-	0.00%	-	-	0.00%	-	-
20 to <30	-	-	-	-	0.00%	-	0.00%	-	-	0.00%	-	-
30.00 to <100.00	-	-	-	-	0.00%	-	0.00%	-	-	0.00%	-	-
100.00 (Default)	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**	**0.00%**	**-**	**-**
Subtotal (exposure class)	**32,137**	**-**	**-**	**201,886**	**0.07%**	**2**	**45.00%**	**3**	**46,751**	**23.16%**	**60**	**(8)**
Exposure class F0200												
0.00 to <0.15	**6,198**	**6,166**	**1,233**	**16,015**	**0.09%**	**7**	**45.00%**	**3**	**5,007**	**31.26%**	**6**	**(3)**
0.00 to <0.10	6,198	6,166	1,233	16,015	0.09%	7	45.00%	3	5,007	31.26%	6	(3)
0.10 to <0.15	-	-	-	-	0.00%	-	0.00%	-	-		-	-
0.15 to <0.25	**7,714**	**5,861**	**1,172**	**9,856**	**0.15%**	**7**	**45.00%**	**3**	**3,828**	**38.84%**	**7**	**(5)**
0.25 to <0.50	**598,272**	**84,517**	**33,684**	**41,015**	**0.36%**	**12**	**22.33%**	**3**	**12,071**	**29.43%**	**30**	**(501)**
0.50 to <0.75	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
0.75 to <2.50	**-**	**351**	**70**	**70**	**1.49%**	**2**	**45.00%**	**3**	**93**	**132.86%**	**-**	**(2)**
0.75 to <1.75	-	351	70	70	1.49%	2	45.00%	3	93	132.86%	-	(2)
1.75 to <2.5	-	-	-	-	0.00%	-	0.00%	-	-		-	-
2.50 to <10.00	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
2.5 to <5	-	-	-	-	0.00%	-	0.00%	-	-		-	-
5 to <10	-	-	-	-	0.00%	-	0.00%	-	-		-	-
10.00 to <100.00	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
10 to <20	-	-	-	-	0.00%	-	0.00%	-	-		-	-
20 to <30	-	-	-	-	0.00%	-	0.00%	-	-		-	-
30.00 to <100.00	-	-	-	-	0.00%	-	0.00%	-	-		-	-
100.00 (Default)	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
Subtotal (exposure class)	**612,184**	**96,895**	**36,159**	**66,956**	**0.26%**	**28**	**31.11%**	**12**	**20,999**	**31.36%**	**43**	**(511)**
Exposure class F0304												
0.00 to <0.15	**163,758**	**217,528**	**91,651**	**151,687**	**0.10%**	**14**	**40.61%**	**3**	**41,356**	**27.26%**	**60**	**(98)**
0.00 to <0.10	26,518	43,259	38,859	65,378	0.07%	5	40.64%	3	14,279	21.84%	17	(10)

in HUF million or % PD scale	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after SME supporting factor	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
0.10 to <0.15	137,240	174,269	52,792	86,309	0.12%	9	40.58%	3	27,077	31.37%	43	(88)
0.15 to <0.25	**11,918**	**38,065**	**9,961**	**21,879**	**0.22%**	**11**	**41.99%**	**3**	**9,783**	**44.71%**	**20**	**(31)**
0.25 to <0.50	**89,158**	**46,241**	**2,346**	**101,270**	**0.38%**	**16**	**37.47%**	**3**	**51,750**	**51.10%**	**145**	**(110)**
0.50 to <0.75	**124,008**	**97,112**	**7,247**	**121,978**	**0.71%**	**305**	**37.45%**	**3**	**73,424**	**60.19%**	**322**	**(359)**
0.75 to <2.50	**179,074**	**160,850**	**18,744**	**164,082**	**1.44%**	**718**	**37.14%**	**3**	**121,083**	**73.79%**	**868**	**(1,039)**
0.75 to <1.75	110,151	115,161	15,246	109,086	1.18%	359	37.94%	3	82,862	75.96%	484	(602)
1.75 to <2.5	68,923	45,689	3,498	54,996	1.97%	359	35.55%	3	38,221	69.50%	384	(437)
2.50 to <10.00	**182,833**	**123,905**	**9,270**	**156,138**	**4.67%**	**749**	**35.48%**	**3**	**145,083**	**92.92%**	**2,604**	**(2,715)**
2.5 to <5	126,550	99,501	7,877	108,400	3.51%	552	34.95%	3	90,965	83.92%	1,328	(1,388)
5 to <10	56,283	24,404	1,393	47,738	7.31%	197	36.67%	3	54,118	113.36%	1,276	(1,327)
10.00 to <100.00	**28,355**	**15,376**	**1,275**	**22,971**	**16.36%**	**853**	**31.90%**	**3**	**23,752**	**103.40%**	**1,225**	**(1,357)**
10 to <20	23,471	12,878	647	19,344	14.28%	91	30.80%	3	18,793	97.15%	850	(1,153)
20 to <30	4,884	2,497	628	3,626	27.43%	752	37.72%	3	4,958	136.73%	375	(204)
30.00 to <100.00	-	1	-	1	31.52%	10	40.00%	3	1	100.00%	-	-
100.00 (Default)	**13,745**	**6,221**	**733**	**13,145**	**100.00%**	**195**	**38.97%**	**3**	**-**	**0.00%**	**5,122**	**(10,365)**
Subtotal (exposure class)	**792,849**	**705,298**	**141,227**	**753,150**	**3.72%**	**2,861**	**37.60%**	**24**	**466,231**	**61.90%**	**10,366**	**(16,074)**
Total (all exposures classes)	**1,437,170**	**802,193**	**177,386**	**1,021,992**	**2.77%**	**2,891**	**38.64%**	**39**	**533,981**	**52.25%**	**10,469**	**(16,593)**

Table 49: F-IRB Approach – Credit risk exposures by exposure class and PD range (Art. 452 (g) CRR, EU CR6 (EU) 2024/3172)

in HUF million or %	Total exposures	Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWEAs	
		Funded Credit Protection (FCP)									Unfunded credit Protection (UFCP)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and sustitution effects)
			Part of exposures covered by Other eligible collaterals (%)				Part of exposures covered by Other funded credit protection (%)							
A-IRB		Part of exposures covered by Financial Collaterals (%)		Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)		Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)		
Central governments and central banks	**-**	**0.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Regional governments and local authorities	**-**	**0.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Public sector entities	**-**	**0.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Corporates	**-**	**0.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Corporates – General	-	0.00%	-	-	-	-	-	-	-	-	-	-		-
Corporates – Specialised lending	-	0.00%	-	-	-	-	-	-	-	-	-	-		-
Corporates - Purchased Receivables	-	0.00%	-	-	-	-	-	-	-	-	-	-		-
Retail	**930,654**	**0.27%**	**31.35%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**730,154**
Retail – Qualifying revolving	-	0.00%	-	-	-	-	-	-	-	-	-	-		-
Retail – secured by residential immovable property	470,627	0.00%	62.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		292,800
Retail - Purchased Receivables	-	0.00%	-	-	-	-	-	-	-	-	-	-		-
Retail - Other retail exposures	460,027	0.54%	-	-	-	-	-	-	-	-	-	-		437,354
Total	**930,654**	**0.27%**	**31.35%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**730,154**

Table 50: A-IRB Approach – Exposure class: Retail by PD classes (Art. 453 (g) CRR, EU CR7-A (EU) 2024/3172)

in HUF million or %	Total exposures	Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWEAs	
		Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)			
			Part of exposures covered by Other eligible collaterals (%)				Part of exposures covered by Other funded credit protection (%)							
F-IRB		Part of exposures covered by Financial Collaterals (%)		Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)		Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and sustitution effects)
Central governments and central banks	**202,858**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**49,183**
Regional governments and local authorities	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**-**
Public sector entities	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**-**
Institutions	**66,956**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**20,998**
Corporates	**1,079,907**	**1.35%**	**10.55%**	**10.55%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**738,277**
Corporates – General	753,149	1.94%	15.13%	15.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		466,232
Corporates – Specialised lending	326,758	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		272,045
Corporates - Purchased Receivables	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-
Total	**1,349,721**	**1.08%**	**8.44%**	**8.44%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**808,458**

Table 51: F-IRB Approach – Exposure class: Retail by PD classes (Art. 453 (g) CRR, EU CR7-A (EU) 2024/3172)

Risk weighted exposure amount flow statements

in HUF million	Risk weighted exposure amount
Risk weighted exposure amount as at the end of the previous reporting period	**1,786,153**
Asset size (+/-)	647,529
Asset quality (+/-)	(672,646)
Model updates (+/-)	(16,880)
Methodology and policy (+/-)	(189,060)
Acquisitions and disposals (+/-)	-
Foreign exchange movements (+/-)	(16,485)
Other (+/-)	-
Risk weighted exposure amount as at the end of the reporting period	**1,538,611**

Table 52: RWEA flow statements of credit risk exposures under the IRB approach (CRR Art. 438 (h), EU CR8 (EU)2024/3172)

Counterparty credit risk

Goals and principles of risk management

DISCLOSURE REQUIREMENTS Art. 435 (1) (a) (b) (c) (d) 431 (3) (4) CRR

Counterparty credit risk (CCR) for OTC derivatives and securities financing transactions (securities repurchasing transactions) is measured as the sum of current replacement costs in the case of default of the counterparty (i.e. the positive market value taking into account netting agreements) and of potential replacement costs that may result from future changes in market values due to a change in the underlying market risk factors (e.g. interest rates, currencies, or equity prices).

Counterparty credit risks are monitored and controlled at transaction level as well as at portfolio level. Erste Bank has a real-time limit monitoring system. The availability of unused limits must be checked before a transaction is executed.

ORGANISATION

Credit risks from derivatives and repurchase agreements transactions are fully integrated into the general credit risk management system. A requirement for entering into derivative transactions is the compliance with the credit process, where the same standards with respect to classification, limits and monitoring apply as in the case of conventional credit transactions. Counterparty credit risks are measured and monitored on a daily basis by Liquidity and Market Risk Management. Counterparty default risk is taken into consideration in credit risk reporting.

RISK MEASUREMENT AND CONTROL

For the internal measurement of credit risk arising from derivatives and repurchase transactions, the current market values (replacement values) and potential fluctuations of the replacement values (Potential Future Exposure) due to changes in the underlying market risk factors until maturity are taken into account.

The calculation of the potential future exposure for derivative instruments is based on the regulatory methodology of the standardised approach for counterparty credit risk (SA-CCR). Starting in 2022, SA-CCR is also used for the purposes of internal limit steering which brings regulatory and internal exposure measures in close alignment.

For the calculation of current and potential credit risks, netting procedures are taken into account only if the netting agreement with the counterparty is approved by the MNB. The amounts receivable are limited by own limits as well as within the scope of the limits of the overall credit risk exposure of the respective counterparty, groups of counterparties and countries. Additionally, settlement risk is controlled by adequate limits.

NETTING AND COLLATERAL

An important basis for the reduction of counterparty credit risk is entering into framework agreements (international framework agreements for derivatives of the International Swaps and Derivatives Association (ISDA). Based on these agreements, it is 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. Erste Bank does not make use of cross product netting (i.e. exposures, including both derivatives and SFTs netted at counterparty level).

Furthermore, collateral agreements (e.g. ISDA Credit Support Annex) are used for reducing the credit risk from derivatives. 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.

Internal capital allocation and definition of credit limits for counterparty credit exposures

DISCLOSURE REQUIREMENTS Art. 439 (a) CRR

Counterparty credit risk is assessed as part of the centralised calculation of RWAs and treated as a component of credit risk in the RCC. In part, portfolios subject to the Standardised Approach are recalculated using IRB parameters in order to gain an economic perspective. RWAs are scaled to the confidence level of 99.9% in the RCC. Counterparty credit risk is incorporated into the RCC, which is reported quarterly to the management board. It forms one of the vital components of the Economic Capital Adequacy Limit, which is approved by the management board.

A credit limit for counterparties at individual customer level is requested and approved by the appropriate credit processing channels. Individual customer limits are regularly monitored and tracked in the reporting system. Further relevant credit limits include the maximum lending limit for the group of connected clients and industry limits which are defined in line with the RAS and the Risk Strategy and also periodically reviewed and reported to the management board and supervisory board.

Securing of collateral and establishing of reserves

DISCLOSURE REQUIREMENTS Art. 439 (b) CRR

On the basis of bilateral contracts (securities repurchase transactions, ISDA netting agreements, credit support annexes, etc.), Erste Bank has the ability to apply risk mitigating measures (netting, taking of security). Erste Bank incurs credit risk only when the net market value is positive (replacement risk). As this risk depends mainly on fluctuations in the market risk parameters (exchange rates, interest rate movements, credit spreads), open transactions must regularly be revalued and the collateral adjusted.

Acceptable collateral consists of cash denominated in certain defined currencies (generally EUR, USD and HUF) and government bonds. In the case of securities used as collateral, an additional valuation discount (haircut) depending on the residual maturity is applied. The adjustment of the collateral to the current risk situation (mark-to-market valuation of the transactions with the respective counterparty) and the review of the current collateral value (taking into account exchange rate fluctuations for collateral in foreign currency, market value of securities) are performed at contractually agreed intervals. Valuation frequencies are daily.

The ability to realise collateral in the event of counterparty insolvency and to reuse collateral (notably to re-pledge it to third parties, or to reuse it for lending or repo transactions) is ensured based on legal opinions issued on behalf of ISDA for the relevant jurisdictions of the individual counterparties. Credit value adjustments are made for unsecured exposures from derivative transactions contingent on the credit rating or PD of the counterparty and the maturity of the contract.

For repurchase agreements the mutual obligation to meet margin calls ensures full collateralisation on an ongoing basis, no additional reserves are formed for these transactions.

Limitation on wrong-way risk

DISCLOSURE REQUIREMENTS Art. 439 (c) CRR

Erste Bank has a robust framework in place for managing wrong-way risk. Dedicated limits are set in order to avoid general and specific wrong-way risk. This comprises very strict limitations for acceptable collateral for OTC business and securities finance transactions and additional limitations on trades where specific wrong-way risk could occur (e.g. no exposure reduction in case of legal connections between the trade counterparty and the reference entity of the received collateral).

Impact on collateralisation of a rating downgrade

DISCLOSURE REQUIREMENTS Art. 439 (d) CRR

Contractual provisions concerning dependencies between collateralisation and the credit rating of Erste Bank exist in the context of some collateral agreements. In 2025 there were no trades based on these agreements.

CVA risk

DISCLOSURE REQUIREMENTS Art.445a (1) (a) (b) (c) 445a (3) (a) (b) CRR

OVERVIEW OF CVA RISK PROCESSES

Erste Hungary identifies Credit Valuation Adjustment (CVA) risk for all derivatives within the scope of Article 382 CRR. Securities financing transactions (SFTs) are not in scope of the CVA capital requirements as the institution does not enter into trading-related SFTs measured at fair value.

CVA risk is measured in accordance with the Basic Approach under Article 384(2) ("reduced BA-CVA"), with inputs and exposures derived from standard valuation systems and counterparty credit risk metrics. At present, Erste Hungary does not actively engage in hedging of CVA risk using derivative instruments; consequently, monitoring focuses on exposure dynamics, and counterparty ratings. CVA risk is monitored through regular risk reporting to senior management.

CONDITIONS FOR THE SIMPLIFIED APPROACH

Erste Hungary does not meet all of the conditions set out in Article 273a(2) CRR and therefore is not eligible to calculate the own funds requirement for CVA risk using the simplified approach in Article 385 CRR.

Accordingly, own funds requirements under Article 385 are not applicable.

COUNTERPARTIES UNDER SA-CVA

Erste Hungary uses the Basic Approach for CVA risk under Article 384 CRR and has 0 counterparties for which the Standardised Approach (Article 383 CRR) is used.

CVA OWN FUNDS UNDER THE BASIC APPROACH

Erste Hungary calculates the own funds requirement for CVA risk under the Basic Approach (Article 384(2) CRR). The total own funds requirement are disclosed in the accompanying table in the quantitative disclosures. As Bank is applying the reduced BA-CVA, the term BACVA_csr hedged is zero.

ELIGIBLE HEDGES

Erste Hungary does not use eligible CVA hedges as defined in Article 386(3) CRR. No single name or index credit default swaps (including tranches) are recognised as hedges in the CVA capital calculation.

Quantitative disclosure on counterparty risk

DISCLOSURE REQUIREMENTS Art. 439 (e) to (l) in conjunction with 444 (e) and 452 (g) CRR

The table below provides an overview of the methods used to calculate CCR regulatory requirements, the main parameters used with-in each method, as well as the resulting net exposures and RWAs.

in HUF million	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU - Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
SA-CCR (for derivatives)	13,753	19,691		1.4	46,822	46,822	46,822	26,784
IMM (for derivatives and SFTs)			-	-	-	-	-	-
Of which securities financing transactions netting sets			-		-	-	-	-
Of which derivatives and long settlement transactions netting sets			-		-	-	-	-
Of which from contractual cross-product netting sets			-		-	-	-	-
Financial collateral simple method (for SFTs)					-	-	-	-
Financial collateral comprehensive method (for SFTs)					18,807	6,080	6,080	223
VaR for SFTs					-	-	-	-
Total					**65,629**	**52,902**	**52,902**	**27,007**

Table 53: Analysis of CCR exposure by approach (Art. 436 (f) (g) (k) CRR, EU CCR1 (EU) 2024/3172)

The table below provides an overview of the exposures subject to CVA capital charges in accordance with Part three, Title VI, Article 382 CRR. Erste Hungary applies the standardised reduced BA-CVA method approach to compute CVA capital charges exclusively.

CVA capital charges

in HUF million	Components of Own Funds Requirements	Own Funds Requirements
Aggregation of systematic components of CVA risk		
Aggregation of idiosyncratic components of CVA risk		
Total		**453**

Table 54: Analysis of CCR CVA Capital Charge (Art. 439 (h) CRR, EU CVA1 (EU) 2024/3172)

The table below provides an overview of the exposures towards central counterparties (CCPs) in the scope of Part Three, Title II, Chapter 6, Section 9 of the CRR and related capital requirements.

in HUF million	Exposure value	RWEA
Exposures to QCCPs (total)		3
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which		
(i) OTC derivatives		
(ii) Exchange-traded derivatives		
(iii) SFTs		
(iv) Netting sets where cross-product netting has been approved		
Segregated initial margin		
Non-segregated initial margin		
Prefunded default fund contributions	4,567	3
Unfunded default fund contributions		
Exposures to non-QCCPs (total)		

in HUF million	Exposure value	RWEA
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which		
(i) OTC derivatives		
(ii) Exchange-traded derivatives		
(iii) SFTs		
(iv) Netting sets where cross-product netting has been approved		
Segregated initial margin		
Non-segregated initial margin		
Prefunded default fund contributions		
Unfunded default fund contributions		

Table 55: Exposures to central counterparties (CCPs) (Art. 439 (i) CRR, EU CCR8 (EU) 2024/3172)

The table below provides a breakdown of CCR exposure calculated in accordance with Part Three, Title II, Chapter 6 of the CRR and risk-weighted according to Chapter 3 of the same title: by portfolio (type of counterparties) and by risk weight (riskiness attributed according to the standardised approach).

in HUF million	Risk weight										
Exposure classes	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
Central governments or central banks	138	-	-	-	-	-	-	-	-	-	-	138
Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	873	55	-	168	-	-	197	1,293
Corporates	-	-	-	-	-	-	-	-	9,990	-	-	9,990
Retail	-	-	-	-	-	-	-	-	5,831	-	-	5,831
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-	-	-	-	-
Total exposure value	**138**	**-**	**-**	**-**	**873**	**55**	**-**	**168**	**15,821**	**-**	**197**	**17,252**

Table 56: Standardised approach – CCR exposures by regulatory portfolio and risk weights (Art. 439 (l) referring to 444 (e) CRR, EU CCR3 (EU) 2024/3172)

The table below provides an overview of RWAs and parameters used in RWA calculations for exposures subject to the CCR framework (excluding CVA charges or exposures cleared through a CCP) and where the credit risk approach is used (in accordance with Article 107 CRR) to compute RWAs in IRB approach. The same PD scale applies as for credit risk exposures.

CCR portfolio in IRB approach

The tables below show breakdown of exposures relevant for CCR, per exposure class and PD bucket. Only the exposure classes where bank has the CCR exposures are included, while the overviews for the classes with no CCR exposures are omitted.

in HUF million PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amounts
Central governments and central banks							
0.00 to <0.15	11,010	0.00%	1	45.00%	3	1,263	11.47%
0.15 to <0.25	-	0.00%	-	0.00%	-	-	0.00%
0.25 to <0.50	-	0.00%	-	0.00%	-	-	0.00%
0.50 to <0.75	-	0.00%	-	0.00%	-	-	0.00%
0.75 to <2.50	-	0.00%	-	0.00%	-	-	0.00%
2.50 to <10.00	-	0.00%	-	0.00%	-	-	0.00%
10.00 to <100.00	-	0.00%	-	0.00%	-	-	0.00%
100.00 (Default)	-	0.00%	-	0.00%	-	-	0.00%
Sub-total (Central governments and central banks)	**11,010**	**0.00%**	**1**	**45.00%**	**3**	**1,263**	**11.47%**
Institutions							
0.00 to <0.15	17,051	0.00%	1	30.00%	2	4,228	24.80%
0.15 to <0.25	63	0.00%	2	45.00%	3	25	39.15%
0.25 to <0.50	1,263	0.00%	1	45.00%	3	648	51.30%
0.50 to <0.75	-	0.00%	-	0.00%	-	-	0.00%
0.75 to <2.50	426	1.00%	1	45.00%	3	375	88.09%
2.50 to <10.00	-	0.00%	-	0.00%	-	-	0.00%
10.00 to <100.00	-	0.00%	-	0.00%	-	-	0.00%
100.00 (Default)	-	0.00%	-	0.00%	-	-	0.00%
Sub-total (Institutions)	**18,803**	**0.00%**	**5**	**32.00%**	**2**	**5,275**	**28.06%**
Corporates							
0.00 to <0.15	39	0.00%	1	40.00%	3	12	30.44%
0.15 to <0.25	93	0.00%	2	40.00%	3	39	42.00%
0.25 to <0.50	964	0.00%	5	41.00%	3	535	55.47%
0.50 to <0.75	1,104	1.00%	7	40.00%	3	801	72.55%
0.75 to <2.50	756	1.00%	17	40.00%	3	601	79.44%
2.50 to <10.00	436	5.00%	16	40.00%	3	531	121.87%
10.00 to <100.00	1	13.00%	1	40.00%	3	2	118.22%
100.00 (Default)	29	100.00%	1	40.00%	3	-	0.00%
Sub-total (Corporates)	**3,422**	**2.00%**	**50**	**40.00%**	**3**	**2,521**	**73.65%**
Retail							
0.00 to <0.15	-	0.00%	-	0.00%	-	-	0.00%
0.15 to <0.25	-	0.00%	-	0.00%	-	-	0.00%
0.25 to <0.50	-	0.00%	-	0.00%	-	-	0.00%
0.50 to <0.75	-	0.00%	-	0.00%	-	-	0.00%
0.75 to <2.50	-	0.00%	-	0.00%	-	-	0.00%

PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure
2.50 to <10.00	-	0.00%	-	0.00%	-	-	0.00%
10.00 to <100.00	-	0.00%	-	0.00%	-	-	0.00%
100.00 (Default)	-	0.00%	-	0.00%	-	-	0.00%
Sub-total (Retail)	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**	**0.00%**
Total (all CCR relevant exposure classes)	**33,235**	**0.00%**	**56**	**37.00%**	**2**	**9,059**	**27.26%**

Table 57: IRB approach – CCR exposures by exposure class and PD scale (Art. 439 (l) referring to 452 (g) CRR, EU CCR4 (EU) 2024/3172)

The table below provides an overview of all types of collateral posted or received by Erste Bank to support or reduce CCR exposures related to derivative transactions or to SFTs.

in HUF million	Collateral used in derivative transactions				Collateral used in SFTs			
Collateral type	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
Cash – domestic currency	-	-	-	-	-	-	-	-
Cash – other currencies	-	9,546	-	2,613	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-	-	-
Total	**-**	**9,546**	**-**	**2,613**	**-**	**-**	**-**	**-**

Table 58: Composition of collateral for exposures to CCR (Art. 439 (e) CRR, EU CCR5 (EU) 2024/3172)

Erste Hungary does not have exposures to credit derivative transactions,therefore table EU CCR6 is not published.)

RWEA flow statements of CCR exposures under the IMM

As IMM (internal model method) for derivatives and SFTs is not used, template EU CCR7 – RWA flow statement of CCR exposures under the IMM according to (EU) 2024/3172 is not disclosed.

Exposure to securitisation positions

Investments in securitisation positions

DISCLOSURE REQUIREMENTS Art. 435 (1) (a) (b) (c) (d), 449 (a) to (d), (g) (h) (j) (k) (l) CRR

Erste Bank does not have investments in securitisation positions.

Securitisation activities at Erste Hungary

DISCLOSURE REQUIREMENTS Art. 449 (a) to (d), (g) (h) (j) (k) (l) CRR

Within Erste Hungary, only the Bank has securitisation exposures, while its subsidiaries do not engage in securitisation activities. Accordingly, the exposures included in the consolidated tables presented below are exclusively attributable to the Bank and are not presented separately at an individual level in the Annex I.

Erste Bank has one synthetic securitisation transaction. On 30 September 2025 the first synthetic securitisation ("EBH RMTG 2025-1") of Erste Bank, became effective. The transaction in the amount of HUF 343,626 million is with the main objective to provide credit protection on a loan portfolio consisting of Hungarian mortgage loans via unfunded financial guarantees on the mezzanine tranche. The significant risk transfer pursuant to Article 245 (2)(a) of the CRR contributes to regulatory capital relief. The transaction has a final legal maturity on 31 December 2039. The reference portfolio was not sold, but remains on the balance sheet of the originator. The transaction was structured and executed as a non-STS securitisation. No securitisation special purpose entity (SSPE) was involved in EBH RMTG 2025-1.

The risk-weighted exposure amounts for this transaction are calculated according to the SEC-IRBA formula of Article 259 of the CRR. No rating agency was involved in the transaction. EBH RMTG 2025-1 was structured in three tranches whereby the mezzanine tranche is guaranteed by insurance companies. The structure of the transaction is set out in the table below.

EBH RMTG 2025-1 synthetic securitisation transaction

in HUF million	Notional value outstanding as of 31 December 2025	Seniority of tranche	Tranche characteristic
Senior Tranche	291,592	Senior	Retained
Mezzanine Tranche	36,141	Mezzanine	Guaranteed
Junior Tranche	859	Junior	Retained
Total	**328,592**		
Excess Spread	2,241		

Table 59: Overview of EBH RMTG 2025-1 securitisation tranche structure and characteristics

The transaction has no replenishment period. The redemption of the senior and mezzanine tranches is on a pro-rata basis, switching to sequential amortization upon subordination events. Losses are allocated to the tranches in the reverse order of seniority. The transaction includes a synthetic excess spread in the amount of the expected loss of the portfolio. Losses are first allocated to the excess spread and then to the tranches starting with the junior tranche. The excess spread as well as the junior tranche are deducted from the amount of Common Equity Tier 1 items pursuant to Article 253 (1) and Article 36 (1)(k) of the CRR. No hedging or unfunded credit protection is used to mitigate the risk of the retained tranches.

The specific provisions booked for a credit event loan are used as an estimate for the final loss ("initial loss") in respect of the credit event loan in the transaction. Revised estimates of the loss lead to positive or negative loss adjustments during the workout process. After completion of the workout process the total loss accounted for in respect of the credit event loan is the final loss. In case of losses above the excess spread and the junior tranche and up to the mezzanine tranche Erste Bank receives credit protection payments from the investors.

The 5% originator retention required under Article 6 3(a) Regulation (EU) 2017/2402 was met by retaining exposure amount with a volume of HUF 17,484 million at Erste Bank or not less than 5% of the nominal value of each of the securitised exposures as of 31 December 2025.

Quantitative disclosure on securitisation positions

SECURITISATION ACTIVITIES

DISCLOSURE REQUIREMENTS Art. 449 (j) (k) (l) CRR

Securitisation exposures in the trading book

As Erste Bank did not have any securitization positions in the trading book, hence disclosure requirement from Article 449 (j) for trading book, and disclosure template EU SEC2 pursuant to (EU) 2024/3172 is omitted.

Securitisation exposures in the non-trading book

in HUF million	Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
	Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
	STS		Non-STS					STS	Non-STS			STS	Non-STS		
		of which SRT		of which SRT		of which SRT									
Total exposures	**-**	**-**	**-**	**-**	**291,592**	**291,592**	**291,592**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Retail (total)	-	-	-	-	291,592	291,592	291,592	-	-	-	-	-	-	-	-
residential mortgage	-	-	-	-	291,592	291,592	291,592	-	-	-	-	-	-	-	-
credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale (total)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table 60: Securitisation exposures in the non-trading book (Art. 449 (j) CRR, EU SEC1 (EU) 2024/3172)

in HUF million	Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW / deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW
Total exposures	**291,592**	**-**	**-**	**-**	**-**	**291,592**	**-**	**-**	**-**	**45,773**	**-**	**-**	**-**	**3,662**	**-**	**-**	**-**
Traditional) transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Synthetic transactions	291,592	-	-	-	-	291,592	-	-	-	45,773	-	-	-	3,662	-	-	-
Securitisation	291,592	-	-	-	-	291,592	-	-	-	45,773	-	-	-	3,662	-	-	-
Retail underlying	291,592	-	-	-	-	291,592	-	-	-	45,773	-	-	-	3,662	-	-	-
Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table 61: Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor (Art. 449 (k) (i) CRR, EU SEC3 (EU) 2024/3172)

As Erste Bank did not have any securitization positions in the non-trading book when acting as investor, hence disclosure requirement from Article 449 (k) (ii) CRR and disclosure template EU SEC4 (EU) 2024/3172 are omitted.

in HUF million	Exposures securitised by the institution - Institution acts as originator or as sponsor		
	Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
		Of which exposures in default	
Total exposures	**328,609**	**128**	**(3,837)**
Retail (total)	328,609	128	(3,837)
residential mortgage	328,609	128	(3,837)
credit card	-	-	-
other retail exposures	-	-	-
re-securitisation	-	-	-
Wholesale (total)	-	-	-
loans to corporates	-	-	-
commercial mortgage	-	-	-
lease and receivables	-	-	-
other wholesale	-	-	-
re-securitisation	-	-	-

Table 62: Exposures securitised by the institution - Exposures in default and specific credit risk adjustments (Art. 449 (l) CRR, EU SEC5 (EU) 2024/3172)

Market risk

Goals and principles of risk management

DISCLOSURE REQUIREMENTS Art. 435 (1) (a) (b) (c) (d) AND 445 CRR

Market risks arise due to fluctuations of interest rates, exchange rates, equity prices and commodity prices. Market risks derive from short-term trading in instruments whose prices are determined daily (trading book) as well as from the traditional banking business (banking book). The measurement method for risk in the trading book is Value at Risk (VaR).

ORGANISATION

The responsibility for market risk rests in Liquidity and Market Risk Management (LMRM). This unit is responsible for steering, measurement, and controlling of liquidity and market risk. It covers both banking book and trading book.

The responsibilities of LMRM related to banking book management include the identification, measurement and controlling of market and liquidity risk as well as the integration into the Bank‘s enterprise-wide risk management and risk appetite framework. Furthermore, it is responsible for setting, controlling, and monitoring of liquidity and market risk limits in the banking book and respective limit escalation procedures.

LMRM is also responsible for the governance of market risk of the trading book. It acts independently of the trading units and takes responsibility for identifying, measuring, and monitoring of all market risks arising from capital market business. The scope of the unit also comprises setting, controlling, and monitoring of market risk limits in the trading book and respective limit escalation procedures.

RISK MEASUREMENT AND CONTROL

VaR is calculated based on the method of historic simulation. A confidence interval of 99% and a holding period of one day apply. The software package MRS is used for this purpose. The validity of the statistical methods used is constantly checked through back-testing.

The management board sets the strategic framework for market risk management, approves the risk appetite, which is appropriate to the business strategy, and approves the Bank’s strategy. The ALCO is the ultimate decision-making body for market risk and other trading book-related issues. It discusses and decides on important risk management issues related to Capital Markets activities, in particular, to approve and implement risk management standards, limit structures, trading strategies. Limit compliance is verified by LMRM.

METHODS AND INSTRUMENTS OF RISK MITIGATION

The general standards of market risk controlling and management (standards, limits and analyses) are defined by Erste Bank and are described in the Principles for Managing Market Risk which are constantly reviewed and improved.

Risk measurement is guaranteed by the daily calculation of VaR. Additionally, sensitivity limits are in place for all asset classes. This system permits control that extends to the level of the individual trades and positions. The limits are monitored daily. Furthermore, a consistency check between the VaR limits and the sensitivity limits is carried out on a regular basis.

Risk measurement by purely statistical methods such as VaR does not adequately take into account the consequences of crisis situations. For this reason, Erste Bank supplements its VaR-based risk measurement with stress testing based on several methods (stressed Value at risk (sVaR), daily and ad-hoc scenario analysis). These assessments help to analyse the effects of market movements of low probability.

MARKET RISK REPORTING

Internal reporting comprises:

- daily measurement and limit control of the market risk (includes VaR, sensitivity and stop-loss limit reporting to management);
- detailed monthly reports including the banking book sent to the ALCO and the management board;
- VaR overview;
- stress testing: sVaR.

OWN FUNDS REQUIREMENT FOR EXPOSURE TO MARKET RISK UNDER THE STANDARDISED APPROACH

The table below provides an overview of the capital requirements of Erste Bank for market risk covered by the Standardised Approach, broken down by risk type.

in HUF million	RWEAs
Outright products	
Interest rate risk (general and specific)	17,823
Equity risk (general and specific)	610
Foreign exchange risk	-
Commodity risk	-
Options	
Simplified approach	-
Delta-plus approach	31
Scenario approach	-
Securitisation (specific risk)	-
Total	**18,464**

Table 63: Market risk under the Standardised approach (Art. 445 CRR, EU MR1 (EU) 2024/3172)

Internal Market risk model

DISCLOSURE REQUIREMENTS Art. 455 CRR

Erste Bank Hungary does not use internal Market risk model for calculating the capital requirement.

Quantitative disclosure on market risk

in HUF million	Risk category					Category level AVA - Valuation uncertainty		Total category level post-diversification		
Category level AVA	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA		Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
Market price uncertainty	48	1,989	37	859	-	11	12	1,490	611	879
Close-out cost	-	-	-	-	-	-	-	-	-	-
Concentrated positions	94	-	-	-	-			94	-	94
Early termination	-	-	-	-	-			-	-	-
Model risk	-	-	-	-	-	-	-	-	-	-

in HUF million	Risk category					Category level AVA - Valuation uncertainty		Total category level post-diversification		
Category level AVA	**Equity**	**Interest Rates**	**Foreign exchange**	**Credit**	**Commodities**	**Unearned credit spreads AVA**	**Investment and funding costs AVA**		**Of which: Total core approach in the trading book**	**Of which: Total core approach in the banking book**
Operational risk	2	99	2	43	-			147	31	116
Future administrative costs	69	193	-	90	-			351	351	-
Total Additional Valuation Adjustments (AVAs)								**2,082**	**993**	**1,089**

Table 64: Prudent valuation adjustments (PVA) (Art. 436 (e) CRR, EU PV1 (EU) 2024/3172)

Liquidity Risk

GOALS AND PRINCIPLES OF RISK MANAGEMENT

DISCLOSURE REQUIREMENTS Art. 435 (1) (a) (b) (c) (d) 451a (4) CRR

Liquidity risk management framework

The liquidity risk in Erste Bank is defined in line with the principles set out by the Basel Committee on Banking Supervision as well as the European regulations (Regulation (EU) No 575/2013 (CRR), Regulation (EU) 2022/786, Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (Hpt.)) and MNB recommendations in their current versions. Accordingly, a distinction is made between market liquidity risk, which is the risk that an entity 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 banks in 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 entity.

Funding liquidity risk is further divided into insolvency risk and structural liquidity risk. Insolvency risk refers to 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.

Erste Bank has defined and implemented a Risk Strategy, which is approved by the Board and the Supervisory Board on an annual basis. The Risk Strategy defines, inter alia, the Risk Appetite for liquidity risk as a part of the Risk Appetite Statement. In line with the Risk Appetite Statement, key liquidity principles are defined to ensure that processes are in place to manage the liquidity risk profile and that strategic limits are set in the Risk Strategy These are further translated into operating limits and liquidity risk management policies. Additionally, governance arrangements are in place to address any adverse developments of the Erste Bank's liquidity profile.

Structure and organization of the liquidity risk management function

Erste Group Bank AG has the central liquidity risk management function for Erste Group in addition to the responsibility for its solo level functions, i.e. it defines the principles and methodologies for liquidity risk management for all entities within the Group and ensures their proper implementation at local level. The legal entity structure of Erste Group consists of 3 levels, with Erste Group Bank AG as the top institute for the Group. Level 2 includes the core subsidiaries of Erste Group Bank AG like Erste Bank Hungary, while Level 3 includes the subsidiaries of Erste Bank: Erste Mortgage Bank, Erste Building Society and Erste Investments Hungary.

In Erste Bank Liquidity and Market Risk Management is responsible for the liquidity framework, liquidity measurement, and liquidity limit monitoring. Liquidity management is a joint effort of ALM and Capital Markets. Generally, ALM is responsible for structural liquidity management while Capital Markets is responsible for day-to-day liquidity management and the execution of liquidity-relevant transactions.

RISK MEASUREMENT AND CONTROL

Erste Bank produces several regular internal and external reports. These reports cover structural liquidity risk as well as insolvency risk and are used to monitor and steer the liquidity position in Erste Bank.

Erste Group has a group wide technical architecture, which allows a daily reporting of Liquidity Coverage Ratio (LCR) for Erste Bank. Furthermore, all other internal or external liquidity metrics as Net Stable Funding Ratio (NSFR) and Additional Liquidity Monitoring Metrics (ALMM) are calculated and reported based on this environment. The new environment enables monitoring of liquidity metrics even on a daily basis.

Survival period analysis (SPA)

The short-term insolvency risk is monitored and limited by calculating the survival period for each material currency. This analysis determines the maximum period during which the Bank can survive a set of defined scenarios, including a severe combined market and idiosyncratic crisis while relying on its pool of liquid assets. The applied worst-case scenario simulates very limited money market and capital market access in combination with significant client deposit outflows. Furthermore, the simulation 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. The SPA is part of the RAS ensuring sufficient short-term liquidity to overcome pre-defined liquidity stress scenarios.

Structural Liquidity Ratio (STRL)

The structural liquidity metric measures 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 STRL is part of the Risk Strategy and ensures a sound long term funding structure.

Liquidity coverage ratio (LCR)

Erste Bank is reporting the Liquidity Coverage ratio according to the delegated regulation (EU) 2015/61, in their current amended versions to the authorities on solo and local group level. The LCR is part of the RAS targeting to be well above the regulatory requirement.

Net Stable Funding Ratio (NSFR)

Erste Bank reports the Net Stable Funding Ratio (NSFR) according to the Regulation (EU) No 575/2013 in their currently valid version to the authorities on solo and group level. The NSFR is part of the RAS targeting to be well above the regulatory requirement.

Concentration analysis

Concentration risks in terms of funding providers, products and assets in the counterbalancing capacity (CBC) are regularly monitored.

Comprehensive stress testing and recovery and resolution planning

Additional scenarios are analysed to further elaborate on the main vulnerabilities of Erste Bank’s liquidity position. These scenarios are elaborated based on specific storylines. The scenarios and the relevant stress parameters are taken from historical evidence where available. When historical evidence is not available, expert opinions and assumptions are applied.

Funds transfer pricing (FTP)

The Funds Transfer Pricing (FTP) of Erste Bank has proven to be an efficient control instrument for the management of structural liquidity risk.

METHODS AND INSTRUMENTS OF RISK MITIGATION

Erste Bank uses various measurement tools and metrics to quantify liquidity risk. In addition to regulatory measures (e.g. LCR, NSFR, and ALMM), Erste Bank has defined its own internal metrics. The most important internal metric is the Survival Period Analysis (SPA), which serves as the key tool to measure insolvency risk in Erste Bank. It focuses on a up to one-year horizon and uses a dynamic stress testing methodology. The FTP system is yet another important instrument for managing and steering the liquidity risk within Erste Bank AG. Early warning indicators also form an integral part of the liquidity risk management framework, in particular with respect to detecting the type and severity of liquidity stress events.

Limits are defined in the Risk Appetite Statement and the Risk Strategy. Limit breaches are reported to the Operational Liquidity Committee (OLC) and the Asset Liability Committee (ALCO).

Additional important information for liquidity management can be obtained via the process of planning funding needs. Therefore, a detailed overview of funding needs is prepared over the whole planning horizon. It is prepared at least annually as part of the Group ALM Strategy.

The Contingency Funding Plan (CFP) of Erste Bank ensures an adequate set of liquidity enhancing actions in times of stress as well as the necessary coordination of all parties involved in the liquidity management process. The CFP is reviewed at least annually.

ADEQUACY OF LIQUIDITY RISK MANAGEMENT

The Comprehensive Statement on Liquidity Adequacy provides an overview of major principles for managing the liquidity adequacy of Erste Bank. It follows the Bank's business strategy and operational environments to keep the current stock of liquid resources on an adequate level and to ensure a prudent funding profile. In addition, major liquidity risk measures and limits for external and internal reporting and for internal steering of liquidity risk are included. The statement is updated on a yearly basis in course of the ILAAP.

LIQUIDITY MANAGEMENT IN ERSTE BANK

ALM is responsible to create a Liquidity Strategy, which is approved by the ALCO after alignment with Erste Group Balance Sheet Management. Furthermore, ALM sets requirements on the set-up and statutes of the local Operative Liquidity Committees.

ALM is responsible to reflect the costs and benefits of compliance with different liquidity-related limits and regulations in the internal Funds Transfer Price system, whose design and methodology are defined in the FTP policy. In terms of crisis management ALM prepares Contingency Funding Plan.

LIQUIDITY COVERAGE RATIO

DISCLOSURE REQUIREMENTS Art. 451a (2) CRR

in HUF million	Total unweighted value (average)				Total weighted value (average)			
	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2025 Q4	2025 Q3	2025 Q2	2025 Q1
Number of data points used in the calculation of averages	3	3	3	3	3	3	3	3
HIGH-QUALITY LIQUID ASSETS								
Total high-quality liquid assets (HQLA)					1,583,083	1,677,779	1,685,021	1,921,505
CASH - OUTFLOWS								
Retail deposits and deposits from small business customers, of which:	2,079,901	2,111,331	2,058,138	2,141,919	126,443	134,141	124,135	137,927
Stable deposits	1,509,812	1,471,482	1,459,128	1,401,435	75,491	73,574	72,956	70,072
Less stable deposits	570,089	639,849	599,010	740,484	50,952	60,567	51,179	67,855
Unsecured wholesale funding	1,302,800	1,287,754	1,271,914	1,288,169	793,996	786,975	781,767	768,462
Operational deposits (all counterparties) and deposits in networks of cooperative banks	15,392	39,832	44,638	59,484	3,730	9,807	11,013	14,718
Non-operational deposits (all counterparties)	1,287,408	1,247,922	1,227,276	1,228,685	790,266	777,168	770,754	753,744
Unsecured debt	-	-	-	-	-	-	-	-
Secured wholesale funding					-	-	-	-
Additional requirements	527,722	487,488	470,855	487,639	527,722	487,488	470,855	487,639
Outflows related to derivative exposures and other collateral requirements	527,722	487,488	470,855	487,639	527,722	487,488	470,855	487,639
Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
Credit and liquidity facilities	403,898	360,830	376,117	357,665	60,131	48,638	55,359	48,148
Other contractual funding obligations	623,984	597,663	627,813	580,909	52,836	45,807	36,807	33,919

in HUF million	Total unweighted value (average)				Total weighted value (average)			
	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2025 Q4	2025 Q3	2025 Q2	2025 Q1
Other contingent funding obligations	6,583	16,761	19,238	76,300	3,344	7,129	9,800	66,933
TOTAL CASH OUTFLOWS					**1,564,472**	**1,510,178**	**1,478,723**	**1,543,028**
CASH - INFLOWS								
Secured lending (e.g. reverse repos)	20,667	245	316	72,097	-	-	-	-
Inflows from fully performing exposures	78,467	69,432	95,317	130,947	66,862	54,010	76,617	116,510
Other cash inflows	503,812	477,519	452,623	468,329	503,812	477,519	452,623	468,329
(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
(Excess inflows from a related specialised credit institution)					-	-	-	-
TOTAL CASH INFLOWS	**602,946**	**547,196**	**548,256**	**671,373**	**570,674**	**531,529**	**529,240**	**584,839**
Fully exempt inflows	-	-	-	-	-	-	-	-
Inflows subject to 90% cap	-	-	-	-	-	-	-	-
Inflows subject to 75% cap	602,946	547,196	548,256	671,373	570,675	531,529	529,240	584,839
TOTAL ADJUSTED VALUE								
LIQUIDITY BUFFER					**1,583,083**	**1,677,779**	**1,685,021**	**1,921,505**
TOTAL NET CASH OUTFLOWS					**993,798**	**978,649**	**949,483**	**958,189**
LIQUIDITY COVERAGE RATIO					**159.30%**	**171.44%**	**177.47%**	**200.54%**

Table 65: Quantitative information on LCR (values are calculated as averages of month-end observations over the number of data points as outlined in the table) (Art. 451a (2) CRR, EU LIQ1 (EU) 2024/3172)

Further details on the items included in the quantitative information of LCR

Diversification of the liquidity buffer and funding sources in Erste Bank is ensured by the relevant policies and the implementation of a regular monitoring of the HQLA and funding concentration in diverse categories. The monitoring is done on a monthly basis through the ALMM reports, which has the needed granularity. Derivative exposures and all potential collateral calls are considered in Erste Bank's LCR calculation and reported accordingly in the appropriate categories. The LCR is calculated and monitored for all significant currencies of Erste Bank. The review of significant currencies is done either in case of significant business strategy changes or at least on an annual basis.

Main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time

Erste Bank's liquidity surplus increased which resulted in a higher LCR ratio in comparison to previous year. Erste Bank is still having a comfortable buffer well above internal and external limits.

Explanations on the changes in the LCR over time

The increase of Erste Bank's LCR is mainly driven by an increased volume of deposits and issued securities.

Explanations on the actual concentration of funding sources

Diversification of funding sources is part of the regular monitoring of HQLAs and funding sources in several categories.

High-level description of the composition of the institution`s liquidity buffer.

Erste Bank has only Level 1 assets, mainly central bank reserves, central bank assets and central government assets.

Derivative exposures and potential collateral calls

Derivative exposures and all potential collateral calls are considered in Erste Bank's LCR calculation and reported accordingly in the appropriate categories. Their impact on the LCR itself is insignificant.

Currency mismatch in the LCR

LCR for Erste Bank is calculated for the currencies HUF, EUR, and USD as significant currencies. For HUF the currency LCR is well above 100%, for EUR and USD it is below. Considering the possibility to use some HUF collateral for EUR and USD funding as well this is seen as no issue.

NET STABLE FUNDING RATIO

DISCLOSURE REQUIREMENTS Art. 451a (3) CRR

in HUF million	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items					
Capital items and instruments	**578,831**	**8,478**	**-**	**124,319**	**703,151**
Own funds	578,831	8,478	-	124,319	703,151
Other capital instruments		-	-	-	-
Retail deposits		**2,278,772**	**31,464**	**46,700**	**2,208,047**
Stable deposits		1,613,581	29,107	46,700	1,607,253
Less stable deposits		665,191	2,357	-	600,794
Wholesale funding:		**1,724,849**	**101,666**	**751,988**	**1,343,029**
Operational deposits		173,379	-	-	85,442
Other wholesale funding		1,551,470	101,666	751,988	1,257,587
Interdependent liabilities		**-**	**-**	**-**	**-**
Other liabilities:	**5,053**	**101,247**	**-**	**-**	**-**
NSFR derivative liabilities	5,053	-	-	-	-
All other liabilities and capital instruments not included in the above categories		101,247	-	-	-
Total available stable funding (ASF)					**4,254,227**
Required stable funding (RSF) Items					
Total high-quality liquid assets (HQLA)					**54,560**
Assets encumbered for a residual maturity of one year or more in a cover pool		**-**	**-**	**-**	**-**
Deposits held at other financial institutions for operational purposes		**-**	**-**	**-**	**-**
Performing loans and securities:		**322,568**	**146,822**	**2,566,961**	**2,322,389**
Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		71	-	-	-
Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		65,671	23,983	401,460	420,019
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		227,706	94,906	1,213,485	1,761,063

in HUF million	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		115,834	20,581	432,272	682,230
Performing residential mortgages, of which:		18,775	18,517	795,228	-
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		10,806	11,426	425,612	-
Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		10,345	9,416	156,788	141,307
Interdependent assets		**-**	**-**	**-**	**-**
Other assets:		**23,327**	**794**	**231,355**	**235,382**
Physical traded commodities				-	-
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-
NSFR derivative assets		-	-	-	-
NSFR derivative liabilities before deduction of variation margin posted		18,175	-	-	909
All other assets not included in the above categories		5,152	794	231,355	234,473
Off-balance sheet items		**249,225**	**134,882**	**345,897**	**47,011**
Total RSF					**2,659,342**
Net Stable Funding Ratio (%)					**159.97%**

Table 66: Net stable funding ratio (Art. 451a (3) CRR, EU LIQ2 (EU) 2024/3172)

Interest rate risk

Goals and principles of risk management

DISCLOSURE REQUIREMENTS Art. 435 (1) (a) (b) (c) (d) AND 448 (1) (c-g) and 448 (2) CRR

Interest rate risk is the risk that the bank's earnings and/or economic value might be negatively affected by changes in interest rates. Changes in the yield curve can have a negative effect on net interest income. These changes also affect the market value of assets, liabilities and off-balance sheet items, as the future payments (and thus also their NPV) vary directly with changes in interest rates. As a consequence, an effective risk management process that keeps the impacts of interest rate changes on the bank's balance sheet within appropriate limits is of fundamental importance for the security and creditworthiness of the bank.

The types of interest rate risk to which Erste Hungary is exposed are:

- gap risk – results from the term structure of interest rate sensitive instruments that arises from difference in the timing of their rate changes, covering changes to the term structure of interest rates occurring consistently across the yield curve (parallel risk) or differentially by period (non-parallel risk);
- basis risk – arises from the imperfect correlation in the adjustment of the rates earned and paid on interest rate sensitive instruments with otherwise similar rate change characteristics;
- option risk – results from options (embedded and explicit), where the institution or its customer can alter the level and timing of their cash flows;
- model risk.

The interest rate risk management process is governed by clear responsibilities of all stakeholders in the interest rate risk framework (as described in section "Organisation") and can be divided into four high level components:

- Risk identification;
- Risk measurement;
- Risk management and risk control;
- Risk reporting.

ORGANISATION

The Asset Liability Committee (ALCO) which meets monthly is the highest decision-making committee concerning all aspects of interest rate risk management in the banking book. The purpose of the ALCO is to manage the balance sheet of Erste Bank, focusing on a trade-off between all consolidated balance sheet risks (interest rate, foreign exchange, liquidity, credit) and P&L by performing management actions on the Balance Sheet.

The tasks of ALM comprise the management of interest risk on the banking book and also the further development and maintenance of the Funds Transfer Pricing (FTP) system while Liquidity and Market Risk Management is responsible for risk controlling.

RISK IDENTIFICATION

Erste Group runs a centralised risk system which is used by local ALM and risk departments in local units This system allows planning and consolidation as well as the modelling of interest rate risk on the balance sheet. It captures all sources of interest rate risk and calculates their effect on the balance sheet of the Bank. The data for the current portfolio, market data for the relevant cut-off date in question and the assumptions on future portfolio developments (volume, margins, etc.) are all entered into this system. It measures both the effect on profit/loss and the market value of the banking book positions. The data is organised by account and product. The account structure corresponds to that of the IFRS balance sheet, while the product structure represents the currency and the interest rate-related behaviour of the products in the Bank.

Key assumptions used in risk modelling

The behavioural model for demand deposits (split into specific clusters like retail, SME, corporates, sovereign, …) used for risk measurement are based on a life cycle framework. The number of accounts (attrition model), the average balance per account (average balance model) and the average deposit rate (deposit rate model) are modelled separately. For each cluster the core and non-core balances and interest rate sensitivity of the balance are derived. The run-off profile is determined by the combination of the attrition rate model (for core balances) and a modelled short-term outflow (for non-core balances). The estimated future interest rate cash flows are determined by the deposit rate model. The weighted average life resulting from the run-off profiles for demand deposits is capped with 5 years according to the regulatory maximum defined in EBA/GL/2022/14.

A model for client behaviour regarding loan prepayment is also used for the measurement and steering of interest rate risk in the banking book. Similar to the demand deposits loans are clustered combining loans with similar characteristics (entity, client type, loan type, currency, interest rate behaviour). The prepayment ratio is estimated from historical observations and clusters are tested for interest rate sensitivity of the prepayment ratio.

For Overdrafts and Credit Cards an attrition model (including also possible future drawings) is applied as well as an average coupon model.

RISK MEASUREMENT

In general, there are four methodologies applied which are used to measure interest rate risk in the banking book:

- Sensitivity measures (Key rate sensitivities, CR01) to assess the market value sensitivity of certain portfolios;
- Economic value measures (EVE) to assess the economic value change under regulatory defined scenarios;
- Earnings at risk measure (NII sensitivity, OCI sensitivity) to assess the impact on operating income of regulatory defined scenarios on Group level;
- Value at Risk based measures to assess all aggregated risk types on Group level.

In addition, measures are implemented to estimate the basis risk, option risk and model risk throughout the entire Group.

Based on these tools a big variety of scenarios are assessed on a regular basis to capture all aspects of interest rate risk.

RISK MANAGEMENT AND RISK CONTROL

For the ongoing monitoring of interest rate risk, the following three main tools are used and monitored on a regular basis:

- Sensitivity measures (Key risk sensitivities, CR01);
- Economic value measure (EVE);
- Earnings at risk measure (NII sensitivity, FV sensitivity);

The sensitivity measures (Key rate sensitivities, CR01) focus on the general positioning of the banking book portfolio and serve as an initial starting point for deeper analysis. The economic value measure (EVE) analyses the banking book by means of NPV simulations of the market value, calculated under the interest rate shock scenarios for Supervisory outlier test on EVE as defined in EBA/RTS/2022/10. It provides insights on the balance of fixed rate assets versus fixed rate liabilities and indicates the impact of yield curve shocks on the future profitability of the bank in the long run. The earnings at risk coming from NII assesses the accounting impact of interest rate changes, calculated according to Regulatory technical standards EBA/RTS/2022/10 prescribing Supervisory shock scenarios on NII, with focus on the next 12 months providing insights on P&L changes stemming from changes in interest rates.

To complement these measures, additional stress tests are conducted according to Erste Group's Comprehensive Stress Testing Framework, internal IRRBB stress test and on an event-driven basis.

The interest rate risk strategy of the Bank sets out interest rate targets and is based on the optimisation of market risk and income possibilities, i.e. all measures developed in the interest rate strategy are analysed with respect to their effect on the income defined in the financial projections and on the market value. The interest rate risk strategy is approved by the ALCO on an annual basis and periodically reviewed to ensure that it is up to date. A modification may become necessary due to changes in the business plan or the market situation and is therefore a requirement for active risk control.

Based on the targets set out in the interest rate strategy, the results of the regular analysis and the economic forecast, investment and hedging recommendations are presented to the ALCO. These recommendations may increase or decrease risk. They may be implemented by means of on-balance sheet or off-balance sheet transactions.

INTEREST RATE RISK REPORTING

The interest rate risk of Erste Bank is calculated separately for each relevant currency and reported on the monthly basis to Bank ALCO. Furthermore, materials on the following topics are prepared for the Group ALCO:

- Market overview;
- Periodic and economic risk ratios and measures related to market risk (Market Risk Banking Book Pillar 2 RWA, EVE, Key risk sensitivities, CR01, VaR, etc);
- Positions (held-to-maturity portfolios, strategies);
- Balance sheet movements; and
- Liquidity management.

Quantitative disclosure on interest rate risk

DISCLOSURE REQUIREMENTS Art. 448 (a) (b) CRR

The potential effects of interest rate changes on equity of the Group are analysed at Erste Bank using the simulation method already described under “Risk Measurement”. Simulation models make it possible to apply maximum precision and flexibility to risk measurement, also for complex portfolio structures. The NPV simulation accounts for all future cash flows based on current knowledge.

Supervisory shock scenarios	Changes of the economic value of equity		Changes of the net interest income	
	Current period	Last period	Current period	Last period
Parallel up	6,355	6,553	2,306	2,748
Parallel down	(23,732)	(24,617)	(6,102)	(14,893)
Steepener	17,634	14,437		
Flattener	(34,637)	(28,431)		
Short rates up	(26,059)	(21,185)		
Short rates down	12,068	8,172		

Table 67: Interest rate risks of non-trading book activities (Art. 448 (a) (b) CRR, EU IRRBB1 (EU) 2024/3172)

Operational Risk

DISCLOSURE OF THE RISK MANAGEMENT OBJECTIVES AND POLICIES

DISCLOSURE REQUIREMENTS Art. 435 (1) (a) (b) (c) (d) 446 AND 454 CRR

Pursuant to Article 4 (52) CRR, Erste Hungary defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events, including, but not limited to legal risk, model risk, and information and communication technology (ICT) risk, but excluding strategic and reputational risk. Non-Financial Risks (NFR) comprise both operational and reputational risks. EBH's NFR appetite sets the limits and escalation levels in line with the group risk strategy for risk-taking as a consequence of doing business. Further on, EBH defines operational resilience, as the ability of a bank to deliver critical operations through disruption.

The framework ensures comprehensive management of NFRs and risk concentrations through a common risk taxonomy, standardized processes, and documentation standards to identify, evaluate, respond to, and monitor NFRs across all material activities and legal entities. EBH applies NFR taxonomy for reporting and assessment purposes. NFR policies, procedures, and tools define clear risk and control ownership, roles and responsibilities. Inherent and residual operational risks in all material activities, processes, and systems are assessed using NFR instruments in both change and run-the-bank processes. Where residual risk exceeds the approved risk appetite, mitigation, risk transfer, or insurance measures are required. If risks exceed the risk appetite after mitigation and no further reasonable actions are feasible or cost-effective, formal risk acceptance or avoidance is required in the form of a NFR decision made by the relevant decision making body or management level.

The NFR Framework provides a modular, interrelated and comprehensive approach and is integrated into the legal entities and the EBH's steering and risk management system. It is designed to promote a sound risk culture through clearly defined roles and responsibilities, to fulfil internal risk management, and to ensure compliance with applicable regulatory requirements.

The framework supports the safeguarding of the EBH's capital, earnings, reputation, and operational resilience and is aligned with the EBH's business strategy and risk appetite.

STRUCTURE AND ORGANISATION OF THE OPERATIONAL RISK MANAGEMENT FUNCTION

The roles and responsibilities for NFR management follow the "Three Lines of Defence" (3 LoD)model. The day-to-day management of operational risk is the primary responsibility of the Business Line Management (BLM). BLM is responsible for identifying, assessing, and managing the risks residual in the products, activities, processes, and systems on an ongoing basis by using operational risk management instruments.BLM acts as 1st LoD and has accountability for operational risk, managing it against the defined risk appetite, and for implementation of effective controls within their processes.

The second line of defence includes the independent Operational risk management and other 2nd LoD functions for all sub-risk types under the overarching risk type “operational risk” developing, implementing, and operating the NFR management framework.

Operational risk management is a centralized operational risk management function within EBH, which provides oversight, reports and monitors operational risk profile on entity level. Operational Risk Management is part of the division Strategic Risk Management.

While the business areas and infrastructure units are responsible for the daily management of operational risks, Operational Risk Management is responsible for operational risk control across all business areas as well as for the uniform application of the strategy and standards for operational risk management in all areas of the bank. In detail, this results in the following tasks:

- identification of potential risks; including measures for early detection and risk avoidance;
- definition of ratios, risk indicators and guidelines;

- management and ongoing administration of the loss database;
- managing scenario assessment of specific risk situations;
- execution of stress tests;
- analysis and periodic reporting;
- promoting “three lines of defense” governance model through operational risk methods;

The Local Operational Risk Committee (LORCO) decides on strategic steering topics, serves as a sounding board for risk decisions concerning non-financial risks and environmental, social and governance (ESG) risk impacts, and decides on escalations to the Management Board of EBH. It acts as an Information and Communication Technological Committee as well.

SCOPE AND NATURE OF THE MEASUREMENT SYSTEM

The OpRisk Framework consists of various elements. Risk identification takes place through the collection of internal loss data with a P&L impact ≥ HUF 50 000. The lessons learned process analyses significant operational risk events to identify their root causes and document appropriate remediation actions to reduce the likelihood of their re-occurrence. Key Risk Indicators (KRI) serve to measure the risk level changes.The KRIs are reviewed periodically to ensure early detection of risk potentials to cause losses. The risk identification process includes an ongoing mechanism to identify new operational sub-risk types, risk drivers and emerging risks. Risk evaluation is an ongoing process in which the BLM proactively identifies and analyses relevant non-financial risks and assesses the effectiveness of the controls to mitigate those risks, both for the run and change the bank processes (e.g. new product approval, outsourcings). BLM evaluates the risks in line with the risk appetite and reports the residual risks to the senior management or to the risk committee for risk response. The acceptance level of non-financial risks is managed by using the Operational Risk Scaling Matrix which is setting the limits for the residual operational risk tolerated by EBH. Risk monitoring via corrective measures is performed on a regular basis.

The respective functions, such as business continuity, 3rd party management, security management, operational risk manage and address any risks that threaten the delivery of critical operations in the operational resilience risk management framework supported by the operational risk instruments.

EBH measures the capital requirements for operational risk using a single, non-model-based approach for calculation of the own funds requirements in accordance with CRR. Under the Standardised Measurement Approach, the Business Indicator Component (BIC) is calculated by multiplying the Business Indicator (BI) by a set of regulatory determined progressive marginal coefficients in the applicable BI ranges. The BI is a financial statement proxy of the operational risk exposure.

SCOPE AND NATURE OF THE OPERATIONAL RISK REPORTING FRAMEWORK

Regular risk reporting provides detailed information to business and risk management units, senior management, the Executive Management, the Board of Directors and the Supervisory Board. This is done within the scope of various reports, most importantly the quarterly Local Operational Risk Management Committee, which informs on recent losses, loss trends, qualitative information derived from Internal Control System, NFR decisions, key risk indicator developments, operational risk appetite indicators, corrective measure statuses, and the EBH’s operational risk own funds requirements. Operational risk reporting is integrated with overall risk reporting and capital planning processes, supporting informed decision-making and effective oversight.

POLICIES AND STRATEGIES OF THE RISK MITIGATION AND RISK HEDGE

EBH has implemented the Policy for managing operational risk which defines the principles, responsibilities, and minimum standards for the identification, assessment, monitoring, control and mitigation of operational risk across all business lines in line with the policy framework requirements. Loss data collection and classification procedure sets out the minimum requirements to identify, monitor and record operational loss events and to ensure the consistency and quality of data in the internal data collection tool, Operational Risk Web Application Layer (OWL). The NFR procedure defines the risk management cycle by providing group-wide standards for effective risk identification, evaluation, response (including NFR decisions), and monitoring processes with outcomes captured in OWL. NFR arising from new and material changes to products, and third-party relationships are managed through dedicated new product approval and third-party risk management frameworks. Operational risk management policies are approved by the respective management body based on policy level and are subject to regular review.

EBH implemented in 2004 an advanced and consistent insurance program as risk transfer measure. This approach reduced the cost of meeting the EBH's traditional property insurance needs and thereby enabled the extension of insurance coverage to previously uninsured, bank-specific risks through external reinsurers. This program uses a captive (intragroup) reinsurance entity as a vehicle to share losses within the group and access the external market. The resulting savings and enhanced coverage were achieved by having part of the loss covered by the Erste Group's own insurance company, Erste Reinsurance S.A. In selecting insurance partners, Erste Reinsurance S.A. strictly observes supervisory requirements. The insurance portfolio and the captive reinsurance activities are regularly audited by Group Audit and external auditor.The insurance program is subject to deductibles, coverage limits and exclusions, which may restrict the recoverable amounts. Under the Standardised Measurement Approach, operational risk own funds requirements are not significantly affected by the insurance mitigation.

in HUF million	T	T–1	T–2	T–3	T–4	T–5	T–6	T–7	T–8	T–9	Ten-year average
Using €20,000 threshold											
Total amount of operational risk losses net of recoveries (no exclusions)	2,333	1,841	106	44	654	183	72	137	219	717	630
Total number of operational risk losses	40	43	30	23	29	27	13	30	26	20	28
Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
Total number of excluded operational risk events	-	-	-	-	-	-	-	-	-	-	-
Total amount of operational risk losses net of recoveries and net of excluded losses	2,333	1,841	106	44	654	183	72	137	219	717	630
Using €100,000 threshold											
Total amount of operational risk losses net of recoveries (no exclusions)	2,140	1,713	46	100	340	447	11	95	185	282	536
Total number of operational risk losses	28	21	26	20	18	23	12	26	23	15	21
Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
Total number of excluded operational risk events	-	-	-	-	-	-	-	-	-	-	-
Total amount of operational risk losses net of recoveries and net of excluded losses	2,140	1,713	46	100	340	447	11	95	185	282	536

Table 68: Operational risk own funds requirements and risk-weighted exposure amounts (Art. 446 and 454 CRR, EU OR1 (EU) 2024/3172)

in HUF million

BI and its subcomponents	T	T-1	T-2	Average value
Interest, lease and dividend component (ILDC)				**110 632**
ILDC related to the individual institution/ consolidated Group (excluding entities considered by Article 314(3)				**110 632**

BI and its subcomponents	T	T-1	T-2	Average value
Interest and lease income	359,459	384,815	625,182	456,485
Interest and lease expense	156 045	187 718	463 900	269 221
Total assets/Asset component	5 125 468	4 883 791	4 739 550	4 916 270
Dividend income/dividend component	16	14	17	16
Services component (SC)				**167 785**
Fee and commission income	191,705	162,455	135,149	163,103
Fee and commission expense	33 213	28 343	24 242	28 599
Other operating income	2 685	4 535	6 370	4 530
Other operating expense	5,372	4,863	3,810	4,682
Financial component (FC)				**111 874**
Net profit or loss applicable to trading book (TB)	(43,342)	66,178	(35,700)	48,407
Net profit or loss applicable to banking book (BB)	57 568	-62 026	70 808	63 467
Approach followed to determine the TB/BB boundary (PBA or accounting approach)				Accounting approach
Business Indicator (BI)				**390 291**
Business indicator component (BIC)				**46 835**

Table 69: Business Indicator, components and subcomponents (Art. 446 and 454 CRR, EU OR2 (EU) 2024/3172)

in HUF million

Business Indicator Component (BIC)	46,835
Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4)	-
Not applicable	
Minimum Required Operational Risk Own Funds Requirements (OROF)	46 835
Operational Risk Exposure Amounts (REA)	585 436

Table 70: Operational risk own funds requirements and risk exposure amounts (Art. 446 and 454 CRR, EU OR3 (EU) 2024/3172)

Environmental, social and governance (ESG) risks

Environmental Risk

DISCLOSURE REQUIREMENTS Art. 435 and 449a CRR

Business strategy and process

a) Institution's business strategy to integrate environmental factors and risks, taking into account the impact of environmental factors and risks on institution's business environment, business model, strategy and financial planning

The basis of Erste Bank Hungary's ESG strategy is based on profound understanding of socio-environmental challenges and their impacts to the economic and political development of the region where the Bank operates. The ESG strategy is an essential part of the overall business strategy, contributing to the long-term financial resilience and growth-based business model of Erste Bank Hungary. Climate change is considered the most significant long-term challenge in Hungary.

Erste Bank Hungary's primary impact on the environment lies in its lending activities and more precisely, the resulting financed emissions. As a financial institution, it is therefore its role to contribute to the transition towards a low-carbon economy by engaging with its clients and supporting them along their decarbonisation pathway while facing evolving challenges, such as policy uncertainty. Erste Bank Hungary believes this to be the most important lever to help fostering a green transition.

Transitioning to net zero, based on science-based decarbonisation pathways, is essential for long-term wellbeing, financial stability, and overall prosperity. In line with this, Erste Bank Hungary has set the ambition to achieve a net-zero status across its portfolio by 2050. This ambition is closely interlinked to regulatory developments at both EU and national levels and will be accompanied by actions that reflect these evolving frameworks, methodologies and targets. As the EU further defines its commitments, Erste Bank Hungary will progressively align its approach to support and follow these developments.

The European Climate Law, the EU's Green Deal and the 'Fit for 55' Package form the setting for future changes in EU strategy and legislation. Hungary will have to align with and adapt to these European goals. The investment required is massive. An essential share of these funds will be provided by the EU or by local sovereign funds. Until 2030, however, significant additional investment from the private sector will be needed alongside public funding. Erste Bank Hungary aims to support and contribute to financing the green transition. This transition presents both opportunities and risks, which need to be addressed through intense research and proactive management. Erste Bank Hungary trusts that the knowledge generated throughout this process will enable it to stay one step ahead and actively assist customers in achieving their climate targets while also supporting growth and resilience.

The necessity and benefits of the green transition ensure a strong focus of Erste Bank Hungary's long-term Sustainability Strategy, objectives and framework on this topic. Furthermore, relevant harmful socio-environmental activities are translated into exclusion criteria for our business activities, as laid down within the Group Responsible Financing Policy.

ESG risks (climate and environmental risks) are part of the yearly strategic planning of Erste Bank Hungary which is approved by the Supervisory Board. Moreover, starting with the financial planning exercise in 2022, group-wide planning has been extended with budgeting of "sustainable finance" translated into KPIs as well as GHG emissions per industry with an outlook covering a period of 5 years rolling window. The first reflects our commitment to promote the financing of climate aligned initiatives and projects as well as to boost the share of green businesses in our portfolio. The focus lies on the support of green transition in real estate and financing renewable energy. In particularly critical sectors (e.g., coal), exclusion criteria are used to ramp up the pressure on the road to transformation. From a climate-related risk perspective, both concepts aim to increase the resilience of our portfolio, either explicitly by investing in more green business or implicitly by supporting our clients on their path towards net zero transition.

In case of ESG Risk Materiality Assessment (RMA) 2025, scenario analysis was performed centrally at Group level, covering Erste Group’s entire geographical footprint, including EBH’s. This analysis, together with the results of the local ESG stress test, formed the basis for the ESG assessment. Regarding the Group-wide analyses, climate and environmental risks (transition and physical risk) are assessed as material across all time-horizons. Transition risk is assessed as material based on the results for credit risk and operational risk generated by an adverse climate scenario analysis. This scenario and its impact, however, do not reflect Erste Group's most likely or baseline scenario, but serve as exploratory analysis to assess the exposure to transition risk in case the process unfold in a disorderly and abrupt manner. Physical risks and their devastating effects from the bank's perspective are assessed as material already in the short- to medium-term and are expected to further intensify in the long-term horizon (operational risk, credit risk and strategic risk). This is in line with scientific expectations indicating a non-linear increase in the frequency and intensity of physical hazards, especially from the mid-century onwards. For details regarding the RMA-results please refer to section n).

b) Objectives, targets and limits to assess and address environmental risk in short-, medium-, and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes

Erste Bank Hungary is convinced that the economic success of Hungary can only be sustainable if it maintains strong social cohesion and encourages investments in the green transition.

Erste Bank Hungary strives to support the green transition by mobilising resources for climate action and adaptation to climate change. We believe that the green transition will be an opportunity for people in Hungary. The Bank believes in a fair transition for all and helps customers to secure their personal prosperity in the process. Thus, the green transition also opens up opportunities for growth.

As part of the environmental pillar of its sustainability strategy, Erste Hungary:

- has the ambition to achieve a net-zero status of Erste Bank Hungary’s portfolio by 2050,
- aims to achieve net-zero emissions in its banking operations by 2030,
- maintains a strong role in sustainable finance in Hungary by funding climate action and adaptation to climate change.

Measurable ESG targets, aligned with our objectives, are set by the Management Board and approved by the Supervisory Board. These targets are translated into individual management KPIs forming a significant part of the variable remuneration system of Erste Bank Hungary’s Management Board.

The Group-level ESG strategy was approved by the Management Board in October 2021. Following this approval, the strategy was presented to various stakeholder platforms. In November 2022, the Strategy and Sustainability Committee of the Supervisory Board reviewed the strategy and issued a recommendation, which subsequently led to the Supervisory Board's approval in April 2023.

Related targets covering sustainable financing, the detailed Net Zero transition strategy, and social and governance objectives were discussed at the Group Sustainability Board meeting in January 2023 and subsequently at the Strategy and Sustainability Committee in February 2023. These targets were approved by the Supervisory Board in April 2023. Further, new targets associated with the second phase of portfolio decarbonisation were approved by the Group Sustainability Board in December 2023.

In November and December 2024, updates to Erste Group’s Sustainability Strategy were approved both by the Supervisory Board and by the Management Board. In March 2025, a review of Erste Group’s overall strategy, including ESG and Financial Health components, was conducted at the Supervisory Board meeting. Subsequently, in December 2025, rebaselined decarbonisation pathways for Mortgages and Commercial Real Estate were approved by the Management Board of EBH.

ESG objectives, targets and their integration into the remuneration system are published in Erste Bank Hungary’s CSRD Report.

Erste Bank Hungary is committed to support the goals of the Paris Climate Agreement and pursues the strategic target of getting all financed greenhouse gas emissions of the portfolio onto a path that will lead to net zero. Our methodology for emissions calculation and decarbonization target setting is based on internationally recognized market standards such as the Partnership for Carbon Accounting Financials (PCAF), Science Based Target initiative (SBTi), the Paris Aligned Capital Transition Assessment (PACTA) and X-Degree Compatability model (XDC) by Right°based on science GmbH.

Decarbonization targets have been defined for carbon-intensive industries in alignment with Erste Bank Hungary's internal industry classification used for steering purposes. The final selection of sectors for definition of decarbonization targets was fostered by the availability of science-based methodologies, consideration of technological advances, market trends and regulatory standards.

The decarbonization targets for the commercial real estate and mortgage portfolios, electricity production, the automotive sector, and iron and steel production were set based on physical emission intensity, while financed emissions were deemed as most appropriate metric for heat and steam production, as well as oil and gas upstream, at the point of decarbonization target definition in light of data and tools availability. Erste Hungary has no exposure to the cement industry or heat and steam production, nor does it have significant exposure to the iron and steel industry..

Also, we are continuously enhancing our decarbonisation efforts and the scope of portfolio coverage. In 2025, the Group implemented significant methodological 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. These developments are implemented at Erste Bank Hungary as well. Combined with the updated National Energy and Climate Plans by EU Member States, these improvements triggered the decision to rebaseline the real estate decarbonisation pathways in 2025.

The long-term decarbonization targets are disclosed in the Sustainability Statement 2025 of Erste Bank Hungary, under the Environmental information – Climate change chapter, E1-4 - Targets related to climate change mitigation and adaptation, while mid-term decarbonization targets and alignment with 2030 targets are shown in Table 73: Banking book – Climate change transition risk: Alignment metrics, of this Disclosure (Art. 449a CRR, EU 3.CCTrans-BB.alignment metrics (EU) 2022/2453).

c) Current investment activities and (future) investment targets towards environmental objectives and EU Taxonomy-aligned activities

The publicly available Group Sustainable Finance Framework (SFF) has been designed as an umbrella framework that will enable Erste Group to issue sustainable finance instruments to finance new and/or refinance existing loans for its clients and projects with environmental and/or social benefits. The SFF defines rules for bond issuers in accordance with the International Capital Market Association (ICMA) (International Capital Market Association) Green Bond, Social Bond and Sustainability Bond Principles.

Erste Group and Erste Bank Hungary makes a fundamental distinction between the ‘sustainable financing’, and ‘EU taxonomy-aligned financing’, whereby the latter is always to be understood as a subset of the former, as it also fulfils its criteria.

‘Sustainable financing’is a term used by Erste Bank Hungary to determine financings that address the interplay of Erste Bank Hungary's identified environmental impacts and opportunities. This involves screening and evaluating Erste Bank Hungary's financed portfolio in accordance with a bespoke approach and set of criteria, grounded in the principles of established standards and frameworks. The Sustainable Finance Methodology provides the framework for classifying sustainable financings that support climate transition of Erste Bank

Hungary's clients and the achievement of 15% sustainable mortgages by 2027 and to the goal of reaching 25% sustainable corporate financing by 2026.

In 2025, Erste Bank Hungary’s new corporate sustainable (use of proceeds) financings, reached EUR 206 million, mostly in renewable energy and commercial real estate. In terms of sustainable retail mortgages, Erste Bank Hungary has reached a total financing volume of EUR 176 million at the end of 2025.

Sustainable corporate financings ratio increased from 20,7% in 2024 to 23,1% in 2025 and were mainly driven by real estate financings and renewable energy projects. Sustainable retail mortgage ratio increased from 16,5% in 2024 to 21,9% in 2025.

d) Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks

The Code of Conduct provides guidance for our actions and defines binding rules for our daily business activities. It describes what is important to us and underlines our commitment to act as a good corporate citizen. The Code of Conduct shows that we need to act responsibly, respectfully and sustainably in everything we do.

With respect to the measures taken to mitigate the risks associated with ESG factors, the Responsible Financing Policy outlines industry-specific ESG exclusion and phase-out criteria, including thresholds and guidelines for determining transaction eligibility to prevent ESG related credit and reputational risk. It also defines non-financial risk profiles that trigger enhanced due diligence and scrutiny support. Additionally, the policy describes assessment procedures for specific sectors and subsectors to ensure informed decision-making aligned with our commitment to providing responsible financing services.

In 2025, the Group Responsible Financing Policy was revised to support a responsible energy transition. Erste Bank Hungary applies a complete exclusion policy regarding coal-related financing.

An additional change was introduced in 2025 to reflect a more strategic alignment with emerging defense priorities. Due to the significantly changed geopolitical environment, the strategic importance of the defense sector in Europe has fundamentally shifted. Financial institutions are now expected to contribute to collective security, industrial resilience, and defense readiness, as outlined in the EU White Paper ‘Defense Readiness 2030’. This is reflected in the changes to the eligibility criteria for financing defense.

Within credit risk portfolio, engagement with counterparties on the topic of environmental factors involves the ESG Assessment Questionnaire, which provides a comprehensive assessment for large corporate, commercial real estate transactions within the credit application and approval process. The questionnaire enables the Bank to identify clients which are prone to environmental, climate, social and governance risks, and facilitates data collection on the environmental footprint of clients, including CO2e emissions, water consumption and waste, for example. It is updated at least annually and allows us to assess the impact of ESG factors on credit risk. Depending on the information provided, some questions may also require an in-depth assessment to understand the nature and severity of the ESG risks to which the client is exposed.

For further information, please see below the section related to risk management processes used to identify, measure and monitor activities and exposures sensitive to environmental risk (section l).

For commercial real estate, an integral component of the questionnaire assesses the environmental footprint of a building from a technical perspective, where several data points are taken from the Technical Object Rating .

In Erste Bank Hungary, all ESG assessments are digital and collected in a centralized solution (hub), making them accessible and available across the entire group, which offers the possibility to use the information for multiple purposes. Engagement with the client further includes active discussion with regards to environmental risks and opportunities relevant to the business model as well as the data the client can provide.

In 2025, the ESG assessment was expanded with a stronger focus on the resilience of ESG risks, including transition risks, and on evaluating clients’ vulnerability to physical and nature-related risks. The enhanced process follows a structured three-phase approach comprising: (1) client assessment and selection, (2) engagement and dialogue, and (3) monitoring. The client selection process at Erste Hungary level was finalised in autumn 2025, enabling relationship managers to engage with clients in line with the applicable lending processes throughout 2026.

The revised framework will further strengthen Erste Hungary's client engagement by applying strategies tailored to clients' maturity levels along their transition journeys. In addition, it ensures that ESG considerations are systematically embedded into client relationships, credit processes, and portfolio steering. By combining risk management with financing solutions, Erste Group contributes to a sustainable economy and long-term value creation for all stakeholders.

For SME clients an ESG Factor Heatmap is used as a risk assessment and management instrument to identify certain segments that may be exposed to ESG risk factors. The ESG Factor Heatmap combines the relevance of climate, environmental, social and governance risk factors, utilising a granular segmentation of industry sectors of the portfolio, and allows for a differentiated approach as the relevance of individual risk drivers may differ, depending on the nature of the respective (sub)sectors a company operates in. For further information regarding the ESG Factor Heatmap, please see below the section related to risk management processes used to identify, measure and monitor activities and exposures sensitive to environmental risk (section l).

Governance

e) Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels

ESG is managed by the CEO, CFO and CRO divisions and is firmly anchored in daily business processes, supporting close collaboration with the individual business units and the dialogue with relevant stakeholders.

Erste Bank Hungary's ESG governance is based on the understanding that environmental risk is considered a transversal risk influencing the "classical" risk types such as credit, market and operational risk. Accordingly, the existing well-established committees and board structure are used to address environmental risks. The ESG specific governance forums are detailed in the present disclosure, as well as in Erste Bank Hungary's CSRD Report.

f) Management body's integration of short-, medium- and long-term effects of environmental factors and risks, organisational structure both within business lines and internal control functions

In accordance with the aforementioned, environmental risks are treated within the existing organisational risk management structure where each risk owner is responsible for influencing environmental risk (independently whether short/medium/long term) on his/her area, thus:

- **ICAAP** ensures the integration of ESG into the Risk Appetite Statement, Risk Strategy, Risk Materiality Assessment, and Stress Testing framework;
- **Strategic Risk Planning and Reporting** performs carbon footprint monitoring and reporting, interim target setting for transition of our portfolio, and inclusion of ESG in Risk Reporting;
- **Corporate Risk Management** ensures the integration of ESG into industry strategies, and participates in interim target setting for Net Zero portfolio transition; importantly, it ensures that a proper due diligence is implemented into underwriting and collateral management processes;
- **Operational Risk Management** governs ESG integration into the existing NFR risk management process and ensures the adequate impact on the operational risk capital requirements;
- **Market & Liquidity Risk Management** participates on the ESG risk assessment in the respective area.

g) Integration of measures to manage environmental factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels

ESG risks as transversal risks in Erste Bank Hungary's risk taxonomy are reflected not only in the Risk Strategy and the Risk Materiality Assessment but also in the Risk Appetite Framework. Any development above the thresholds and their respective actions are generally handled based on the governance defined for the regular risk management process.

The allocation of tasks and responsibilities in the risk management framework is detailed further.

Within the Credit Committee, risks related to environmental, social and governance factors are incorporated into the overall decision-making process. Where applicable (as further detailed in this chapter), the results of the ESG Assessment Questionnaire must be attached to the credit application. The results form an integral part of both the credit application and the approval process, in line with the EBH's established credit approval authorities.

Erste Bank Hungary's policies, together with the client and transaction environmental assessment (the latter applicable for certain real estate projects, as detailed later in this chapter), enable risk managers and other decision makers to make lending decisions in line with EBH's risk strategy. The ESG Assessment Questionnaire also includes a "risk meter" indicating the level of ESG data available from the counterparty, specifically if the company has formulated a plan to reduce its carbon footprint. Credit applications of large corporate counterparties that are considered highly contributing to climate change, not having communicated a transition plan, and applying for a lending policy exception, have to be approved by the Credit Committee.

The bylaws of the relevant credit committees define the committee composition and representation. They also define voting rules as well as veto rights to relevant members with regards to credit application and approval process of clients / client groups with a critical ESG assessment.

The reputational risk impact arising from ESG might also be decided by the Regional Conduct Committee (ROCC), depending on risk level, e.g., reputational risk in connection with credit decisions is delegated by ROCC to Credit Committee.

h) Lines of reporting and frequency of reporting relating to environmental risk

ESG risks as part of the internal reporting framework are currently covered by a set of reports as elaborated below.

The ESG Risk Materiality Assessment (RMA) results are reported as part of the RMA board presentation, at least once a year or on an ad-hoc basis to address changes in the operating environment.

The monthly Risk Report is presented to the Managing Board and as one of the most comprehensive risk reports, includes a chapter dedicated to ESG topics in the risk area. It focuses on our financed emissions, showing different sectoral splits and the largest emitters as well.

The Supervisory Board is informed quarterly on ESG related topics.

The achievement rate of EBH's annual as well as long-term targets with regards to the generation of Sustainable Financing is monitored monthly and presented to the respective target owners. They are primarily Business Board Members responsible for Retail and Corporate as well as corresponding Board-1 managers (e.g., Head of Commercial Real Estate, Head of Large Corporate, etc.).

As indicated above in section d, data collected on counterparties via the ESG Assessment Questionnaire is stored digitally in a central hub, allowing decision makers to access the data. The assessment is done with every annual review of a counterparty and/or as a result of a new lending request, renegotiated transactions or transactions requiring contractual changes, and its results are reported to the relevant approval authorities.

Within collateral management, we collect Energy Performance Certificates upon new financing requests and/or at the time of valuations. In 2025, physical risk data of collaterals were also reported. Going forward, we will continue to enhance our risk reporting and monitoring framework.

The development of single risk decisions with ESG impact (i.e., NFR decisions) is reported to the ROCC quarterly as part of the overall NFR-dashboard.

i) Alignment of the remuneration policy with institution's environmental risk-related objectives

Regarding the remuneration policy and whether environmental and social risks are included, the performance criteria and their impact on the variable remuneration (7.5-10%) of the management board of Erste Bank Hungary are determined by the remuneration committee of the supervisory board at the beginning of the financial year. The individual strategic targets include ESG targets and are defined in detail in the scorecard of the respective board member, and the achievement of these is evaluated at the end of the performance period. ESG related targets are in line with the focus areas: Holistic ESG performance, Sustainable Transition – Sustainable financing & Net Zero transition and Equal Opportunities. ESG targets are cascaded throughout the organization (Divisions and hierarchical level as appropriate).

Details of ESG KPIs for the Board Members:

- Overall ESG performance measured as external assessment by ESG rating (MSCI at least “A”, ISS ESG at least “C-”, and Sustainalytics “first quartile”) – shared by all board members
- Portfolio net zero transition target setting for key industries – shared by risk, finance and business board members
- Financing the “green” transition with a yearly target - assigned to Corporates & Markets Business Head
- Carbon neutral of operations – assigned to Chief Financial Officer
- ESG data management and system development – assigned to Chief Operating Officer
- ESG culture, communication, and diversity targets – assigned to Chief Executive Officer

Details on the integration of sustainability-related performance incentive schemes can be found in EBH’s CSRD Report.

Risk management

j) Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework

The risk framework considers short-, medium-, and long-term effects through several different perspectives.

The severity of the impact is assessed on a yearly basis during the bank´s Risk Materiality Assessment (RMA). The impacts are evaluated in the short-term as well as in medium- to long-term horizons, capturing probable future developments on top of the current risk assessment. This temporal approach enables us to address C&E risks and their transmission channels effectively over different time frames with the following defined time periods set as standard:

- short-term is defined up to 1 year,
- medium-term as 1-5 years, and
- long-term longer than 5 years (for transition risk up to 2050, physical risk up to 2100).

k) Definitions, methodologies and international standards on which the environmental risk management framework is based

When it comes to how ESG risks are defined in Erste Bank Hungary, they are defined as the risk of losses arising from any negative financial impact on the institution stemming from the current or prospective impacts of environmental, social or governance (ESG) factors on the institution's counterparties or invested assets.

Erste Bank Hungary defines environmental risks in its risk inventory/taxonomy as environmental risk drivers, recognizing their transversal nature and their role as root causes that may activate or amplify other risk types within the framework (similar to social and governance risks definitions).

Environmental risk means the risk of losses arising from any negative financial impact on the institution stemming from the current or prospective impacts of environmental factors on the institution's counterparties or invested assets, including factors related to the transition towards the following environmental objectives:

(a) climate change mitigation;

(b) climate change adaptation;

(c) the sustainable use and protection of water and marine resources;

(d) the transition to a circular economy;

(e) pollution prevention and control;

(f) the protection and restoration of biodiversity and ecosystems;

Environmental risk includes both physical risk (like impact of extreme weather events) and transition risk, i.e. creating additional costs and capital expenditure need for transition of business activities and sectors to an environmentally sustainable economy (by legislation, technology standards, or market conformity and customer preferences), or in some cases damages through liabilities (for negative impacts by products, policies or pollution events). Physical risks can demonstrate through events of acute physical risks (most prominently weather-related events) or chronic physical risks (arise from longer-term changes in the climate, such as reduced water availability, biodiversity loss and changes in land and soil productivity).

For 2025, Erste Bank Hungary has integrated its CSRD Report into the Annual Report. This report has been prepared on a consolidated basis, using the European Sustainability Reporting Standards (ESRS) as a framework, alongside the requirements of Article 8 of EU Regulation 2020/852 (EU Taxonomy).

Erste Bank Hungary uses the Partnership for Carbon Accounting Financials (PCAF) methodology (version 2022) to account for its financed emissions (scope 3 emissions 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 the seven GHGs 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), perfluoro-carbons (PFCs), sulphur hexafluoride (SF_6), and nitrogen trifluoride (NF_3), Erste Bank Hungary includes the following PCAF-defined asset classes in its calculation: corporate bonds, business loans, project finance, commercial real estate finance, and mortgages. Additionally, Erste Bank Hungary calculates emissions of 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 Erste Bank Hungary's scope 3 emissions. This category is calculated using the same methodology as for category 15 and is separately shown as a sub-item.

All the decarbonization targets are derived based on the Science-Based Target Initiative (SBTi) and Paris Agreement Capital Transition Assessment (PACTA) methodologies. These targets serve as 1.5°C scenario-based benchmarks, except the real estate sectors. In 2025, Erste Hungary implemented significant methodological 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. Combined with the updated National Energy and Climate Plans by EU Member States, these improvements triggered the decision to rebaseline the real estate decarbonisation targets. The detailed methodology for financed emissions calculation and decarbonization targets definition is elaborated in the CSRD Report, for each PCAF-asset class and decarbonization sector separately.

l) Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental risks, covering relevant transmission channels

Within the credit risk area, a process for identifying and monitoring environmental risks is initiated as a result of a new lending request, renegotiated transactions or transactions requiring contractual changes, as well as during the annual review of a counterparty. Firstly, the ESG Factor Heatmap takes climate, environmental, social and governance risk factors into account to identify and assess ESG risks and opportunities. The heatmap covers all sectors to which the Bank has exposure to and assigns industries into low, medium, high and very high ESG classifications. It is reviewed on an annual basis and is embedded in the internal processes. Industry Strategies factor in the risks identified in the ESG Factor Heatmap and translate them into lending guidelines for specific industries. Moreover, the heatmap is used as an integral part of the credit process and active portfolio management. The ESG Factor Heatmap is also used for the ESG assessment of SMEs.

Secondly, for all large corporates and real estate projects with an exposure greater than EUR 20 million, an individual ESG Assessment Questionnaire shall be performed. Besides social and governance questions, a wide range of environmental risks are covered in the questionnaire, including animal welfare, waste and pollution, water use, impact on endangered zones and other environmental impacts, which are identified and reflected in the assessment. Depending on the information available from the counterparty and the assessed sensitivity/vulnerability to environmental risks, an in-depth assessment may be required to fully understand the nature and severity of the environmental risks to which the client is exposed. In 2025, the ESG Assessment Framework was expanded to enhance the evaluation of clients' resilience to ESG risks, including transition risk, and to systematically incorporate vulnerabilities to physical and nature-related risks.

Similarly, counterparties having significant exposure to physical risk (e.g., floods, heavy storms, droughts, etc.) shall undergo an in-depth assessment. The identified key environmental risks aim to determine the possible impact on the counterparty's financial performance (e.g., environmental risks driving lower profitability or increased legal costs).

In the corporate rating model, a soft fact question covering the counterparty's environmental impact is also assessed.

Another dimension Erste Bank Hungary focuses on is the incorporation of ESG factors in collateral management and real estate valuations. The incorporation of environmental factors into collateral management, particularly valuations, looks at the lifetime of the asset and is therefore applicable for the medium- to long-term time-horizon.

In internal valuations, the energy efficiency of buildings and physical risks play an important role. The energy efficiency assessment is based on Energy Performance Certificates (EPC) that are requested from the client or, if available, sourced from public registers. Previously, Erste Bank Hungary has implemented several actions in order to increase the coverage of EPC data, such as automated data capture or extraction. There is a regular (quarterly) monitoring where the coverage of the EPC availability as well as its data quality is assessed and communicated to senior management. Additional actions and enhancements of established processes will continue to be implemented to further increase EPC data availability.

Up-to-date information on physical risks is gathered and considered in the assessment of the evaluated asset. Furthermore, other negative contributions of the real estate asset to climate change (i.e., DNSH - Do No Significant Harm) are also assessed in the real estate valuations.

For the assessment and management of physical risks, Erste Group, thus Erste Bank Hungary uses Munich RE's Location Risk Intelligence. Following an assessment in cooperation with the University of Graz, Erste Group identified key hazards and climate change scenarios relevant for its collateral portfolio, which was considered in the materiality assessment. The results of the assignment, highlighting the importance of river flood, fire weather stress, drought stress, sea level rise and heat stress, are integrated into the collateral management, incorporating an intermediate climate change scenario of 2-3°C by 2100 (Representative Concentration Pathway 4.5 / Shared Socioeconomic Pathway 2, developed by the Intergovernmental Panel on

Climate Change (IPCC)) as a reasonable assumption, In case of the existence of very high physical risks of a location, the collateral value might be negatively affected, depending on any mitigation measures.

In large commercial real estate transactions, environmental aspects are part of the Technical Object Rating (TOR) and cover environmental risks such as waste, pollution, water use and land use, to name a few.

As the influence of ESG risks is expected to increase over time, and in line with the 2022 thematic review of climate-related and environmental (C&E) risks, Erste Group has further improved the methods and processes to assess whether material climate-related and environmental risks could cause net cash outflows or depletion of liquidity buffers. The evaluations are based on relevant quantitative and qualitative indicators and assessments for transition and physical risks, with considerations on short-, medium- and long-term horizon. Climate-related and environmental risks liquidity risk materiality is assessed regularly, at least annually, during the overall comprehensive ESG and other risks materiality assessments.

Transition risks are expected to unfold gradually over medium- and long-term time horizons, meaning that the impact on a bank’s liquidity situation is also not expected to occur suddenly, but in a gradual manner. This gradual development allows a better anticipation and adjustments in steering to ensure liquidity.

Erste Group performs materiality assessment of physical risk drivers by using a qualitative indicator based on MunichRe insurance data, and by using a quantitative indicator for the most critical risk factor. With regards to relevance of physical risks, and as part of the ESG Framework project, Erste Group purchased Location Risk Intelligence data on physical risks caused by natural hazards and climate change from MunichRe. It provides an extensive list of hazards and climate-related variables. Together with the climate experts at the Wegener Center in the University of Graz, Erste Group identified the following key physical risk hazards relevant to its portfolios and regions: river flood, heat stress, sea level rise (coastal flood), drought stress and fire weather stress.

Based on a qualitative assessment, taking into account all relevant portfolios, the risk factor “Flash and River Floods” has the highest potential to become material.

The materiality of ESG Risk in the market risk context is assessed in the yearly Risk Materiality Assessment using a combination of quantitative approaches, considering the relevant transmission channels. The vulnerability and readiness of sovereigns are mapped to a matrix and the percentage of exposure in the most vulnerable and least ready quantile of the matrix is measured against the overall exposure towards sovereigns. The exposure to the corporate security portfolio is mapped to the ESG Factor Heatmap and the exposure of the high and very high ESG risk is measured against the overall corporate exposure. Financial Institutions are currently not in scope of the Risk Materiality Assessment.

In the areas of Non-Financial Risk (Operational Risk and Reputational Risk), the yearly RMA considers the potential impact of ESG risk driver. Additionally, for single activities (transactions, onboarding, outsourcing etc,) the Non-Financial Risk Management process applies for the final acceptance of identified ESG-risks.

m) Activities, commitments and exposures contributing to mitigate environmental risks

As the comprehensive analysis of the climate-related challenges, legislative and economic impacts of climate change (Climate Change House View) has shown, financing or investing in companies exposed to physical and transiton climate risks poses a significant risk to our core business in the medium to long term. In addition, there is a risk of consequences, particularly in customer investment and advisory services, if products are advertised as "sustainable" that cannot withstand close scrutiny by the regulator ("greenwashing"). Penalties and a loss of reputation would be the consequences.

At the same time, negative impacts on the environment and society are possible if companies are financed or invested in, operate in an environmentally harmful manner and disregard fundamental human rights or the principles of good corporate governance. The establishment of sustainability criteria, on the other hand, has the effect that companies with negative sustainability impacts are avoided and that financial resources flow into companies and activities that contribute to the transformation.

To mitigate the transition risk, Erste Bank Hungary has set itself the goal of reducing the emissions it finances along the decarbonization pathway on the one hand, and significantly increasing the share of short- and medium-term sustainable financing and investments, on the other side. From a risk management perspective, aligning scenario assumptions with realistic portfolio trajectories allows Erste Bank Hungary to identify potential vulnerabilities early and safeguard the resilience of its business model. Erste Bank Hungary is therefore clearly committed to funding climate change mitigation and adaptation measures and supporting its customers in their net zero transition.More details on activities and measures to mitigate environmental risks are published in Erste Bank Hungary's CSRD Report.

n) Implementation of tools for identification, measurement and management of environmental risks

Thus, the tools implemented and used by Erste Bank Hungary to identify and manage ESG risks, including environmental risk, are listed herein.

Erste Group and Erste Bank Hungary use a comprehensive set of tools to identify and manage environmental risks, including climate-related risks. Stress testing forms a central element of this framework, providing a forward-looking assessment of the bank's risk profile and supporting strategic and capital planning. The process is overseen by the heads of the relevant organisational units, ensuring consistency across business areas, while Group Enterprise Wide Risk Management (ERM) and EBH Strategic Risk Management (SRM) lead the design and execution of climate-related analyses, supported by other relevant expert functions.

Climate & Environmental risk quantification has been progressively embedded in Erste Bank Hungary's framework since 2022. In 2025, it was integrated transition and physical risks in a consolidated Climate & Environmental stress-testing exercise, aligned to Group ICAAP, which informed the RMA to quantify material C&E risks.

Risk materiality assessment (RMA) as a steering tool is an annual process with the purpose of systematically identifying new risks and assessing all risks for the Bank. Transition and physical risks, as the two main components of environmental risk, are integrated into the Risk Materiality Assessment of Erste Group, thus Erste Bank Hungary - risks, covering both climate-related risk drivers (e,g, regulatory requirements like energy and transport policies) and nature-related risk drivers (e,g,, animal welfare/testing). They are identified and classified as transversal risks in our risk inventory and consequently their materiality is assessed within existing main risk types (credit, market, liquidity, operational, reputational and strategic risk) by means of qualitative and quantitative indicators.

The RMA process leverages other internal processes and tools to a larger extent (e.g., Climate & Environmental Stress Testing Framework, Carbon Footprint Calculation, ESG Factor Heatmap, ESG Assessment Questionnaire, Climate Hazards Scores by Munich RE), while some processes and tools are specifically in place for risk identification within the RMA process.

Erste Bank Hungary's decarbonisation strategy, designed to effectively manage Erste Bank Hungary's exposure to transition risks, is anchored in the baseline level of financed emissions established through the Carbon Footprint Calculation. Portfolio decarbonisation targets aim to reduce financed emissions by the end of the decade in the portfolios retail mortgages, commercial real estate, electricity production, automotive production and oil & gas extraction. Erste Hungary has the ambition to achieve net zero of its portfolio by 2050.

Consequently, Erste Group - including Erste Hungary - also implemented greenhouse gas calculation (internally referred to as Carbon Footprint Calculation - "CFC"). It measures financed portfolio emissions according to PCAF (Partnership for Carbon Accounting Financials) methodology, Scope 1,2 and 3 emissions are calculated and disclosed in line with PCAF guidance.

From the methodology published by PCAF, Erste Bank Hungary has implemented CFC for business module, project finance, residential and commercial real estate and bonds and securities. Erste Bank Hungary calculates Scope 1 emissions of Sovereign Loans and Bonds and report them separately from our financed emissions.

As already mentioned, CFC creates the starting point for other portfolio-related risk assessment activities (RMA) and portfolio decarbonisation initiatives.

Also, please refer to the section above related to risk management processes used to identify, measure and monitor activities and exposures sensitive to environmental risks (section I) for an explanation on the role of the Erste Bank Hungary's ESG Factor Heatmap, the ESG Assessment Questionnaire, the integration of environmental impact into the Bank's corporate rating model, the integration of environmental risk factors and considerations into the Bank's collateral management processes and valuation.

Based on EBH's RMA 2025, ESG is elevated as a result of the climate transition and physical risks are rising as fragmented global decarbonization paths and increasing climate catastrophes.

Climate-related and other environmental (C&E) risk drivers elevated:

Transition risk assessment performed as comprehensive scenario analysis quantifying impact of delayed transition on EBH:

- results indicate credit risk is materially exposed due to climate-related risk drivers (regulatory requirements, market sentiment / consumer preferences, technological developments)
- transmission channels: increased financial pressure and deterioration of overall financial health of customers → higher RWA and risk costs

Physical risk - continued rise in frequency and severity of climate catastrophes:

- 5 key hazards recommended by climate experts from University of Graz (heat, drought, fire weather, coastal floods/sea level rise, river floods)
- dedicated flood model (as the most relevant risk for EG and EBH) quantified impact of "100-year flood event"; immaterial impact in short-term, but climate-related physical risks expected to increase to material in long-term horizon (>5Y)

o) Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile

Erste Bank Hungary is aware that it is necessary to provide the estimated impact of environmental risk on the institution's capital adequacy. However, we find that there is no need to put capital aside immediately considering:

- ESG risk as transversal by nature is a driver of key risk types (e.g., credit, market, liquidity, operational risk), thus the risk management framework and economic capital are implemented under affected key risk types (preventing double counting of risk);
- The ongoing implementation of proactive risk management framework (e.g., decarbonization strategy, improving data management, client engagement framework) should support the management of transitional risk, effectively reducing EBH's exposure to climate related and environmental (CE) risks;
- Furthermore, ESG as emerging risk, expected to unfold its loss potential slowly over the next decades, where the path of development is quite well understood and therefore, risk measurement systems of Erste Bank Hungary (e.g., PDs) as well as client's behaviour will step-by-step adapt to respective changes.;

p) Data availability, quality and accuracy and efforts to improve these aspects

Since 2021, the ESG relevant data have been included in the data collection processes of Erste Bank Hungary and have been distributed to the central solutions of Erste Group for indicators' calculation and reporting purposes (further data will be introduced to cover additional requirements).

Regarding data quality of information collected for ESG, several business and technical data quality checks have been implemented that monitor ESG relevant fields.

Erste Bank Hungary has significantly improved the completeness of "year of construction" data for real estate collateral assets in the past years. Additional focus is given to the data quality related to ESG information as part of the data management board KPIs.

q) Description of limits to environmental risks (as drivers of prudential risks) that are set, and triggering escalation and exclusion in the case of breaching these limits

Erste Bank Hungary maintains a Responsible Financing Policy that comprehensively addresses environmental, social and governance risks. The policy includes established exclusion criteria related to energy, gambling, defence and biodiversity. EBH actively manages risk exposure by making balanced risk decisions within legal boundaries.

For details regarding ESG indicators and their respective governance, please see sections b) and g).

r) Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework

Erste Bank Hungary identifies sectors that are vulnerable to environmental risks via the Group's ESG Factor Heatmap as mentioned in previous sections.

Via the ESG Assessment Questionnaire previously detailed, the Bank is able to assess how certain ESG factors may have a positive or negative impact on the financial performance or solvency of clients, In this manner, the Bank is able to ensure that the potential impact of environmental risks on the loan portfolio (and thus credit risk) is considered.

Moreover, Erste Bank Hungary recognizes additional challenges caused by the ESG risks.

Particularly, environmental risks are currently reflected only indirectly in LGD models via collateral value and in the Group (Large) Corporate and Specialized Lending models via a soft fact assessment, as detailed above in section l). Consequently, a project to holistically define and collect relevant environmental risk factors for all rating systems has been started in 2022 to ensure the explicit consideration also of climate risk drivers in future model development initiatives.

Before incorporation into the credit risk models, the Bank is considering how these risks can be incorporated into expected credit loss (ECL) measurement. In the Risk Materiality Assessment, climate and environment-related risks are overall assessed as medium. This assessment is driven by the "Transition Risk" analysis as a small percentage of the portfolio still has high GHG emissions and would therefore be exposed to increased risk in the event of a disorderly transition scenario. Disorderly transition scenario was considered in the forward-looking downside scenario.

Transmission channels in the area of Operational risk are identified in the group-wide Risk Materiality Assessment and if relevant taken into account in the operational risk management framework. Therefore, ESG risks drivers are covered in the existing Operational and Non-Financial Risk (NFR) Management framework and all methods covered therein. They are also explicitly addressed in the yearly Operational Risk Scenario Analysis and the Stress Testing framework. Additionally, in the Policy for Managing Reputational Risk EBH defines "Areas of Concern" that are explicitly mapped to the relevant ESG risk drivers. On a daily basis, the NFR decision framework can be seen as a case-by-case scenario analysis also covering ESG risks in all impact dimensions (financial, legal and reputational). Data collection and reporting requirements for ESG events follow the same standards as other Operational Risk events. Given the above, ESG risks are implicitly (via loss data) and explicitly (via scenario analysis) covered in the RWA calculation for operational risk.

The NFR decision process ensures a deep-dive scenario analysis, covering ESG risks in all dimensions (financial, legal and reputational) for single transactions (including those related to scope 3 financed emissions). In addition, the NFR decision process is intrinsic to various business decision governance frameworks, including financing, outsourcing and product development. The process is designed for risk acceptance of evaluated NFRs, including climate and environmental risks, with exact risk escalation levels and documentation. This serves as a foundation for effective risk response and monitoring.

The NFR decision process allows for comprehensive consideration of climate and environmental risks and other non-financial risks, by measuring the probability and impact of identified risk scenarios. Impacts assessed include the financial consequences of the identified risk, projected reputational damage, as well as projected legal compliance aspects associated with the acceptance of such risk(s).

Depending on the scaling of identified risks, each NFR decision has to be accepted by the appropriate risk acceptance level, depending on the combination of risk probability and risk impact. Each acceptance must be associated with respective risk mitigation measures.

Quantitative disclosure on environmental risk

The template bellow represents industry split of the Erste Hungary portfolio per industry segmentation, providing more insight into distribution of exposures toward non-financial corporations between sectors that highly contribute to climate risk and other sectors.

Erste Bank Hungary does not have exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation, hence they are not presented in the table below.

in HUF million

Sector/subsector	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
		Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
Exposures towards sectors that highly contribute to climate change*	**905,272**	**5,267**	**110,466**	**14,811**	**(16,081)**	**(4,035)**	**(8,014)**	**1,371,878**	**1,061,146**	**22.24%**	**758,996**	**134,086**	**12,110**	**80**	**2.60**
A - Agriculture, forestry and fishing	59,066	19	8,265	310	(512)	(194)	(157)	118,573	37,214	11.57%	40,229	18,757	-	80	3.50
B - Mining and quarrying	224	-	-	-	(1)	-	-	1,152	422	1.06%	198	26	-	-	1.90
B.05 - Mining of coal and lignite	-	-	-	-	-	-	-	-	-	0.00%	-	-	-	-	
B.06 - Extraction of crude petroleum and natural gas	-	-	-	-	-	-	-	-	-	46.81%	-	-	-	-	-
B.07 - Mining of metal ores	-	-	-	-	-	-	-	-	-	0.00%	-	-	-	-	
B.08 - Other mining and quarrying	*222*	-	-	-	*(1)*	-	-	1,099	374	0.00%	196	26	-	-	1.90
B.09 - Mining support service activities	*2*	-	-	-	-	-	-	53	48	100.00%	2	-	-	-	-
C - Manufacturing	*266,927*	709	31,334	4,888	(2,833)	(847)	(1,336)	883,115	728,805	48.93%	219,162	47,157	608	-	2.50

Sector/subsector	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
		Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
C.10 - Manufacture of food products	108,014	219	9,361	689	(629)	(222)	(129)	269,552	205,294	55.80%	92,150	15,350	514	-	2.50
C.11 - Manufacture of beverages	16,243	-	510	287	(107)	(14)	(24)	17,285	14,938	0.00%	13,515	2,713	15	-	2.80
C.12 - Manufacture of tobacco products	-	-	-	-	-	-	-	-	-		-	-	-	-	
C.13 - Manufacture of textiles	734	-	134	34	(28)	(2)	(25)	671	504	0.00%	255	479	-	-	4.70
C.14 - Manufacture of wearing apparel	539	-	269	-	(2)	(1)	-	1,191	880	0.00%	451	88	-	-	1.50
C.15 - Manufacture of leather and related products	1,908	-	-	1,639	(448)	-	(447)	1,999	1,591	0.00%	1,908	-	-	-	0.90
C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	3,467	-	1,873	46	(71)	(29)	(36)	6,148	3,791	0.00%	3,107	342	18	-	3.10
C.17 - Manufacture of pulp, paper and paperboard	*1,542*	-	*540*	-	*(12)*	*(7)*	-	2,334	1,800	70.23%	1,260	282	-	-	2.20
C.18 - Printing and service activities related to printing	*590*	-	*122*	-	*(3)*	*(2)*	-	1,364	877	0.00%	503	87	-	-	1.40

Sector/subsector	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
		Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
C.19 - Manufacture of coke oven products	37,707	22	-	-	(28)	-	-	392,178	355,304	99.96%	31,084	6,623	-	-	1.90
C.20 - Production of chemicals	18,485	-	791	-	(83)	(18)	-	60,363	38,938	62.92%	16,294	2,191	-	-	3.20
C.21 - Manufacture of pharmaceutical preparations	12,826	-	200	-	(26)	(9)	-	10,402	6,904	74.87%	2,357	10,469	-	-	4.70
C.22 - Manufacture of rubber products	8,671	-	2,551	1	(43)	(16)	-	10,831	9,036	0.00%	6,947	1,724	-	-	2.50
C.23 - Manufacture of other non-metallic mineral products	5,090	-	4,326	-	(153)	(151)	-	29,630	24,092	61.03%	5,069	21	-	-	1.00
C.24 - Manufacture of basic metals	1,481	-	243	154	(20)	(8)	-	9,465	8,129	73.17%	1,192	289	-	-	2.30
C.25 - Manufacture of fabricated metal products, except machinery and equipment	10,038	-	3,531	957	(550)	(112)	(419)	14,926	12,493	14.28%	8,753	1,224	61	-	1.90
C.26 - Manufacture of computer, electronic and optical products	1,495	-	947	1	(42)	(40)	-	1,432	1,223	1.74%	987	508	-	-	3.60
C.27 - Manufacture of electrical equipment	3,769	-	266	-	(33)	(13)	-	6,291	5,609	0.00%	3,619	150	-	-	1.80

Sector/subsector	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
		Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
C.28 - Manufacture of machinery and equipment n.e.c.	*10,980*	*73*	*2,798*	*260*	*(241)*	*(79)*	*(136)*	9,554	7,834	14.91%	8,986	1,994	-	-	2.80
C.29 - Manufacture of motor vehicles, trailers and semi-trailers	*14,876*	*393*	*278*	*520*	*(66)*	*(4)*	*(13)*	27,422	21,689	20.33%	14,032	844	-	-	1.90
C.30 - Manufacture of other transport equipment	*4,026*	-	*2,146*	-	*(128)*	*(116)*	-	3,228	2,550	0.00%	2,783	1,243	-	-	3.50
C.31 - Manufacture of furniture	*1,658*	-	*57*	*101*	*(56)*	*(1)*	*(51)*	3,127	2,315	0.00%	1,281	377	-	-	2.20
C.32 - Other manufacturing	*1,101*	-	*250*	*195*	*(57)*	*(2)*	*(54)*	1,323	1,044	0.00%	1,007	94	-	-	2.00
C.33 - Repair and installation of machinery and equipment	*1,687*	*2*	*141*	*4*	*(7)*	*(1)*	*(2)*	2,399	1,970	0.49%	1,622	65	-	-	2.00
D - Electricity, gas, steam and air conditioning supply	34,827	2,056	11,809	188	(1,641)	(1,471)	(69)	111,731	97,111	55.75%	10,803	13,794	10,230	-	6.70
D35.1 - Electric power generation, transmission and distribution	30,214	2,053	11,809	188	(1,623)	(1,471)	(69)	92,735	81,318	50.73%	6,190	13,794	10,230	-	7.70
D35.11 - Production of electricity	*28,887*	*2,050*	*11,809*	188	(1,616)	(1,471)	(69)	22,549	18,564	19.95%	6,156	12,501	10,230	-	7.70

Sector/subsector	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
		Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	*4,091*	*3*	*-*	*-*	*(17)*	*-*	*-*	15,741	15,051	99.94%	4,091	-	-	-	-
D35.3 - Steam and air conditioning supply	*522*	*-*	*-*	*-*	*(1)*	*-*	*-*	3,255	742	0.00%	522	-	-	-	2.20
E - Water supply; sewerage, waste management and remediation activities	1,367	2	63	3	(7)	(1)	(2)	5,621	1,185	0.00%	1,246	121	-	-	1.80
F - Construction	35,889	1	5,243	1,945	(1,743)	(99)	(1,519)	56,474	48,173	0.06%	28,791	7,001	97	-	2.10
F.41 - Construction of buildings	*19,913*	*-*	*3,580*	*274*	*(281)*	*(55)*	*(144)*	27,812	23,777	0.00%	14,380	5,533	-	-	2.60
F.42 - Civil engineering	*5,129*	*1*	*452*	*102*	*(70)*	*(18)*	*(35)*	9,128	7,768	0.40%	4,415	714	-	-	1.90
F.43 - Specialised construction activities	*10,847*	*-*	*1,211*	*1,569*	*(1,392)*	*(26)*	*(1,340)*	19,534	16,628	0.00%	9,996	754	97	-	1.20
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	179,511	193	43,384	6,460	(7,136)	(1,121)	(4,551)	135,946	107,784	7.90%	156,904	21,828	779	-	1.80
H - Transportation and storage	30,345	-	5,970	283	(390)	(184)	(123)	38,936	27,951	23.16%	27,118	3,178	49	-	3.30
H.49 - Land transport and transport via pipelines	*11,921*	*-*	*3,151*	*128*	*(148)*	*(58)*	*(62)*	23,130	16,800	15.90%	11,178	694	49	-	2.10

Sector/subsector	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
		Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
H.50 - Water transport	-	-	-	-	-	-	-	-	-	0.00%	-	-	-	-	-
H.51 - Air transport	*251*	-	-	-	-	-	-	670	270	0.00%	251	-	-	-	2.90
H.52 - Warehousing and support activities for transportation	*17,850*	-	*2,761*	*52*	*(209)*	*(125)*	*(30)*	15,001	10,787	28.75%	15,375	2,475	-	-	4.10
H.53 - Postal and courier activities	*323*	-	*58*	*103*	*(33)*	*(1)*	*(31)*	135	94	0.00%	314	9	-	-	0.70
I - Accommodation and food service activities	7,479	-	3,316	702	(302)	(57)	(236)	10,247	8,484	0.00%	5,565	1,567	347	-	3.60
L - Real estate activities	289,637	2,287	1,082	32	(1,516)	(61)	(21)	10,083	4,017	8.04%	268,980	20,657	-	-	2.40
Exposures towards sectors other than those that highly contribute to climate change*	**87,296**	**1,556**	**13,204**	**1,697**	**(1,706)**	**(379)**	**(961)**				**72,107**	**15,143**	**46**	**-**	**2.50**
K - Financial and insurance activities	18,522	1,556	37	216	(218)	-	(82)				18,191	331	-	-	2.40
Exposures to other sectors (NACE codes J, M - U)	68,774	-	13,167	1,481	(1,488)	(379)	(879)				53,916	14,812	46	-	2.50
TOTAL	**992,568**	**6,823**	**123,670**	**16,508**	**(17,787)**	**(4,414)**	**(8,975)**	**1,371,878**	**1,061,146**	**21.22%**	**831,103**	**149,229**	**12,156**	**80**	**2.60**

* In accordance with the Commission delegated regulation EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks -Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006

Table 71: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity (Art. 449a CRR, EU 1.CC Transition risk-Banking b. (EU) 2024/3172)

Overview below shows gross carrying amount per EPC label and energy consumption bucket of the underlying real estate collateral. Within the overview of loans collateralized by commercial and residential immovable property per energy efficiency (EP score), Erste Hungary has also included the exposures for which the energy consumption is estimated, in addition to separately presenting it in the dedicated row. When presenting the exposure distribution per EPC label, the estimated EPC labels are not taken into consideration.

Counterparty sector	Total gross carrying amount (in HUF million)															
		Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
Total EU area	**915.2**	**233.6**	**408.1**	**172.5**	**49**	**35.4**	**12.5**	**140.7**	**98.7**	**51.3**	**155.5**	**72.1**	**62**	**184.7**	**150.2**	**97.28%**
Of which Loans collateralised by commercial immovable property	214	85.3	110.9	16.7	-	-	-	69.8	39.5	21.3	60.5	5.5	1.4	12.5	3.5	68.50%
Of which Loans collateralised by residential immovable property	701.2	148.3	297.2	155.8	49	35.4	12.5	70.9	59.2	30	95	66.6	60.6	172.2	146.7	97.96%
Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	33.4	9.6	19.3	4.3	0.1	0.1	-								33.4	100.00%
Total non-EU area	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Of which Loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Of which Loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	-	-	-	-	-	-	-								-	0.00%

Table 72: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral (Art. 449a CRR, EU 2.CC Trans-BB.RE collateral (EU) 2024/3172)

Based on the calculation of financed CO_2e emissions for each portfolio, Erste Bank Hungary has defined carbon-intensive industries in alignment with Erste industry classification applied for internal steering. This analysis was supported by materiality assessment that considers share of on-balance exposure and financed emissions (Scope 1 + Scope 2 CO_2e) in comparison to the portfolio as part of Carbon Footprint Calculation.

The final selection of sectors for definition of decarbonization targets was fostered by availability of science-based methodologies, consideration of technological advances, market trends and regulatory standards.

Table 73 includes the data on the sectors for which decarbonization pathways have been defined in alignment with a 1.5°C scenario, based on the Science-Based Target Initiative (SBTi) and the Paris Agreement Capital Transition Assessment (PACTA) methodologies. For those sectors which are not aligned with 1.5°C scenario in our Sustainability Statement 2025 (under E1-4 - Targets related to climate change mitigation and adaptation), Erste Bank Hungary has developed an indicative 1.5°C scenario-aligned benchmark for the purposes of transparency, as reflected it in the table below (namely, Mortgages and Commercial Real Estate).

This indicative 1.5°C benchmark does not represent a strategic commitment of Erste Bank Hungary, but enables comparability with regulatory disclosure expectations. As regulatory frameworks evolve and government incentives in the real estate sector strengthen, Erste Bank Hungary will reassess its decarbonization pathway presented in the Sustainability Statement to ensure continued alignment with the broader transition of the real estate sector.

The decarbonization targets were defined using physical emission intensity. For the Heat & Steam production and Oil & Gas upstream, financed emissions were deemed as most appropriate metric at the point of decarbonization target setting due to data availability and the limitations of the tools. Since financed emissions follow the PCAF Reporting Standards, the resulting values are highly dependent on on-balance exposure as of reporting date.

The completion of the table was performed in line with following:

- Column ‘NACE codes’: list of NACE codes in alignment with definition of carbon intensive sectors selected for decarbonization as elaborated above.
- Column 'Portfolio gross carrying amount (Mn HUF)’: gross carrying amount for the portfolio in scope of decarbonization as of reporting date December 2025..
- Column ‘Year of reference’: Alignment metric as of 31 december 2025
- Column ‘Distance to IEA NZE2050 in %’: calculated in line with provided formula, Erste Bank Hungary steers the decarbonization progress along the pathways derived from the IEA Net Zero scenarios for the individual sectors. The distance to the pathway represents the distance of the intensity level (column 'Alignment metric') per the reference year (column ‘Year of reference’) to the 2030 target on the sector’s convergence pathway (disclosed in CSRD report 2025; except for Mortgages and Commercial Real Estate for which the distance is calculated against an indicative 1.5°C scenario-aligned benchmark). A positive sign implies that the current emission intensity of the portfolio is still above the 2030 objective, while a negative sign implies that the sector already aligns with the 2030 target.
- Column ‘Target (year of reference + years = 2028)’: the value represents the target for 2028 on the sectors convergence pathway, which is derived from baseline value as disclosed in CSRD report 2025 in the table Portfolio Decarbonisation Targets and Actuals, except for Mortgages and Commercial Real Estate which are derived based on the 1.5°C scenario-aligned indicative benchmark pathway.

The baseline for Oil & Gas upstream has factored in EBH’s business with its energy clients at the point of targets setting. EBH has committed to refraining from increasing its exposure to oil and gas exploration and has set strict financing criteria towards unconventional methods.

Within the Cement production, Erste Bank Hungary defined the scope via the selection of clients which do run a production plant (mostly in C 23.51) and to which Erste has a client relationship. Besides, within the automotive sector Erste Bank Hungary has set decarbonization targets for the clients in the Automotive production, namely manufacturing of light duty motor vehicles, that are defined via NACE 29.10.

Erste Bank Hungary has no exposure to coal financing.

Other sectors listed in the template are not included in the decarbonization target setting of Erste Bank Hungary at this stage, considering their low share of financed emissions (e.g., aviation, maritime), as well as the fact that external sector scoping guidance for some of these industries, while available, is still evolving and not yet fully established or widely adopted (e.g., chemicals).

Sector	NACE Sectors (a minima)	Portfolio gross carrying amount (Mn HUF)	Alignment metric**	Year of reference	Distance to IEA NZE2050 in % ***	Target (year of reference + 3 years)
Power	D 35.11	28,780	kgCO2e/MWh	189.72	-49.82%	465.09
Fossil fuel combustion	B 06.10, B 06.20 (upstream)	43,510	thousand tCO2e	4.36	-78.38%	20.97
Automotive	C 29.10	3,047	gCO2e/km	140.88	62.67%	107.09
Aviation	n.a.	-	-	-	0.00%	-
Maritime transport	n.a.	-	-	-	0.00%	-
Cement, clinker and lime production	C 23.51 (cement production)	-	tCO2e/tonne cement	-	0.00%	-
Iron and steel, coke, and metal ore production	C 24.10, C 24.20, C 24.51, C 24.52	0.20	tCO2e/tonne steel	-	0.00%	1.43
Chemicals	n.a.	-	-	-	0.00%	-
Power / Heat & Steam production	D 35.30	522	thousand tCO2e	-	0.00%	-
Commercial real estate	PCAF RE module	1,393	kgCO2e/m2	20.63	37.97%	18.59
Mortgages	PCAF RE module	3,411	kgCO2e/m2	45.64	86.60%	30.86

*** PiT distance to 2030 NZE2050 scenario in % (for each metric)

Table 73: Banking book - Climate change transition risk: Alignment metrics (Art. 449a CRR EU 3. CC Trans-BB.alignment metrics (EU) 2024/3172)

When assessing the exposure toward top 20 most polluting companies in the world - none of which is related to Erste Hungary -, Erste Group used publicly available information published by Climate Accountability Institute.

Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
-	0%	-	-	-

*For counterparties among the top 20 carbon emitting companies in the world

Table 74: Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms (Art. 449a CRR, EU 4.CC Transition-toppollutcomp (EU) 2024/3172)

The source of data used for identification of geographical areas subject to physical risk is based on Munich RE classification of GPS coordinates. When estimating exposure subject to physical risk and physical risk type in the table below, Erste Bank Hungary uses both the geographical location of the client on the best effort basis, based on the location of head office, and geographical location of the real estate collateral in case of collateralized loans. Given that vast majority of Erste Hungary activities are based in Hungary, the total portfolio is presented below.

Acute risks are sudden events that can cause immediate damage and include fire weather, river floods and drought stress. Chronic risks, such as sea level rise and heat stress, develop gradually over time.

Assets are deemed to be at material physical risk when the risk score assigned by MunichRe for a particular location is classified as either ‘high’ or ‘very high’.

As the ESG framework evolves, we stay alert to future portfolio steering and monitoring requirements and will adapt the disclosure standards if needed.

Total portfolio	Gross carrying amount (in HUF million)													
		of which exposures sensitive to impact from climate change physical events												
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
A - Agriculture, forestry and fishing	59,065	40,228	18,757	-	80	3.50	-	14,784	-	8,265	310	(512)	(194)	(157)
B - Mining and quarrying	224	198	26	-	-	1.90	-	67	-	-	-	(1)	-	-
C - Manufacturing	267,137	219,372	47,157	608	-	2.50	-	31,870	-	31,334	4,888	(2,833)	(847)	(1,336)
D - Electricity, gas, steam and air conditioning supply	34,828	10,804	13,794	10,230	-	6.70	-	31	-	11,809	188	(1,641)	(1,471)	(69)
E - Water supply; sewerage, waste management and remediation activities	1,367	1,246	121	-	-	1.80	-	161	-	63	3	(7)	(1)	(2)
F - Construction	33,910	26,812	7,001	97	-	2.20	-	3,266	-	5,093	1,945	(1,730)	(99)	(1,519)
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	176,525	153,767	21,979	779	-	1.80	-	30,180	-	43,384	6,460	(6,182)	(1,121)	(4,551)
H - Transportation and storage	32,251	29,024	3,178	49	-	3.10	-	1,879	-	5,970	1,454	(1,338)	(184)	(1,069)
L - Real estate activities	289,637	268,980	20,657	-	-	2.40	-	203,038	-	1,082	32	(1,516)	(61)	(21)
Loans collateralised by residential immovable property	3,757	1,874	1,855	28	-	5.30	-	564	-	678	29	(47)	(18)	(23)

Total portfolio	Gross carrying amount (in HUF million)													
		of which exposures sensitive to impact from climate change physical events												
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
Loans collateralised by commercial immovable property	405,953	335,880	69,362	711	-	3.20	-	290,964	-	51,846	5,648	(5,659)	(1,338)	(2,402)
Repossessed collaterals	-	-	-	-	-		-	-	-	-	-	-	-	-
Other relevant sectors (breakdown below where relevant)	94,775	77,672	16,710	393	-	2.60	-	8,808	-	16,520	2,399	(2,008)	(435)	(1,197)

Table 75: Banking book - Climate change physical risk: Exposures subject to physical risk (Art. 449a CRR, EU 5.CC Physical risk (EU) 2024/3172)

Social risk

DISCLOSURE REQUIREMENTS Art. 435 and 449a CRR

Erste Bank Hungary's business strategy in regard to social risk is assured as detailed further on.

a) Adjustment of the institution's business strategy to integrate social factors and risks taking into account the impact of social risk on the institution's business environment, business model, strategy and financial planning

The social responsibility of Erste Group is strongly embedded into its foundations. Access to finance - opportunity to save and borrow money - for the unbanked part of the population was one of the main reasons for the foundation of Erste Österreichische Spar-Casse in 1819. With its historic background and as one of the important financial institutions in Central and Eastern Europe (CEE), Erste Group has an inherent responsibility for broader sustainability and ESG risks toward the society. The analysis of mid- and long-term developments, stakeholder perceptions, changes to the social and business environment and related social challenges, are key elements in determining the Sustainability Strategy. ESG risks identification, such as potential environmental damages, severe negative social consequences, or poor governance, has always been an integral part of Erste Group business and risk management framework.

The consistently high numbers of working poor and rising cost of living and energy in the region have an adverse impact on satisfaction with living standards. A low supply of new affordable housing and the near absence of a social housing sector have led to substantial overcrowding. As property prices have risen over the past decade, not only the young and those on low incomes, but also even the lower middle class are barely able to buy homes in larger cities. At the same time, around 10% of the population is still unable to pay for heating. By working with social organisations and housing developers we help people affected by poverty to build independent lives in homes of their own or improve their housing situation.

Our analysis of socio-environmental topics provided the basis for Erste Group's long-term Sustainability Strategy, objectives and framework. Furthermore, as already mentioned, the identified environmental and social challenges are taken into account in the ESG Factor Heatmap and Group Responsible Financing Policy [Erste Group Responsible Financing Policy]. In the context of our financing and investment operations, Erste Group considers social, ecological and ethical criteria, as well as impact on society and the environment, in addition to economic consideration. These standards are the ones used to define our compliance principles. By taking into account social aspects affecting our counterparties in our Industry Strategies, Erste Group has social factors considered as a steering input in its business model. The Business strategy is adapted on a yearly basis.

Erste Group, through its Social Banking, continues to be the leader in offering financial services to NGOs, start-ups, and individuals in difficult situations. Social Banking initiatives focus on financially excluded or vulnerable private individuals (people at risk of poverty or social exclusion), start-up and micro-entrepreneurs, and social organisations (non-profit sector, non-governmental organisations and social enterprises) by offering them fair access to financial products, sound financial advice, and business training and mentoring. Therefore, a special Group Social Banking Risk Policy sets out the key requirements for managing credit risk related to social banking at Erste Group, This policy applies to social banking activities concerning private individuals, micros and new entrepreneurs, social organisations, and special social projects. It provides a framework adapted to local needs and local legal regulations. Both the group-level initiatives and the Social Banking risk policy are localized in Hungary, ensuring the complete coherence. Detailed actions detailed below, in section 'Social Banking in Erste Bank Hungary'.

In a bid to reduce the risk related to the funding of social organisations, Erste Group Social Banking claimed the portfolio guarantee provided under the EU Programme for Employment and Social Innovation (EaSI), which expired at year-end 2022. To be able to keep offering preferential terms and loans to social entrepreneurs and new entrepreneurs, Erste Group Social Banking in 2023 obtained a new portfolio guarantee from the European Investment Fund (EIF) under the InvestEU programme. The Invest EU guarantee programme for Social entrepreneurship is also applied for Hungary, as Intermediary,

Moreover, Erste Group is also one of 33 signatory banks joining the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking's Commitment to Financial Health and

Inclusion. Within this commitment all signature banks need to set targets in respect to financial health and inclusion and need to report on them annually, with the following year thereafter, to ensure transparency on the progress. Erste Bank Hungary also discloses its progress towards the targets defined under this commitment in its annual Sustainability Statement. The relevant information for year-end 2025 is provided in the Sustainability Statement 2025, section Social information – Affected communities, S3-5 Targets related to advancing positive impacts.

b) Objectives, targets and limits to assess and address social risk in short-term, medium-term and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes

Erste Group's commitment to social inclusion remains as relevant today as it was 200 years ago. The social cohesion in our region creates a strong and reliable foundation for a well-functioning socio-economic environment, bringing prosperity to many. Therefore, Erste Group is actively pursuing initiatives to promote financial inclusion, social banking, financial education, affordable housing, and gender equality. We believe that a sound socio-economic environment provides the foundation for sound banking operations and positively impacts our economic performance.

Erste Group's social impact encompasses its interactions with employees, customers, and the broader community, while establishing and maintaining strong ethical compliance to build trust with stakeholders and ensure long-term organisational stability.

For the Social and Governance aspects of ESG, Erste Group has established the following strategic priorities:

- boosting financial inclusion through social banking, bringing communities closer together, and strengthening social cohesion,
- helping customers gain financial health and literacy,
- promoting diversity, including gender diversity, and fostering good ethical conduct and compliance, such as through extensive corruption and bribery prevention and detection trainings.

Key risks and opportunities of the relevant social topics in the CEE region translates into our aspirations to enforce the social inclusion, particularly focusing on the following activities:

- Fostering financial inclusion through our social banking activities, thereby strengthening social cohesion and civil society. Our social banking services are provided to particularly vulnerable part of our society, including socially disadvantaged private individuals, NGOs and start-ups. Our social banking not only offers banking services but also provides financial education, experience sharing and counselling. The benefit of our activities is seen not only in customer satisfaction but also in the number of jobs created or preserved. Starting from EUR 115 million in 2017, Social Bankingcrossed EUR 700 million invested by the end 2025 through social banking finance and targets EUR 1 billion by 2030, as well as to ensure 200,000 newly created and preserved jobs (starting from 20,000 in 2017).
- Bringing financial health and financial literacy to our clients and the young generation through our financial life-park facility and numerous partnership agreements with schools/NGOs across the CEE region. Starting from 7.000 in 2017, we aim to provide financial education to 80.000 beneficiaries by 2030.
- Promoting gender diversity as an important element of a healthy corporate culture.

The abovementioned targets show the aggregated commitment of Erste Group's Social Banking. Erste Bank Hungary contributes to the activities and results with dedicated performance indicators.

ESG objectives and targets are part of the yearly strategic planning of Erste Group, which is approved by the Management Board, as well as by the local management boards. Targets, ESG KPIs are part of the variable remuneration of the Management Board members, as described in the Environmental risk chapter.

The outcomes of Erste Group's Social Banking activities are measured as part of regular impact assessments. This is done on the basis of output data such as the number of newly created jobs, the number of participants in educational activities, etc. and supplemented with the results of anonymous customers surveys.

Social Banking Hungary's yearly performance indicators are reported in the Sustainability Statement 2025, section Social information – Affected communities, S3-5 Targets related to advancing positive impacts.

SOCIAL BANKING in Erste Bank Hungary

In the firm belief that everyone must be treated with dignity and respect, Erste Group established Erste 200 years ago to give everyone – without distinction of status, nationality, faith, gender, age etc. – access to prosperity. Disseminating and securing prosperity for all is and always will be our goal. Therefore, in our complicated world, Erste Hungary wants to be more than a business enterprise providing financial solutions, because it actually offers solutions to life situations. One of the key phrases of our vision is: "In addition to our banking and investment services, we demonstrate our commitment to our customers and to Hungary through our social responsibility.". We believe that in the future, the bank will not be seen as a financial institution, but as an institution that focuses on the finances and prosperity of the people and for-profit and non-profit organisations in the region.

When we talk about CSR, sustainability or social banking, we are always referring to the efforts made by the for-profit sector to take social and environmental aspects into account as an integral part of their strategy and core business, and to integrate this approach into the work of each of their areas of expertise, in order to make their own organisations more responsible, ethical and sustainable.

Erste Bank Hungary Social Banking and CSR website:

https://www.erstebank.hu/hu/ebh-nyito/rolunk

Providing support to society was one of the founding ideas of Erste Oesterreichische Spar-Casse and this continues to shape the Group to this day. Erste Group's responsibility goes beyond simply financial business to support institutions, initiatives and projects relating to social issues. Therefore, a key aspect of Erste Group's Erste Group's strategy and business model is to provide financial services to socially vulnerable people, small enterprises and social organisations, including those who would otherwise be excluded from access to financial goods and services, positively impacting those effected. Initiatives supporting the financial health, transparency and inclusivity of these groups are key to its value proposition and helps build long-term relationships while improving their financial autonomy and subsequent wider social impact: through capacity building for small enterprises and subsequent job creation and retention. Furthermore, Social Banking engages with various social organisations to ensure the effectiveness of its impact throughout the regions it operates in. These efforts ensure a strong socio-economic environment to form the basis for sustainable success. The activity is carried out by dedicated Social Banking divisions in the countries of the Erste Group. The Social Banking activity in Hungary is carried out by 3 dedicated resources as an organizational unit of the Strategic Management area.

For various reasons, a substantial number of people do not have access to the basic means of everyday life, live in poverty or lack financial stability. Erste Hungary is dedicated to support those who only a few believe in, to help themselves in their economic development and to have access to financial services.

Access to financial services

Social Banking in Hungary works on equal access to financial services, both in the private and civil sector. From 2017, a wide palette of activities has been brought together under the umbrella of social responsibility. Erste Bank Hungary developed and institutionalised the value proposition for civil sectors, by developing the most affordable civil account package and a special loan product offer, supported by either a European Investment Fund (EIF) until 2023 or EU Invest guarantee from 2024.

Beyond financial tools, Social Banking developed special value propositions for given underprivileged people.

Key risks and opportunities of the relevant social topics in our country translates into our aspirations to enforce the social inclusions and particularly focus on following activities.

Private individuals - financial literacy and social housing

An aspect of Erste Hungary's business is to provide financial services to socially vulnerable people, including those who would otherwise be excluded from access to financial goods and services, positively impacting those effected. Initiatives supporting financial health, transparency and inclusivity of these customers are key to its value proposition and helps build long-term customer relationships while improving their financial autonomy. These efforts enhance customer trust and loyalty, contributing to the stability and resilience of its business. Social Banking Hungary offers to help individuals manage unexpected financial challenges via debt counselling since 2023 for 20 families of a partner NGO. Financial education to social workers in the field of underprivileged, mentally disabled, special need youngs, people coming from orphanage or homeless aim to empower individuals to take control of their financial situation and improve long-term stability. In 2025, 23 social workers reached 335 individuals. The format of this program ensures that the knowledge stays in the system and replicable at any time of need. Ensuring social housing advocacy services by an NGO helps families to gain access to social/affordable housing subsidiaries by pre-financing on behalf of the families. In 5 years, 37 families with near to 180 members gained access to healthy living in this program, supportted by Erste Stiftung and Erste Hungary. Specially developed financial literacy booklet was downloaded more than 150x in 2025, moreover a dedicated NGO reached 300+ mentally disabled persons in special shools with this tool. The programs mentioned above are launched by Social Banking on a calendar year basis, and for this, it also performs cost planning in the second quarter of the previous year.

SEEDS Program

Erste countries offer local capacity development programs such as SEEDS+ in Hungary. The Bank launched the SEEDS programme in 2017 thanks to the support of the Vienna-based Erste Foundation (Stiftung). IFUA Non-Profit Partner and SIMPACT Non-Profit Partner are also present as implementing partners in this programme for the complex development of NGOs and social enterprises. So far, more than 170 NPOs have received support, in 14 types of training and in 26 consultation projects. In SEEDS+ program helps the development of applicants through with volunteer support (liquidity management, daily efficiency), or customized advice or bootcamps (project management, financial planning, organizational change). In the first year of the latest 2year program, 85 mini projects received support so far. ERSTE Bank also relied heavily on its 40 external partners for volunteers with whom 92 volunteers were involved in the program. The program continues until 2026 June.

MARC impact program (social innovation and impact)

Beyond financial products, Erste Group offers free or lowered price non-financial support such as bespoke counselling, mentoring, training and technical assistance for social and sustainable entrepreneurs. In 2024, Erste Group launched the High-Impact Enterprises Scaling Programme (MARC), a capacity-building initiative designed to strengthen and scale social businesses across key markets, including Austria, Croatia, Czechia, Hungary, Romania, Serbia and, starting next year, Slovakia. The MARC program addresses gaps in business know how and funding by helping social enterprises develop sustainable operating models. It also fosters an ecosystem for growth through knowledge exchange, networking opportunities and access to markets. The program’s objective is to enable high-impact enterprises to achieve financial sustainability while amplifying their social impact. The MARC program gradually involves the countries of the Erste group over a 3-year period, and after 3 years the MARC Steering Committee evaluates the effectiveness of the program and determines the duration of its continuation. MARC Impact report available: *https://hu.marc-impactprogramme.net/wp-content/uploads/2025/09/Marc_Impact_Report_2024_2025.pdf*

At the Bank we believe - and this has been confirmed by a number of international studies - that responsibility and return are not mutually exclusive. The Bank strives to offer the customers sustainable products. Erste Asset Management's sustainable funds are subject to strict rules regarding corporate environmental policy, corporate governance and general social responsibility.

Our sustainable funds are managed according to a clearly structured investment approach and take advantage of enduring trends such as renewable energy. On the other hand, the Bank firmly excludes from its portfolios products and investment trends that could harm the environment and society, such as weapons, the sale of coal, food speculation or cryptocurrencies.

The trust our customers place in our bank is of paramount importance to us at every stage of the business relationship. The Bank is constantly working to offer options that meet the customers' needs and their wealth and income.

Even in the event of temporary or permanent payment difficulties, our customers can turn to our colleagues with confidence and count on our cooperation and assistance. Our Bank will contact our customers from the moment they fall into arrears in order to keep them informed of the possible solutions to prevent and resolve further payment difficulties with their cooperation.

As a result, our customers can be relieved of the potential negative consequences of late payment. Examples of possible solutions include paying a reduced amount, building in a grace period, extending the repayment period, restructuring the loan contract (so-called credit conversion loan), or providing for instalment payments. The Bank will keep you informed about the options available by letter, telephone, in person if necessary, and in detailed product-specific information sheets available on our website.

Through all these means, the Bank responsibly does its utmost to help its customers to avoid or resolve payment difficulties.

Governance risk

DISCLOSURE REQUIREMENTS Art. 435 and 449a CRR

Governance

a) Institution's integration in their governance arrangements governance performance of the counterparty, including committees of the highest governance body, committees responsible for decision-making on economic, environmental, and social topics

For general risk governance please see the risk management organization chapter.

Regarding ESG risk governance, taking into account ESG topics is an integral part of Erste Bank Hungary’s way of doing business. Consequently, this resulted in an integrated organisational model. ESG functions and responsibilities are embedded in its respective corporate and retail business as well as its risk and finance units. An exception to this rule is the ESG Office that was set up as an independent unit within the “CEO division” and within this division in the “Strategic Management Area”. It functions as a knowledge hub in Erste Bank Hungary and drives the ESG strategy, targets and priorities. It develops local sustainability strategies aligned with the group-wide strategy, supports the respective local management boards and are tasked with facilitating, organising, and ensuring the information flow on the implementation of initiatives within Erste Bank Hungary.

The Management Board is responsible for managing the organisation as required for the benefit of the company, taking into account our shareholders, employees, clients and multi-stakeholders. It specifies the company’s values and goals in concrete terms and lays down the corporate strategy with due regard to sustainability aspects and the associated opportunities and risks in respect to the environment, social concerns and corporate governance. Furthermore, it ensures the implementation of the sustainability strategy with adequate resource allocation and controls and is regularly informed of status and achievements.

Responsibilities within the Management Board for the development and implementation of the individual sustainability topics are distributed as follows:

- The CEO is responsible for global and ESG strategies and ensures that sustainability considerations are integrated into Erste Bank Hungary’s corporate culture and governance framework.
- The CRO integrates environmental risks, including physical and transitory climate risks, into Erste Bank Hungary’s risk management framework and ensures that governance and remuneration principles adequately account for these risks.
- The CFO is responsible for sustainability reporting and ensures that Erste Bank Hungary aligns its own operations towards net zero status.

- The Chief Corporates and Markets Officer (CCMO) ensures that the strategy for Corporates & Markets as well as relevant targets and portfolio measures are consistent with Erste Bank Hungary's strategic goal of helping the green transition in Hungary.

b) Institution's accounting of the counterparty's highest governance body's role in non-financial reporting

The Supervisory Board is responsible for overseeing the implementation of the ESG strategy and for approving fundamental decisions on strategy. In order to fulfil this role, the Supervisory Board is regularly informed on ESG related matters.

c) Institution's integration in governance arrangements of the governance performance of their counterparties including: i) Ethical considerations; (ii) Strategy and risk management; (iii) Inclusiveness; (iv) Transparency; (v) Management of conflict of interest; (vi) Internal communication on critical concerns

For the purpose of assessing how governance factors impacting our counterparties may affect credit risk, we detail in section d), the tools and processes we use to collect this data on counterparties. By integrating these processes, we ensure that our engagement with counterparties is informed and effective and allows Erste Bank Hungary to assess their capacity to managing governance risks.

Erste Bank Hungary's business conduct and its commitment to ethical behaviour, Erste Bank Hungary places a high value on ethically correct behaviour, considering it a fundamental prerequisite for its business activities and strategic priorities. This commitment is reflected in its Statement of Purpose, which requires employees to consider not only the legality and profitability of business decisions but also whether they are the right thing to do. Building on this foundation, the Code of Conduct, approved by the Management Board in 2015 and updated early 2025, sets forth binding rules and ethical principles for all employees and board members. The Code emphasizes responsibility, respect, and sustainability in all business activities. Additionally, Erste Bank Hungary is committed to the principles of the UN Global Compact, which include upholding human rights, labour standards and combating corruption, drawing from key international declarations and conventions.

Erste Bank Hungary has rigorous procedures to prevent, detect, and address corruption and bribery, ensuring compliance with financial sanctions, embargoes, securities compliance, and good conduct compliance. Regular risk-based monitoring raises awareness of compliance risks.

Corruption and Bribery – Prevention and Awareness

Erste Bank Hungary's Policy on Conflict of Interest (CoI) and Anti-Bribery and Corruption (ABC) addresses corruption and bribery prevention and detection, including awareness and training. Derived from the Statement of Purpose and Code of Conduct, the policy sets comprehensive standards to manage conflicts of interest, bribery, and corruption, It aims to prevent legal breaches and to protect the company's reputation through a responsible corporate culture, compliance framework, and employee qualifications. The policy is approved by the Management Board, reviewed biennially, and made available for employees through the intranet.

Mandatory web-based training (WBT) for all employees, repeated every two years, covers various types of conflicts of interest and includes a knowledge test. Compliance monitors e-learning completion rates, with support from the HR department, ensuring adherence to training requirements. In addition to mandatory training for all staff, Erste Bank Hungary provides targeted training for higher-risk roles, including Management Board members.

Corruption and Bribery – Prevention and Detection

Bribery and/or corruption occurs when employees unlawfully accept or offer bribes to influence decisions or gain undue advantages. Corruption is defined as the abuse of entrusted power for private gain, while bribery involves receiving benefits that alter the recipient's behaviour.

Compliance officers follow specific internal instructions to prevent, detect, and address corruption and bribery. An escalation process involving various stakeholders ensures thorough investigations. When suspected, the Internal Audit function performs thorough audits, and the Compliance department investigates independently, following the 3-Lines-of-Defense Model.

Regular monitoring processes of compliance include reporting obligations, data analysis, ad-hoc controls, and desk reviews. Critical conflicts of interest are subsequently reported to the Board and Supervisory Board.

For more information, please refer to EBH’s CSRD Report.

d) Institution's integration in risk management arrangements the governance performance of their counterparties considering: (i) Ethical considerations; (ii) Strategy and risk management; (iii) Inclusiveness; (iv) Transparency; (v) Management of conflict of interest; (vi) Internal communication on critical concerns

The potential impact of governance risks on the quality of our credit portfolio was considered within RMA 2025 for ICAAP purposes, based on the assessment at the level of industry sub-segments (ESG Factor Heatmap). There is no change in the assessment compared to last year, so the potential impact on Erste Bank Hungary has been assessed as not elevated (i,e,, immaterial), considering our portfolio profile.

Within the risk assessment of loan origination and monitoring process for large corporate and commercial real estate transactions, Erste Bank Hungary includes an ESG questionnaire-based screening through the Bank’s ESG Assessment Questionnaire, detailed in the Environmental risk chapter. Also covered are governance risks, covering governance failure, supply chain management issues, corporate governance and transparency, to name a few. Additional checks on minimum safeguards alignment have been added, taking into account applicable legislation and international principles such as the OECD Guidelines for Multinational Enterprises.

The ESG Assessment Questionnaire plays an integral role in the credit application process for different types of clients and/or transactions, as detailed in the Environmental chapter. Together with the Bank’s policies, it forms a part of the credit application and approval process, according to the established credit approval authorities of the Bank.

In the corporate rating model, two soft fact questions covering the counterparty’s governance compliance are assessed. The soft fact “reputation risk” explicitly asks whether there is a lack of control, such as missing of clear and transparent governance structure for decision-making in line with corporate governance guidelines, or unethical behaviour such as fraudulent activity or improper business practices in respect to ESG. The second soft fact “compliance with regulations” covers the assessment of improper business practices in respect to ESG (e,g,, adverse environmental impact, non-compliance with rule of law, bribery or money laundering, tax fraud, lack in cyber security, etc.).

For segments with lower exposures, the main instrument used is the ESG Factor Heatmap, where potential governance risk factors, such as corporate governance, ethical standards and transparency, are taken into account within the industry risk assessment for our regions in the annual process of reviewing the heatmap. For further information regarding the ESG Factor Heatmap, please refer to the Environmental risk chapter.

For identified risks, the Non-Financial Risk decision process is used to evaluate and take decision on single case basis. Where unregulated areas of concern are affected, as defined in the Reputational Risk Policy, the ROCC enforces group standards and acts as the decision-maker in emerging single risks taking the final decision.

Other risks

Encumbered and unencumbered assets

DISCLOSURE REQUIREMENTS Art. 443 CRR

Erste Bank Hungary is obliged to report encumbered and unencumbered assets based on the CRR scope in the manner set out in the EBA guidelines on disclosure of encumbered and unencumbered assets. The median value of the fair value of encumbered assets that are notionally eligible to the qualification of Extremely High Quality Liquid Assets (EHQLA) and of High Quality Liquid Assets (HQLA) are presented.

in HUF million	Carrying amount of encumbered assets	of which notionally eligible EHQLA and HQLA	Fair value of encumbered assets	of which notionally eligible EHQLA and HQLA	Carrying amount of unencumbered assets	of which EHQLA and HQLA	Fair value of unencumbered assets	of which EHQLA and HQLA
Assets of the disclosing institution	**689,637**	**239,310**			**4,515,395**	**830,301**		
Equity instruments	-	-	-	-	22,476	-	22,476	-
Debt securities	323,095	239,310	288,589	217,751	1,244,304	830,301	1,202,735	801,109
of which: covered bonds	-	-	-	-	-	-	-	-
of which: securitisations	-	-	-	-	-	-	-	-
of which: issued by general governments	*239,310*	*239,310*	*217,751*	*217,751*	*877,481*	*830,301*	*846,133*	*801,109*
of which: issued by financial corporations	*33,542*	-	*26,038*	-	*346,529*	-	*336,783*	-
of which: issued by non-financial corporations	*50,243*	-	*44,187*	-	*20,271*	-	*19,796*	-
Other assets	366,179	-			3,211,862	-		

Table 76: Encumbered and unencumbered assets (Art. 443 CRR, EU AE1 (EU) 2024/3172)

The total amount of the non-encumbered debt securities contains debt securities issued by the central bank, which is only presented in the total amount due to the standardized format of the table.

in HUF million	Fair value of encumbered collateral received or own debt securities issued	of which notionally eligible EHQLA and HQLA	Non-encumbered: Fair value of collateral received or own debt securities issued available for encumbrance	of which EHQLA and HQLA
Collateral received by the disclosing institution	**-**	**-**	**258,642**	**-**
Loans on demand	-	-	-	-
Equity instruments	-	-	-	-
Debt securities	-	-	7,129	-

in HUF million	Fair value of encumbered collateral received or own debt securities issued		Non-encumbered: Fair value of collateral received or own debt securities issued available for encumbrance	
		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
of which: covered bonds	-	-	-	-
of which: asset-backed securities	-	-	-	-
of which: issued by general governments	-	-	*7,129*	-
of which: issued by financial corporations	-	-	-	-
of which: issued by non-financial corporations	-	-	-	-
Loans and advances other than loans on demand	-	-	-	-
Other collateral received	-	-	249,886	-
Own debt securities issued other than own covered bonds or securitisations	-	-	-	-
Own covered bonds and securitisation issued and not yet pledged			-	-
TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	-	-		

Table 77: Collateral received and own debt securities issued (Art. 443 CRR, EU AE2 (EU) 2024/3172)

in HUF million	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
Carrying amount of selected financial liabilities	**602,404**	**689,637**

Table 78: Sources of encumbrance (Art. 443 CRR, EU AE3 (EU) 2024/3172)

At the end of 2025, 8.6% of the bank's assets were encumbered assets (median value HUF 690 billion).

Main sources of encumbrance in EBH are:

- collateralised transactions with the MNB, Loan for Growth program of the MNB,
- derivatives, repo transactions,
- activity of the Erste Mortgage Bank.

Asset classes used to the above-mentioned purposes are loans and advances to customers (mortgage loans) and debt securities, issued by the government, financial and non-financial sectors. The majority of the encumbered assets are pledged loans (HUF 366 billion), out of that HUF 344 billion are loans pledged for refinancing loans from Mortgage Banks. This is needed in order to meet the Mortgage Financing Adequacy Ratio (MFAR).

Collateralised securities (HUF 323 billion) also represent a significant part, most of the pledged securities is used for the Loan for Growth program of the National Bank of Hungary.

The actual asset encumbrance level is reviewed quarterly by the Asset Liability Committee (ALCO), where material changes are discussed, and potential steering measures approved. To further ensure proper management of asset encumbrance throughout the Erste Group, an internal governance framework is in place, which includes a Group-wide policy on reporting, steering and limiting the level of asset encumbrance on the Erste Group and the EBH level. Furthermore, asset encumbrance is an integral part of the ALM and Risk Strategies.

Macroeconomic risk

DISCLOSURE REQUIREMENTS Art. 435 (1) (a) (b) (c) (d) CRR

Macroeconomic risk is the risk that the bank incurs losses due to adverse changes in the overall economy or financial markets and can include factors such as economic growth, inflation, unemployment, interest rates, currency exchange rates, budget deficit, macroeconomic imbalances etc.

METHODS AND INSTRUMENTS APPLIED

As transversal risk, macroeconomic risk is a risk driver of key risk types (e.g. credit, market, liquidity, non-financial risks...). Thus, the risk management framework around macroeconomic risk is implemented under affected key risk types. For example, it is considered in credit risk as input in Forward Looking Information (FLI) and stage overlays (risk cost calculation), steering of the sovereign and FI portfolio (watch-list and no-go list), rating models etc.

In the course of stress testing, scenarios are developed based on the assumption of deteriorating economic conditions. These macroeconomic scenarios apply not only to the entire portfolio of Erste Hungary, but also to earnings and capital adequacy. This method reveals how the changed economic conditions affect the risk and earnings situation as well as own funds. Risk modelling and stress testing are vital forward-looking elements of the ICAAP. Sensitivities and macroeconomic stress scenarios are considered within Erste Hungary's planning and budgeting process.

(Geo-)Political risk

DISCLOSURE REQUIREMENTS Art. 435 (1) (a) (b) (c) (d) CRR

(Geo-)Political risk is the risk that the bank incurs losses due to potential political, economic, and social instability or conflict arising from the actions and interactions of countries and governments. These risks can impact global markets, trade, investment, and security. Examples include, but are not limited to the transfer- and currency conversion restrictions, changes in legal and banking regulatory framework, political instability, government interventions at expense of banks, severe improprieties in political or administrative system, civil unrest, coup d'état, adverse economic / industrial policies, blocking or seizing of assets, expropriation / confiscation, sanctions, embargos, tariffs, export & import controls, critical raw material & strategic goods protectionism, subsidies (dumping policies), military buildup, military conflict, terrorism, state-sponsored cyberattacks, hybrid warfare (media campaigns, disinformation), blockade of trade routes, weaponizing migration, energy & food security, etc.

METHODS AND INSTRUMENTS APPLIED

Country risk management is responsible to identify, record and report political risks. Apart from daily constant observation and reporting, there is a dedicated committee which deals with political risk in a very broad sense. As (geo-)political risk is transversal, being reflected through several key risk categories (e.g. credit risk, market risk) and through other transversal risks (e.g. macroeconomic risk), the risk management methods and instruments are applied on the level of affected key risk categories.

Credit risk concentration

DISCLOSURE REQUIREMENTS 435 (1) (a) (b) (c) (d) CRR

Credit risk concentration refers to the potentially adverse effects that may result from concentrations or interactions of similar or different risk factors or risk types, such as exposures to same counterparty, groups of connected counterparties, counterparties in the same economic sector or geographic region or with the same activities/services and commodities, the risk arising from the application of credit risk mitigation techniques and the particular risk arising from indirect large exposures.

METHODS AND INSTRUMENTS APPLIED

Erste Bank has implemented a comprehensive system for the identification, measurement, control, reporting and management of credit risk concentration. This is of key importance for securing the long-term viability of credit institution especially in phases with an adverse macroeconomic environment.

Credit risk concentration management at Erste Bank is based upon a framework of processes, methods and reports covering various dimensions of concentrations (including single name and industry concentrations). Diverse analyses are conducted on a regular basis, reviewed and reported. Credit risk concentration is also taken into account systematically in the stress factors of stress tests and considered in Erste Bank Risk-bearing Capacity Calculation from the economic view. The output of the risk concentration analysis additionally contributes to the identification of material risks within the risk materiality assessment as well as to the Risk Appetite Statement and to the setting/calibration of Erste Bank's limit system.

Strategic risk

DISCLOSURE REQUIREMENTS Art. 435 (1) (a) (b) (c) (d) CRR

Strategic risk is the possibility of adverse effect on the bank's financial result or capital due to absence of adequate strategies and adverse business decisions, or their inadequate implementation, changes in the business environment in which the bank operates or failure of the bank to adequately respond to these changes. Elements considered within strategic risk are:

- Business risk is the possibility of adverse effect on the bank's financial result or capital from unexpected fluctuations in volumes, margins and operating expenses, reflected in deviation of realized from expected net operating result, arising from both external factors and internal shortcomings (incl. inadequate management/operational mechanisms, systems and controls). All revenue or cost fluctuations which are attributable to market risk, credit risk or operational risk are explicitly excluded from this definition.
- Profitability risk means the risk which arises due to inability of the bank to ensure adequate and constant level of profitability in line with market expectations or own targets.
- Capital risk is the risk that bank has an insufficient level and composition of capital to support its business activities and associated risks during normal and stressed conditions, which can be result of, among others, possible erosion of capital as a result of dividend and/or remuneration policies, limited access to additional capital due to ownership structure and lack of market access to supplementary capital sources.
- Risk of excessive leverage is the risk resulting from an institution's vulnerability due to leverage or contingent leverage that may require unintended corrective measures to its business plan, including distressed selling of assets which might result in losses or in valuation adjustments to its remaining assets. For this purpose, leverage means the relative size of an institution's assets, off balance sheet obligations and contingent obligations to pay, to deliver or to provide collateral, including obligations from received funding, made commitments, derivatives or repurchase agreements, but excluding obligations which can only be enforced during the liquidation of an institution, compared to that institution's own funds.

METHODS AND INSTRUMENTS APPLIED

EBH uses a model developed and maintained by Erste Group for quantification of economic capital for Strategic risk. In addition to covering the economic capital in Pillar 2 risk-bearing capacity, a qualitative assessment is also performed annually within the Risk Materiality Assessment framework focusing on the key aspects of Strategic risk (business risk, profitability and capital risk, management risk). Main results of the qualitative and quantitative assessments are considered during the implementation of the management and control framework as well as risk factors are simulated and analysed in the regular internal stress testing framework.

Reputational risk

DISCLOSURE REQUIREMENTS Art. 435 (1) (a) (b) (c) (d) CRR

Reputational risk is the current or prospective risk arising from negative perceptions on the part of customers, suppliers, stakeholders, the public or other relevant parties that, apart from the Bank's reputation itself, can adversely affect the bank's earnings, funds and liquidity. It mostly depends on competence, integrity, social responsibility and reliability of the bank. Reputational risk issues usually arise from transactions with clients or through different business activities.

Reputational risk (impact) can also be considered as a secondary effect of other risk categories, such as credit, market, operational and liquidity risk (source risks).

GOALS AND PRINCIPLES OF RISK MANAGEMENT

Erste Hungary does not quantify reputational risk explicitly in the economic capital calculation under Pillar 2. The quantification of reputational risk distinguishes two types of losses:

- losses the bank is willing to accept in order to avoid reputational damage, typically quantified in terms of market, credit and operational risk economic capital;
- negative reputational damage on future earnings, e.g. reduced operating revenues due to the loss of customers covered by the business risk economic capital.

METHODS AND INSTRUMENTS APPLIED

Reputational Risk Management is embedded in the "Policy for Managing Reputational Risk" and in the "Operational & Non-Financial Risk management" Procedure, where the LORCO (Local Operational Risk Committee) is established. It holds delegated decision authority from the Board with respect to Operational and Non-Financial Risk decisions, which may be represented as NFR decisions based on the predefined Risk Appetite Statement (RAS).

LORCO is a forum for joint alignments, decisions, and escalations in non-financial risk areas in EBH. It facilitates lessons learned, initiates focus areas, decides on the implementation of corresponding EBH-wide measures and acts as a committee for reputational risk, operational resilience and ESG related non-financial risk impact.

The primary responsibility for the identification, escalation and resolution of reputational risk issues resides with the business and the relevant risk type owner supports their resolution. As an example, reputational risk is mitigated by the following measures:

- Statement of purpose;
- Code of conduct;
- Product approval process;
- Credit policies;
- pro-active press and investor communication;
- Outsourcing policy;
- Conflicts of interest and anti-corruption policy;
- Responsible Financing Policy

Identified risks are assessed and escalated in line with the risk appetite. The residual risk after mitigation is accepted using the unified method (Non-Financial Risk Decision). Reputational risk is also part of the annual risk materiality assessment and the RAS.

Compliance risk

DISCLOSURE REQUIREMENTS Art. 435 (1) (a) (b) (c) (d) CRR

Compliance risk is the risk of legal or regulatory sanctions, material financial loss, or loss to reputation a bank may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct applicable to its banking activities (together, “compliance laws, rules and standards”).

GOALS AND PRINCIPLES OF RISK MANAGEMENT

To appropriately address Compliance risk (including Regulatory Compliance Risk), Erste Bank Hungary Ltd sets the “tone at the top” and oversees management’s role in fostering and maintaining a sound corporate and risk culture. Erste Bank Hungary Ltd established an appropriate framework for identifying, assessing, measuring and monitoring Compliance risk. In accordance with the RAS non-compliance with regulatory or legal requirements is not eligible to any risk acceptance. More details about Regulatory Compliance Risk are given under following, dedicated chapter.

METHODS AND INSTRUMENTS APPLIED

Erste Bank Hungary Ltd in compliance with Erste Group requirements has implemented a comprehensive framework for the identification, control, reporting and management of Compliance risk. The framework and applied controls are reviewed regularly, reflecting current developments.

Model risk (credit risk, market risk and operational risk related)

DISCLOSURE REQUIREMENTS Art. 435 (1) (a) (b) (c) (d) CRR

The model risk definition of Erste Hungary follows the definition as stipulated in Article 3(1) subparagraph (11) of Directive 2013/36/EU (CRD IV), i.e. model risk of Erste Hungary is defined as the potential loss an institution may incur, as a consequence of decisions that could be principally based on the output of internal models, due to errors in the development, implementation or use of such models.

Credit Risk

EBH has an operating model in place with a goal to reduce the risk of potential losses and underestimation of own funds requirements as a result of flaws in the development, implementation or use of the models. In order to mitigate such risks, this framework allows to identify, understand and manage the model risk for internal models across EBH's credit risk model landscape.

To support the execution of such an operating model, EBH has in place a number of policies which regulate its model risk governance, management and oversight. These policies define standards for credit risk model development, monitoring and validation across the model lifecycle, in particular the organizational setup of the area including roles and responsibilities, description of the three-lines of defense principle, execution of the model lifecycle process steps, standards for development of rating models, validation tests and measurement as an evaluation of the models’ fit-for-purpose and decision authorities of model-related aspects (e.g. model tiering).

The operating model of credit risk model governance is centered around the following principles:

- a subsidiarity model for development to balance development effort and to foster local ownership, while retaining central oversight and group-wide methodological approaches;
- a hub-and-spoke model for validation to ensure independence and control of validation standards;
- a dual model for approval reflecting ownership requirements;
- a subsidiary model for central model monitoring to centrally execute the group model monitoring methodology (aligned with model validation) and ensure local responsibility for the monitoring outcome.

Market Risk

Erste Bank has a Liquidity and Market Risk Management (LMRM) Model Risk Management Policy in place. It describes the framework for model risk management within the market risk area. Among others it provides a definition for models and model risk, describes the model governance, roles and responsibilities, model approval process and treatment of model deficiencies. Apart from group processes the policy also outlines the process for local model development and validation. Furthermore, model validation procedure exists providing additional guidance on minimum validation standards.

To have a comprehensive overview of the market risk models GLMRM has a register of market risk models. This register provides all model relevant information like model owner, validation status, quantitative and qualitative model assessment, and model risk classification.

All the applied models within the market risk area do follow the life cycle framework and are under continuous validation, particularly back-testing. The internal market risk model for calculating the capital requirements of market risk shows low model risk as the model performed well, which is reflected in a low number of overshootings (as defined in Article 366 of CRR).

Annex I.

Bank solo view

in HUF million	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying values of items				
			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
Breakdown by asset clases according to the balance sheet in the published financial statements							
Cash and cash balances	**364,205**	**364,205**	**346,368**	**-**	**-**	**17,837**	**-**
Financial assets held for trading	**207,485**	**207,485**	**-**	**42,340**	**-**	**198,412**	**-**
Derivatives	42,340	42,340	-	42,340	-	33,267	-
Other financial assets held for trading	165,145	165,145	-	-	-	165,145	-
Non-trading financial assets at fair value through profit or loss	**589,262**	**589,262**	**589,262**	**-**	**-**	**1,323**	**-**
Equity instruments	5,905	5,905	5,905	-	-	1,104	-
Debt securities	219	219	219	-	-	219	-
Loans and advances to customers	583,138	583,138	583,138	-	-	-	-
Financial assets at fair value through other comprehensive income	**558,113**	**558,113**	**558,113**	**-**	**-**	**9,340**	**-**
Equity instruments	-	-	-	-	-	-	-
Financial assets at amortised cost	**3,241,879**	**3,241,879**	**2,899,701**	**71**	**342,036**	**754,200**	**-**
Pledged as collateral	*71*	*71*	-	*71*	-	-	-
Debt securities	948,088	948,088	948,088	-	-	25,892	-
Loans and advances to banks	335,458	335,458	335,458	-	-	77,186	-
Loans and advances to customers	1,958,333	1,958,333	1,616,155	71	342,036	651,122	-
Finance lease receivables	**37,772**	**37,772**	**37,772**	**-**	**-**	**18,555**	**-**
Property and equipment	**34,943**	**34,943**	**34,943**	**-**	**-**	**-**	**-**
Investment properties	**189**	**189**	**189**	**-**	**-**	**-**	**-**
Intangible assets	**32,567**	**32,567**	**-**	**-**	**-**	**-**	**32,567**
Investments in associates and joint ventures	**104,232**	**104,232**	**104,232**	**-**	**-**	**-**	**-**
Deferred tax assets	**977**	**977**	**977**	**-**	**-**	**-**	**977**
Trade and other receivables	**11,759**	**11,759**	**989**	**-**	**-**	**11,337**	**-**
Other assets	**46,796**	**46,796**	**46,792**	**-**	**-**	**4**	**-**
Total assets	**5,230,179**	**5,230,179**	**4,619,338**	**42,411**	**342,036**	**1,011,008**	**33,544**

Table 79: Differences between accounting and regulatory scope of consolidation of assets and mapping with regulatory risk categories – Assets (EU LI1 (EU) 2024/3172)

in HUF million	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying values of items				
			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
Breakdown by liability classes according to the balance sheet in the published financial statements							
Financial liabilities held for trading	**(40,975)**	**(40,975)**	**-**	**(40,975)**	**-**	**(32,295)**	**-**
Derivatives	(40,975)	(40,975)	-	(40,975)	-	(32,295)	-
Financial liabilities at amortised cost	**(4,464,649)**	**(4,464,649)**	**-**	**(11,993)**	**-**	**(1,335,560)**	**(3,117,096)**
Deposits from banks	(597,248)	(597,248)	-	(5,635)	-	(109,934)	(481,679)
Deposits from customers	(3,527,689)	(3,527,689)	-	(6,358)	-	(1,067,183)	(2,454,148)
Debt securities issued	(338,898)	(338,898)	-	-	-	(158,443)	(180,455)
Other financial liabilities	(814)	(814)	-	-	-	-	(814)
Finance lease liabilities	**(14,288)**	**(14,288)**	**-**	**-**	**-**	**-**	**(14,288)**
Provisions	**(8,643)**	**(8,643)**	**-**	**-**	**-**	**-**	**(8,643)**
Current tax liabilities	**(5,788)**	**(5,788)**	**-**	**-**	**-**	**-**	**(5,788)**
Other liabilities	**(67,815)**	**(67,815)**	**-**	**-**	**-**	**(6)**	**(67,815)**
Total equity	**(628,021)**	**(628,021)**	**-**	**-**	**-**	**-**	**(628,021)**
Equity attributable to owners of the parent	(628,021)	(628,021)	-	-	-	-	(628,021)
Subscribed capital	(146,000)	(146,000)	-	-	-	-	(146,000)
Addiitonal Equity instruments	(59,234)	(59,234)	-	-	-	-	(59,234)
Additional paid-in capital	(117,492)	(117,492)	-	-	-	-	(117,492)
Retained earnings and other reserves	(305,295)	(305,295)	-	-	-	-	(305,295)
Total liabilities and equity	**(5,230,179)**	**(5,230,179)**	**-**	**(52,968)**	**-**	**(1,367,861)**	**(3,841,651)**

Table 80: Differences between accounting and regulatory scope of consolidation of assets and mapping with regulatory risk categories – Liabilities (EU LI1 (EU) 2024/3172)

in HUF million	Total	Items subject to			
		Credit risk framework	Securitisation framework	CCR framework	Market risk framework
Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	**5,230,179**	**4,619,338**	**342,036**	**42,411**	**1,011,008**
Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	**4,602,158**	**-**	**-**	**52,968**	**1,367,861**
Total net amount under the scope of prudential consolidation	**5,283,147**	**4,619,338**	**342,036**	**95,379**	**2,378,869**
Off-balance-sheet amounts	1,054,434	1,054,434	-	-	
Differences in valuations	(1,803)	-	-	(1,803)	
Differences due to different netting rules, other than those already included in row 2	(48,083)		-	(48,083)	
Differences due to consideration of provisions	60,492	60,492	-	-	

in HUF million	Total	Items subject to			
		Credit risk framework	Securitisation framework	CCR framework	Market risk framework
Differences due to the use of credit risk mitigation techniques (CRMs)	(363)	(363)	-	-	
Differences due to credit conversion factors	(704,135)	(704,135)	-	-	
Differences due to Securitisation with risk transfer	(36,141)	-	(36,141)	-	
Other differences	(772,943)	(775,184)	2,241	-	
Exposure amounts considered for regulatory purposes	**4,834,605**	**4,254,582**	**308,136**	**45,493**	**2,378,869**

Table 81: Main sources of differences between regulatory exposure amount and carrying value amount in financial statements (EU LI2 (EU) 2024/3172)

in HUF million	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2024 Q4
Available own funds (amounts)					
Common Equity Tier 1 (CET1) capital	411,767	402,124	407,654	413,203	417,027
Tier 1 capital	471,000	461,358	466,887	472,437	476,260
Total capital	603,807	599,778	611,297	617,064	623,575
Risk-weighted exposure amounts					
Total risk exposure amount	2,463,274	2,402,502	2,490,756	2,451,600	2,365,659
Total risk exposure pre-floor	2,463,274	2,402,502	2,490,756	2,451,600	
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common Equity Tier 1 ratio (%)	16.72%	16.74%	16.37%	16.85%	17.63%
Common Equity Tier 1 ratio considering unfloored TREA (%)	16.72%	16.74%	16.37%	16.85%	
Tier 1 ratio (%)	19.12%	19.20%	18.74%	19.27%	20.13%
Tier 1 ratio considering unfloored TREA (%)	19.12%	19.20%	18.74%	19.27%	
Total capital ratio (%)	24.51%	24.96%	24.54%	25.17%	26.36%
Total capital ratio considering unfloored TREA (%)	24.51%	24.96%	24.54%	25.17%	
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	0.00%
of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0.00%	0.00%	0.00%
of which: to be made up of Tier 1 capital (percentage points)	0.00%	0.00%	0.00%	0.00%	0.00%
Total SREP own funds requirements (%)	8.00%	8.00%	8.00%	8.00%	8.00%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Institution specific countercyclical capital buffer (%)	1.00%	1.00%	0.50%	0.50%	0.50%
Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Other Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Combined buffer requirement (%)	3.50%	3.50%	3.00%	3.00%	3.00%

in HUF million	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2024 Q4
Overall capital requirements (%)	11.50%	11.50%	11.00%	11.00%	11.00%
CET1 available after meeting the total SREP own funds requirements (%)	12.22%	12.24%	11.87%	12.35%	13.13%
Leverage ratio					
Total exposure measure	5,349,605	5,512,568	5,252,842	5,905,721	5,120,616
Leverage ratio (%)	8.80%	8.37%	8.89%	8.00%	9.30%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	0.00%
of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0.00%	0.00%	0.00%
Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Liquidity Coverage Ratio					
Total high-quality liquid assets (HQLA) (Weighted value -average)	1,793,527	1,728,808	1,678,045	1,879,461	1,721,198
Cash outflows - Total weighted value	1,613,253	1,483,554	1,480,816	1,468,048	1,467,339
Cash inflows - Total weighted value	547,191	498,564	495,671	420,011	531,426
Total net cash outflows (adjusted value)	1,066,062	984,990	985,146	1,048,037	935,914
Liquidity coverage ratio (%)	168.24%	175.52%	170.33%	179.33%	183.91%
Net Stable Funding Ratio					
Total available stable funding	3,645,738	3,585,785	3,536,537	3,439,316	3,463,918
Total required stable funding	2,643,775	2,443,331	2,402,489	2,380,368	2,449,536
NSFR ratio (%)	137.90%	146.76%	147.20%	144.49%	141.41%

Table 82: Key metrics template (Art. 447 (a) to (g) and 438 (b) CRR Table EU KM1 (EU) 2024/3172)

	Balance sheet as in published financial statements	Reference
in HUF million	As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements		
Cash and cash balances	**364,205**	
Financial assets held for trading	**207,485**	
Derivatives	42,340	
Other financial assets held for trading	165,145	
Non-trading financial assets at fair value through profit or loss	**589,262**	
Equity instruments	5,905	
Debt securities	219	
Loans and advances to customers	583,138	
Financial assets at fair value through other comprehensive income	**558,113**	
Pledged as collateral	-	
Debt securities	558,113	

in HUF million	Balance sheet as in published financial statements As at period end	Reference
Financial assets at amortised cost	**3,241,879**	
Pledged as collateral	12,665	
Debt securities	948,088	
Loans and advances to banks	335,458	
Loans and advances to customers	1,958,333	
Finance lease receivables	**37,772**	
Property and equipment	**34,943**	
Investment properties	**189**	
Intangible assets	**32,567**	**d**
Investments in associates and joint ventures	**104,232**	
Deferred tax assets	**977**	
Trade and other receivables	**11,759**	
Other assets	**46,796**	
Total assets	**5,230,179**	
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements		
Financial liabilities held for trading	**40,975**	
Derivatives	40,975	
Financial liabilities at amortised cost	4,464,649	
Deposits from banks	**597,248**	
Deposits from customers	3,527,689	
Debt securities issued	338,898	
Other financial liabilities	814	
Lease liabilities	14,288	
Provisions	**8,643**	
Current tax liabilities	**5,788**	
Other liabilities	**67,815**	
Total liabilities	**4,602,158**	
Shareholders' Equity		
Equity attributable to owners of the parent	**628,021**	
Subscribed capital	146,000	a
Additional paid-in capital	117,492	b
Retained earnings and other reserves	305,295	c
Additional capital instruments (AT1)	59,234	e
Total shareholders' equity	**628,021**	

Table 83: Reconciliation of regulatory own funds to balance sheet in the audited financial statements (Art. 437 (a) CRR Table EU CC2 (EU) 2024/3172)

in HUF million	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves		
Capital instruments and the related share premium accounts	263,492	
of which: Fully paid up capital instruments	146,000	a
of which: Share premium (agio)	117,492	b
of which: Instrument type 3	-	
Retained earnings	111,595	c
Accumulated other comprehensive income (and other reserves)	55,437	c
Funds for general banking risk	-	
Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	
Minority interests (amount allowed in consolidated CET1)	-	
Independently reviewed interim profits net of any foreseeable charge or dividend	13,899	c
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**444,423**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
Additional value adjustments (negative amount)	(1,803)	
Intangible assets (net of related tax liability) (negative amount)	(19,735)	d
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	
Negative amounts resulting from the calculation of expected loss amounts	(6,913)	
Any increase in equity that results from securitised assets (negative amount)	-	
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
Defined-benefit pension fund assets (negative amount)	-	
Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	
Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
of which: qualifying holdings outside the financial sector (negative amount)	-	
of which: securitisation positions (negative amount)	-	
of which: free deliveries (negative amount)	-	
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
Amount exceeding the 17,65% threshold (negative amount)	-	
of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	

in HUF million	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
of which: deferred tax assets arising from temporary differences	-	
Losses for the current financial year (negative amount)	-	
Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
Other regulatory adjustments	(4,205)	
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**(32,656)**	
Common Equity Tier 1 (CET1) capital	**411,767**	
Additional Tier 1 (AT1) capital: instruments		
Capital instruments and the related share premium accounts	59,234	
of which: classified as equity under applicable accounting standards	-	
of which: classified as liabilities under applicable accounting standards	-	
Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	
Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	
Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	
Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
of which: instruments issued by subsidiaries subject to phase out	-	
Additional Tier 1 (AT1) capital before regulatory adjustments	**59,234**	**e**
Additional Tier 1 (AT1) capital: regulatory adjustments		
Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	
Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
Other regulatory adjustments to AT1 capital	-	
Total regulatory adjustments to Additional Tier 1 (AT1) capital	**-**	
Additional Tier 1 (AT1) capital	**59,234**	
Tier 1 capital (T1 = CET1 + AT1)	**471,001**	
Tier 2 (T2) capital: instruments		
Capital instruments and the related share premium accounts	124,329	
Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	
Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	-	
Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	-	

in HUF million	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	
of which: instruments issued by subsidiaries subject to phase out	-	
Credit risk adjustments	8,478	
Tier 2 (T2) capital before regulatory adjustments	**132,807**	
Tier 2 (T2) capital: regulatory adjustments		
Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
Other regulatory adjustments to T2 capital	-	
Total regulatory adjustments to Tier 2 (T2) capital	**-**	
Tier 2 (T2) capital	**132,807**	
Total capital (TC = T1 + T2)	**603,807**	
Total Risk exposure amount	**2,463,274**	
Capital ratios and requirements including buffers		
Common Equity Tier 1 capital	16.72%	
Tier 1 capital	19.12%	
Total capital	24.51%	
Institution CET1 overall capital requirements	8.00%	
of which: capital conservation buffer requirement	2.50%	
of which: countercyclical capital buffer requirement	1.00%	
of which: systemic risk buffer requirement	0.00%	
of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0.00%	
of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0.00%	
Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	**12.22%**	
National minima (if different from Basel III)		
Amounts below the thresholds for deduction (before risk weighting)		
Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	4,800	
Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-	

in HUF million	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	977	
Applicable caps on the inclusion of provisions in Tier 2		
Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
Cap on inclusion of credit risk adjustments in T2 under standardised approach	2,186	
Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	8,478	
Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	9,867	

Table 84: Regulatory capital based on the Implementing Technical Standards (EU) No 2024/3172 and Art. 437 (d), (e) CRR (EU CC1)

	Minimum requirement for own funds and eligible liabilities (MREL)	G-SII Requirement for own funds and eligible liabilities (TLAC)				
	2025 Q4	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2024 Q4
Own funds and eligible liabilities, ratios and components						
Own funds and eligible liabilities	782,819					
Of which own funds and subordinated liabilities	*610,696*					
Total risk exposure amount of the resolution group (TREA)	2,463,274					
Own funds and eligible liabilities as a percentage of the TREA	31.78%					
Of which own funds and subordinated liabilities	*24.79%*					
Total exposure measure (TEM) of the resolution group	5,349,605					
Own funds and eligible liabilities as percentage of the TEM	14.63%					
Of which own funds or subordinated liabilities	*11.42%*					
Does the subordination exemption in Article 72b(4) of Regulation (EU) No 575/2013 apply? (5% exemption)						
Aggregate amount of permitted non-subordinated eligible liabilities instruments if the subordination discretion in accordance with Article 72b(3) of Regulation (EU) No 575/2013 is applied (max 3.5% exemption)						
If a capped subordination exemption applies in accordance with Article 72b (3) of Regulation (EU) No 575/2013, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised under row 1 if no cap was applied (%)						
Minimum requirement for own funds and eligible liabilities (MREL)						
MREL expressed as a percentage of the TREA	24.54%					
Of which to be met with own funds or subordinated liabilities	*13.50%*					
MREL expressed as a percentage of the TEM	5.87%					

	Minimum requirement for own funds and eligible liabilities (MREL)	G-SII Requirement for own funds and eligible liabilities (TLAC)				
	2025 Q4	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2024 Q4
Of which to be met with own funds or subordinated liabilities	*5.00%*					

Table 85: Key metrics - MREL and, where applicable, G-SII requirement for own funds and eligible liabilities (EU KM2)

	Minimum requirement for own funds and eligible liabilities (MREL)	G-SII requirement for own funds and eligible liabilities (TLAC)	Memo item: Amounts eligible for the purposes of MREL, but not of TLAC
Own funds and eligible liabilities and adjustments			
Common Equity Tier 1 capital (CET1)	411,767		
Additional Tier 1 capital (AT1)	59,234		
Tier 2 capital (T2)	132,807		
Own funds for the purpose of Articles 92a of Regulation (EU) No 575/2013 and 45 of Directive 2014/59/EU	603,807		
Own funds and eligible liabilities: Non-regulatory capital elements			
Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	6,889		
Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	-		
Eligible liabilities instruments that are subordinated to excluded liabilities issued prior to 27 June 2019 (subordinated grandfathered)	-		
Tier 2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier 2 items	-		
Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre-cap)	177,122		
Eligible liabilities that are not subordinated to excluded liabilities issued prior to 27 June 2019 (pre-cap)	-		
Amount of non subordinated eligible liabilities instruments, where applicable after application of Article 72b (3) CRR	177,122		
Eligible liabilities items before adjustments	184,011		
Of which subordinated liabilities items	6,889		
Own funds and eligible liabilities: Adjustments to non-regulatory capital elements			
Own funds and eligible liabilities items before adjustments	787,819		
(Deduction of exposures between multiple point of entry (MPE) resolution groups)			
(Deduction of investments in other eligible liabilities instruments)	(5,000)		
Own funds and eligible liabilities after adjustments	782,819		
Of which: own funds and subordinated liabilities	*603,807*		
Risk-weighted exposure amount and leverage exposure measure of the resolution group			
Total risk exposure amount (TREA)	2,463,274		

	Minimum requirement for own funds and eligible liabilities (MREL)	G-SII requirement for own funds and eligible liabilities (TLAC)	Memo item: Amounts eligible for the purposes of MREL, but not of TLAC
Total exposure measure (TEM)	5,349,605		
Ratio of own funds and eligible liabilities			
Own funds and eligible liabilities as a percentage of TREA	31.78%		
Of which own funds and subordinated liabilities	*24.51%*		
Own funds and eligible liabilities as a percentage of TEM	14.63%		
Of which own funds and subordinated liabilities	*11.29%*		
CET1 (as a percentage of the TREA) available after meeting the resolution group's requirements	7.24%		
Institution-specific combined buffer requirement			
of which capital conservation buffer requirement			
of which countercyclical buffer requirement			
of which systemic risk buffer requirement			
of which Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer			
Memorandum items			
Total amount of excluded liabilities referred to in Article 72a(2) of Regulation (EU) No 575/2013			

Table 86: Composition - MREL and, where applicable, G-SII Requirement for own funds and eligible liabilities (EU TLAC1)

	Insolvency ranking								Total
	1	2	3	5	6	7	8	10	
	(most junior)							(most senior)	
Description of insolvency rank	**Common equity Tier 1 instruments**	**Additional Tier 1 instruments**	**Tier 2 capital instruments**	**Senior non-preferred claims**	**Senior unsecured claims**	**Eligible deposits from natural persons and micro, small and medium-sized enterprises**	**Covered deposits and deposit guarantee schemes after subrogating to the rights and obligations of covered depositors in insolvency**	**Claims of preferred creditors**	
Liabilities and own funds	**411,767**	**59,234**	**139,696**	**111,048**	**1,265,639**	**845,366**	**1,953,359**	**273,952**	**5,060,062**
of which excluded liabilities	-	-	-	2,908	319,055	-	1,953,359	273,952	2,549,275
Liabilities and own funds less excluded liabilities	**411,767**	**59,234**	**139,696**	**108,141**	**946,584**	**845,366**	**-**	**-**	**2,510,787**
Subset of liabilities and own funds less excluded liabilities that are own funds and liabilities potentially eligible for meeting [choose as a appropriate: MREL/TLAC]	**411,767**	**59,234**	**139,696**	**-**	**177,122**	**-**	**-**	**-**	**787,819**
of which residual maturity ≥ 1 year < 2 years	-	-	-	-	170,685	-	-	-	170,685
of which residual maturity ≥ 2 year < 5 years	-	59,234	65,610	-	6,437	-	-	-	131,281
of which residual maturity ≥ 5 years < 10 years	-	-	74,086	-	-	-	-	-	74,086
of which residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-	-	-	-	-	-
of which perpetual securities	411,767	-	-	-	-	-	-	-	411,767

Table 87: EU TLAC3a: creditor ranking - resolution entity

	Insolvency ranking								Total
	1	2	3	5	6	7	8	10	
	(most junior)							(most senior)	
Description of insolvency rank	**Common equity Tier 1 instruments**	**Additional Tier 1 instruments**	**Tier 2 capital instruments**	**Senior non-preferred claims**	**Senior unsecured claims**	**Eligible deposits from natural persons and micro, small and medium-sized enterprises**	**Covered deposits and deposit guarantee schemes after subrogating to the rights and obligations of covered depositors in insolvency**	**Claims of preferred creditors**	
Own funds and liabilities potentially eligible for meeting MREL	**411,767**	**59,234**	**139,696**	**-**	**177,122**	**-**	**-**	**-**	**787,819**
of which residual maturity ≥ 1 year < 2 years	-	-	-	-	170,685	-	-	-	170,685
of which residual maturity ≥ 2 year < 5 years	-	59,234	65,610	-	6,437	-	-	-	131,281
of which residual maturity ≥ 5 years < 10 years	-	-	74,086	-	-	-	-	-	74,086
of which residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-	-	-	-	-	-
of which perpetual securities	411,767	-	-	-	-	-	-	-	411,767

Table 88: EU TLAC3a: creditor ranking - resolution entity

in HUF million	Total risk exposure amounts (TREA)		Total own funds requirements
	2025	2024	2025
Credit risk (excluding CCR)	**1,799,830**	**2,018,842**	**143,986**
Of which the standardised approach	166,450	145,403	13,316
Of which the Foundation IRB (F-IRB) approach	629,044	753,107	50,324
Of which slotting approach	274,182	314,331	21,935
Of which equities under the simple riskweighted approach	-	-	-
Of which the Advanced IRB (A-IRB) approach	730,154	806,001	58,412
Counterparty credit risk - CCR	**19,548**	**34,409**	**1,564**
Of which the standardised approach	19,325	34,177	1,546
Of which internal model method (IMM)	-	-	-
Of which exposures to a CCP	-	-	-
Of which other CCR	223	232	18
Credit valuation adjustments risk - CVA risk	**4,961**	**9,016**	**397**
Of which the standardised approach (SA)	-	-	-
Of which the basic approach (F-BA and R-BA)	4,961	9,016	397
Of which the simplified approach	-	-	-
Settlement risk	-	-	-
Securitisation exposures in the non-trading book (after the cap)	**45,773**	-	**3,662**
Of which SEC-IRBA approach	45,773	-	3,662
Of which SEC-ERBA (including IAA)	-	-	-
Of which SEC-SA approach	-	-	-
Of which 1250% / deduction	-	-	1,330
Position, foreign exchange and commodities risks (Market risk)	**16,628**	**5,455**	**1,330**
Of which the Alternative standardised approach (A-SA)	-	-	1,330
Of which the Simplified standardised approach (S-SA)	16,628	5,455	1,330
Of which the Alternative Internal Models Approach (A-IMA)	-	-	-
Large exposures	-	-	-
Reclassifications between trading and non-trading books	-		-
Operational risk	**576,533**	**297,938**	**46,123**
Exposures to crypto-assets	-		-
Amounts below the thresholds for deduction (subject to 250% risk weight)	**977**	**910**	**78**
Output floor applied (%)	**50%**	**50%**	
Floor adjustment (before application of transitional cap)	-	-	
Floor adjustment (after application of transitional cap)	-	-	
Total	**2,463,273**	**2,365,660**	**197,061.8963**

Table 89: Overview of risk weighted exposure amounts (CRR Art. 438 (d) Template EU OV1 (EU) 2024/3172)

in HUF million

in HUF million		Specialised lending : Income-producing real estate and high volatility commercial real estate (Slotting approach)					
Regulatory categories	Remaining maturity	On-balancesheet exposure	Off-balancesheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
Category 1	Less than 2.5 years	-	-	50%	-	-	-
	Equal to or more than 2.5 years	106,488	6,211	70%	108,973	67,334	241
Category 2	Less than 2.5 years	-	-	70%	-	-	-
	Equal to or more than 2.5 years	213,933	337	90%	213,933	201,644	1,411
Category 3	Less than 2.5 years	-	-	115%	-	-	-
	Equal to or more than 2.5 years	5,619	489	115%	5,815	5,203	163
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	1	-	250%	1	1	-
Category 5	Less than 2.5 years	-	-	-	-	-	-
	Equal to or more than 2.5 years	516	-	-	516	-	258
Total	**Less than 2.5 years**	**-**	**-**		**-**	**-**	**-**
	Equal to or more than 2.5 years	**326,556**	**7,038**		**329,238**	**274,182**	**2,074**

Table 90: Specialised lending and equity exposures under the simple risk-weighted approach (CRR Art. 438 (e), EU CR10 (EU) 2024/3172)

	Risk weighted exposure amounts (RWEAs)				
in HUF million	RWEAs for modelled approaches that banks have supervisory approval to use	RWEAs for portfolios where standardised approaches are used	Total actual RWEAs	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
Credit risk (excluding counterparty credit risk)	1,633,380	166,450	1,799,830	1,781,428	1,722,620
Counterparty credit risk	11,148	8,400	19,548	20,059	20,059
Credit valuation adjustment		4,961	4,961	4,961	4,961
Securitisation exposures in the banking book	45,773	-	45,773	43,739	43,739
Market risk	-	31,655	31,655	16,628	16,628
Operational risk		561,506	561,506	576,533	576,533
Other risk weighted exposure amounts		-	-	-	-
Total	**1,690,301**	**772,972**	**2,463,273**	**2,443,348**	**2,384,540**

Table 91: Comparison of modelled and standardised risk weighted exposure amounts at risk level (CRR Art. 438 (d, da), EU CMS1 (EU) 2024/3172)

	Risk weighted exposure amounts (RWEAs)				
in HUF million	RWEAs for modelled approaches that institutions have supervisory approval to use	RWEAs for column (a) if re-computed using the standardised approach	Total actual RWEAs	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
Central governments and central banks	49,194	25,219	49,194	25,219	25,219
Regional governments or local authorities	-	-	182	182	182
Public sector entities	-	-	2	2	2
Categorised as Multilateral Development Banks in SA	-	-	-	-	-

in HUF million	Risk weighted exposure amounts (RWEAs)				
	RWEAs for modelled approaches that institutions have supervisory approval to use	RWEAs for column (a) if re-computed using the standardised approach	Total actual RWEAs	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
Categorised as International organisations in SA	-	-	-	-	-
Institutions	20,998	12,618	20,998	12,618	12,618
Equity	-	-	118,993	118,993	118,993
Corporates	738,277	417,382	750,890	488,802	429,994
Of which: F-IRB is applied	738,277	894,885	738,277	953,693	894,885
Of which: A-IRB is applied	-	-	-	-	-
Of which: Corporates - General	466,232	410,660	478,844	469,468	410,660
Of which: Corporates - Specialised lending	272,045	6,721	272,045	6,721	6,721
Of which: Corporates - Purchased receivables	-	-	-	-	-
Retail	730,154	288,472	761,214	319,532	319,532
Of which: Retail - Qualifying revolving	-	-	-	-	-
Of which: Retail - Purchased receivables	-	-	-	-	-
Of which: Retail - Other	437,354		465,844		288,472
Of which: Retail - Secured by residential real estate	292,799	-	295,370	-	-
Categorised as secured by immovable properties and ADC exposures in SA	-	700,442	2,571	700,442	700,442
Collective investment undertakings (CIU)	-	-	-	-	-
Categorised as exposures in default in SA	-	12,338	1,030	13,367	13,367
Categorised as subordinated debt exposures in SA	-	-	-	-	-
Categorised as covered bonds in SA	-	4,942	-	4,942	4,942
Categorised as claims on institutions and corporates with a short-term credit assessment in SA	-	-	-	-	-
Others	-	94,756	94,756	94,756	94,756
Total	**1,538,623**	**1,556,169**	**1,799,830**	**1,778,855**	**1,720,047**

Table 92: Comparison of modelled and standardised risk weighted exposure amounts at asset class level (CRR Art. 438 (d, da), EU CMS2 (EU) 2024/3172)

in HUF million or %	
Total risk exposure amount	2,463,274
Institution specific countercyclical capital buffer rate	1.0008%
Institution specific countercyclical capital buffer requirement	**24,653**

Table 93: Amount of institution-specific countercyclical capital buffer (Art. 440 (b) CRR, EU CCyB2 (EU)2024/3172)

in HUF million	General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
Breakdown by country:													
Czech Republic	-	1.00	-	-	-	1.00	-	-	-	-	1.00	0.000055%	1.25%
Slovakia	-	1.00	-	-	-	1.00	-	-	-	-	1.00	0.000072%	1.50%
United Kingdom	-	-	-	-	-	-	-	-	-	-	-	0.000001%	2.00%
Germany	-	49,749.00	-	-	-	49,749.00	911.00	-	-	911.00	11,392.00	0.584568%	0.75%
Romania	-	402.00	-	-	-	402.00	20.00	-	-	20.00	249.00	0.012795%	1.00%
Croatia	-	23,149.00	-	-	-	23,149.00	1,166.00	-	-	1,166.00	14,571.00	0.747653%	1.50%
Netherlands	-	-	-	-	-	-	-	-	-	-	-	0.000001%	2.00%
Hungary	212,528.00	2,413,500.00	-	-	294,685.00	2,920,713.00	149,924.00	-	3,662.00	153,586.00	1,919,819.00	98.509498%	1.00%
Other countries	1,118.00	224.00	-	-	-	1,342.00	227.00	-	-	227.00	2,833.00	0.145357%	0.00%
Total	**213,646.00**	**2,487,026.00**	**-**	**-**	**294,685.00**	**2,995,357.00**	**152,248.00**	**-**	**3,662.00**	**155,910.00**	**1,948,866.00**	**1.000824%**	

Table 94: Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer (CRR Art. 440 (a) CRR, EU CCyB1 (EU) 2024/3172

in HUF million	Applicable amount
Total assets as per published financial statements	5,230,180
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(1)
(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
Adjustment for eligible cash pooling transactions	-
Adjustment for derivative financial instruments	4,651
Adjustment for securities financing transactions (SFTs)	5,871
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	348,980
(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	(174,090)
(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
Other adjustments	(65,986)
Total exposure measure	**5,349,605**

Table 95: Reconciliation of accounting assets and leverage ratio exposure (CRR Art, 451 (1) (b), EU LR1-LRSum (EU) 2024/3172)

	CRR leverage ratio exposures	
in HUF million	2025	2024
On-balance sheet exposures (excluding derivatives and SFTs)		
On-balance sheet items (excluding derivatives, SFTs, but including collateral)	5,154,437	4,884,393
Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
(General credit risk adjustments to on-balance sheet items)	-	-
(Asset amounts deducted in determining Tier 1 capital)	(32,656)	(24,758)
Total on-balance sheet exposures (excluding derivatives and SFTs)	**5,121,781**	**4,859,635**
Derivative exposures		
Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	16,238	40,354
Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	30,753	40,472
Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
Exposure determined under Original Exposure Method	-	-
(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	-
Adjusted effective notional amount of written credit derivatives	-	-

in HUF million	CRR leverage ratio exposures	
	2025	2024
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
Total derivatives exposures	**46,991**	**80,826**
Securities financing transaction (SFT) exposures		
Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	72	63
(Netted amounts of cash payables and cash receivables of gross SFT assets)	5,554	36,660
Counterparty credit risk exposure for SFT assets	317	983
Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
Agent transaction exposures	-	-
(Exempted CCP leg of client-cleared SFT exposure)	-	-
Total securities financing transaction exposures	**5,943**	**37,706**
Other off-balance sheet exposures		
Off-balance sheet exposures at gross notional amount	1,385,260	933,432
(Adjustments for conversion to credit equivalent amounts)	(1,036,281)	(662,155)
(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	-	-
Off-balance sheet exposures	**348,980**	**271,277**
Excluded exposures		
(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	(174,090)	(128,828)
(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-	-
(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
(Excluded guaranteed parts of exposures arising from export credits)	-	-
(Excluded excess collateral deposited at triparty agents)	-	-
(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
(Excluded exposures to shareholders according to Article 429a (1), point (da) CRR)		-
(Exposures deducted in accordance with point (q) of Article 429a(1) CRR)		-
(Total exempted exposures)	**(174,090)**	**(128,828)**
Capital and total exposure measure		
Tier 1 capital	471,000	476,260
Total exposure measure	**5,349,605**	**5,120,616**
Leverage ratio		
Leverage ratio (%)	8.80%	9.30%
Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	8.80%	9.30%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	8.80%	9.30%
Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%

in HUF million	CRR leverage ratio exposures 2025	2024
Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
of which: to be made up of CET1 capital	0.00%	0.00%
Leverage ratio buffer requirement (%)	0.00%	0.00%
Overall leverage ratio requirement (%)	3.00%	3.00%
Choice on transitional arrangements and relevant exposures		
Choice on transitional arrangements for the definition of the capital measure		
Disclosure of mean values		
Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	28,456	192,265
Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	5,626	36,723
Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5,372,435	5,276,158
Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5,372,435	5,467,871
Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	8.77%	9.03%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	8.77%	8.71%

Table 96: Leverage ratio common disclosure (CRR Art. 451 (1) (b) (c) 451 (2) 451 (3), EU LR2- LRCom (EU) 2024/3172)

in HUF million	CRR leverage ratio exposures
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	**5,010,579**
Trading book exposures	163,289
Banking book exposures, of which:	4,847,290
Covered bonds	-
Exposures treated as sovereigns	1,445,045
Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	6,542
Institutions	611,739
Secured by mortgages of immovable properties	381,707
Retail exposures	917,753
Corporates	1,015,614
Exposures in default	15,998
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	452,892

Table 97: Split-up of on-balance sheet exposures (CRR Art. 451 (1) (b), EU LR3- LRSpl (EU) 2024/3172)

in HUF million	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
Cash balances at central banks and other demand deposits	**336,664**	**336,664**	**-**	**-**	**-**	**-**	**(8)**	**(8)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	**2,934,869**	**2,047,995**	**301,082**	**44,529**	**-**	**35,881**	**(24,409)**	**(7,537)**	**(16,864)**	**(28,528)**	**-**	**(23,853)**	**(2,916)**	**2,078,563**	**9,963**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	105,799	105,679	80	3	-	-	(34)	(33)	(1)	-	-	-	-	97,150	-
Credit institutions	336,159	336,159	-	-	-	-	(242)	(242)	-	-	-	-	-	292,080	-
Other financial corporations	153,787	152,078	1,710	7	-	7	(1,197)	(1,180)	(17)	(5)	-	(5)	-	69,979	1
Non-financial corporations	821,591	702,058	119,459	15,380	-	13,045	(7,580)	(3,346)	(4,231)	(8,017)	-	(6,536)	-	522,623	4,833
Of which SMEs	*638,375*	*540,497*	*97,804*	*14,550*	-	*12,369*	*(6,512)*	*(2,861)*	*(3,646)*	*(7,384)*	-	*(5,903)*	-	*456,437*	*4,815*
Households	1,517,533	752,021	179,833	29,139	-	22,829	(15,356)	(2,736)	(12,615)	(20,506)	-	(17,312)	(2,916)	1,096,731	5,129
Debt securities	**1,509,483**	**1,505,271**	**3,993**	**2,300**	**-**	**2,300**	**(788)**	**(609)**	**(179)**	**(1,905)**	**-**	**(1,905)**	**-**	**277,325**	**-**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	1,127,822	1,127,822	-	-	-	-	(287)	(287)	-	-	-	-	-	3,600	-
Credit institutions	301,986	301,986	-	-	-	-	(227)	(227)	-	-	-	-	-	268,031	-

in HUF million	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
Other financial corporations	6,037	5,819	-	-	-	-	(6)	(6)	-	-	-	-	-	4,189	-
Non-financial corporations	73638	69644	3993	2,300	-	2,300	(268)	(89)	(179)	(1,905)	-	(1,905)	-	1,505	-
Off-balance-sheet exposures	**1,047,751**	**656,109**	**18,550**	**6,683**	**-**	**1,961**	**(2,339)**	**(1,270)**	**(1,058)**	**(2,600)**	**-**	**(1,424)**		**250,631**	**2,416**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
General governments	47	-	-	-	-	-	-	-	-	-	-	-		-	-
Credit institutions	142,497	142,497	-	-	-	-	(99)	(99)	-	-	-	-		84,141	-
Other financial corporations	63,647	11,857	-	-	-	-	(25)	(25)	-	-	-	-		3,098	-
Non-financial corporations	708,074	375,784	12,305	6,274	-	1,571	(1,364)	(879)	(485)	(2,332)	-	(1,163)		159,998	2,416
Households	133,486	125,971	6,245	409	-	390	(851)	(267)	(573)	(268)	-	(261)		3,394	-
Total	**5,828,767**	**4,546,039**	**323,625**	**53,512**	**-**	**40,142**	**(27,544)**	**(9,424)**	**(18,101)**	**(33,033)**	**-**	**(27,182)**	**(2,916)**	**2,606,519**	**12,379**

Table 98: Credit Risk – Gross credit risk exposure/nominal value, credit risk adjustments, accumulated write-offs and collateral my balance sheet classes (Art. 442 (c) (f) CRR, EU CR1 (EU) 2024/3172)

in HUF million	Net exposure value					
	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
Loans and advances	268,920	284,697	828,094	1,544,750	-	2,926,461
Debt securities	219	337,039	871,786	462,521	-	1,671,565
Total	**269,139**	**621,736**	**1,699,880**	**2,007,271**	**-**	**4,598,026**

Table 99: Credit Risk – Carrying amount of loans and debt securities by residual maturity (Art. 442 (g) CRR, EU CR1-A (EU) 2024/3172)

in HUF million	Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which loans and advances subject to impairment		
			Of which defaulted			
Agriculture, forestry and fishing	55,067	310	310	55,067	(502)	-
Mining and quarrying	224	-	-	224	(1)	-
Manufacturing	214,724	4,888	4,888	214,724	(2,740)	-
Electricity, gas, steam and air conditioning supply	26,401	188	188	26,401	(1,632)	-
Water supply	1,367	3	3	1,367	(7)	-
Construction	30,918	1,945	1,945	30,918	(1,706)	-
Wholesale and retail trade	171,819	4,160	4,160	171,819	(4,271)	-
Transport and storage	30,967	1,454	1,454	30,967	(1,249)	-
Accommodation and food service activities	5,361	702	702	5,361	(265)	-
Information and communication	11,368	120	120	11,368	(185)	-
Financial and insurance actvities	11,661	216	216	11,661	(219)	-
Real estate activities	219,366	32	32	219,366	(1,516)	-
Professional, scientific and technical activities	27,229	428	428	27,229	(409)	-
Administrative and support service activities	24,511	704	704	24,511	(792)	-
Public administration and defense, compulsory social security	25	4	4	25	(3)	-
Education	323	2	2	323	(3)	-
Human health services and social work activities	3,250	26	26	3,247	(36)	-
Arts, entertainment and recreation	997	168	168	997	(36)	-
Other services	1,393	30	30	1,393	(25)	-
Total	**836,971**	**15,380**	**15,380**	**836,968**	**(15,597)**	**-**

Table 100: Credit quality of loans and advances to non-financial corporations by industries (Art. 442 (c) (d) CRR, EU CQ5 (EU) 2024/3172)

in HUF million	Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which subject to impairment			
			Of which defaulted				
On-balance-sheet exposures	**4,992,990**	**46,830**	**46,830**	**4,242,188**	**(53,338)**		**(2,299)**
Hungary	4,951,574	46,700	46,700	4,203,056	(53,162)		(2,299)
Austria	5,427	37	37	5,346	(33)		-
Romania	495	8	8	495	(8)		-
Slovakia	39	2	2	39	(4)		-
Serbia	87	1	1	87	(2)		-
Other countries	35,368	82	82	33,165	(129)		-
Off-balance-sheet exposures	**1,054,434**	**6,684**	**6,684**			**(4,940)**	
Hungary	1,041,150	6,679	6,679			(4,928)	
Austria	5,526	-	-			(2)	
Slovakia	79	-	-			-	
Romania	22	-	-			-	
Serbia	2	-	-			-	
Other countries	7,656	5	5			(10)	
Total	**6,047,424**	**53,514**	**53,514**	**4,242,188**	**(53,338)**	**(4,940)**	**(2,299)**

Table 101: Credit quality of exposures by geography (Art. 442 (c) and (e) CRR, EU CQ4 (EU) 2024/3172)

in HUF million	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
Cash balances at central banks and other demand deposits	**336,664**	**336,664**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	**2,934,867**	**2,927,558**	**7,309**	**44,528**	**25,208**	**4,393**	**5,184**	**4,037**	**4,074**	**332**	**1,300**	**44,529**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	105,799	105,799	-	3	-	-	-	-	-	3	-	3
Credit institutions	336,159	336,159	-	-	-	-	-	-	-	-	-	-
Other financial corporations	153,787	153,787	-	6	-	-	-	-	6	-	-	7
Non-financial corporations	821,590	820,888	702	15,380	12,064	799	683	833	967	18	16	15,380
Of which SMEs	*638,375*	*637,673*	*702*	*14,550*	*11,377*	*799*	*683*	*833*	*824*	*18*	*16*	*14,550*
Households	1,517,532	1,510,925	6,607	29,139	13,144	3,594	4,501	3,204	3,101	311	1,284	29,139
Debt securities	**1,509,484**	**1,509,484**	**-**	**2,300**	**2,300**	**-**	**-**	**-**	**-**	**-**	**-**	**2,300**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	1,127,822	1,127,822	-	-	-	-	-	-	-	-	-	-
Credit institutions	301,986	301,986	-	-	-	-	-	-	-	-	-	-
Other financial corporations	6,038	6,038	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	73,638	73,638	-	2,300	2,300	-	-	-	-	-	-	2,300
Off-balance-sheet exposures	**1,047,752**			**6,683**								**6,683**
Central banks	-			-								-
General governments	47			-								-
Credit institutions	142,497			-								-
Other financial corporations	63,647			-								-
Non-financial corporations	708,075			6,274								6,274
Households	133,486			409								409
Total	**5,828,767**	**4,773,706**	**7,309**	**53,511**	**27,508**	**4,393**	**5,184**	**4,037**	**4,074**	**332**	**1,300**	**53,512**

Table 102: Credit quality of performing and non-performing exposures by past due days (Art. 442 (d) CRR, EU CQ3 (EU) 2024/3172)

in HUF million	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
			Of which defaulted	Of which impaired				
Cash balances at central banks and other demand deposits	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	**6,539**	**14,185**	**14,185**	**13,642**	**(552)**	**(9,956)**	**6,054**	**2,777**
Central banks	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	-	6	6	6	-	(5)	1	1
Non-financial corporations	493	2,915	2,915	2,915	(10)	(1,575)	1,503	1,080
Households	6,046	11,264	11,264	10,721	(542)	(8,376)	4,550	1,696
Debt Securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loan commitments given	**118**	**158**	**158**	**95**	**(9)**	**(67)**	**16**	**16**
Total	**6,657**	**14,343**	**14,343**	**13,737**	**(561)**	**(10,023)**	**6,070**	**2,793**

Table 103: Credit quality of forborne exposures (Art. 442 (c) CRR, EU CQ1 (EU) 2024/3172)

in HUF million	Collateral obtained by taking possession	
	Value at initial recognition	Accumulated negative changes
Property, plant and equipment (PP&E)	**-**	**-**
Other than PP&E	**13**	**-**
Residential immovable property	13	-
Commercial Immovable property	-	-
Movable property (auto, shipping, etc.)	-	-
Equity and debt instruments	-	-
Other collateral	-	-
Total	**13**	**-**

Table 104: Collateral obtained by taking possession and execution processes (Art. 442 (d), EU CQ7 (EU) 2024/3172)

in HUF million	Gross carrying amount
Initial stock of non-performing loans and advances	**46,408**
Inflows to non-performing portfolios	22,261
Outflows from non-performing portfolios	(24,140)
Outflows due to write-offs	*(11,217)*

in HUF million	Gross carrying amount
Outflow due to other situations	*(12,923)*
Final stock of non-performing loans and advances	**44,529**

Table 105: Yearly development stock of non-performing loans and advances (Art. 442 (f) CRR, EU CR2 (EU) 2024/3172)

in HUF million	Unsecured carrying amount	Secured carrying amount			
			Of which secured by collateral	Of which secured by financial guarantees	
					Of which secured by credit derivatives
Loans and advances	1,174,592	2,088,525	1,195,787	892,738	-
Debt securities	1,231,766	277,325	-	277,325	
Total	**2,406,358**	**2,365,850**	**1,195,787**	**1,170,063**	**-**
Of which non-performing exposures	6,433	9,963	6,618	3,345	-
Of which defaulted	*6,433*	*9,963*			

Table 106: Overview of CRM techniques (Art. 453 (f) CRR, EU CR3 (EU) 2024/3172)

in HUF million	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
Exposure classes	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
Central governments or central banks	1,415,539	-	2,353,492	37,267	-	0.00%
Non-central government public sector entities	2,942	47	911	-	184	20.16%
Regional government or local authorities	2,940	-	909	-	182	20.00%
Public sector entities	2	47	2	-	2	100.00%
Multilateral development banks	-	-	1,403	23	-	0.00%
International organisations	-	-	-	-	-	
Institutions	39,627	68,374	39,627	22,645	-	0.00%
Corporates	10,680	17,809	5,748	36,342	12,612	29.96%
Of which: Specialised Lending	-	-	-	-	-	
Subordinated debt exposures and equity	110,136	-	110,136	-	118,993	108.04%
Subordinated debt exposures	-	-	-	-	-	
Equity	110,136	-	110,136	-	118,993	108.04%
Retail	386,457	22,718	44,254	3,336	31,060	65.27%
Secured by mortgages on immovable property and ADC exposures	7,830	5,245	3,735	363	2,571	62.73%
Secured by mortgages on residential immovable property - non IPRE	506	22	209	1	87	41.46%
Secured by mortgages on residential immovable property - IPRE	-	-	-	-	-	
Secured by mortgages on commercial immovable property - non IPRE	7,324	5,223	3,526	361	2,484	63.88%
Secured by mortgages on commercial immovable property - IPRE	0	0	0	0	0	

in HUF million	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
Exposure classes	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
Acquisition, Development and Construction (ADC)	0	0	0	0	0	
Exposures in default	2629	55	921	2	1030	111.54%
Claims on institutions and corporates with a short-term credit assessment	0	0	0	0	0	
Collective investment undertakings	0	0	0	0	0	
Other items	0	0	0	0	0	
TOTAL	**1,975,840**	**114,248**	**2,560,227**	**99,977**	**166,450**	**6.26%**

Table 107: Standardised approach – Regulatory exposure by exposure classes and CRM effects (Art. 453 (g) (h) (i) and 444 (e) CRR, EU CR4 (EU) 2024/3172)

in HUF million	Risk weight															
Exposure classes	**0%**	**2%**	**4%**	**10%**	**20%**	**30%**	**35%**	**40%**	**45%**	**50%**	**60%**	**70%**	**75%**	**80%**	**90%**	**100%**
Central governments or central banks	2,390,759	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-central government public sector entities	-	-	-	-	909	-	-	-	-	-	-	-	-	-	-	2
Regional government or local authorities	-	-	-	-	909	-	-	-	-	-	-	-	-	-	-	-
Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2
Multilateral development banks	1,426	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	62,272	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	36,141	-	-	-	-	-	-	-	-	-	-	5,950
Of which: Specialised Lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt exposures and equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	104,232
Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	104,232
Retail exposures	-	-	-	-	-	-	-	-	76	-	-	-	47,509	-	-	-
Secured by mortgages on immovable property and ADC exposures	-	-	-	-	79	-	-	-	-	-	1,271	-	1,066	-	-	1,682
Secured by mortgages on residential immovable property - non IPRE	-	-	-	-	79	-	-	-	-	-	-	-	132	-	-	-
No loan splitting applied	-	-	-	-	-	-	-	-	-	-	-	-	132	-	-	-
loan splitting applied (secured)	-	-	-	-	79	-	-	-	-	-	-	-	-	-	-	-
loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Secured by mortgages on residential immovable property - IPRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Secured by mortgages on commercial immovable property - non IPRE	-	-	-	-	-	-	-	-	-	-	1,271	-	934	-	-	1,682
No loan splitting applied	-	-	-	-	-	-	-	-	-	-	-	-	921	-	-	1,414
loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	1,271	-	-	-	-	-
loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	13	-	-	269
Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition, Development and Construction (ADC)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	710
Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**2,454,457**	**-**	**-**	**-**	**37,129**	**-**	**-**	**-**	**76**	**-**	**1,271**	**-**	**48,575**	**-**	**-**	**112,576**

in HUF million	Risk weight									Total	Of which unrated
Exposure classes	105%	110%	130%	150%	250%	370%	400%	1,250%	Others		
Central governments or central banks	-	-	-	-	-	-	-	-	-	2,390,759	
Non-central government public sector entities	-	-	-	-	-	-	-	-	-	911	
Regional government or local authorities	-	-	-	-	-	-	-	-	-	909	
Public sector entities	-	-	-	-	-	-	-	-	-	2	
Multilateral development banks	-	-	-	-	-	-	-	-	-	1,426	
International organisations	-	-	-	-	-	-	-	-	-	-	
Institutions	-	-	-	-	-	-	-	-	-	62,272	
Covered bonds	-	-	-	-	-	-	-	-	-	-	
Corporates	-	-	-	-	-	-	-	-	-	42,091	
Of which: Specialised Lending	-	-	-	-	-	-	-	-	-	-	
Subordinated debt exposures and equity	-	-	-	-	5,905	-	-	-	-	110,137	
Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-	
Equity	-	-	-	-	5,905	-	-	-	-	110,137	
Retail exposures	-	-	-	-	-	-	-	-	6	47,591	
Secured by mortgages on immovable property and ADC exposures	-	-	-	-	-	-	-	-	-	4,098	
Secured by mortgages on residential immovable property - non IPRE	-	-	-	-	-	-	-	-	-	211	
No loan splitting applied	-	-	-	-	-	-	-	-	-	132	
loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	79	
loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	
Secured by mortgages on residential immovable property - IPRE	-	-	-	-	-	-	-	-	-	-	
Secured by mortgages on commercial immovable property - non IPRE	-	-	-	-	-	-	-	-	-	3,888	
No loan splitting applied	-	-	-	-	-	-	-	-	-	2,334	
loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	1,271	
loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	282	
Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	-	-	-	-	-	
Acquisition, Development and Construction (ADC)	-	-	-	-	-	-	-	-	-	-	
Exposures in default	-	-	-	213	-	-	-	-	-	923	
Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	
Collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	-	-	
Other items	-	-	-	-	-	-	-	-	-	-	
TOTAL	**-**	**-**	**-**	**213**	**5,905**	**-**	**-**	**-**	**6**	**2,660,208**	

Table 108: Standardised approach – Regulatory exposure after CCF and CRM (Art. 444 (e) CRR, EU CR5 (EU) 2024/3172)

in HUF million	Exposure value as defined in Article 166 CRR for exposrues subject to IRB approach	Total exposure value for exposures subject to the Standardised approach and to the IRB approach	Percentage of total exposure value subject to the permanent partial use of the SA (%)	Percentage of total exposure value subject to IRB Approach (%)	Percentage of total exposurevalue subject to a roll-out plan (%)
Central governments or central banks	**2,604,632**	**1,459,655**	**96.98%**	**3.02%**	**0.00%**
Regional governments or local authorities	**909**	**2,941**	**99.99%**	**0.01%**	**0.00%**
Public sector entities	**2**	**6**	**100.00%**	**0.00%**	**0.00%**
Institutions	**150,888**	**743,430**	**9.41%**	**90.59%**	**0.00%**
Corporates	**1,103,100**	**1,332,661**	**2.06%**	**97.49%**	**0.45%**
Of which Corporates - General		1,006,331	0.00%	0.00%	0.00%
Of which Corporates - Specialised lending		326,331	0.00%	100.00%	0.00%
Of which Corporates - Specialised lending, excluding slotting approach		-	0.00%	0.00%	0.00%
Of which Corporates - Specialised lending under slotting approach		326,331	0.00%	0.00%	0.00%
Of which Corporates - Purchased Receivables		-	0.00%	0.00%	0.00%
Retail	**980,526**	**1,263,141**	**27.88%**	**68.17%**	**3.95%**
of which Retail – Qualifying revolving		-	0.00%	0.00%	0.00%
of which Retail – Secured by residential immovable property		463,846	0.00%	0.00%	0.00%
Of which Retail - Purchased Receivables	-	-	0.00%	0.00%	0.00%
of which Retail - Other retail exposures	460,027	397,288	0.00%	200.00%	0.00%
Equity	**110,136**	**110,136**	**100.00%**	**0.00%**	**0.00%**
Collective investment undertakings (CIU)	-	-	0.00%	0.00%	0.00%
Other non-credit obligation assets	**-**	**-**	**0.00%**	**0.00%**	**0.00%**
Total	**4,950,194**	**4,911,971**	**40.27%**	**58.59%**	**1.14%**

Table 109: Scope of the use of IRB and SA approaches (Art. 452 (b), CR6-A (EU) 2024/3172)

PD scale	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
in HUF million or %												
A-IRB												
Exposure class A0409												
0.00 to <0.15	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
0.00 to <0.10	-	-	-	-	0.00%	-	0.00%	-	-		-	-
0.10 to <0.15	-	-	-	-	0.00%	-	0.00%	-	-		-	-
0.15 to <0.25	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
0.25 to <0.50	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
0.50 to <0.75	**173,753**	**950**	**380**	**174,132**	**0.53%**	**23,665**	**32.81%**	**5**	**50,959**	**29.26 %**	**393**	**(528)**
0.75 to <2.50	**180,933**	**805**	**322**	**181,255**	**1.44%**	**26,094**	**33.01%**	**5**	**104,622**	**57.72 %**	**1,120**	**(554)**
0.75 to <1.75	180,933	805	322	181,255	1.44%	26,094	33.01%	5	104,622	57.72 %	1,120	(554)
1.75 to <2.5	-	-	-	-	0.00%	-	0.00%	-	-		-	-
2.50 to <10.00	**99,165**	**351**	**141**	**99,306**	**4.93%**	**12,339**	**33.07%**	**5**	**115,553**	**116.36 %**	**2,105**	**(807)**
2.5 to <5	69,220	164	66	69,286	3.79%	8,396	33.11%	5	71,715	103.51 %	1,132	(386)
5 to <10	29,945	187	75	30,020	7.55%	3,943	32.98%	5	43,838	146.03 %	973	(421)
10.00 to <100.00	**7,928**	**9**	**4**	**7,932**	**23.56%**	**1,246**	**33.03%**	**5**	**15,536**	**195.86 %**	**804**	**(569)**
10 to <20	4,004	9	4	4,008	15.03%	690	32.72%	5	7,555	188.50 %	256	(166)
20 to <30	2,184	-	-	2,184	23.28%	320	33.42%	5	4,620	211.54 %	221	(173)
30.00 to <100.00	1,740	-	-	1,740	43.53%	236	33.28%	5	3,361	193.16 %	327	(230)
100.00 (Default)	**8,002**	**-**	**-**	**8,002**	**100.00%**	**1,664**	**39.11%**	**3**	**6,130**	**76.61 %**	**2,646**	**(4,542)**
Subtotal (exposure class)	**469,781**	**2,115**	**847**	**470,627**	**3.89%**	**65,008**	**33.05%**	**23**	**292,800**	**62.21 %**	**7,068**	**(7,000)**
Exposure class A0411												
0.00 to <0.15	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
0.00 to <0.10	-	-	-	-	0.00%	-	0.00%	-	-		-	-
0.10 to <0.15	-	-	-	-	0.00%	-	0.00%	-	-		-	-
0.15 to <0.25	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**

0.25 to <0.50	-	-	-	-	0.00%	-	0.00%	-	-		-	-
0.50 to <0.75	76,560	81,274	68,476	144,969	0.53%	148,803	68.30%	2	81,290	56.07 %	685	(224)
0.75 to <2.50	112,707	25,256	19,226	131,022	1.43%	80,320	72.47%	4	122,583	93.56 %	1,778	(638)
0.75 to <1.75	112,707	25,256	19,226	131,022	1.43%	80,320	72.47%	4	122,583	93.56 %	1,778	(638)
1.75 to <2.5	-	-	-	-	0.00%	-	0.00%	-	-		-	-
2.50 to <10.00	134,362	19,115	12,328	130,257	5.08%	71,265	73.33%	4	156,334	120.02 %	6,353	(2,812)
2.5 to <5	87,513	15,617	9,979	88,059	3.83%	49,146	72.98%	4	102,294	116.17 %	3,218	(1,332)
5 to <10	46,849	3,498	2,349	42,198	7.69%	22,119	74.04%	4	54,040	128.06 %	3,135	(1,480)
10.00 to <100.00	41,168	2,633	1,731	37,018	24.20%	81,700	77.75%	4	70,265	189.81 %	9,150	(6,009)
10 to <20	19,416	1,054	714	17,521	14.76%	9,039	76.75%	4	29,019	165.62 %	2,589	(1,621)
20 to <30	11,369	303	254	10,289	22.76%	5,544	77.77%	4	20,695	201.14 %	2,375	(1,627)
30.00 to <100.00	10,383	1,276	763	9,208	43.75%	67,117	79.65%	4	20,551	223.19 %	4,186	(2,761)
100.00 (Default)	17,114	401	2	16,762	100.00%	14,543	76.91%	3	6,881	41.05 %	12,343	(13,743)
Subtotal (exposure class)	381,911	128,679	101,763	460,028	7.60%	396,631	71.99%	17	437,353	95.07 %	30,309	(23,426)
Total (all exposures classes)	851,692	130,794	102,610	930,655	5.72%	461,639	52.30%	40	730,153	78.46 %	37,377	(30,426)

Table 110: A-IRB Approach - Credit risk exposures by exposure class and PD range (Art. 452 (g) CRR, EU CR6 (EU) 2024/3172)

in HUF million or % / PD scale	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after SME supporting factor	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
F-IRB												
Exposure class F0100												
0.00 to <0.15	32,137	-	-	201,886	0.07%	2	45.00%	3	46,751	23.16 %	60	(8)
0.00 to <0.10	32,137	-	-	201,886	0.07%	2	45.00%	3	46,751	23.16 %	60	(8)
0.10 to <0.15	-	-	-	-	0.00%	-	0.00%	-	-		-	-
0.15 to <0.25	-	-	-	-	0.00%	-	0.00%	-	-		-	-
0.25 to <0.50	-	-	-	-	0.00%	-	0.00%	-	-		-	-
0.50 to <0.75	-	-	-	-	0.00%	-	0.00%	-	-		-	-
0.75 to <2.50	-	-	-	-	0.00%	-	0.00%	-	-		-	-
0.75 to <1.75	-	-	-	-	0.00%	-	0.00%	-	-		-	-

in HUF million or % PD scale	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after SME supporting factor	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
1.75 to <2.5	-	-	-	-	0.00%	-	0.00%	-	-		-	-
2.50 to <10.00	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
2.5 to <5	-	-	-	-	0.00%	-	0.00%	-	-		-	-
5 to <10	-	-	-	-	0.00%	-	0.00%	-	-		-	-
10.00 to <100.00	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
10 to <20	-	-	-	-	0.00%	-	0.00%	-	-		-	-
20 to <30	-	-	-	-	0.00%	-	0.00%	-	-		-	-
30.00 to <100.00	-	-	-	-	0.00%	-	0.00%	-	-		-	-
100.00 (Default)	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
Subtotal (exposure class)	**32,137**	**-**	**-**	**201,886**	**0.07%**	**2**	**45.00%**	**3**	**46,751**	**23.16 %**	**60**	**(8)**
Exposure class F0200												
0.00 to <0.15	**6,198**	**6,166**	**1,233**	**16,015**	**0.09%**	**7**	**45.00%**	**3**	**5,007**	**31.26 %**	**6**	**(3)**
0.00 to <0.10	6,198	6,166	1,233	16,015	0.09%	7	45.00%	3	5,007	31.26 %	6	(3)
0.10 to <0.15	-	-	-	-	0.00%	-	0.00%	-	-		-	-
0.15 to <0.25	**7,714**	**5,861**	**1,172**	**9,856**	**0.15%**	**7**	**45.00%**	**3**	**3,828**	**38.84 %**	**7**	**(5)**
0.25 to <0.50	**598,272**	**84,517**	**33,684**	**41,015**	**0.36%**	**12**	**22.33%**	**3**	**12,071**	**29.43 %**	**30**	**(501)**
0.50 to <0.75	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
0.75 to <2.50	**-**	**351**	**70**	**70**	**1.49%**	**2**	**45.00%**	**3**	**93**	**132.86 %**	**-**	**(2)**
0.75 to <1.75	-	351	70	70	1.49%	2	45.00%	3	93	132.86 %	-	(2)
1.75 to <2.5	-	-	-	-	0.00%	-	0.00%	-	-		-	-
2.50 to <10.00	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
2.5 to <5	-	-	-	-	0.00%	-	0.00%	-	-		-	-
5 to <10	-	-	-	-	0.00%	-	0.00%	-	-		-	-
10.00 to <100.00	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
10 to <20	-	-	-	-	0.00%	-	0.00%	-	-		-	-
20 to <30	-	-	-	-	0.00%	-	0.00%	-	-		-	-

PD scale in HUF million or %	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after SME supporting factor	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
30.00 to <100.00	-	-	-	-	0.00%	-	0.00%	-	-		-	-
100.00 (Default)	**-**	**-**	**-**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**		**-**	**-**
Subtotal (exposure class)	**612,184**	**96,895**	**36,159**	**66,956**	**0.26%**	**28**	**31.11%**	**12**	**20,999**	**31.36 %**	**43**	**(511)**
Exposure class F0304												
0.00 to <0.15	**163,758**	**217,528**	**91,651**	**151,687**	**0.10%**	**14**	**40.61%**	**3**	**41,356**	**27.26 %**	**60**	**(98)**
0.00 to <0.10	26,518	43,259	38,859	65,378	0.07%	5	40.64%	3	14,279	21.84 %	17	(10)
0.10 to <0.15	137,240	174,269	52,792	86,309	0.12%	9	40.58%	3	27,077	31.37 %	43	(88)
0.15 to <0.25	**11,918**	**38,065**	**9,961**	**21,879**	**0.22%**	**11**	**41.99%**	**3**	**9,783**	**44.71 %**	**20**	**(31)**
0.25 to <0.50	**89,158**	**46,241**	**2,346**	**101,270**	**0.38%**	**16**	**37.47%**	**3**	**51,750**	**51.10 %**	**145**	**(110)**
0.50 to <0.75	**124,008**	**97,112**	**7,247**	**121,978**	**0.71%**	**305**	**37.45%**	**3**	**73,424**	**60.19 %**	**322**	**(359)**
0.75 to <2.50	**179,074**	**160,850**	**18,744**	**164,082**	**1.44%**	**718**	**37.14%**	**3**	**121,083**	**73.79 %**	**868**	**(1,039)**
0.75 to <1.75	110,151	115,161	15,246	109,086	1.18%	359	37.94%	3	82,862	75.96 %	484	(602)
1.75 to <2.5	68,923	45,689	3,498	54,996	1.97%	359	35.55%	3	38,221	69.50 %	384	(437)
2.50 to <10.00	**182,833**	**123,905**	**9,270**	**156,138**	**4.67%**	**749**	**35.48%**	**3**	**145,083**	**92.92 %**	**2,604**	**(2,715)**
2.5 to <5	126,550	99,501	7,877	108,400	3.51%	552	34.95%	3	90,965	83.92 %	1,328	(1,388)
5 to <10	56,283	24,404	1,393	47,738	7.31%	197	36.67%	3	54,118	113.36 %	1,276	(1,327)
10.00 to <100.00	**28,355**	**15,376**	**1,275**	**22,971**	**16.36%**	**853**	**31.90%**	**3**	**23,752**	**103.40 %**	**1,225**	**(1,357)**
10 to <20	23,471	12,878	647	19,344	14.28%	91	30.80%	3	18,793	97.15 %	850	(1,153)
20 to <30	4,884	2,497	628	3,626	27.43%	752	37.72%	3	4,958	136.73 %	375	(204)
30.00 to <100.00	-	1	-	1	31.52%	10	40.00%	3	1	100.00 %	-	-
100.00 (Default)	**13,745**	**6,221**	**733**	**13,145**	**100.00%**	**195**	**38.97%**	**3**	**-**	**0.00 %**	**5,122**	**(10,365)**
Subtotal (exposure class)	**792,849**	**705,298**	**141,227**	**753,150**	**3.72%**	**2,861**	**37.60%**	**24**	**466,231**	**61.90 %**	**10,366**	**(16,074)**
Total (all exposures classes)	**1,437,170**	**802,193**	**177,386**	**1,021,992**	**2.77%**	**2,891**	**38.64%**	**39**	**533,981**	**52.25 %**	**10,469**	**(16,593)**

Table 111: F-IRB Approach – Credit risk exposures by exposure class and PD range (Art. 452 (g) CRR, EU CR6 (EU) 2024/3172)

in HUF million or %	Total exposures	Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWEAs	
		Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and sustitution effects)
		Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)				Part of exposures covered by Other funded credit protection (%)				Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)		
A-IRB				Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)		Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)				
Central governments and central banks	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**-**
Regional governments and local authorities	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**-**
Public sector entities	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**-**
Corporates	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**-**
Corporates – General	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-
Corporates – Specialised lending	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-
Corporates - Purchased Receivables	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-
Retail	**930,654**	**0.27%**	**31.35%**	**31.35%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**730,154**
Retail – Qualifying revolving	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-
Retail – secured by residential immovable property	470,627	0.00%	62.00%	62.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		292,800
Retail - Purchased Receivables	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-
Retail - Other retail exposures	460,027	0.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		437,354
Total	**930,654**	**0.27%**	**31.35%**	**31.35%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**730,154**

Table 112: A-IRB Approach – Exposure class: Retail by PD classes (Art. 453 (g) CRR, EU CR7-A (EU) 2024/3172)

in HUF million or %	Total exposures	Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWEAs	
		Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)			
			Part of exposures covered by Other eligible collaterals (%)				Part of exposures covered by Other funded credit protection (%)							
F-IRB		Part of exposures covered by Financial Collaterals (%)		Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)		Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and sustitution effects)
Central governments and central banks	**202,863**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**49,195**
Regional governments and local authorities	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**-**
Public sector entities	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**-**
Institutions	**66,956**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**20,998**
Corporates	**1,079,907**	**1.35%**	**10.55%**	**10.55%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**738,277**
Corporates – General	753,149	1.94%	15.13%	15.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		466,232
Corporates – Specialised lending	326,758	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		272,045
Corporates - Purchased Receivables	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-
Total	**1,349,726**	**1.08%**	**8.44%**	**8.44%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**808,470**

Table 113: F-IRB Approach – Exposure class: Retail by PD classes (Art. 453 (g) CRR, EU CR7-A (EU) 2024/3172)

Risk weighted exposure amount flow statements

in HUF million	Risk weighted exposure amount
Risk weighted exposure amount as at the end of the previous reporting period	**1,786,165**
Asset size (+/-)	647,528
Asset quality (+/-)	(672,646)
Model updates (+/-)	(16,880)
Methodology and policy (+/-)	(189,060)
Acquisitions and disposals (+/-)	-
Foreign exchange movements (+/-)	(16,483)
Other (+/-)	-
Risk weighted exposure amount as at the end of the reporting period	**1,538,623**

Table 114: RWEA flow statements of credit risk exposures under the IRB approach (CRR Art. 438 (h), EU CR8 (EU) 2024/3172)

in HUF million	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU - Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
SA-CCR (for derivatives)	11,598	16,651		1.4	39,549	39,549	39,549	19,325
IMM (for derivatives and SFTs)			-	-	-	-	-	-
Of which securities financing transactions netting sets			-		-	-	-	-
Of which derivatives and long settlement transactions netting sets			-		-	-	-	-
Of which from contractual cross-product netting sets			-		-	-	-	-
Financial collateral simple method (for SFTs)					-	-	-	-
Financial collateral comprehensive method (for SFTs)					12,054	5,943	5,943	223
VaR for SFTs					-	-	-	-
Total					**51,603**	**45,492**	**45,492**	**19,548**

Table 115: Analysis of CCR exposure by approach (Art. 436 (f) (g) (k) CRR, EU CCR1 (EU) 2024/3172)

in HUF million	Components of Own Funds Requirements	Own Funds Requirements
Aggregation of systematic components of CVA risk		
Aggregation of idiosyncratic components of CVA risk		
Total		**397**

Table 116: Analysis of CCR CVA Capital Charge (Art. 439 (h) CRR, EU CVA1 (EU) 2024/3172)

in HUF million	Risk weight											
Exposure classes	**0%**	**2%**	**4%**	**10%**	**20%**	**50%**	**70%**	**75%**	**100%**	**150%**	**Others**	**Total exposure value**
Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	1,318	-	-	-	-	-	-	-	-	-	-	1,318
Corporates	-	-	-	-	-	-	-	-	8,553	-	-	8,553
Retail	-	-	-	-	-	-	-	-	-	-	-	-
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-	-	-	-	-
Total exposure value	**1,318**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,553**	**-**	**-**	**9,871**

Table 117: Standardised approach – CCR exposures by regulatory portfolio and risk weights (Art. 439 (l) referring to 444 (e) CRR, EU CCR3 (EU) 2024/3172)

in HUF million	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amounts
Central governments and central banks								
	0.00 to <0.15	11,010	0.00%	1	45.00%	3	1,263	11.47%
	0.15 to <0.25	-	0.00%	-	0.00%	-	-	0.00%
	0.25 to <0.50	-	0.00%	-	0.00%	-	-	0.00%
	0.50 to <0.75	-	0.00%	-	0.00%	-	-	0.00%
	0.75 to <2.50	-	0.00%	-	0.00%	-	-	0.00%
	2.50 to <10.00	-	0.00%	-	0.00%	-	-	0.00%
	10.00 to <100.00	-	0.00%	-	0.00%	-	-	0.00%
	100.00 (Default)	-	0.00%	-	0.00%	-	-	0.00%
Sub-total (Central governments and central banks)		**11,010**	**0.00%**	**1**	**45.00%**	**3**	**1,263**	**11.50%**
Institutions								
	0.00 to <0.15	17,051	0.00%	1	30.00%	2	4,228	24.80%
	0.15 to <0.25	63	0.00%	2	45.00%	3	25	39.15%
	0.25 to <0.50	1,263	0.00%	1	45.00%	3	648	51.30%
	0.50 to <0.75	-	0.00%	-	0.00%	-	-	0.00%
	0.75 to <2.50	426	1.00%	1	45.00%	3	375	88.09%
	2.50 to <10.00	-	0.00%	-	0.00%	-	-	0.00%
	10.00 to <100.00	-	0.00%	-	0.00%	-	-	0.00%

in HUF million	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amounts
	100.00 (Default)	-	0.00%	-	0.00%	-	-	0.00%
Sub-total (Institutions)		**18,803**	**0.00%**	**5**	**32.00%**	**2**	**5,275**	**28.06%**
Corporates								
	0.00 to <0.15	39	0.00%	1	40.00%	3	12	30.44%
	0.15 to <0.25	93	0.00%	2	40.00%	3	39	42.00%
	0.25 to <0.50	964	0.00%	5	41.00%	3	535	55.47%
	0.50 to <0.75	1,104	1.00%	7	40.00%	3	801	72.55%
	0.75 to <2.50	756	1.00%	17	40.00%	3	601	79.44%
	2.50 to <10.00	436	5.00%	16	40.00%	3	531	121.87%
	10.00 to <100.00	1	13.00%	1	40.00%	3	2	118.22%
	100.00 (Default)	29	100.00%	1	40.00%	3	-	0.00%
Sub-total (Corporates)		**3,422**	**2.00%**	**50**	**40.00%**	**3**	**2,521**	**73.65%**
Retail								
	0.00 to <0.15	-	0.00%	-	0.00%	-	-	0.00%
	0.15 to <0.25	-	0.00%	-	0.00%	-	-	0.00%
	0.25 to <0.50	-	0.00%	-	0.00%	-	-	0.00%
	0.50 to <0.75	-	0.00%	-	0.00%	-	-	0.00%
	0.75 to <2.50	-	0.00%	-	0.00%	-	-	0.00%
	2.50 to <10.00	-	0.00%	-	0.00%	-	-	0.00%
	10.00 to <100.00	-	0.00%	-	0.00%	-	-	0.00%
	100.00 (Default)	-	0.00%	-	0.00%	-	-	0.00%
Sub-total (Retail)		**-**	**0.00%**	**-**	**0.00%**	**-**	**-**	**0.00%**
Total (all CCR relevant exposure classes)		**33,235**	**0.00%**	**56**	**37.00%**	**2**	**9,059**	**27.26%**

Table 118: IRB approach – CCR exposures by exposure class and PD scale (Art. 439 (l) referring to 452 (g) CRR, EU CCR4 (EU) 2024/3172)

in HUF million	Collateral used in derivative transactions				Collateral used in SFTs			
Collateral type	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
Cash – domestic currency	-	-	-	-	-	-	-	2,960
Cash – other currencies	-	9,546	-	2,613	-	-	-	9,029
Domestic sovereign debt	-	-	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	72	-	-
Government agency debt	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-	-

in HUF million	Collateral used in derivative transactions				Collateral used in SFTs			
Collateral type	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
Equity securities	-	-	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-	-	-
Total	**-**	**9,546**	**-**	**2,613**	**-**	**72**	**-**	**11,989**

Table 119: Composition of collateral for exposures to CCR (Art. 439 (e) CRR, EU CCR5 (EU) 2024/3172)

in HUF million	RWEAs
Outright products	
Interest rate risk (general and specific)	16,628
Equity risk (general and specific)	-
Foreign exchange risk	-
Commodity risk	-
Options	
Simplified approach	-
Delta-plus approach	-
Scenario approach	-
Securitisation (specific risk)	-
Total	**16,628**

Table 120: Market risk under the Standardised approach (Art. 445 CRR, EU MR1 (EU) 2024/3172)

in HUF million	Risk category					Category level AVA - Valuation uncertainty		Total category level post-diversification		
Category level AVA	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA		Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
Market price uncertainty	48	1,704	30	859	-	11	12	1,344	611	733
Close-out cost	-	-	-	-	-	-	-	-	-	-
Concentrated positions	93	-	-	-	-			93	-	93
Early termination	-	-	-	-	-			-	-	-
Model risk	-	-	-	-	-	-	-	-	-	-
Operational risk	2	85	2	43	-			132	31	102
Future administrative costs	46	128	-	60	-			234	234	-
Total Additional Valuation Adjustments (AVAs)								**1,803**	**876**	**928**

Table 121: Prudent valuation adjustments (PVA) (Art. 436 (e) CRR, EU PV1 (EU) 2024/3172)

in HUF million	Total unweighted value (average)				Total weighted value (average)			
	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2025 Q4	2025 Q3	2025 Q2	2025 Q1
Number of data points used in the calculation of averages	3	3	3	3	3	3	3	3
HIGH-QUALITY LIQUID ASSETS								
Total high-quality liquid assets (HQLA)					1,804,506	1,784,965	1,766,392	1,863,456
CASH - OUTFLOWS								
Retail deposits and deposits from small business customers, of which:	1,981,523	1,924,463	1,903,238	1,835,656	125,113	120,014	115,980	111,755
Stable deposits	1,518,752	1,471,482	1,459,128	1,401,435	75,938	73,574	72,956	70,072
Less stable deposits	462,771	452,981	444,110	434,221	49,175	46,440	43,024	41,683
Unsecured wholesale funding	1,506,142	1,450,991	1,437,330	1,464,007	863,338	826,543	829,431	833,816
Operational deposits (all counterparties) and deposits in networks of cooperative banks	181,695	211,752	209,355	214,222	45,325	52,787	52,192	53,402
Non-operational deposits (all counterparties)	1,324,447	1,239,239	1,227,975	1,249,785	818,013	773,756	777,239	780,414
Unsecured debt	-	-	-	-	-	-	-	-
Secured wholesale funding					-	-	-	-
Additional requirements	557,523	486,336	467,541	484,329	557,523	486,336	467,541	484,329
Outflows related to derivative exposures and other collateral requirements	557,523	486,336	467,541	484,329	557,523	486,336	467,541	484,329
Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
Credit and liquidity facilities	467,123	396,220	408,395	412,129	85,022	62,794	68,270	69,934
Other contractual funding obligations	660,409	603,307	633,041	588,253	56,121	46,425	37,069	34,286
Other contingent funding obligations	8,952	15,434	18,702	75,028	5,714	5,802	9,263	65,660
TOTAL CASH OUTFLOWS					**1,692,831**	**1,547,914**	**1,527,554**	**1,599,780**
CASH - INFLOWS								
Secured lending (e.g. reverse repos)	10,359	245	316	72,097	-	-	-	-
Inflows from fully performing exposures	100,534	80,415	87,736	96,231	84,518	65,638	69,911	82,333
Other cash inflows	535,680	477,429	449,725	466,015	535,680	477,429	449,725	466,015
(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
(Excess inflows from a related specialised credit institution)					-	-	-	-
TOTAL CASH INFLOWS	**646,573**	**558,089**	**537,777**	**634,343**	**620,198**	**543,067**	**519,636**	**548,348**
Fully exempt inflows	-	-	-	-	-	-	-	-
Inflows subject to 90% cap	-	-	-	-	-	-	-	-
Inflows subject to 75% cap	646,573	558,088	537,777	634,343	620,199	543,068	519,636	548,347
TOTAL ADJUSTED VALUE								
LIQUIDITY BUFFER					**1,804,506**	**1,784,965**	**1,766,392**	**1,863,456**
TOTAL NET CASH OUTFLOWS					**1,072,633**	**1,004,847**	**1,007,918**	**1,051,432**
LIQUIDITY COVERAGE RATIO					**168.23%**	**177.64%**	**175.25%**	**177.23%**

Table 122: Quantitative information on LCR (values are calculated as averages of month-end observations over the number of data points as outlined in the table) (Art. 451a (2) CRR, EU LIQ1 (EU) 2024/3172)

in HUF million	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items					
Capital items and instruments	**492,661**	**8,478**	**-**	**124,319**	**616,981**
Own funds	492,661	8,478	-	124,319	616,981
Other capital instruments		-	-	-	-
Retail deposits		**2,010,722**	**13,888**	**4**	**1,901,073**
Stable deposits		1,566,865	11,531	4	1,499,480
Less stable deposits		443,857	2,357	-	401,593
Wholesale funding:		**1,640,926**	**101,666**	**547,681**	**1,127,684**
Operational deposits		173,379	-	-	85,442
Other wholesale funding		1,467,547	101,666	547,681	1,042,242
Interdependent liabilities		**-**	**-**	**-**	**-**
Other liabilities:	**4,890**	**100,157**	**-**	**-**	**-**
NSFR derivative liabilities	4,890	-	-	-	-
All other liabilities and capital instruments not included in the above categories		100,157	-	-	-
Total available stable funding (ASF)					**3,645,738**
Required stable funding (RSF) Items					
Total high-quality liquid assets (HQLA)					**54,560**
Assets encumbered for a residual maturity of one year or more in a cover pool		**-**	**-**	**-**	**-**
Deposits held at other financial institutions for operational purposes		**-**	**-**	**-**	**-**
Performing loans and securities:		**319,440**	**146,784**	**2,550,921**	**2,307,666**
Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		71	-	-	-
Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		64,925	23,983	401,460	419,944
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		225,374	94,906	1,213,276	1,758,898
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		115,834	20,581	432,272	681,550
Performing residential mortgages, of which:		18,725	18,479	794,078	-
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		10,770	11,403	424,611	-
Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		10,345	9,416	142,107	128,824
Interdependent assets		**-**	**-**	**-**	**-**
Other assets:		**23,120**	**794**	**230,521**	**234,538**
Physical traded commodities				-	-
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-
NSFR derivative assets		-	-	-	-

in HUF million	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
NSFR derivative liabilities before deduction of variation margin posted		17,968	-	-	899
All other assets not included in the above categories		5,152	794	230,521	233,639
Off-balance sheet items		**249,225**	**134,882**	**345,897**	**47,011**
Total RSF					**2,643,775**
Net Stable Funding Ratio (%)					**137.90%**

Table 123: Net stable funding ratio (Art. 451a (3) CRR, EU LIQ2 (EU) 2024/3172)

Supervisory shock scenarios	Changes of the economic value of equity		Changes of the net interest income	
	Current period	Last period	Current period	Last period
Parallel up	2,306	6,553	2,306	2,478
Parallel down	(6,102)	(24,617)	(6,102)	(14,893)
Steepener	96	14,437		
Flattener	(6,535)	(28,431)		
Short rates up	(5,254)	(21,185)		
Short rates down	(3,313)	8,172		

Table 124: Interest rate risks of non-trading book activities (Art. 448 (a) (b) CRR, EU IRRBB1 (EU) 2024/3172)

in HUF million	T	T–1	T–2	T–3	T–4	T–5	T–6	T–7	T–8	T–9	Ten-year average
Using €20,000 threshold											
Total amount of operational risk losses net of recoveries (no exclusions)	2,333	1,826	106	151	464	149	54	129	219	717	615
Total number of operational risk losses	40	42	30	23	26	25	12	29	26	20	27
Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
Total number of excluded operational risk events	-	-	-	-	-	-	-	-	-	-	-
Total amount of operational risk losses net of recoveries and net of excluded losses	2,333	1,826	106	151	464	149	54	129	219	717	615
Using €100,000 threshold											
Total amount of operational risk losses net of recoveries (no exclusions)	2,140	1,713	46	100	340	447	11	95	185	282	536
Total number of operational risk losses	28	21	26	20	18	23	12	26	23	15	21
Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
Total number of excluded operational risk events	-	-	-	-	-	-	-	-	-	-	-
Total amount of operational risk losses net of recoveries and net of excluded losses	2,140	1,713	46	100	340	447	11	95	185	282	536

Table 125: Operational risk own funds requirements and risk-weighted exposure amounts (Art. 446 and 454 CRR, EU OR1 (EU) 2024/3172)

BI and its subcomponents	T	T-1	T-2	Average value
Interest, lease and dividend component (ILDC)				**133 899**
ILDC related to the individual institution/ consolidated Group (excluding entities considered by Article 314(3)				**133 899**
Interest and lease income	354,912	382,192	626,000	454,368
Interest and lease expense	174 197	207 028	493 183	291 469
Total assets/Asset component	5 084 615	4 877 330	4 691 386	4 884 444
Dividend income/dividend component	15,521	21,796	34,681	23,999
Services component (SC)				**140 781**
Fee and commission income	158,910	136,000	116,144	137,018
Fee and commission expense	23 611	22 537	20 020	22 056
Other operating income	2 871	2 712	1 866	2 483
Other operating expense	4,416	4,212	2,661	3,763
Financial component (FC)				**109 675**
Net profit or loss applicable to trading book (TB)	(47,914)	60,728	(34,918)	47,853
Net profit or loss applicable to banking book (BB)	-51 018	-62 846	71 600	61 822
Approach followed to determine the TB/BB boundary (PBA or accounting approach)				Accounting approach
Business Indicator (BI)				**384 355**
Business indicator component (BIC)				**46 123**

Table 126: Business Indicator, components and subcomponents (Art. 446 and 454 CRR, EU OR2 (EU) 2024/3172)

Business Indicator Component (BIC)	46,123
Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4)	-
Not applicable	
Minimum Required Operational Risk Own Funds Requirements (OROF)	46 123
Operational Risk Exposure Amounts (REA)	576 533

Table 127: Operational risk own funds requirements and risk exposure amounts (Art. 446 and 454 CRR, EU OR3 (EU) 2024/3172)

in HUF million	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
Sector/subsector		Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
Exposures towards sectors that highly contribute to climate change*	**905,272**	**2,980**	**110,465**	**14,810**	**(16,081)**	**(4,035)**	**(8,014)**	**1,371,877**	**1,061,147**	**22.24%**	**758,997**	**134,086**	**12,109**	**80**	**2.60**
A - Agriculture, forestry and fishing	59,066	19	8,265	309	(512)	(194)	(157)	118,573	37,214	11.57%	40,229	18,757	-	80	3.50
B - Mining and quarrying	224	-	-	-	(1)	-	-	1,152	422	1.06%	198	26	-	-	1.90
B.05 - Mining of coal and lignite	-	-	-	-	-	-	-	-	-		-	-	-	-	
B.06 - Extraction of crude petroleum and natural gas	-	-	-	-	-	-	-	-	-	46.81%	-	-	-	-	-
B.07 - Mining of metal ores	-	-	-	-	-	-	-	-	-	0.00%	-	-	-	-	
B.08 - Other mining and quarrying	222	-	-	-	*(1)*	-	-	1,099	374	0.00%	196	26	-	-	1.90
B.09 - Mining support service activities	2	-	-	-	-	-	-	53	48	100.00%	2	-	-	-	-
C - Manufacturing	266,927	709	31,333	4,889	(2,834)	(847)	(1,336)	883,115	728,805	48.93%	219,163	47,157	607	-	2.50
C.10 - Manufacture of food products	108,014	219	9,360	690	(630)	(222)	(129)	269,552	205,294	55.80%	92,151	15,350	513	-	2.50
C.11 - Manufacture of beverages	16,243	-	510	287	(107)	(14)	(24)	17,285	14,938	0.00%	13,515	2,713	15	-	2.80
C.12 - Manufacture of tobacco products	-	-	-	-	-	-	-	-	-		-	-	-	-	
C.13 - Manufacture of textiles	734	-	134	34	(28)	(2)	(25)	671	504	0.00%	255	479	-	-	4.70

in HUF million	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
Sector/subsector		Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
C.14 - Manufacture of wearing apparel	539	-	269	-	(2)	(1)	-	1,191	880	0.00%	451	88	-	-	1.50
C.15 - Manufacture of leather and related products	1,908	-	-	1,639	(448)	-	(447)	1,999	1,591	0.00%	1,908	-	-	-	0.90
C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	3,466	-	1,873	46	(71)	(29)	(36)	6,148	3,791	0.00%	3,106	342	18	-	3.10
C.17 - Manufacture of pulp, paper and paperboard	*1,542*	-	*540*	-	*(12)*	*(7)*	-	2,334	1,800	70.23%	1,260	282	-	-	2.20
C.18 - Printing and service activities related to printing	*590*	-	*122*	-	*(3)*	*(2)*	-	1,364	877	0.00%	503	87	-	-	1.40
C.19 - Manufacture of coke oven products	*37,706*	22	-	-	*(28)*	-	-	392,178	355,304	99.96%	31,083	6,623	-	-	1.90
C.20 - Production of chemicals	*18,485*	-	*791*	-	*(83)*	*(18)*	-	60,363	38,938	62.92%	16,294	2,191	-	-	3.20
C.21 - Manufacture of pharmaceutical preparations	*12,826*	-	*200*	-	*(26)*	*(9)*	-	10,402	6,904	74.87%	2,357	10,469	-	-	4.70
C.22 - Manufacture of rubber products	*8,672*	-	*2,551*	*1*	*(43)*	*(16)*	-	10,831	9,036	0.00%	6,948	1,724	-	-	2.50

in HUF million Sector/subsector	Gross carrying amount	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Of which Stage 2 exposures	Of which non-performing exposures	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)	Of which Scope 3 financed emissions	GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
C.23 - Manufacture of other non-metallic mineral products	5,090	-	4,326	-	(153)	(151)	-	29,630	24,092	61.03%	5,069	21	-	-	1.00
C.24 - Manufacture of basic metals	1,481	-	243	154	(20)	(8)	-	9,465	8,129	73.17%	1,192	289	-	-	2.30
C.25 - Manufacture of fabricated metal products, except machinery and equipment	10,038	-	3,531	957	(550)	(112)	(419)	14,926	12,493	14.28%	8,753	1,224	61	-	1.90
C.26 - Manufacture of computer, electronic and optical products	1,495	-	947	1	(42)	(40)	-	1,432	1,223	1.74%	987	508	-	-	3.60
C.27 - Manufacture of electrical equipment	3,770	-	266	-	(33)	(13)	-	6,291	5,609	0.00%	3,620	150	-	-	1.80
C.28 - Manufacture of machinery and equipment n.e.c.	10,980	73	2,798	260	(241)	(79)	(136)	9,554	7,834	14.91%	8,986	1,994	-	-	2.80
C.29 - Manufacture of motor vehicles, trailers and semi-trailers	14,876	393	278	520	(66)	(4)	(13)	27,422	21,689	20.33%	14,032	844	-	-	1.90
C.30 - Manufacture of other transport equipment	4,026	-	2,146	-	(128)	(116)	-	3,228	2,550	0.00%	2,783	1,243	-	-	3.50
C.31 - Manufacture of furniture	1,658	-	57	101	(56)	(1)	(51)	3,127	2,315	0.00%	1,281	377	-	-	2.20

in HUF million Sector/subsector	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
		Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
C.32 - Other manufacturing	1,101	-	250	195	(57)	(2)	(54)	1,323	1,044	0.00%	1,007	94	-	-	2.00
C.33 - Repair and installation of machinery and equipment	1,687	2	141	4	(7)	(1)	(2)	2,399	1,970	0.49%	1,622	65	-	-	2.00
D - Electricity, gas, steam and air conditioning supply	34,827	2,056	11,809	188	(1,641)	(1,471)	(69)	111,731	97,111	55.75%	10,803	13,794	10,230	-	6.70
D35.1 - Electric power generation, transmission and distribution	30,214	2,053	11,809	188	(1,623)	(1,471)	(69)	92,735	81,318	50.73%	6,190	13,794	10,230	-	7.70
D35.11 - Production of electricity	28,888	2,050	11,809	188	(1,616)	(1,471)	(69)	22,549	18,564	19.95%	6,157	12,501	10,230	-	7.70
D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	4,091	3	-	-	(17)	-	-	15,741	15,051	99.94%	4,091	-	-	-	-
D35.3 - Steam and air conditioning supply	522	-	-	-	(1)	-	-	3,255	742	0.00%	522	-	-	-	2.20
E - Water supply; sewerage, waste management and remediation activities	1,368	2	63	2	(7)	(1)	(2)	5,621	1,185	0.00%	1,247	121	-	-	1.80
F - Construction	35,889	1	5,243	1,946	(1,742)	(99)	(1,518)	56,473	48,173	0.06%	28,791	7,001	97	-	2.10
F.41 - Construction of buildings	19,913	-	3,580	275	(280)	(55)	(143)	27,811	23,777	0.00%	14,380	5,533	-	-	2.60

in HUF million Sector/subsector	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
		Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
F.42 - Civil engineering	*5,129*	*1*	*452*	*102*	*(70)*	*(18)*	*(35)*	9,128	7,768	0.40%	4,415	714	-	-	1.90
F.43 - Specialised construction activities	*10,847*	-	*1,211*	*1,569*	*(1,392)*	*(26)*	*(1,340)*	19,534	16,628	0.00%	9,996	754	97	-	1.20
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	179,511	193	43,384	6,459	(7,136)	(1,121)	(4,551)	135,946	107,784	7.90%	156,904	21,828	779	-	1.80
H - Transportation and storage	30,345	-	5,970	283	(390)	(184)	(124)	38,936	27,952	23.16%	27,118	3,178	49	-	3.30
H.49 - Land transport and transport via pipelines	11,921	-	*3,151*	*128*	*(148)*	*(58)*	*(63)*	23,130	16,801	15.90%	11,178	694	49	-	2.10
H.50 - Water transport	-	-	-	-	-	-	-	-	-	0.00%	-	-	-	-	-
H.51 - Air transport	*251*	-	-	-	-	-	-	670	270	0.00%	251	-	-	-	2.90
H.52 - Warehousing and support activities for transportation	*17,851*	-	*2,761*	*52*	*(209)*	*(125)*	*(30)*	15,001	10,787	28.75%	15,376	2,475	-	-	4.10
H.53 - Postal and courier activities	*322*	-	*58*	*103*	*(33)*	*(1)*	*(31)*	135	94	0.00%	313	9	-	-	0.70
I - Accommodation and food service activities	7,478	-	3,316	702	(302)	(57)	(236)	10,247	8,484	0.00%	5,564	1,567	347	-	3.60
L - Real estate activities	289,637	-	1,082	32	(1,516)	(61)	(21)	10,083	4,017	8.04%	268,980	20,657	-	-	2.40

in HUF million Sector/subsector	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
		Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
Exposures towards sectors other than those that highly contribute to climate change*	**87,296**	**4,309**	**13,204**	**1,697**	**(1,707)**	**(378)**	**(962)**				**72,107**	**15,143**	**46**	**-**	**2.50**
K - Financial and insurance activities	18,522	1,734	37	216	(219)	-	(82)				18,191	331	-	-	2.40
Exposures to other sectors (NACE codes J, M - U)	68,774	2,575	13,167	1,481	(1,488)	(378)	(880)				53,916	14,812	46	-	2.50
TOTAL	**992,568**	**7,289**	**123,669**	**16,507**	**(17,788)**	**(4,413)**	**(8,976)**	**1,371,877**	**1,061,147**	**21.22%**	**831,104**	**149,229**	**12,155**	**80**	**2.60**

* In accordance with the Commission delegated regulation EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks -Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006

Table 128: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity (Art. 449a CRR, EU 1.CC Transition risk-Banking b. (EU) 2024/3172)

Counterparty sector	Total gross carrying amount amount (in HUF million)															
		Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
Total EU area	**914**	**234**	**408**	**172**	**49**	**35**	**12**	**141**	**99**	**51**	**155**	**72**	**62**	**184**	**150**	**97.27%**
Of which Loans collateralised by commercial immovable property	214	85	111	17	-	-	-	70	40	21	61	6	1	13	4	68.50%
Of which Loans collateralised by residential immovable property	700	148	297	156	49	35	12	71	59	30	95	66	61	172	146	97.96%
Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	33	10	19	4	-	-	-								33	100.00%
Total non-EU area																
Of which Loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Of which Loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	-	-	-	-	-	-	-								-	0.00%

Table 129: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral (Art. 449a CRR, EU 2.CC Trans-BB.RE collateral (EU) 2024/3172)

Total portfolio	Gross carrying amount (in HUF million)													
		of which exposures sensitive to impact from climate change physical events												
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
A - Agriculture, forestry and fishing	59,065	40,228	18,757	-	80	3.460	-	14,784	-	8,265	310	(512)	(194)	(157)
B - Mining and quarrying	224	198	26	-	-	1.880	-	67	-	-	-	(1)	-	-
C - Manufacturing	267,137	219,372	47,157	608	-	2.520	-	31,870	-	31,334	4,888	(2,833)	(847)	(1,336)
D - Electricity, gas, steam and air conditioning supply	34,828	10,804	13,794	10,230	-	6.690	-	31	-	11,809	188	(1,641)	(1,471)	(69)
E - Water supply; sewerage, waste management and remediation activities	1,367	1,246	121	-	-	1.810	-	161	-	63	3	(7)	(1)	(2)
F - Construction	33,910	26,812	7,001	97	-	2.200	-	3,266	-	5,093	1,945	(1,730)	(99)	(1,519)
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	176,525	153,767	21,979	779	-	1.830	-	30,180	-	43,384	6,460	(6,182)	(1,121)	(4,551)
H - Transportation and storage	32,251	29,024	3,178	49	-	3.120	-	1,879	-	5,970	1,454	(1,338)	(184)	(1,069)
L - Real estate activities	289,637	268,980	20,657	-	-	2.350	-	203,038	-	1,082	32	(1,516)	(61)	(21)
Loans collateralised by residential immovable property	3,757	1,874	1,855	28	-	5.300	-	564	-	678	29	(47)	(18)	(23)
Loans collateralised by commercial immovable property	405,953	335,880	69,362	711	-	3.200	-	290,964	-	51,846	5,648	(5,659)	(1,338)	(2,402)
Repossessed colalterals	-	-	-	-	-		-	-	-	-	-	-	-	-
Other relevant sectors (breakdown below where relevant)	94,775	77,672	16,710	393	-	2.600	-	8,808	-	16,520	2,399	(2,008)	(435)	(1,197)

Table 130: Banking book - Climate change physical risk: Exposures subject to physical risk (Art. 449a CRR, EU 5.CC Physical risk (EU) 2024/3172)

in HUF million	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
Assets of the disclosing institution	676,611	229,253			4,495,015	823,941		
Equity instruments	-	-	-	-	5,797	-	5,797	-
Debt securities	313,038	229,253	278,532	207,694	1,190,764	823,941	1,151,350	794,748
of which: covered bonds	-	-	-	-	-	-	-	-
of which: securitisations	-	-	-	-	-	-	-	-
of which: issued by general governments	229,253	229,253	207,694	207,694	823,941	823,941	794,748	794,748
of which: issued by financial corporations	33,542	-	26,038	-	346,529	-	336,783	-
of which: issued by non-financial corporations	50,243	-	44,187	-	20,271	-	19,796	-
Other assets	363,299	-			3,279,938	-		

*The total amount of the non-encumbered debt securities contains debt securities issued by the central bank, which is only presented in the total amount due to the standardized format of the table.

Table 131: Encumbered and unencumbered assets (Art. 443 CRR, EU AE1 (EU) 2024/3172)

in HUF million	Fair value of encumbered collateral received or own debt securities issued		Non-encumbered: Fair value of collateral received or own debt securities issued available for encumbrance	
		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
Collateral received by the disclosing institution	**-**	**-**	**135**	**-**
Loans on demand	-	-	-	-
Equity instruments	-	-	-	-
Debt securities	-	-	135	-
of which: covered bonds	-	-	-	-
of which: asset-backed securities	-	-	-	-
of which: issued by general governments	-	-	135	-
of which: issued by financial corporations	-	-	-	-
of which: issued by non-financial corporations	-	-	-	-
Loans and advances other than loans on demand	-	-	-	-
Other collateral received	-	-	-	-
Own debt securities issued other than own covered bonds or securitisations	**-**	**-**	**-**	**-**
Own covered bonds and securitisation issued and not yet pledged			**-**	**-**
TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	**-**	**-**		

Table 132: Collateral received and own debt securities issued (Art. 443 CRR, EU AE2 (EU) 2024/3172)

in HUF million	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
Carrying amount of selected financial liabilities	**562,049**	**676,611**

Table 133: Sources of encumbrance (Art. 443 CRR, EU AE3 (EU) 2024/3172)