Raiffeisen Bank Zrt.

Annual Report
and
Independent Limited Assurance Report on the Non-Financial Statements
and
Independent Auditor's Report on the Financial Statements

December 31, 2024

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Registered by the Capital Court of Registration
Company Registration Number: 01-09-071057

INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholder of Raiffeisen Bank Zrt.

We have conducted a limited assurance engagement on the consolidated non-financial statement included in the consolidated business report of Raiffeisen Bank Zrt. and its subsidiaries (hereafter the "Group") as at December 31, 2024 and for the period from January 1, 2024 to December 31, 2024 (the "consolidated non-financial statement"), included in the digital files raiffeisen-2024-12-31-en.zip[1].

Identification of Applicable Criteria

The consolidated non-financial statement was prepared by the Management of the Group in order to satisfy the requirements of Chapter VI/C of the Hungarian Act C of 2000 on Accounting (the „Accounting Act") implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards introduced by Commission Delegated Regulation (EU) of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council ("ESRS"), including that the double materiality assessment process carried out by the Group to identify the information reported in the consolidated non-financial statement (the "Process") is in accordance with the description set out in note ESRS 2 IRO 1 - Description of the process to identify and assess material climate-related impacts, risks and opportunities (hereafter "ESRS 2 IRO-1"); and
- Compliance of the disclosures in subsection Regulatory disclosure requirement in accordance with Article 8 of the EU Taxonomy Regulation (hereafter "Taxonomy Report") within the environmental section of the consolidated non-financial statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Inherent Limitations in Preparing the Sustainability Statement

The criteria, nature of the sustainability statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward looking information in accordance with ESRS, Management of the Group is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

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[1] Digital identification of raiffeisen-2024-12-31-en.zip digital file with SHA 256 HASH algorithm: 9F9CD68D352C84556F12D5F3E047F53EC8DAF1746DD0778AF15A7A89B69E40D0

In determining the disclosures in the consolidated non-financial statement, management of the Group interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

Responsibility of the Management of the Group

Management of the Group is responsible for designing and implementing a process to identify the information reported in the consolidated non-financial statement in accordance with the ESRS and for disclosing this process in note ESRS 2 IRO 1 of the consolidated non-financial statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management of the Group is further responsible for the preparation of the consolidated non-financial statement, in accordance with Chapter VI/C of the Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in Taxonomy Report within the environmental section of the consolidated non-financial statement, in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation");
- designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the consolidated non-financial statement, that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those Charged with Governance are responsible for overseeing the Group's sustainability reporting process.

Practitioner's Responsibility

We conducted our limited assurance engagement in accordance with the Hungarian National Standard on Assurance Engagements (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (the „ISAE 3000 (Revised)").

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the consolidated non-financial statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the consolidated non-financial statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the consolidated non-financial statement, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in note ESRS 2 IRO-1.

Our other responsibilities in respect of the consolidated non-financial statement include:

- Obtaining an understanding of the entity's control environment, processes and information systems relevant to the preparation of the consolidated non-financial statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error;
- Designing and performing procedures responsive to disclosures in the consolidated non-financial statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our Independence and Quality Management

We complied with the principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior as laid down in the relevant effective Hungarian regulations and the "Rules of conduct (ethical rules) of the auditor profession and the disciplinary process" of the Chamber of Hungarian Auditors and, in respect of matters not regulated therein, the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the same ethical requirements.

We applied the 1. Hungarian national quality management standard titled 'Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements' which is fully consistent in all respects with the International Quality Management Standard (ISQM 1) of the International Auditing and Assurance Standards Board (IAASB), and accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the consolidated non-financial statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the consolidated non-financial statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
    - performing inquiries to understand the sources of the information used by management;
    - reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in note ESRS 2 IRO-1.

In conducting our limited assurance engagement, with respect to the consolidated non-financial statement, we:

- Performed inquiries to obtain an understanding of the Group's reporting processes, control environment and information systems, relevant to the preparation of its consolidated non-financial statement;
- Evaluated whether material information identified by the Process to identify the information is included in the consolidated non-financial statement;
- Evaluated whether the structure and the presentation of the consolidated non-financial statement is in accordance with the ESRS;
- Performed inquires of relevant personnel and analytical procedures on selected disclosures in the consolidated non-financial statement;
- Performed substantive assurance procedures based on a sample basis on selected disclosures in the consolidated non-financial statement;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the consolidated non-financial statement.

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

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not prepared, in all material respects, in accordance with Chapter VI/C of the Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the double materiality assessment process carried out by the Group to identify the information reported in the Consolidated sustainability statement is in accordance with the description set out in note ESRS 2 IRO-1; and
- Compliance of the disclosures in subsection EU Taxonomy Report within the environmental section of the Consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Other Matters

Our limited assurance engagement does not extend to information in respect of earlier periods.

The Accounting Act Section 134/L requires that we provide a limited assurance conclusion on the compliance with the requirement to mark-up the disclosures in the consolidated non-financial statement prepared in the electronic reporting format (XHTML) as defined in the Commission Delegated Regulation (EU) 2019/815 (the ESEF Regulation) according to the relevant ESEF taxonomy, including the disclosures required by the Taxonomy Regulation. Given that the ESEF taxonomy for sustainability reports has not yet been adopted, the Group – as presented in Section BP-1: General basis for preparation of consolidated non-financial statement – has not been able to complete the mark-up of disclosures, and therefore we are unable to form a conclusion in this regard.

Budapest, March 27, 2025

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Molnár Attila
on behalf of Deloitte Auditing and Consulting Ltd.
and as a statutory registered auditor

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Raiffeisen Bank Zrt.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Raiffeisen Bank Zrt. and its subsidiaries (the „Group") for the year 2024 included in the digital files raiffeisen-2024-12-31-en.zip [1], which comprise the consolidated statement of financial position as at December 31, 2024 – which shows a total assets of mHUF 4,615,256 –, and the related consolidated statement of profit or loss, consolidated statement of comprehensive income – which shows a total comprehensive income for the year of mHUF 106,860 profit –, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (the „EU IFRS"), and the consolidated financial statements were prepared in all material respects in accordance with the provisions of the effective Hungarian Act C of 2000 on Accounting (the „Accounting Act") relevant to the entities preparing consolidated financial statements in accordance with EU IFRS.

Basis for Opinion

We conducted our audit in accordance with the Hungarian National Standards on Auditing and the effective Hungarian laws and other regulations on audits. Our responsibilities under these standards are further described in the "*The Auditor's Responsibilities for the Audit of the consolidated financial statements*" section of our report.

We are independent of the Group in compliance with the relevant effective Hungarian regulations and the "Rules of conduct (ethical rules) of the auditor profession and the disciplinary process" of the Chamber of Hungarian Auditors and, in respect of matters not regulated therein, the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the same ethical requirements.

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

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[1] Digital identification of raiffeisen-2024-12-31-en.zip consolidated financial statements with SHA 256 HASH algorithm: 9F9CD68D352C84556F12D5F3E047F53EC8DAF1746DD0778AF15A7A89B69E40D0

Key Audit Matters

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

Key audit matter	**How our audit addressed the matter**
Expected credit losses on loans to customers at amortized cost	
(See notes 6. to the separate financial statements for the details) As at December 31, 2024 the Bank shows loans to customers at amortised cost in the amount of HUF 1,686,985 million (gross: HUF 1,743,168 million), in connection with HUF 56,183 million loss allowance on loans) has been recognized. The determination of expected credit losses is based on a large extent on the professional judgment of management and the use of subjective assumptions, both in the application of portfolio-level collective impairment models and in the determination of individual credit losses. The most significant assumptions applied in provisioning calculation are the followings: - Identification of significant increase in credit risk - IFRS9 credit risk staging methodology and application - probability of default - loss given default - estimation of future cash-flows expected to be realized. The current economic macro environment resulted in an increase in the uncertainty of assumptions. The various debtor protection measures made it difficult to assess and monitor the financial situation of the clients, which required a higher level of estimation on the part of the Bank when calculating the ECL. Based on the significance of the above described circumstances the calculation of expected credit loss of loans assessed on portfolio-level and in the determination of individual credit losses was identified as a key audit matter.	The relevant audit procedures performed by us included the followings: - evaluating the design and implementation of internal controls relating to monitoring of loans and approval of impairment, - test of staging through portfolio-level analysis and the staging methodology applied by the model, - assessing on a sample basis, whether the staging and impairment triggers are captured appropriately and whether the estimation of the allowance is reasonable - robust challenge of management estimates related to the loan impairment, - assess the collective model methodology and testing the calculations in terms of risk parameters (probability of default - PD, loss given default - LGD, expected credit loss - ECL, macroeconomic factors) applied by the collective models by involving of experts, recalculation of impairment, - evaluating specific loan impairments by selecting a random sample based on risk profiles, and for the individually impaired loans the review of consideration and valuation of collaterals and estimates of expected future cash-flows, - comprehensive analysis of loan portfolio, - assessing the requirement for additional allowances considering the ECL models, particularly in light of the extreme volatility in economic scenarios caused by the current economic macro environment, - assessing the adequacy of the disclosures in the separate financial statements.

Other Information

Other information comprises the information included in the responsible corporate governance statement and in the consolidated business report of the Group for 2024, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information and for the preparation of the consolidated business report in accordance with the relevant provisions of the Accounting Act and other regulations. Our opinion on the consolidated financial statements provided in the section of our independent auditor's report entitled *"Opinion"* does not apply to the other information.

Our responsibility in connection with our audit of the consolidated financial statements is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Furthermore, in accordance with the Accounting Act, our responsibilities regarding the consolidated business report also include reviewing the consolidated business report to assess whether the consolidated business report was prepared in accordance with the relevant provisions of the Accounting Act excluding the provisions of Chapter VI/C. on consolidated non-financial statement and other regulations, if any, including the assessment whether the consolidated business report complies with the requirements of Section 95/B. (2) e) and f) of the Accounting Act, and to express an opinion on the above and on whether the consolidated business report is consistent with the consolidated financial statements. Furthermore, in accordance with the Accounting Act we shall make a statement whether the information referred to in Section 95/B. (2) a)-d), g) and h) has been provided in the consolidated business report and whether the consolidated business report includes the consolidated non-financial statement required by Chapter VI/C. of the Accounting Act.

In fulfilling this obligation, for the purpose of formulating our opinion on the consolidated business report we considered Commission Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation") as other regulation stipulating additional requirements pertaining to consolidated business report.

In our opinion, the consolidated business report of the Group for 2024 corresponds to the consolidated financial statements of the Group for 2024 and the relevant provisions of the Accounting Act excluding the provisions of Chapter VI/C. on consolidated non-financial statement and other relevant regulation listed above in all material respects. We state that the information referred to in Section 95/B. (2) a)-d), g) and h) of the Accounting Act has been provided and the consolidated business report includes the consolidated non-financial statement required by Chapter VI/C. of the Accounting Act.

We issue another report based on a limited assurance engagement on whether the Consolidated non-financial statement complies with the requirements of Chapter VI/C. of the Accounting Act relating to consolidated non-financial statement.

In addition to the above, based on the information obtained about the Group and its environment, we must report on whether we became aware of any material misstatements in the other information and, if so, on the nature of such material misstatements. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with EU IFRSs and for the preparation of the consolidated financial statements in accordance with provisions of the Accounting Act relevant to entities preparing consolidated financial statements in accordance with EU IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

The auditor's responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Hungarian National Standards on Auditing and the effective Hungarian laws and other regulations on audits, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group's consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the Group's internal control that we identify during the audit.

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

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

Report on Other Legal and Regulatory Requirements

In compliance with Article 10 (2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of the Auditor and the Period of Engagement
We were appointed as the auditors of Raiffeisen Bank Zrt. by the Resolution of the Shareholder on May 14, 2021 and our uninterrupted engagement has lasted for 4 years.

Consistence with the Additional Report to the Audit Committee
We confirm that our audit opinion on the consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee of Raiffeisen Bank Zrt., which we issued on March 24, 2025, in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

Provision of Non-audit Services
We declare that no prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided by us to the Group. In addition, there are no other non-audit services which were provided by us to Raiffeisen Bank Zrt. and its controlled undertakings, and which have not been disclosed in the consolidated financial statements.

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

Report on compliance of the presentation of consolidated financial statements with the requirements set out in the regulation on the single electronic reporting format

We have undertaken a reasonable assurance engagement on compliance of the presentation of consolidated financial statements of the Group included in the digital file raiffeisen-2024-12-31-en.zip („ESEF format consolidated financial statements") with the requirements set out in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format. („ESEF Regulation").

Responsibilities of management and those charged with governance for ESEF format consolidated financial statements

The management is responsible for the presentation of the ESEF format consolidated financial statements in accordance with the ESEF Regulation. This responsibility includes:

- the preparation of the consolidated financial statements in XHTML format;
- the selection and application of appropriate iXBRL tags using judgement where necessary; including full application of relevant tags and proper creation and anchoring of extension elements; and
- the design, implementation and maintenance of internal controls relevant to the application of the ESEF Regulation.

Those charged with governance are responsible for overseeing the Group's financial reporting process, including compliance with the ESEF Regulation.

Our responsibility and summary of the work performed

Our responsibility is to express an opinion on whether, in all material respects, the presentation of ESEF format consolidated financial statements complies with the ESEF Regulation, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the Hungarian National Standard on Assurance Engagements (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000).

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the ESEF Regulation. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulations, whether due to fraud or error. Our reasonable assurance engagement included obtaining an understanding of tagging, obtaining an understanding of the internal controls relevant for the application of the ESEF Regulation, checking the appropriateness of Group's use of the XHTML format, evaluating the completeness of Group's tagging of the consolidated financial statements using the XBRL markup language, evaluating the appropriateness of Group's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements and evaluating the use of anchoring in relation to the extension elements.

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

Opinion

In our opinion, the ESEF format consolidated financial statements of the Group for the year ended December 31, 2024 included in the digital file raiffeisen-2024-12-31-en.zip is presented, in all material respects, in compliance with the requirements of the ESEF Regulation.

Budapest, March 27, 2025

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Molnár Attila
on behalf of Deloitte Auditing and Consulting Ltd.
and as a statutory registered auditor

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Registration number of statutory registered auditor: 007379

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INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholder of Raiffeisen Bank Zrt.

We have conducted a limited assurance engagement on the separate non-financial statement included in the separate business report of Raiffeisen Bank Zrt. (hereafter the "Bank") as at December 31, 2024 and for the period from January 1, 2024 to December 31, 2024 (the "separate non-financial statement"), included in the digital files raiffeisen-2024-12-31-en.zip[1].

Identification of Applicable Criteria

The separate non-financial statement was prepared by the Management of the Bank in order to satisfy the requirements of Chapter III/A of the Hungarian Act C of 2000 on Accounting (the „Accounting Act") implementing 19(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards introduced by Commission Delegated Regulation (EU) of July 31 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council ("ESRS"), including that the double materiality assessment process carried out by the Bank to identify the information reported in the separate non-financial statement (the "Process") is in accordance with the description set out in note ESRS 2 IRO 1 - Description of the process to identify and assess material climate-related impacts, risks and opportunities (hereafter "ESRS 2 IRO-1"); and
- Compliance of the disclosures in subsection Regulatory disclosure requirement in accordance with Article 8 of the EU Taxonomy Regulation (Taxonomy Regulation) (hereafter "Taxonomy Report") within the environmental section of the separate non-financial statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Inherent Limitations in Preparing the Sustainability Statement

The criteria, nature of the sustainability statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward looking information in accordance with ESRS, Management of the Bank is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Bank. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

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In determining the disclosures in the separate non-financial statement, management of the Bank interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

Responsibility of the Management of the Bank

Management of the Bank is responsible for designing and implementing a process to identify the information reported in the separate non-financial statement in accordance with the ESRS and for disclosing this process in note ESRS 2 IRO 1 of the separate non-financial statement. This responsibility includes:

- understanding the context in which the Bank's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Bank's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management of the Bank is further responsible for the preparation of the separate non-financial statement, in accordance with Chapter III/A of the Accounting Act implementing 19(a) of the EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in Taxonomy Report within the environmental section of the separate non-financial statement, in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation");
- designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the separate non-financial statement, that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those Charged with Governance are responsible for overseeing the Bank's sustainability reporting process.

Practitioner's Responsibility

We conducted our limited assurance engagement in accordance with the Hungarian National Standard on Assurance Engagements (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (the „ISAE 3000 (Revised)").

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the separate non-financial statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the separate non-financial statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the separate non-financial statement, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Designing and performing procedures to evaluate whether the Process is consistent with the Bank's description of its Process, as disclosed in note ESRS 2 IRO-1.

Our other responsibilities in respect of the separate non-financial statement include:

- Obtaining an understanding of the entity's control environment, processes and information systems relevant to the preparation of the separate non-financial statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error;
- Designing and performing procedures responsive to disclosures in the separate non-financial statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our Independence and Quality Management

We complied with the principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior as laid down in the relevant effective Hungarian regulations and the "Rules of conduct (ethical rules) of the auditor profession and the disciplinary process" of the Chamber of Hungarian Auditors and, in respect of matters not regulated therein, the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the same ethical requirements.

We applied the 1. Hungarian national quality management standard titled 'Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements' which is fully consistent in all respects with the International Quality Management Standard (ISQM 1) of the International Auditing and Assurance Standards Board (IAASB), and accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the separate non-financial statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the separate non-financial statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
    - performing inquiries to understand the sources of the information used by management;
    - reviewing the Bank's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Bank was consistent with the description of the Process set out in note ESRS 2 IRO-1.

In conducting our limited assurance engagement, with respect to the separate non-financial statement, we:

- Performed inquiries to obtain an understanding of the Bank's reporting processes, control environment and information systems, relevant to the preparation of its separate non-financial statement;
- Evaluated whether material information identified by the Process to identify the information is included in the separate non-financial statement;
- Evaluated whether the structure and the presentation of the separate non-financial statement is in accordance with the ESRS;
- Performed inquires of relevant personnel and analytical procedures on selected disclosures in the separate non-financial statement;
- Performed substantive assurance procedures based on a sample basis on selected disclosures in the separate non-financial statement;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the separate non-financial statement.

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

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the separate non-financial statement is not prepared, in all material respects, in accordance with Chapter III/A of the Accounting Act, implementing 19(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the double materiality assessment process carried out by the Bank to identify the information reported in the separate non-financial statement is in accordance with the description set out in note ESRS 2 IRO-1; and
- Compliance of the disclosures in subsection EU Taxonomy Report within the environmental section of the separate non-financial statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Other Matters

Our limited assurance engagement does not extend to information in respect of earlier periods.

The Accounting Act Section 95/H requires that we provide a limited assurance conclusion on the compliance with the requirement to mark-up the disclosures in the separate non-financial statement prepared in the electronic reporting format (XHTML) as defined in the Commission Delegated Regulation (EU) 2019/815 (the ESEF Regulation) according to the relevant ESEF taxonomy, including the disclosures required by the Taxonomy Regulation. Given that the ESEF taxonomy for sustainability reports has not yet been adopted, the Entity – as presented in Section BP-1: General basis for preparation of separate non-financial statement – has not been able to complete the mark-up of disclosures, and therefore we are unable to form a conclusion in this regard.

Budapest, March 27, 2025

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Molnár Attila
on behalf of Deloitte Auditing and Consulting Ltd.
and as a statutory registered auditor

Deloitte Auditing and Consulting Ltd.
1068 Budapest, Dózsa György út 84/C.
Registration number: 000083

Registration number of statutory registered auditor: 007379

Deloitte.

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Registered by the Capital Court of Registration
Company Registration Number: 01-09-071057

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Raiffeisen Bank Zrt.

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Raiffeisen Bank Zrt. (the „Bank") for the year 2024 included in the digital files raiffeisen-2024-12-31-en.zip[1], which comprise the separate statement of financial position as at December 31, 2024 – which shows a total assets of mHUF 4,597,277 –, and the related separate statement of profit or loss, separate other comprehensive income – which shows total comprehensive income for the year of mHUF 105,413 profit –, separate statement of changes in equity and separate statement of cash flows for the year then ended and notes to the separate financial statements including material accounting policy information.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Bank as at December 31, 2024 and of its separate financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (the „EU IFRS"), and the separate financial statements were prepared in all material respects in accordance with the provisions of the effective Hungarian Act C of 2000 on Accounting (the „Accounting Act") relevant to the entities preparing separate financial statements in accordance with EU IFRS.

Basis for Opinion

We conducted our audit in accordance with the Hungarian National Standards on Auditing and the effective Hungarian laws and other regulations on audits. Our responsibilities under these standards are further described in the "*The Auditor's Responsibilities for the audit of the separate financial statements*" section of our report.

We are independent of the Bank in compliance with the relevant effective Hungarian regulations and the "Rules of conduct (ethical rules) of the auditor profession and the disciplinary process" of the Chamber of Hungarian Auditors and, in respect of matters not regulated therein, the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the same ethical requirements.

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

[1] Digital identification of raiffeisen-2024-12-31-en.zip separate financial statements with SHA 256 HASH algorithm: 9F9CD68D352C84556F12D5F3E047F53EC8DAF1746DD0778AF15A7A89B69E40D0

Key Audit Matters

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

Key audit matter	How our audit addressed the matter
Expected credit losses on loans to customers at amortized cost	
(See notes 6. to the separate financial statements for the details) As at December 31, 2024 the Bank shows loans to customers at amortised cost in the amount of HUF 1,667,929 million (gross: HUF 1,723,766 million), in connection with HUF 55,837 million loss allowance on loans) has been recognized. The determination of expected credit losses is based on a large extent on the professional judgment of management and the use of subjective assumptions, both in the application of portfolio-level collective impairment models and in the determination of individual credit losses. The most significant assumptions applied in provisioning calculation are the followings: - Identification of significant increase in credit risk - IFRS9 credit risk staging methodology and application - probability of default - loss given default - estimation of future cash-flows expected to be realized. The current economic macro environment resulted in an increase in the uncertainty of assumptions. The various debtor protection measures made it difficult to assess and monitor the financial situation of the clients, which required a higher level of estimation on the part of the Bank when calculating the ECL. Based on the significance of the above described circumstances the calculation of expected credit loss of loans assessed on portfolio-level and in the determination of individual credit losses was identified as a key audit matter.	The relevant audit procedures performed by us included the followings: - evaluating the design and implementation of internal controls relating to monitoring of loans and approval of impairment, - test of staging through portfolio-level analysis and the staging methodology applied by the model, - assessing on a sample basis, whether the staging and impairment triggers are captured appropriately and whether the estimation of the allowance is reasonable, - robust challenge of management estimates related to the loan impairment, - assess the collective model methodology and testing the calculations in terms of risk parameters (probability of default - PD, loss given default - LGD, expected credit loss - ECL, macroeconomic factors) applied by the collective models by involving of experts, recalculation of impairment, - evaluating specific loan impairments by selecting a random sample based on risk profiles, and for the individually impaired loans the review of consideration and valuation of collaterals and estimates of expected future cash-flows, - comprehensive analysis of loan portfolio, - assessing the requirement for additional allowances considering the ECL models, particularly in light of the extreme volatility in economic scenarios caused by the current economic macro environment, - assessing the adequacy of the disclosures in the separate financial statements.

Other Information

Other information comprises the information included in the responsible corporate governance statement and in the separate business report of the Bank for 2024, but does not include the separate financial statements and our auditor's report thereon. Management is responsible for the other information and for the preparation of the separate business report in accordance with the relevant provisions of the Accounting Act and other regulations. Our opinion on the separate financial statements provided in the section of our independent auditor's report entitled *"Opinion"* does not apply to the other information.

Our responsibility in connection with our audit of the separate financial statements is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Furthermore, in accordance with the Accounting Act, our responsibilities regarding the separate business report also include reviewing the separate business report to assess whether the separate business report was prepared in accordance with the relevant provisions of the Accounting Act excluding the provisions of Chapter III/A. on separate non-financial statement and other regulations, if any, including the assessment whether the separate business report complies with the requirements of Section 95/B. (2) e) and f) of the Accounting Act, and to express an opinion on the above and on whether the separate business report is consistent with the separate financial statements. Furthermore, in accordance with the Accounting Act we shall make a statement whether the information referred to in Section 95/B. (2) a)-d), g) and h) has been provided in the separate business report and whether the separate business report includes the separate non-financial statement required by Chapter III/A. of the Accounting Act.

In fulfilling this obligation, for the purpose of formulating our opinion on the separate business report we considered Commission Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation") as other regulation stipulating additional requirements pertaining to separate business report.

In our opinion, the separate business report of the Bank for 2024 corresponds to the separate financial statements of the Bank for 2024 and the relevant provisions of the Accounting Act excluding the provisions of Chapter III/A. on separate non-financial statement and other relevant regulation listed above in all material respects. We state that the information referred to in Section 95/B. (2) a)-d), g) and h) of the Accounting Act has been provided and the separate business report includes the Separate non-financial statement required by Chapter III/A. of the Accounting Act.

We issue another report based on a limited assurance engagement on whether the separate non-financial statement complies with the requirements of Chapter III/A. of the Accounting Act relating to separate non-financial statement.

In addition to the above, based on the information obtained about the Bank and its environment, we must report on whether we became aware of any material misstatements in the other information and, if so, on the nature of such material misstatements. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation of separate financial statements that give a true and fair view in accordance with EU IFRSs and for the preparation of the separate financial statements in accordance with provisions of the Accounting Act relevant to entities preparing separate financial statements in accordance EU IFRSs, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

The Auditor’s Responsibilities for the Audit of the Separate Financial Statements

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

As part of an audit in accordance with the Hungarian National Standards on Auditing and the effective Hungarian laws and other regulations on audits, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the Bank's internal control that we identify during the audit.

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

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

Report on Other Legal and Regulatory Requirements

In compliance with Article 10 (2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of the Auditor and the Period of Engagement
We were appointed as the auditors of Raiffeisen Bank Zrt. by the Resolution of the Shareholder on May 14, 2021 and our uninterrupted engagement has lasted for 4 years.

Consistence with the Additional Report to the Audit Committee
We confirm that our audit opinion on the separate financial statements expressed herein is consistent with the additional report to the Audit Committee of Raiffeisen Bank Zrt., which we issued on March 24, 2025 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

Provision of Non-audit Services
We declare that no prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided by us to the Bank. In addition, there are no other non-audit services which were provided by us to the bank and its controlled undertakings and which have not been disclosed in the separate financial statements.

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

Report on compliance of the presentation of separate financial statements with the requirements set out in the regulation on the single electronic reporting format

We have undertaken a reasonable assurance engagement on compliance of the presentation of separate financial statements of the Bank included in the digital files raiffeisen-2024-12-31-en.zip („ESEF format separate financial statements") with the requirements set out in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format („ESEF Regulation").

Responsibilities of Management and Those Charged with Governance for the ESEF format separate financial statements

The management is responsible for the presentation of ESEF format separate financial statements in accordance with the ESEF Regulation. This responsibility includes:

- the preparation of the separate financial statements in XHTML format;
- the design, implementation and maintenance of internal controls relevant to the application of the ESEF Regulation.

Those charged with governance are responsible for overseeing the Bank's financial reporting process, including compliance with the ESEF Regulation.

Our responsibility and summary of the work performed

Our responsibility is to express an opinion on whether, in all material respects, the presentation of ESEF format separate financial statements complies with the ESEF Regulation, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the Hungarian National Standard on Assurance Engagements (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000).

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the ESEF Regulation. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulations, whether due to fraud or error. Our reasonable assurance engagement included obtaining an understanding of the internal controls relevant for the application of the ESEF Regulation and checking the appropriateness of Bank's use of the XHTML format.

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

Opinion

In our opinion, the ESEF format separate financial statements of the „Bank” for the year ended December 31, 2024 included in the digital file raiffeisen-2024-12-31-en, is presented, in all material respects, in compliance with the requirements of the ESEF Regulation.

Budapest, March 27, 2025

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Molnár Attila
on behalf of Deloitte Auditing and Consulting Ltd.
and as a statutory registered auditor

Deloitte Auditing and Consulting Ltd.
1068 Budapest, Dózsa György út 84/C.
Registration number: 000083

Registration number of statutory registered auditor: 007379

Raiffeisen Bank

Annual Report

2024

Publication of the 2024 Annual Report

The Annual report of the Raiffeisen Bank Zrt's operation in 2024 is provided below which is based on the audited financial statements approved by the Board of Directors on 27 March 2025:

- Raiffeisen Bank Zrt. Consolidated business report 2024
- Raiffeisen Bank Zrt. Consolidated non-financial statement 2024
- Raiffeisen Bank Zrt. Consolidated financial statements 2024
- Raiffeisen Bank Zrt. Responsible corporate governance statement 2024
- Raiffeisen Bank Zrt. Consolidated statement of the issuer 2024
- Raiffeisen Bank Zrt. Separate business report 2024
- Raiffeisen Bank Zrt. Separate non-financial statement 2024
- Raiffeisen Bank Zrt. Separate financial statements 2024
- Raiffeisen Bank Zrt. Separate statement of the issuer 2024

Budapest, 27 March 2025

Zeljko Obradovic	Tibor Gáspár
Chief Financial Officer	Head of Accounting Department

Consolidated business report

2024

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(1) Macroeconomic environment

(1.1) Hungarian economy

Hungary's economic performance has been very subdued during 2024. According to first estimates (which include GDP data for 2024 Q4), output for the year as a whole grew by 0.5% in raw terms and by 0.6% in adjusted terms compared to 2023. Growth expectations gradually declined over the year, but the Q4 2024 GDP data beat analysts' consensus, with GDP volume rising by 0.5% on a quarterly and 0.2% on an annual basis. On the contribution side, services activity was mainly supportive, while a decline in industrial, agricultural and construction output tended to dampen the recovery. On the consumption side, private consumption showed a mixed picture, with some growth in household final consumption but a sharp fall in investment (both in the private and public sectors) as market funding remains expensive and the lack of subsidies and EU funds is difficult to replace. In addition, external demand has been very subdued in Europe and in other major export markets. This could turn positively from 2025 onwards. After a high inflation period, consumption could continue to pick up on the back of falling savings rates, and, assuming external demand strengthens, demand for capital investment could also start to rise, with all sectors contributing positively to GDP growth alongside export demand from industry, which is still suffering from low capacity utilisation. In addition, the base effect could be supportive in 2025, with upside risks to the expected GDP growth of 2.5% for the year as a whole. The unemployment rate has been mixed over 2024, but has remained below its multi-year average and below trend over the long term, with a 3-month moving average of 4.7% in December 2023 and 4.4% in December 2024. The labour market remains tight, hence the pace of wage outflows is only moderating slowly (in November 2024 the annual growth rate of average gross wages was 11.9%, which means a 13.5% increase for January-November). In 2025, it is expected to be somewhere between 9-10%, rather than double digits. Inflation stood at 4.6% at the end of the year, while it was 3.7% for 2024 as a whole. The headline CPI is expected to decline further over 2025 and in the longer term, along which core inflation is also expected to catch up to the 3% medium-term target within a few quarters. Against this backdrop, some technical factors and stronger-than-expected food and fuel inflation have pushed up near-term inflation risks. Inflation is likely to average 4% in 2025, which means that monthly figures around the upper end of the central bank's 2-4% tolerance band could characterise the coming quarters in particular. Regarding interest rate policy, in 2024 the effective interest rate declined further from 10.75% to 6.5%, but in Q4 2024 the easing cycle stopped as the HUF showed greater vulnerability than before, and expectations of an expected decline in developed market interest rates were reassessed. Interest rate cuts may continue in 2025: no rate cuts are expected until mid-year, with three 25 bp cuts in late Q2 2025, i.e. in June, followed by September and December. The risk premia that the market anticipates for HUF assets have widened somewhat over the past year, while the risk-free developed market rate itself may be on a higher forward trajectory than previously thought. Against this backdrop, the EUR/HUF exchange rate, which has risen from around 380 in the first half of last year to close to 410 by the end of the year, could continue to move north in the short to medium term, with a trading range of 405-420 emerging in 2025.

(1.2) The banking sector

In the first three quarters of 2024, according to data of the National Bank of Hungary (NBH) the banking sector recorded a HUF 1,567 billion profit after taxation on consolidated level. The net interest income was 4% higher than in 2023, while fee and commission income increased to a higher extent, by 15%.

Operating expenses increased by 4% compared to the same period of last year. In the first three quarters of 2024, net loss allowance and risk provision decreased further (by 17%), contributing to the banking sector's results.

The sector's net assets were HUF 94,458 billion, which represents an 6% increase compared to the same period of 2023. Corporate loans decreased by 1%, while retail loans increased by 11% compared to last year. The balance of deposits from customers also increased, the total balance of deposits from retail and non-financial companies increased by 7% compared to the same period of last year.

The ratio of non-performing loans decreased slightly from 2.7% to 2.4% compared to the same period of last year.

The cost-to-income ratio (CIR) was 50.9% in the first three quarters of 2024, which is slightly better than the last year's 52.4%. The RoE and RoA ratios have also changed, decreasing to 19.5% (from 22.7%) and 2.2% (from 2.4%), respectively. The liquidity status and capital adequacy of the sector are appropriate.

(*For the source of data please see https://statisztika.mnb.hu/publikacios-temak/felugyeleti-statisztikak/penz--es-hitelpiaci-szervezetek/hitelintezeti-aktualis-publikaciok page published by the NBH.)

(2) Non-financial statement

For the short presentation of the company's business model please see Section (4) Presentation of the business segment's performance .

The key non-financial performance indicators, which are important for the given business segments are included in Section (4) Presentation of the business segment's performance as well.

The descriptions of the company's policies followed in respect of environmental protection, social and employment matters, respecting the human rights, fighting against corruption and bribery, with references to the implemented control procedures, the results of them, along with the risks in the listed areas that might have disadvantageous effects are included in the following sections:

- (7.4) Fraud Risk Management
- (8) Environmental protection
- (9) Sustainability
- (10) Employment policy
- (11) Compliance activity

The services authorized beyond the regulatory audit that are to be disclosed in the business report and were provided by the auditor to the entity and the companies controlled by it are included in section (13) Fees charged by the auditor.

(3) Business activity

(3.1) Balance sheet

The Group's total assets increased by 4.13% (HUF 183 billion) in 2024, and its market share has decreased during the year, from 6.00% at 2023 year-end to 5.86%.The outstanding growth in volumes of recent years continued during 2024, following the slowdown observed in 2023, so there was an increase in both customer liabilities and customer assets.

(HUF million)	31.12.2024	31.12.2023	Change
Total assets	4,615,256	4,432,055	4.13%
Loans and advances to clients	1,872,028	1,763,536	6.15%
Deposits from customers	3,183,599	2,986,372	6.60%

The Group's loan/deposit ratio remained almost unchanged (60.57%), due to the nearly same increase in customer assets and liabilities. This is in line with the current investment climate influenced by inflation and interest rates, a trend across the sector.

The Group's own funds increased by 4.70% in 2024, primarily driven by outstanding profit after tax. The Group's capital level remains stable, with a solvency ratio that climbed to 29.36%, thanks to a profitable period in recent years and additional core and additional capital items provided by the owner

(HUF million)	31.12.2024	31.12.2023	Change
Own funds	507,082	484,317	4.70%
Solvency ratio	29.36 %	27.73 %	5.88%

In 2022, the Group launched the Euro Medium Term Note Programme (EMTN) with an envelope of EUR 2 billion and its local Bond Programme with an envelope of HUF 100 billion, which were updated in the course of 2024. Under the programmes, the Bank issued (partly green) MREL-eligible bonds to institutional and retail investors. Further emissions followed in 2024, under more favourable macroeconomic conditions, totalling EUR 350.39 million. Thus, MREL closing stock increased by EUR 7.48 million from 2023 to 2024.

(3.2) Profit or loss

Profit or loss item	2024	2023	Change	
(HUF million)			(HUF million)	%
Net interest and dividend income	187,133	201,121	-13,988	-6.96%
Net income from commissions and fees	94,384	81,520	12,864	15.78%
Operating expenses	-87,811	-80,061	-7,750	9.68%
Risk cost	13,354	180	13,174	7318.89%
Other result	-72,090	-86,444	14,354	-16.60%
Profit before tax	134,970	116,316	18,654	16.04%
Tax expense	-19,018	-13,057	-5,961	45.65%
Profit for the year	**115,952**	**103,259**	**12,693**	**12.29%**

Operating expenses include personnel expenses, other administrative expenses and depreciation and amortisation, the fees paid to OBA and BEVA are presented in other result.
In addition to impairment of financial assets, Risk cost also includes the amount of other provisions.

The Group recognised HUF 115,952 million for the business year, which was 12.29% higher than the result of the previous year.

The main components of profit are the following:

- Net interest income decreased by 6.96% compared to last year, reflecting the declining yield environment in the forint market.
- Commission income improved significantly compared to the previous year, driven by higher income on payment services and investment management fees.
- The increase in the Group's operating costs was primarily caused by the increase in wage costs compensating for the exceptionally high inflationary environment of 2023 and the resources devoted to digital developments supporting the Group's strategic objectives.
- During 2024, the Group recorded HUF 13,174 million lower risk costs compared to the previous year.
- In the other result category, the loss was lower than last year due to the Group's share from the extraordinary surtax charged on the banking sector and a lower revaluation loss contributed to a smaller loss compared to the previous year.
- In 2024, the Group's tax liability increased by HUF 5,961 million compared to the previous year. This is primarily due to higher business and corporate tax induced by higher sales and profit before tax.

The Group's revenue growth rate exceeded that of costs, resulting in a further improvement in the cost-to-income ratio in 2024 (32.02%). The Group's return on equity was 24.52% in 2024.

(3.3) Events after the reporting date

The sole shareholder decided to pay a dividend of HUF 114,505 million aligned with the approval of the financial statements and after the general reserve allocation. This amount consists of HUF 80,153 million forints to be paid out from current year's after-tax profit and HUF 34,352 million to be distributed from retained earnings.

The final capital adequacy ratios considering the inclusion of current year's profit and dividends are CET1 15.92%, TIER1 18.64%, total capital adequacy ratio 22.73%.

(4) Presentation of the business segment's performance

(4.1) Corporate and Investment Banking business segment

The Group's corporate and investment banking business segment maintained its dominant role in the commercial banking market in 2024, further increased its loan portfolio, and, with its 8-10% market share, is one of the leading market players in the mid and large corporate segment, and it belongs to the leading banks in export finance and treasury services as well.

The largest portion of the Group’s green assets arise from its project financing and syndication activity, which is an important pillar of the ESG strategy of the entire banking group. In line with this, in 2024 the majority of newly disbursed project loans are green loans, both in the property and non-property categories.

The expansion of the loan portfolio was achieved with a conservative business policy and risk-taking. Overall, the loan portfolio remained of excellent quality.

The Group's trade and export financing area tried to maintain its previous business activity despite a significant reduction in the range of supported programs in 2024. In the case of the Széchenyi program, the elimination of crisis support titles and the reduction of the maximum available limits negatively impacted lending. For Exim, the only available supported and refinanced program was the HUF 200 billion BGH Plus program, announced in the first quarter of 2024 and fully utilized within the same quarter. Although Raiffeisen Bank Zrt. managed to participate in both supported programs at a rate exceeding its market share, this could not compensate for the amortization of the previous supported loan portfolio in 2024.

The agriculture sector faced several adverse effects in 2024. Firstly, for the second time in three years, significant drought affected key crop-producing areas in the country, causing substantial yield losses and severely impacting crop quality (high toxin levels). In livestock farming, avian influenza has been a persistent issue for years, and spring frosts continue to decimate fruit yields annually. The only positive news in the agricultural sector was the launch of the "CAP ST. II. Pillar" grant system in the second half of 2024, which generated significant demand due to its highly favourable conditions (non-repayable grants, interest subsidies, and guarantee fee subsidies). However, the evaluation of these applications is expected in the second and third quarters of 2025, with financing opportunities becoming available during that period.

In 2024, the Group's documentary services area continued its successful operations, achieving a year-over-year revenue increase of over 10%. This was accomplished despite the significant decline in the construction industry, which constitutes the majority of documentary transactions. The decline was due to both a reduction in government orders and a noticeable decrease in demand in the housing and office rental markets.

Important part of the Group's client service model is the financing of municipalities, entities owned by municipalities, non-profit companies, associations, condominiums and other communities. It provides a full range of advanced financial services to its clients and securely handles deposits placed with the Group. Services focus on managing clients' investments and providing investment, development and project loans to municipalities, associations and condominiums. In the latter activities, ESG aspects and sustainable financing come to the fore, so the Group strives to ensure that as much of the newly disbursed loans as possible are green loans.

The Group supports the use of banking services for corporate and municipal clients through the continuous development of digital channels. The role of the branch network and personal interactions has evolved, merging into a new "phygital" format. In addition to the instant payment system, the Group supports clients with "QR code" and "Payment request" based payments, as well as card acceptance solutions (POS and VPOS). The digital developments ensure efficient customer service and also facilitate the use of ASP services by municipalities.

The financial institutions and custody segment had another successful year in 2024, similar to previous years, further increasing its deposit and loan portfolios. Additionally, it was successful in expanding transaction volumes and products, with particular emphasis on innovative cash management services. Despite increasing competition, the intensive growth of assets under custody also continued.

The Group’s cash, foreign exchange and capital market department – according to the statistics of the National Bank of Hungary – once again made the largest foreign exchange volume among banks in Hungary in 2024 and also was the biggest player in the derivative section of Budapest Stock Exchange. In the first half of 2024, the Raiffeisen Bank Zrt. was the second-largest primary dealer of Hungarian government securities, while it secured the fourth position in the second half of the year. Additionally, the Bank was once again awarded the title of Domestic Equity Trading Platform of the Year for its Raiffeisen Online Broker service in 2024.

(4.2) Retail clients

The Retail Division also had a successful year in 2024: by the end of 2024, the number of retail individual (Mass) and Premium banking customers exceeded the year-end 2023 figures by 2%; revenues increased despite unexpected tax changes, and Raiffeisen Bank Zrt.'s NPS (Net Promoter Score) remained among the best among leading universal banks (annual NPS: 25).

The outstanding results were partly due to the improving economic environment (declining inflation, rising real wages) and partly to the Group's internal business development activities. 2024 was a year of product innovation and optimization in retail account products: in February, the Group introduced 2 new premium accounts, and in November, a new retail account (called Active account), while suspending the sale of previous account products. The goal is to make the Group’s account product portfolio easy to understand and transparent for customers, and to increase synergy and interoperability between segments. In the spirit of optimization, the Group is also continuing to simplify the bankcard offerings. The Group’s acquisition goals were greatly supported by the implementation of the online account opening function in the myRaiffeisen mobile application in 2024, which is becoming increasingly popular among the customers.

The Group continued its digital developments across various platforms to provide customers with a modern, high-quality customer experience in managing their everyday finances. Our digital strategy continues to focus on expanding the functions of the myRaiffeisen mobile application and the range of online products. Thanks to these developments, the number of online account openings and online product applications has significantly increased, and more services are available 24/7 in the application. In 2024, the Group plays a leading role in introducing innovative payment solutions, such as implementing cash-in ATMs in several branches and being the first in the market to introduce qvik payment acceptance. For sustainable development, the Group has also made carbon footprint tracking available in the myRaiffeisen application.

Investor activity and appetite remained high among customers in 2024. There was strong interest and demand for investment funds, and demand for government securities remained relatively stable despite changes in the market interest rate environment. Interest in other savings options continued to stagnate among retail customers due to the low-interest environment.

The division also continued its successful business activities in retail lending. Demand for retail mortgage loans increased significantly, especially in the second half of the year. Demand for personal loans also grew significantly, exceeding expectations, while the sale of baby loan remained balanced even after regulatory tightening at the beginning of the year. The stabilization of macroeconomic conditions resulted in an interest rate level supportive of lending, further strengthened by the increase in real wages.

In lending, a key objective is to meet customer needs where security and predictability are the main priorities. Another strategic focus is digitalization, where most customers already used the fully online application process for personal loans, and even more existing customers applied for overdrafts and credit cards online. The Group aims to make this application option available for more products and a wider range of customers in the near future.

Overall, a key goal remains to continuously improve the customer experience in retail lending, with digitalization playing a crucial role. The Group is confident that with further improvements in external conditions, lending will remain strong, further supported by the new worker loan scheme starting in January 2025.

The Group's market share in retail loan portfolios did not change significantly, standing at 5.5% at the end of December 2024.

(4.3) Private Banking clients

The aim of Raiffeisen Private Banking is to preserve, increase and pass on the family wealth of high-net-worth clients from generation to generation. With the expert work of experienced consultants, the Group provides its key clients with safety, comfort, discretion and customised tailor-made solutions.

Raiffeisen Private Banking had an extremely successful year in 2024. Thanks to the honourable trust of its clients, the assets entrusted to management reached HUF 1,295 billion by the end of the year, which represents an increase of nearly 30% in a single year. In order to ensure effective and efficient service of the increased wealth, and maintain the brand promise, the capacities have also been increased. The visible expansion of Private Banking continuously strengthens the Group's market position.

Constitute and maintain the satisfaction of key private customers is inconceivable without personalized solutions and the highest level of service. Accordingly, Raiffeisen Private Banking continued to invest significantly in 2024 in introducing new products and services, as well as in developing the knowledge base of IT systems and banking advisors.

Recently, digitalization has received a special focus, as a result of which not only customers can manage their finances smoothly and independently, but employees can also be available at access points far from their workplace. During 2024, there was a strong focus on reducing administrative burdens, resulting in the Group significantly reduced paper consumption and the number of signatures.

(4.4) Financial institutions

The financial institutions segment is of strategic priority for the Group, which continues to grow dynamically, thanks to its comprehensive and unique customer service model, a wide range of products and continuous innovation.

The key target group of the business segment remains domestic insurance companies, investment fund managers, funds, as well as domestic and international financial institutions and investment service providers, which are supported by new, innovative solutions and products to serve their clients at a high level, fast and securely. In addition to the above, the domestic and international banking relationships were in focus as well along with – considering the Group's strategy, furthermore adhering to strict compliance principles – international payment service providers and Raiffeisen Bank Zrt.'s contracted currency exchange brokers. Since 2021, the Group's financial institutions business segment has successfully effected the professional coordination of payment service providers (PSPs) within the banking group and implemented the strategy for this market segment.

Assets in the financial institutions area continued to increase significantly throughout 2024, building on the high levels achieved in previous years, while maintaining a moderate risk profile and a low capital requirement character. Despite market turbulence and regulatory changes, deposits successfully expanded. In addition to interest income, the increase in fee and commission income also contributed to the significant above-plan results. The business segment continues to be characterised by a stable stock of liabilities and long-term, reliable customer relationships. The risk cost of the area is extremely moderate, and its cost-to-income ratio has stabilized at a very low level.

With the support of strengthened group-wide management at its headquarters in Vienna and through the Vienna parent bank's direct relationships with central securities depositories in Central and Eastern Europe, the Group provides priority custody services for the management of clients' investments directed to this region. In 2024, the Group's custody department continued its successful operations, maintaining an intensive growth trend in both the number of domestic clients and the assets under custody, despite the changing market and regulatory environment and increasing competition.

Clear positive feedback from both customers and the profession proves that the Group is one of the strongest brands in the regional financial and capital markets, as well as in serving financial institutions and product innovations.

(4.5) Subsidiaries

Raiffeisen Corporate Lízing Zrt.

Since 2014, the Company, which is 100% Bank-owned, has been the unified entity within the Raiffeisen Leasing group for providing financial leasing services exclusively to non-consumer clients, as well as special state-supported loan schemes for financing the purchase of assets, vehicles, and equipment.

The Company has been a significant player in the medium and large corporate segment for years, primarily by serving the leasing needs of banking clients. The passenger car and heavy commercial vehicle financing business is a key strategic focus.

The Company continued its previously initiated strategy in 2024, in which, in addition to leasing financing of vehicle and/or asset investments of medium and large corporate customers, increasing emphasis is placed on boosting leasing services for the micro and small enterprise segment. In addition to its own sales channels, special emphasis is placed on mobilizing the Bank's medium and large corporate sales network and exploiting sales synergies related to common customers. The goal remains to maintain the good quality of the portfolio , keep costs low through cost-effective operation, and establish and maintain long-term profitable operation.

Raiffeisen Autó Lízing Kft.

The Company is 100% owned subsidiary of Raiffeisen Corporate Lízing Zrt.. The popularity of operating lease dropped significantly due to the accounting method prescribed by IFRSs and due to the availability of finance leases with preferential interest conditions (NHP, EXIM, KAVOSZ) and as a consequence of that a decrease occurred in the vehicle and asset financing provided without fleet service. The strategy of the Company is the demand-based client servicing and individual management of transactions and it does not put an emphasis on concluding new businesses in operating leasing arrangements.

Raiffeisen Biztosításközvetítő Kft.

The Bank was the sole owner until 30.06.2024, when it was terminated by legal succession following an ownership decision. The Company's main activity was insurance brokerage, primarily for member companies of the Raiffeisen Bank Group.

At the beginning the main source of revenue of the Company stemmed from small and medium enterprise segment but later it began to sell its insurance products also in large enterprise and leasing segment as well.

The Bank has started to operate as a dependent single agent effective from 1 April 2022. From this date, in addition to the products transferred from the Company, the Bank will also manage the portfolio of insurance policies currently actively sold by the Bank, and therefore the Bank will also realise the commission income related to these products.

The 2022 legislative change also allowed dependent single agents to maintaining stocks of competing products. With regards to this, the Company has transferred its entire stock to the Bank with effect from 1 May 2023, from which date the Bank will also realize the related commission income. From autumn 2023, insurance related to leasing products will also be sold through the dependent single agent. These transformations had a significant impact on commission income. Thus, in October 2023, the owner of the Company decided to merge its 100% share in Raiffeisen Biztosításközvetítő Kft. into SCT Kárász utca Kft.

RB Szolgáltató Központ Kft.

The Company was founded by the Bank in order to open and operate a banking operating center in Nyíregyháza. Its activity began as call center and sales activity and that extended to phone collection, credit assessment and banking operation activities.

The Company finances asset purchases necessary to its operation from investment loans, its financial situation and liquidity is stable, its operation is profitable.

The number of the Company's employees increased to over 400 and remained above that level throughout 2023 and 2024. It operates by improving its processes and further enhancing the quality of its service. In accordance with the Group's strategy, it moved to a new headquarters in June 2022, allowing colleagues to perform their banking operations tasks in a more modern working environment that better supports the processes.

RB Szolgáltató Központ Kft. ceased its activities on 31.12.2024 based on a decision of the owner. The entire staff and equipment necessary for the performance of the activities were taken over and purchased by the owner Raiffeisen Bank Zrt. The Bank will continue to carry out the previous activities of RB Szolgáltató Központ Kft. at the same level starting on 1 January 2025.

Raiffeisen Befektetési Alapkezelő Zrt.

The Company is a 100% owned subsidiary of the Bank. The Company's assets under management grew at a strong pace in 2024, albeit at a slower pace than in previous years and the market average. In the first quarter of the period, assets under management expanded steadily, but stagnated after March, due to the declining investor interest in short-term bond funds. Investors' focus increasingly shifted to actively managed funds that change their portfolios quickly. June brought new momentum in asset changes, partly as a result of the weakening of the forint, and partly due to the fact that demand for mixed and equity funds, which were less popular in previous years, and for the aforementioned managed funds with an absolute return target, was able to more than compensate for the outflow of assets from bond funds. The summer months brought an even smaller slowdown, but the Company ended the year with an asset growth above the market average. In addition to managed funds with a mixed and absolute return objective, assets managed in ESG funds also benefited from the segment rotation that is otherwise typical at the sector level, while real estate base assets eroded further due to less competitive performance. Another benefit of the year was the increased investor interest in funds and series not denominated in forints.

The Company's operating profit developed favourably, in which, in addition to the rapid growth of revenues, also the controlled costs played a role.

In recent years, the Company has revamped its product set to align with market challenges. The first step in this process was the creation of three funds targeting different risk levels, equipped with active management and stringent risk control, in collaboration with the Austrian asset manager of the Raiffeisen Group. Additionally, in recent years, euro- and dollar-denominated series have been launched for the majority of the managed funds alongside the forint series. As a result of the next step in the product set transformation, the Company now manages five ESG-focused funds, ensuring that clients can choose between traditional and ESG products across all major asset classes. Furthermore, the Company successfully executed a strategic shift in its absolute return funds, significantly increasing their popularity. The success of the Company is signalled by its operations having been awarded with a number of prizes in the past years.

SCT Kárász utca Kft.

It is a 100% owned subsidiary of the Bank. The activity of the Company is facility management.

Its business activities for 2022 and 2023 focused on the management and operation of the properties it owns, which is not expected to change during the 2024 financial year.

Raiffeisen Ingatlan Üzemeltető Kft.

It is a 100% owned subsidiary of Raiffeisen Befektetési Alapkezelő Zrt. The activity of the Company is facility management, such as managing shopping centers, office buildings, industrial and commercial properties, banking branch offices.

It performed also in 2024, in the name of its largest client Raiffeisen Ingatlan Alap, complete financial and technical management and renting-out activity.

(5) Corporate governance statement

Responsible corporate governance is a fundamental tool of the foremost goals of the Group, the precondition of long-term value creation. The duty of corporate governance is to create an appropriate balance, operating order amongst owners, client, employees, business partners and the wider public. The Raiffeisen Bank Zrt.full complies with relevant legislations and HNB's instructions and recommendations. The Group's organisational setup and operating conditions are included in Article of Association and in the Organisational and Operational Policy both accepted by the sole shareholder. The Group continuously revises and improves its corporate governance practice

(6) Financial instruments

The Group prepares its financial statements in accordance with the requirements of IFRS.

In accordance with the requirements of IFRSs and Accounting Law the Group shall from 2018 on – in accordance with IFRS9 – classify its financial assets as measured at amortised cost, measured at fair value through other comprehensive income, or measured at fair value through profit or loss, based on

- the Group's business model to manage the financial assets; and
- the contractual cash flow characteristics of the financial assets.

A financial asset shall be measured at amortised cost, if both of the below conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive income if both of the below conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through profit or loss, except when in accordance with the above it is measured at amortised cost or at fair value through other comprehensive income.

The Group can at initial recognition irrevocably elect to present the subsequent changes in the fair value of certain equity instruments, that otherwise would be measured at fair value through profit or loss, in other comprehensive income.

The Group may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Group shall classify all financial liabilities as measured at amortised cost, except for those cases described in the standards in detail, in which cases they shall be treated as financial liabilities measured at fair value through profit or loss.

The accounting policy of the Group and a number of disclosures requires the determination of fair value of financial assets and liabilities. Fair value is determined for measurement and/or disclosure purposes based on the below methods.

All financial instruments are initially recognised at fair value plus directly attributable transaction costs (except for financial instruments measured at fair value through profit or loss in which case transaction costs are charged directly to profit or loss). The fair value is the price that the Group would receive in case of selling an asset or the Group would have to pay in case of transferring a liability in an orderly transaction between market participants at the measurement date.

Subsequent to initial recognition the basis of determining fair value of financial instruments quoted in active markets is the bid price in case of assets and the ask price in case of liabilities. If observable price is not available, fair value is determined using valuation techniques that rely on observable market data. The method may be comparison with similar instruments for which there is an observable quoted market price, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. Fair value of financial instruments may be determined using techniques based entirely or partly on assumptions that are not underpinned by actual market transactions or observable market data.

The Group designed the following methodology to determine fair value:

Derivative transactions:

- Fair value of foreign currency forward and futures transactions is the difference between the forward exchange rate, determined for the maturity of the transaction and prevailing at the valuation date, and the strike price, discounted from date of maturity to valuation date.

- Fair value of cross currency swaps is the difference between the forward exchange rate, determined for the maturity of the transaction and prevailing at the valuation date, and the strike price, discounted from date of maturity to valuation date, calculated for the forward leg. Yield curves used for the purpose of the valuation incorporate current market interest premium.

- Fair value of interest rate swaps and forward rate agreements (FRA) is the net present value of the expected future cash flows discounted to the valuation date.

- Fair value of plain vanilla and exotic foreign currency options is determined using the modified Black-Scholes model. In case of exotic options for which no closed formula exist, values are determined using iterative techniques.

- Fair value of cross currency interest rate swaps is the net present value of the expected future cash flows of the instrument discounted to the valuation date, where we incorporate into the yield curve used for the purpose of the valuation the interest rate premium (basis swap spread) representative to the market of those instruments (also including country risk premium).

- Fair value of stock and index futures is determined based on the difference of the quoted price and the strike price.

Securities:

Fair value of securities measured at fair value through profit or loss or at fair value through other comprehensive income is determined using market prices available in Bloomberg information system. It is the stock exchange closing price in case of securities where it is available. In case of securities where stock exchange price is not available, the fair value is the net present value of the expected future cash flows of the security discounted to the valuation date.

Loans:

Loans are basically measured at amortised cost which equals the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any expected credit loss allowance recorded.

To hedge the fair value changes of certain loans with fixed interest rate the Group entered into interest rate swaps. Such loans hedged with IRS transactions are measured in the financial statements at amortised cost adjusted for fair value changes attributable to the hedged risk.

Deposits:

The Group measures its deposits at amortised cost. Certain structured deposits contain embedded derivatives which are separated from the deposits. The Group measures the embedded derivatives at fair values with its changes recognised in profit or loss.

The Group involves certain deposits with fixed interest rate in hedge accounting. The fair value of those deposits is determined by calculating the net present value of expected future cash flows discounted to the reporting date.

Bonds issued:

Non-structured self-issued bonds are measured at amortised cost and thus they are not revalued, except for bonds involved in hedge accounting. In such cases only interest rate risk is hedged not credit risk.

Fair value of hedge-accounted issued bonds with fixed interest rate is the present value of future cash flows, whereas in case of structured instruments the Group values the embedded derivative which is separated from the host contract.

Hedge accounting

The Group designated certain derivative instruments held for risk management purposes as hedging instruments designated in hedge accounting. At inception of the hedge the Group formally documents the relationship between the hedging instrument(s) and the hedged item(s), the risk management objectives and hedging strategy followed by entering into the transaction and the method used for measuring hedge effectiveness. The Group evaluates at inception of the hedging relationship and continuously thereafter whether the hedging instrument will be highly effective in offsetting the fair value changes of the hedged item attributable to the hedged risk over the entire term of the hedging instrument and whether the actual results fall within the 80-125 percent range.

(7) Basic principles of risk management and hedging policy

The Group operates an independent, from business functions entirely separated risk management under the supervision of deputy CEO responsible for risk management. The credit risk assessment and management of clients is a task assigned to the Credit Risk Department and Retail and SME Risk Management Department, the analysis of market, operational and fraud risks and compliance with Basel III regulations, capital adequacy calculations, developing credit risk models at the portfolio level is the task assigned to Integrated Credit Risk Department.

(7.1) Credit Risk Management

Risk and credit assessment of non-retail clients is based on individual analysis and rating, typically with quarterly financial monitoring and yearly limit review. In retail and micro enterprise financing there is an automated scorecard-based assessment.

Constraints of financing are represented by the desired balance of business and risk factors as determined by the owner and the management of the Group, the act on financial institutions and other legislations and the framework defined by the Group's Credit Policy.

The economic crisis due to coronavirus pandemic did not cause in 2021 a systematic and mass increase in the balance of non-performing loans, only a few clients became non-performing, amongst them some with relatively higher exposure. Thus, non-performing rate for corporates was about 2% in 2021, for retail it stabilised at about 5%, remaining below the mid-term strategic plan. This healthy level was also facilitated by measures for clearance of non-performing portfolio continuing in 2021 along with the application of standard workout methods. In 2022, the Group still did not experience any systematic portfolio deterioration in the corporate segment, the NPE ratio remained at the previous low level, moreover further decreased in the retail segment to a level of around 4%, while in case of the entire banking portfolio, also taking into account credit risk bearing banking book securities, it was only 1.9%.

This stable/slightly positive trend has been maintained in the first half of 2023, with no meaningful inflows into the non-performing portfolio and individual sporadic cases are counterbalanced by recoveries and returns, with the NPE ratio across the entire bank portfolio, taking into account credit risk bearing banking book securities, declining to 1.7% by the end of 2023

In 2024, the Group's non-performing loan portfolio increased slightly (by approximately HUF 2.4 billion), however, one of the main drivers of this additions was the exchange rate change impact of non-performing corporate loans denominated in foreign currency, in the amount of approximately +HUF 1.8 billion. The change in non-performing loans net of exchange rate changes is negligible overall. In segment view, the decrease of recent years continued in the retail segment, while in the corporate segment the newly recognized non-performing status of three corporate groups caused a noticeable increase. No relevant systematic deterioration is noticeable in any segment. The problematic exposure management and collection efforts also yielded significant results in 2024, significantly offsetting the emergence of new defaults. The ratio of non-performing loans at bank level continued to decrease, to 1.3%.

Nevertheless,, current low default probabilities are expected to rise in the future. This is mainly due to the deterioration of the business environment, supply chain problems, energy crisis, the high inflation environment, the narrowing of the demand and investment side and negative developments in the real estate market, therefore the Group has carried out strengthened and intensive monitoring activities related to these dimensions since October 2021 supplemented with portfolio stress testing. The Group pays particular attention to analysing the expected direct and indirect impacts of increased geopolitical risks.

In retail segment, the portfolio remains stable with low default rates, however the Group is prepared to manage the risks mainly arising from persistent inflation, changes in the interest rate environment and the slow economic recovery.

Payment moratorium: Participation in the payment moratorium, in accordance with the relevant guidance of EBA, did not automatically trigger default and payment difficulty in 2020 and thus the Group pays particular attention to identifying debtors presumably facing payment difficulties also during the term of the moratorium. In relation to clients opting in to moratorium 2 starting in 2021, then 3 and 4 and in relation to clients opting-in to agricultural moratorium in the second half of 2022, the Group made in case of corporates an extraordinary individual risk review to recognise worsening risk profiles and to determine defaults and eventually necessary restructuring. As a result of the assessments, it identified a few new restructured portfolios with a relatively low exposure. The small portfolio that still participated in the moratorium 4 will resume its repayments in accordance with the relevant new loan schedule at the end of 2023. The Group assessed clients entering into moratorium 2 also in the retail segment. Clients in case of whom the Group identified financial difficulties, were reclassified to non-performing status. If the client had no financial difficulties but has been in moratorium for more than 9 months, was reclassified to Stage 2 and there is a close monitoring in place regarding the problems and financial difficulties of clients opting out of moratorium 2. The Group repeated the procedures for assessing clients' financial situation at the start of moratorium 3 and 4 and in justified cases, if information about the clients' deteriorated financial situation became known since then, it reclassified them to default, i.e., to Stage 3.

The payment moratorium ended at the end of 2023, but this did not result in a noticeable deterioration in the credit quality of the portfolio either in 2023, nor in 2024. The Group will monitor and cure the transactions identified as forborne or non-performing during the credit moratorium period in accordance with the normal recovery rules, provided that the relevant preconditions are met.

The risk management procedures of the Group operate in accordance with the requirements of Basel III and IFRS9. Base data necessary to sophisticatedly measure risks are contained in structured form in a modern data warehouse. From 2012 the capital requirement of the whole banking portfolio (corporate, retail and SME) is quantified using the advanced, internal rating based (IRB) methodology. During 2017 the municipality portfolio was returned to the standard methodology. The Group started the same transformation in 2018 regarding financing the top segment of individuals which was completed in the last quarter of 2019.

Capital requirement of baby loans, private banking and employee loans, as well as in retail segment the capital requirement of products in crisis guarantee schemes related microsegment is calculated using the standard methodology.

Measuring and reporting risks is performed on a monthly and quarterly basis in compliance with the Group's and regulator's requirements. The Group uses the results of risk models widely in pricing, in determining credit decisions and strategic directions, thereby ensuring long-term capital adequacy, building up an profitable portfolio that is stable also in respect of risks and the efficient usage of capital available.

The Group reacted also in its credit policy to the changes caused by coronavirus and the changes caused by the following energy crisis, rising inflation and interest rate environment: in judging riskiness of industries, besides higher granularity, the volume/probability of short-term effects and expected mid-term prospect also plays a particular role. Financing activity targets industries with better conditions and clients with stronger resilience, whereas the more vulnerable part of the portfolio requires a more cautious approach. In respect of the latter the Group acted with particular care also during determining impairment and besides revisions of parameters and macro variables of the impairment models carried out taking a conservative approach, it recognised additional impairment if necessary. In 2024, the most important risks covered by the additional provisioning model on the corporate side are: real estate market yield risks, refinancing risk induced by the high interest rate environment, inflation, supply chain squeeze, labour market difficulties and, as a new element, changes in environmental impacts as additional risk factors. The Group continuously revises and if justified adjusts the adequate level of related reserves.

During 2023, the Group developed its methodology for assessing sustainability-related transition risks, primarily environmental risks, as part of the corporate lending process, which are applied to its corporate portfolio from the first quarter of 2024.

In the retails segment, the measurement of climate change and physical risks related to extreme climate events, as well as the quantification of the negative effects to mortgage collateral exposed to them, have been developed by the Group and incorporated into the impairment calculation during 2023.

In the retail segment in March 2020 the Group identified increased risks based on the industry classification of the client's employer, building categories of high/medium/low risk based on expected economic downturn and in November 2020 decided to apply portfolio level management adjustments, so-called overlays to appropriately represent also these risks in impairment calculation. Furthermore, it recognised additional impairment losses on the riskiest clients participating in the moratorium, which was revised at each extension of the moratorium. At the end of June 2023, the management corrections affecting the moratorium were phased out 6 months after the end of the general payment moratorium, as the transactions concerned will be evaluated in normal monitoring processes and are again subject to days past due calculations, thus not carrying additional risks. During 2021 and 2022, the Group fully examined changes in the income situation of customers in order to anticipate potential problems. Due to the impact of energy market risks and increasing liquidity and profitability difficulties, the Group made portfolio-level management adjustments in both the micro and small enterprise segments several times during 2022. In 2023 it continued to closely monitor the transactions concerned but did not see any reason to phase out the adjustments as a consequence of persistent inflationary pressures and the economic downturn. As a result of monitoring, the scope of transactions concerned was redefined and expanded with sole entrepreneurs financed in the retail segment and companies operating in risky industries and their employees. In 2024, due to the slow but rising unemployment rate and a significantly slower than expected recovery of economic growth in Hungary, the Group has maintained management overlays for the most credit risk-sensitive customer groups, which have been fine-tuned to reflect the results of ongoing customer monitoring, due to risks not covered by the model.

(7.2) Operational Risk Management

All organisational units participate actively in managing and as necessary decreasing the level of operational risk (department, region, subsidiary). The Group makes significant efforts to improve the risk management organisation and increase risk awareness, which includes identifying, collecting, assessing, reporting, monitoring and also managing operational risks threatening to achieve the Group's business goals. The main tools used to identify risks are collection of loss data, risk indicators, scenario analyses and risk self-assessments. In course of this work the root causes of all identified operational risk events are explored and used up in decisions on process improvements.

In order to further strengthen the operational risk management activity, the Group implemented those standards that comply with the requirements imposed by the advanced measurement method.

The Group continues to efficiently operate the operational risk framework AMA (Advanced Measurement Approach) introduced in 2016.

(7.3) Market and Liquidity Risk Management

Market and liquidity risk is managed within the Group at a number of levels using advanced methods and infrastructure, monitoring is performed independently of business functions. Measuring and reporting risks is done on a daily/weekly/monthly and quarterly basis in compliance with the requirements of the Group and the regulator. Grouping, measuring, managing of risks and building economic capital is done in the framework of the Group's ICAAP processes.

Measuring and controlling the risks is effected through complex risk, position, stop loss and VaR limit systems, the methodology of which is in accordance with the requirements of the parent bank and the regulator. Management of market and liquidity risks related to banking activity covers the following areas: trading book and banking book interest rate risk; the Group's liquidity risk also from going concern and stress point of view; the risk arising from illiquidity of market positions; share price risk, foreign currency risk, risk inherent in option trading, counterparty risk of OTC derivative transactions. In addition to that, this function of the Group ensures the independent pricing of various financial instruments in accordance with regulation required by the parent bank and by IFRS 9. In addition to this, Market Risk function is responsible for controlling the market-conformity of capital and money market transactions.

(7.4) Fraud Risk Management

Fraud risk is a dominant element of operational risks. The areas of the Group responsible for managing and handling fraud risk pay special attention to all fraud incidents and continuously monitor and evaluate fraud trends. The insights gained from these activities are consistently integrated into the core or monitoring processes. Group.

(8) Environmental protection

In 2024, the Group successfully conducted the annual surveillance audit of Raiffeisen Bank Zrt. Environmental Management System operated according to the ISO 14001:2015 standard, as well as the Energy Management System according to the ISO 50001:2018 standard.

As part of the branch network re-design program, the renewal of mechanical and lighting systems to increase energy efficiency (LED implementation) continued throughout 2024, with significant energy investments made at a total of 12 locations.

Following the first full year of operation of the solar power plant (HMKE) at the RBSC building in Nyíregyháza, actual production and usage data show that the system provided 23% of the total electricity demand. This locally generated electricity prevented the emission of approximately 29.29 tons of CO2 equivalent greenhouse gases into the environment in 2024. The implementation of solar systems at branches will continue in 2025.

The "greening" of the Group's vehicle fleet did not stop in 2024. Utilizing the "RRF-10.10.1-24 Support for the acquisition of road electric vehicles for businesses" grant, Raiffeisen Bank Zrt. commissioned a total of 16 Hyundai Kona EV vehicles. To reduce operating costs, the Group also ensured the establishment of charging facilities for the cars. A total of 13 AC devices with a maximum charging capacity of 11 kW were installed at eight locations in the country (Debrecen, Gödöllő, Nyíregyháza (2 locations), Kecskemét, Miskolc, Pécs, and Szeged). At the end of January 2025, another 9 EV chargers will be put into operation at the AGORA headquarters.

(9) Sustainability

Our planet, the biodiversity and the quality of our life is largely impacted by the natural factors making up the biological system. The business activity of the financial sector has a significant impact on the environment and on society. However, this is a two-way relationship, the finance sector itself is also affected by environmental and social factors. The two most significant environmental effects of these times are climate change and biodiversity loss.

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is a two-way relationship, the finance sector itself is also affected by environmental and social factors. The two most significant environmental effects of these times are climate change and biodiversity loss.

In terms of defining environmental, social and governance (ESG) risks, the Group follows EBA's position and take on a prudential view when it comes to ESG, elaborating on the risks related to it, i.e. 'ESG risks materialize when the ESG factors affecting institutions' counterparties have a negative impact on the financial performance or solvency of such market players'. As ESG refers to environmental, social and governance aspects, the Group identifies the following risks from these aspects. The detailed information about ESG related topics is disclosed in the separate and consolidated non-financial statement.

Key considerations of ESG risks

Environmental risks

Environmental risks are driven by environmental factors. They should be understood as the financial risks posed by the institutions' exposures to counterparties that may both potentially contribute to or be affected by climate change and other forms of environmental degradation (such as air pollution, water pollution, scarcity of fresh water, land contamination, biodiversity loss and deforestation).

The Group identifies environmental risks as a result of the following factors:

- Transition-related risks: regulatory, technological and market changes that generate changes in the lending and other risks arising in the course of banking activities related to climate change, environmental pollution and water ecological processes.
- Physical risks: acute or chronic environmental events related to climate change, environmental pollution and aquatic ecological processes that directly endanger the physical integrity and security of assets and/or customers financed in the course of banking activities, thereby affecting their operability, income-generating capacity and value, as well as the security of supply chains. Acute physical risks include: floods, storms, droughts, forest fires. Chronic physical risks include: desertification, sea level rise, air and water quality, permanent deterioration of water volumes, and persistent increase in temperature.

Social risks

Social risks arise from financial impact generated by misuse of human capital such the rights, well-being and interests of people and communities.

Governance risks

Governance risks refer to the governance practice of the institutions' counterparties, including the inclusion of ESG factors in policies and procedures under the governance of the counterparties.

These risks affect:

- the value of the companies' assets, business model, income-generating capacity, supply chains, investable resources, regulatory environment;
- household income, expenditure, and the value of their assets;
- and at the macroeconomic level, the value of capital assets, investment needs, productivity and competitiveness levels, consumer preferences, and the related operation of public finances, interest rates and exchange rates.

These changes may be reflected in the Group's operations as follows:

- credit risk: increased defaults, depreciation of collateral;
- market risk: unexpected changes in asset price movements that are difficult to predict;
- operational risk: vulnerabilities in supply chains, physical operational risks;
- liquidity risk: increased liquidity needs, refinancing risk;
- reputational risks: reputational damage due to inadequate management of the above, risks of being painted 'green'.

Risk framework

The Group takes these risks into account in its risk frameworks over different time horizons as follows:

Short term

Individual risks

The Group implicitly takes into account the mentioned risks in the corporate customer base during the annual review and credit approval process. In 2023, a modification of the lending process was introduced, in the course of which the Group

explicitly analyses the environmental assessment of the customer and the loan objective on the business side ('ESG expert opinion') and presents the identifiable environmental risk profile ('ESG risk assessment') as a separate part of the risk manager's position on the risk side.

The Group conducts an increasing number of surveys to its customers in order to obtain access to their sustainability data (in the form of an electronic questionnaire). In the survey, in addition to estimated and factual data related to GHG emissions, the Group collects data on water and land use; waste production and environmental pollution characteristics. In addition to short-term consideration, these data also serve as input for the assessment of medium-term (ESG score) and long-term (climate scenarios). The Group has taken note of the National Bank of Hungary's recommendation for a customer questionnaire in this regard and will supplement its own questions with the minimum set of questions recommended, in the future, keeping in mind the deadlines set.

The Group is making efforts to obtain energy performance data for collaterals. Where the legal environment allows, it is a mandatory condition to provide the related certificates in the case of new funding, and in the case of existing funding and/or in the absence of a legal obligation, data collection is carried out on a 'best effort' basis within targeted campaigns.

The Group has implemented sector-wide lending policies to define sustainability financing conditions. By the end of 2024, it has established clear lending policies in the following sectors: tobacco, coal, renewable energy, oil and gas; steel, nuclear energy, real estate and construction and related raw materials.

Portfolio risks

With the help of scientific methodologies (PCAFs) and estimates, measurements were made regarding the financed GHG intensity of the corporate customer base, which is published in the separate and consolidated non-financial statement for 2024 as the first time, section 'E1-6: Gross scopes 1, 2, 3 and total GHG emissions'.

For the corporate segment the additional risk arising from ESG factors was considered using the Special Risk Factors (SRF) Framework, primarily to account for unmodelled macroeconomic effects but also to cover environmental risks as a temporary compensations of the model weaknesses. More details are disclosed under note (6.2) Credit risk.

Mid-term

Individual risks

In 2022, the Group introduced an ESG scoring system to assess customers in a standardized way from the environmental perspective. The model was developed by the parent company (RBI), and its use is uniform for the medium-sized and large corporate customers. The ESG score has no direct impact on the client's credit rating. The ESG model is based on an industry base score, supplemented by an additional carbon dioxide emission factor. It is possible to deviate the industry average score in this way in a positive or negative direction along individual customer specifics. During scoring, the risk analyst evaluates a number of aspects based on the client's report, data reporting and disclosures, which, supplemented with the data of the above-mentioned electronic questionnaire (where available), determines a final client score within the industry score limits. The ESG score can provide guidance on the calibration of customers' expected environmental risks in the medium term, and as such, it serves as input information for the above-mentioned sustainability assessments related to the lending process.

Portfolio risks

Based on the ESG Score mentioned above, the Group plans to introduce portfolio management tools in the future (sub-portfolio level measurements, targets and limits), which will be broken down to a local level based on the parent company's group-level limit management. In 2025, it is expected to introduce a monitoring process for the change in the average ESG Score of the portfolio above 10%, as well as for the maximum amount of the part of the portfolio with the worst ESG Score.

Regarding the Group's ambitions towards the 2015 Paris Agreement climate targets, the Group committed to reducing its financed GHG emissions by 17% by the end of 2030, based on the level measured at the end of 2023. The objective for the corporate client portfolio has been formulated as an overarching target and was approved by the Board of Directors. In the coming years, this effort is expected to be further developed and detailed sector-specific goals may be developed.

Long-term

Portfolio risks

A long-term Climate Stress Test has been prepared at the level of the RBI Group and its subsidiaries, taking into account the above-mentioned customer and collateral sustainability data, along the scenarios defined by the EBA. The Group's results have been completed by the end of 2024, which examined the long-term impact of climate risks on the Group's profitability and capital adequacy in each scenario. The results show that the Group is not exposed to significant risk overall over the 2030-40-50 time horizon, but there are portfolios that are more vulnerable under certain scenarios.

Reference to the non-financial disclosure

During the reporting period, it was determined that there are no financially material risks from climate change to the regular risk parameters (market risk, credit risk, operational risk, and liquidity risk). The effects of climate change are only observed through scenario analyses over longer periods. The effects from climate risks are incorporated into risk measurement and limitation. Further information on the nature, extent and mitigation of climate change risk are available in the separate and consolidated non-financial statement's chapter IRO-1: 'Process to identify and assess material impacts, risks and opportunities'.

Key sources of estimation uncertainty and critical accounting judgments

In the double materiality analysis for the separate and consolidated non-financial statement in 2024, the financial materiality of sustainability matters was considered in the short, medium, and long-term. In the short term, defined as the reporting period of the consolidated financial statements, it was assessed that there were no financially material risks from sustainability matters. As a result, the consolidated financial statements do not include any separate disclosure on sustainability related uncertainties that materially affect the estimation assumptions. In the long term, which is considered as ten years onwards, there is also a low chance of a material impact on the credit risk of our customer portfolio due to climate change transition risk. For more details, please see the separate and consolidated non-financial statement's chapter IRO-1: 'Process to identify and assess material impacts, risks and opportunities'.

(10) Employment policy

The Group is one of the leading employers in the financial sector: at 2024 the average statistical number was 3,084. It is especially important for the Group to carry out its activities as a fair and correct employer, on the one hand fully considering and complying with the prescriptions of the Hungarian Labour Code, on the other hand ensuring favourable work and career opportunities and continuous professional development and development as a leader to its employees.

Recruitment and selection is done centrally, in course of the activity of HR, paying attention to the core principles of inclusive culture and taking care that diversity be a part of the daily selection practice. The Group's selection practice is focused on trained and qualified workforce, however at the same time it provides an opportunity also to graduates for intensive professional development.

The Group pays attention to and strives for ensuring for its employees fair and competitive income compared to Hungarian labour market. Fringe benefits, within the framework of Cafeteria system, provide a choice for the colleagues to select from a wide range of benefit most fitting their personal needs.

All employees are covered by the performance development process operated by the Group, which provides a framework for clear goal setting, constructive feedback and well-grounded performance evaluations. Performance-dependent financial and moral rewards incentivise the colleagues to achieve outstanding performance.

The Group has a complex training and development activity, which is focused, besides developing professional knowledge and skills, on programmes to improve personal, managerial, language and IT skills. At the end of the year, the Group's employees spent an average of 5.61 days on training and development events and programs, without e-learning 1.07 days. The continuous development of employees' digital skills has a major role in the training and development portfolio, that is supported with the annual Digital Learning Week event starting from 2021 together with the numerous professional trainings. The Group supports the colleagues in successful and effective coping with everyday performance challenges and stress situations with community building and employee well-being programmes.

The Group operates a comprehensive and conscious succession planning practice, the goal of which on the one hand is the retention of managers and employees working in key professional roles, on the other hand the succession planning and development.

Workplace Council operates within the organisational framework of the Group, ensuring consideration of employee interests.

With the introduction of the flexible working framework in 2020, the Group organised, except for the critical business areas, the employees' working from home, which, subsequent to the pandemic, as a new standard will remain an integral part of the operation and will continue to be operated in a framework and construction based on the field of work.

(11) Compliance activity

In accordance with the regulations and the requirements of NBH the Group operates for exploring and managing compliance risks – as part of the internal defence lines – an independent organizational unit who performs the following functions:

- Controlling the compliance with ethical rules, issuing guidance on related questions, performing investigations of notices
- Ensuring compliance with regulations on conflicts of interest and the control of that
- Organizing and operating anti-corruption measures within the group
- Maintaining the internal loan register
- FATCA/CRS monitoring and reporting
- Fighting against money-laundering and financing international terrorism, as well as organizing, governing and coordinating the compliance with international sanctioning measures within the group, operating relating monitoring system; operating a notification and control system, liaison with the competent authority.
- Ensuring and controlling the compliance with regulations regarding segregation of financing and investment services, restricting the flow of information, prohibition of insider trading and market manipulation and employee trading, and liaison with the competent authority.
- Ensuring and controlling compliance with regulations on investment related services (e.g. Bszt.), performing defensive task related to client assets.

The organizational location of the compliance function and its scope of activities are in all respects in accordance with relevant regulations, with HNB guideline on the system of lines of defence and the underlying EBA (GL2021/005) guideline.

(12) Research and development

The Group performs R+D activity during application development related to financial services, as well as in the implementation of business and risk management modelling.

(13) Fees charged by the auditor

The following net fees were charged in 2024 and 2023by Deloitte Könyvvizsgáló és Tanácsadó Kft. and by Deloitte Üzletviteli és Vezetési Tanácsaadó Zrt.:

(HUF million)	**2024**	**2023**
Audit of financial statements	230	236
Other assurance services	68	50
Total	**298**	**286**

(14) Branch network

The Group serves its clients through branches located at the following addresses as at 31.12.2024

- 1015 Budapest, Széna tér 1/a.
- 1023 Budapest, Bécsi út 27.
- 1024 Budapest, Lövőház u. 2-6.
- 1036 Budapest, Bécsi út 136.
- 1037 Budapest, Szépvölgyi út 41.
- 1045 Budapest, Árpád út 183-185.
- 1051 Budapest, Vörösmarty tér 4.
- 1055 Budapest, Szent István körút 27.
- 1061 Budapest, Andrássy út 1.
- 1062 Budapest, Váci út 1-3.
- 1066 Budapest, Teréz krt. 12.
- 1072 Budapest, Rákóczi út 44.
- 1085 Budapest, Üllői út 39-43.
- 1087 Budapest, Kerepesi út 9.
- 1106 Budapest, Örs vezér tere 25.
- 1114 Budapest, Bocskai út 1.
- 1115 Budapest, Etele út 68.
- 1117 Budapest, Hunyadi János út 19.
- 1123 Budapest, Alkotás utca 53.
- 1123 Budapest, Alkotás utca 55-61.
- 1133 Budapest, Váci út 116-118.
- 1139 Budapest, Váci út 81.
- 1148 Budapest, Örs vezér tere 24.
- 1152 Budapest, Szentmihályi út 137.
- 1173 Budapest, Ferihegyi út 74.
- 1181 Budapest, Üllői út 417.
- 1203 Budapest, Kossuth Lajos utca 21-29.
- 1211 Budapest, Kossuth Lajos u. 85.
- 2030 Érd, Budai út 22.
- 2040 Budaörs, Templom tér 22.
- 2100 Gödöllő, Gábor Áron u. 5.
- 2310 Szigetszentmiklós, Vak Bottyán u. 18.
- 2400 Dunaújváros, Vasmű út 39.
- 2500 Esztergom, Kossuth Lajos u. 14.
- 2600 Vác, Széchenyi u. 28-32.
- 2800 Tatabánya, Fő tér 20.
- 2900 Komárom, Mártírok útja 14.
- 3200 Gyöngyös, Fő tér 12.
- 3300 Eger, Jókai Mór utca 5.
- 3525 Miskolc, Erzsébet tér 2.
- 3527 Miskolc, Bajcsy Zs.u. 2-4.
- 4024 Debrecen, Piac u. 18.
- 4026 Debrecen, Péterfia utca 18.
- 4400 Nyíregyháza, Korányi Frigyes u. 5.
- 4400 Nyíregyháza, Kossuth tér 7.
- 5000 Szolnok, Szapáry út 22.
- 5600 Békéscsaba, Andrássy út 19.
- 6000 Kecskemét, Kisfaludy u. 5.
- 6200 Kiskőrös, Petőfi S. tér 8.
- 6500 Baja, Dózsa György út 12.
- 6500 Baja, Dózsa György út 12.
- 6720 Szeged, Széchenyi tér 3.
- 6722 Szeged, Kossuth Lajos sugárút 9-13.
- 6800 Hódmezővásárhely, Kossuth tér 6.
- 7100 Szekszárd, Széchenyi utca 37-39.
- 7400 Kaposvár, Berzsenyi utca 1-3.
- 7621 Pécs, Bajcsy Zs. u. 11.
- 7621 Pécs, Irgalmasok útja 5.
- 8000 Székesfehérvár, Palotai út 1.
- 8000 Székesfehérvár, Távírda utca 1.
- 8200 Veszprém, Mindszenty József u. 2.
- 8360 Keszthely, Széchenyi utca 1-3.
- 8400 Ajka, Szabadság tér 4.
- 8500 Pápa, Fő tér 15.
- 8800 Nagykanizsa, Deák tér 11-12.
- 8900 Zalaegerszeg, Kossuth u. 21-23.
- 9022 Győr, Arany János utca 28-32.
- 9024 Győr, Vasvári P. út 1/a.
- 9200 Mosonmagyaróvár Fő u. 26.
- 9400 Sopron, Széchenyi tér 14-15.
- 9431 Fertőd, Fő u. 12.
- 9700 Szombathely, Fő tér 36.

(15) Key financial indicators

(HUF million or %)	31.12.2024	31.12.2023
Key profitability and efficiency ratios		
Number of branches	73	73
Net interest income	186,981	200,656
Net fee and commission income	94,384	81,520
Operating expenses	87,641	81,486
Cost to income ratio (without transaction fee and taxes)	32.02%	30.72%
Provisioning	13,277	986
Profit for the year	115,952	103,259
Return on equity after tax (ROE)	24.52%	25.26%
Return on assets after tax (ROI)	2.51%	2.33%
Net interest margin	4.20%	4.66%
Provisioning ratio	-0.69%	-0.05%
Total assets	4,615,256	4,432,055
Gross carrying amount of loans and advances to clients	1,928,211	1,830,052
Deposits from customers	3,183,599	2,986,372
Loan to deposit ratio	60.57%	61.30%
Deposits from banks	468,698	504,981
Key risk ratios		
Impairment related to loans and advances to clients	56,183	66,516
NPL exposure	56,737	57,184
NPL ratio	2.94%	3.12%
NPL coverage ratio	99.02%	116.32%
Provisioning ratio	-0.69%	-0.05%
Total capital specific key ratios		
Common equity tier 1 capital (CET1)	389,379	371,164
Additional tier 1 capital (AT1)	46,979	46,979
Tier 2 Capital	70,724	66,175
Total regulatory capital	507,082	484,317
Risk-weighted asset	1,727,082	1,746,597
CET 1 capital ratio	22.55%	21.25%
Tier 1 capital ratio	25.27%	23.94%
Total capital ratio	29.36%	27.73%
Leverage ratio	6.79%	6.32%
Liquidity risk specific key ratio		
Liquidity coverage ratio (LCR)	176.60%	188.90%
LCR High Quality Liquid Assets	1,872,500	1,753,038
LCR Net Outflows	1,060,075	928,065
Net Stable Funding Ratio (NSFR)	145.39%	145.58%

Raiffeisen Bank

Consolidated non-financial statement

2024

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General information

Basis of preparation

BP-1: General basis for preparation of non-financial statement

In preparing this non-financial statement ('Non-financial statement' or 'Sustainability statement'), Raiffeisen Group. ('**RBHU Group**' or **'Group'** or **'Bank'**) acknowledges certain inherent limitations due to the initial reporting under the Corporate Sustainability Reporting Directive (CSRD). Consequently, comparisons over time may be constrained as frameworks for sustainability reporting are continuously evolving. The data collection processes and methodologies for certain sustainability metrics are still being refined. As such, some data points may be subject to estimation and may not capture all aspects of performance accurately. Any future changes in structure or operations may impact the reported sustainability metrics. The sustainability impacts reported herein are influenced by external factors such as regulatory changes, market conditions, and technological advancements, which may affect the outcomes of our/RBHU Group's sustainability initiatives.

We are committed to continuously improving our sustainability reporting processes and addressing these limitations in future reports to provide more comprehensive and reliable information to our stakeholders.

Section 134/J (1) of the Accounting Act stipulates that RBHU Group must prepare its consolidated business report in the electronic reporting format (XHTML) as specified in Commission Delegated Regulation (EU) 2019/815 (ESEF Regulation). Additionally, the sustainability statements defined by the ESEF taxonomy in the consolidated sustainability statement are required to be marked up using the XBRL markup language, including the disclosures mandated by Article 8 of Regulation (EU) 2020/852. However, given that the ESEF taxonomy for sustainability statements has not yet been adopted, the Consolidated sustainability statement does not contain XBRL markups due to the absence of the relevant legislation.

The non-financial statement provides information on Raiffeisen Group. sustainability agendas and activities for the 2024 reporting period. This chapter represents the Bank's summarized and consolidated sustainability statement according to Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting, *OJ L 322, 16.12.2022, p. 15–80*. (the 'Corporate Sustainability Reporting Directive' or 'CSRD') and local law (pursuant to sections 95/D-95/I of the Hungarian Act C of 2000 on Accounting).

The non-financial statement for 2024 is not published as a stand-alone report, but it is included as part of the 2024 annual financial report in a separate chapter of the management report. In the management report, RBHU Group describes the direct and indirect economic, environmental, and social impacts of business activities for the year 2024, which were identified as material based on the double materiality assessment in accordance with the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards, OJ L, 2023/2772, 22.12.2023 (the 'European Sustainability Reporting Standards or ESRS') In line with the requirements in ESRS 1, RBHU Group has included the prescribed disclosures pursuant to the EU Taxonomy Regulation (Article 8 of Regulation (EU) 2020/852 and the accompanying delegated acts) as separately identifiable sections in this non-financial statement.

Based on RBHU Group's double materiality assessment, the 2024 consolidated non-financial statement is organized according to the ESRS disclosure framework. In terms of content, RBHU Group reports on its sustainability Strategy, the related impacts, financial risks, opportunities and how it manages them, as well as considerations of stakeholders' views. The reported key figures relate to RBHU Group as a whole. The consolidated non-financial statement addresses all RBHU Group's stakeholders.

The consolidated non-financial statement is published annually, and for the year 2024, it was released on 27 March 2025. Deloitte Audit and Consulting Ltd. independently audited the consolidated non-financial statement with limited assurance for the reporting year 2024. The option of excluding certain information relating to intellectual property, know-how, or the results of innovations relating to disclosure has not been utilized in this sustainability statement.

The legal norms and recommendations indicated in this report do not necessarily constitute the full regulatory framework applicable to the Bank; therefore, the Group disclaims any responsibility for its completeness. The referred regulations are provided solely to assist with the interpretation of the text.

The permitted option of omitting the disclosure of impending developments or matters in the course of negotiation has not been utilized by RBHU Group.

This report has been prepared on a consolidated basis. For details, please refer to the chapter entitled Scope of consolidation.

The scope of consolidation of the consolidated non-financial statement covers upstream and downstream value chains.

The consolidated non-financial statement is presented in million Hungarian Forints. If not stated otherwise, financial information is presented in Hungarian Forints rounded to the nearest million.

Scope of consolidation

The scope of consolidation of the consolidated non-financial statement is generally the same as for the consolidated financial statements, which are prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and the international accounting standards adopted by the EU on the basis of IAS Regulation (EC) 1606/2002, including the applicable interpretations of the International Financial Reporting Standards.

With this said there are same parts in the Report (as listed within this section), where RBHU Group has to deviate from the general consolidation in order to provide material information, furthermore, provide a transparent and rational picture from its ESG factors and aspects.

Further information regarding the scope of consolidation can be found in the consolidated financial statements in note (44) Investments in subsidiaries.

BP-2: Disclosures in relation to specific circumstances

Time horizons

Explanations of time horizons in risk management

For climate and environment-related risk, RBHU Group differentiates between the impact expected in the short, medium and long term in line with the European Central Bank (ECB) guide on managing climate-related and environmental risks and RBI Group's approach. As the planning horizon and average loan tenor are typically shorter than the time horizon in which the effects of climate-related change and environmental degradation would primarily arise, a forward-looking approach is considered with a longer-than-usual time horizon:

- Short term (up to three years) – risks mainly associated with transition risks (e.g. changes in legislation and regulation, changes in technology), i.e. the ability of companies and customers to achieve the transition to a low-carbon economy. The Bank sees opportunities both from supporting its customers with financing, allowing them to achieve the transition to a low-carbon economy, as well as potentially increasing the financing directed at industries that are already green (e.g. renewables) and supporting industries that are contributing to the development of a circular economy.
- Medium term (more than three years, up to ten years) – risks driven by the paradigm shift in business models, the emergence of new technologies and continuous updating of regulations, with potentially increasing risks from a physical perspective (if CO_2 reduction is not achieved as targeted). Both physical and transition risks will pose challenges. Technological risks can arise if innovations in connection with energy efficiency result in old technologies that RBHU Group has invested in becoming outdated and unprofitable. On the other hand, investments in new technologies can also fail if they prove to be technically immature. Regulatory risk in connection with stricter environmental protection laws and regulations can also make existing investments less profitable or even unprofitable. The withdrawal of many investors from the fossil energy sector, especially coal and carbon-dependent industries, is an indication that the corresponding assets of the customers or investees can be expected to fall in value over the medium term (carbon bubble). On the other hand, RBHU Group sees a good opportunity in terms of investing in new technologies that are more likely to be profitable in the medium term (and divesting from coal).
- Long term (more than ten years) – challenges will come from physical risks, their impact on customers' business models and supply chains, as well as on their ability to mitigate and ensure that their repayment capacity is not severely affected. In the event of an insufficiently orderly climate transition, various long-term scenario analyses suggest large losses, particularly for carbon-intensive industries.

Sources of estimation and outcome uncertainty

Quantitative information about key value chain activities is often based on averages, assumptions and estimates. RBHU Group tries to obtain sustainability data directly from its clients. If estimates or quantitative information do not refer to the current reporting date, they are disclosed in the respective chapters. Where this is not possible external data vendors or sector averages are used. In most cases several data sources are used. As more sustainability-related information becomes available and standardized, for example as a result of the adoption of ESRS, the Bank expects to be able to reduce the estimation uncertainty related to it. The main metrics applied by RBI, and subsequently RBHU Group, using estimates based on indirect sources, are Scope 3 emissions. This involves the provision of data quality information in alignment with PCAF (2022). The Bank indicates a high level of measurement uncertainty where metrics or monetary amounts are disclosed.

For corporate customers as well as for project finance transactions, RBI Group has developed an ESG customer score by measuring the impact of ESG-related risk through individual scores, which are sourced centrally to each NWU, therefore to RBHU Group as well.

ESG customer score

The ESG customer score is used to:

- Assess the ESG performance of customers;
- Assess the mid- to long term-related risk arising from customers' ESG behaviour;
- Identify customers with a restrictive, transformative, or supportive ESG performance and draw conclusions for the underwriting decisions on certain customers.

The ESG score is based on the following components:

- Environmental: measures the impact of transition risk and physical risk; focus areas are to support transition to a net zero greenhouse gas (GHG) emission, the circular economy and biodiversity; in addition, the Bank is able to identify those customers that it would like to support further: either on their way to a low-carbon economy, as a contributor to the circular economy, or due to their low impact/enabling function vis-à-vis the environment (already green industries). The E score is determined on the basis of both quantitative and qualitative factors. Quantitative factors that are considered in the E score relate to the following (this list is not exhaustive):
  - Customer CO2 emissions (all 3 scopes);
  - Energy consumption;
  - CO_2 reduction targets;
  - Water use;
  - Share of renewables, etc.

  Qualitative factors address the actions that the company has put in place (if any) to tackle its environmental footprint, including target setting.
- Social: capturing social risks at the customer level and identifying those with a negative impact on society and/or that contradict the Bank's internal societal standards and reflect negatively on its reputation. Positive impacts will also be considered and potential support for such customers may subsequently be envisaged. Compliance with existing health and human rights regulations has already been considered. A more extensive update of the ESG scoring model was performed in relation to human rights. RBI Group, and RBHU Group has taken a closer look at the following areas relating to its customers:
  - Social/human rights-related Code of Conduct and supplier screening;
  - Minimum safety standards in the work environment;
  - Appropriate business behaviour;
  - Supporting diversity and educational aspects at the employee level.

  The respective social score questions for assessing social risks can be assigned to five major areas related to the social aspects of a company:
  - General information;
  - Human capital/human rights;
  - Responsible production;
  - Product-related aspects;
  - Customer-related aspects.
- Governance: governance-related risks at the customer level are measured by scoring questions on transparency, business ethics, diversity, strategy and risk management, specifically at the top management level.

The ESG customer score is based on individual assessments by internal analysts. Qualitative and quantitative information on E, S and G criteria is used to evaluate the customer. The ESG score is determined for all corporate credit customers. All customers in the corporate, project finance and sovereign category have an ESG score. For financial institutions, the ESG score was rolled out for year-end 2024.

Customer data collection

ESG data availability is crucial for the RBI Group and RBHU Group to develop internal customer ESG scoring, track the reduction of financed emissions and make informed internal steering decisions. Many customers are not yet subject to a regulatory reporting regime, which is why ESG data is not available for the entire portfolio. Additionally, data is subject to fluctuations in quality. Often, estimated values – such as for Scope 3 emissions – are used. To improve the availability and quality of data, RBI and RBHU Group uses a variety of internal and external ESG data sources:

- Client data
  - ESG questionnaire
  - Non-financial statements
- 3rd party data vendors
- Public databases
- Deal level data
- Energy Performance Certificates

Despite the poor availability, the highest priority is put on audited/verified client data, the lowest priority is given to estimates. RBI has created a customer questionnaire that enables it to gather relevant information on environmental aspects directly from its customers. Since the Bank already covers social and governance-related questions in the regular rating process, the focus has been on collecting quantitative data on environmental topics.

The customer questionnaire covers the most important environmental aspects, in particular data on:

- GHG emissions;
- Reduction targets;
- Circular economy;
- Energy consumption;
- Water consumption;
- EU Taxonomy KPIs (Turnover, CAPEX).

Every year the set of ESG data points is reviewed with the respective stakeholders – new data points are added while no longer necessary ones get removed from the data collection. Social and governance-related information is gathered from both annual reports and sustainability statements of the customers.

To further improve data availability and data quality, the Bank employs or plans to employ a mix of measures:

- Engaging with clients and create awareness;
- Will consider implementing detailed KPIs at board level;
- Performing data quality checks;
- Visualizing data collection progress through reports and dashboards.

The remaining topics included in the second pillar can be found in the specific CSRD chapters:

- Green Asset Ratio (see chapter entitled Regulatory disclosure requirement in accordance with Article 8 of the EU Taxonomy Regulation);
- Financed emissions (see chapter E1-6: Gross scopes 1, 2, 3 and total GHG emissions);

- Target setting (see chapter E1-4: Targets related to climate change mitigation and adaptation).

Disclosures stemming from other legislation or generally accepted sustainability reporting statements

Regulatory disclosure of ESG risks

Since the 2022 financial year, the RBI Group has been required to disclose the Implementing Technical Standards (ITS) on Pillar 3 disclosures on Environmental, Social and Governance (ESG) risks as published by EBA, in which RBHU Group was represented on a consolidated basis. These standards aim to ensure that stakeholders are well informed about the ESG exposures, risks and strategies of institutions, that they can make informed decisions and exercise market discipline. The aim is to guarantee the improved consistency, comparability, and meaningfulness of disclosures by institutions.

According to Article 18a of Regulation (EU) 2021/637, Raiffeisen Bank Zrt. shall disclose the information referred to in Article 449a of Regulation (EU) No 575/2013 as amended by Regulation (EU) 2024/1623 as of 30 June 2025.

Incorporation by reference

Some ESRS disclosure requirements are closely linked to requirements that the Bank is already subject to, such as the requirement in the Corporate Governance Code to describe its governance structure. All references are listed below:

Chapter in consolidated non-financial statement	Reference
Scope of consolidation	Consolidated financial statements
The role of the administrative, management and supervisory bodies	Corporate governance report

List of phased-in disclosure requirements

ESRS	Disclosure requirement
SBM-1	Breakdown of total revenue, as included in its financial statements, by significant ESRS.
SBM-1	List of additional significant ESRS sectors in which significant activities are developed or in which undertaking is or may be connected to material impacts
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities.

Governance

GOV-1: The role of the administrative, management and supervisory bodies

The organizational framework for governance, supervision and decision-making is set within the annual Responsible Corporate Governance Statement of RBHU Group. For this reason, detailed information with regard to the composition of administrative, management and supervisory bodies, general roles and responsibilities, procedures of the decision making and percentage of independent members, please refer to Section 3 of RBHU Group's Responsible Corporate Governance Statement. While this report covers only ESG relevant aspects of the operation of these organizational units.

Organizational anchoring of sustainability in RBHU Group

Supervisory and Control level

Board of Directors

Audit Committee | **Risk Committee** | **Remuneration Committee** | **Nomination Committee**

Management level

Management Board

Thematic level

Sustainability Council | **Sustainable Bond Committee**

Implementation level

ESG business ambassadors	Sustainability Officers	Employees (specific units)
Responsible for the implementation of the ESG business strategy	Responsible for the establishment and further development of the local sustainability agenda	Responsible for the implementation of measures to achieve sustainability goals and tackle ESG risks

Supervisory and Control level

For detailed information with regard to the composition, general roles and responsibilities of the Supervisory and Control units (including the Board of Directors, the Audit Committee, the Risk Committee, the Remuneration Committee and the Nomination Committee), as well the procedures of the decision making, please refer to the Section 3 of RBHU Group's Corporate Governance Report.

Organizational unit	Executive/non-executive members	Female/male members	Female/male ratio (%)
Board of Directors	2 executives & 6 non-executives	2 female & 6 male members	25%-75%
Audit Committee	3 non-executives	3 female members	100% female
Risk Committee	3 non-executives	1 female & 2 male members	33%-67%
Remuneration Committee	3 non-executives	3 male members	100% male
Nomination Committee	3 non-executives	3 females	100% female

Management level

The highest decision body in RBHU Group in ESG matters are the Management Board. For more detailed information with regard to the composition of the Management Board, procedures of the decision making and percentage of independent members, please refer to Section 3 of RBHU Group's Corporate Governance Report. The Management Board is responsible for the oversight of impacts, risks and opportunities related to the bank's own operations and value chain. All members of the Management Board are engaged in this responsibility, ensuring comprehensive and effective governance.

The responsibilities of the bodies are clearly delineated within the internal bylaws of RBHU Group.

The Management Board is the most senior decision-making body for ESG-related strategies, policies and commitments. Each board area must implement their respective sustainability strategies and integrate them into the performance management process. This should be reflected in the ESG policies and conditions for the individual area.

The Management Board possesses sustainability-related expertise, both directly and through the supports of ESG experts. RBHU Group ensures that Management Board members have specialized sustainability training by in-house experts. Expertise and training enable the Management Board to effectively oversee the bank's sustainability strategy, addressing its material impacts, risks and opportunities. The Management Board assess and identify impacts, risks and opportunities through the Sustainability Council and based on the discussions made within council sessions.

Organization unit	Executive/non-executive members	Female/male members	Female/male (%)
Management Board	6 executives	6 male members	100% male

Thematic level

Sustainability Council

The Sustainability Council has established as a core organizational component of decision facilitator, stakeholder dialog and as part of sustainability management. It is composed of ESG and sustainability experts from the fields of economic, environmental and social issues, alongside RBHU Group decision makers. The council is chaired by the CRO of RBHU Group. Meetings are held at least twice a year and are organized by Strategy and Company Office. As a discussion and decision facilitator platform the council is to advise on the development of sustainability agendas, it assist in defining important action areas and focal points (materiality approach), advises on deriving targets and measures, and make recommendations.

As of 31 December 2024, the following members sit on the Sustainability Council:

- CEO;
- CRO (chairman);
- CFO (deputy-chair);
- Board member responsible for retail;
- Board member responsible for corporate;
- Head of Strategy and Company Office;
- Head of Human Resources Department;
- Head of Central Procurement and Outsourcing Department;
- Head of Integrated Risk Management Department;
- Head of Credit Risk Management;
- Head of Corporate Business Department; and
- CEO of Raiffeisen Investment Fund.

Sustainable Bond Committee

The Sustainability Bond Committee (hereinafter: "SBC") was established as a body for monitoring the management of the sustainability bond program in RBHU Group in line with the RBHU Group sustainability bond framework. The SBC is part of RBHU Group's Asset Liability Committee (as a subcommittee) and represents an extension of the management team. It comprises an extended team of management and experts from Project Finance and Structured Products Department (hereinafter: "PFS"), Treasury, and Strategy and Company Office (hereinafter: "SCO").

The Sustainability Bond Committee has the following tasks:

- Setting of sustainability bond principles;
- Governing of the sustainability bond framework;
- Approval of eligible green and social assets for the sustainability bond portfolio in accordance with the RBHU Group sustainability bond framework;
- Review and sign-off of the environmental and social impact reporting in accordance with the RBHU Group sustainability bond framework.

Regular review of the eligible portfolio and the use of proceeds in accordance with the RBHU Group sustainability bond framework.

Implementation level

ESG business ambassadors

Business ambassadors are experts within business units of RBHU Group responsible for the implementation of the ESG business strategy. Business ambassadors work in close cooperation with ESG business teams of RBI, executing and implementing RBI Group wide strategies and initiatives with local specifics, focusing strongly on ESG lending opportunities.

Sustainability Officers

Sustainability Officers are experts responsible for the establishment and further development of the local sustainability agenda.

The tasks of Sustainability Officers covering the below themes:

- prepare the RBHU Group's consolidated Sustainability Statement in line with CSRD requirements including the coordination of relevant processes at professional level
- elaboration of RBHU Group's long-term ESG strategy with the involvement of relevant stakeholders
- support relevant peer areas in execution of ESG tasks
- preparation of regular Sustainability Council meetings, coordination of proposals, facilitation of the meeting; and
- act as the RBHU Group's main ESG single point of contact towards RBI, the regulator and the Auditor.

Employees (specific units)

Facility Management

The operation of RBHU Group Facility Management is carried out under the direct supervision of the CPO department, with the CPO itself being part of the CFO organization. Facility Management is responsible for the daily operational management of RBHU Group's headquarters and branch network, as well as coordinating its energy management and environmental management activities. The first area of activity includes ensuring the operation, maintenance, and troubleshooting of energy supply systems, preparing and assisting in the procurement of energy carriers (natural gas, district heating, electricity) necessary for operation, and participating in the procurement process. The second area of activity includes tasks such as operating and maintaining the certified Energy Management System (ISO 50001) and the Environmental Management System (ISO 14001) at RBHU Group's headquarters and branch network and continuously improving energy management and environmental performance. Furthermore, Facility Management is also responsible for preparing the annual energy consumption report and for preparing the Scope 1 and 2 calculations, by collecting the relevant data and transferring it to the colleagues dealing with ESG Cockpit data reporting.

Human Resource Department

HR Function sustainability activities include ensuring fair labor practices, enhancing employee well-being, providing training and development opportunities, implementing ethical recruitment processes, providing a performance measurement framework which aligned with broader environmental, social, and governance (ESG) goals.

Internal Controls

The Internal Control System supports the efficient design and effective implementation of the overall control environment to achieve the organization's operating, financial reporting, and regulatory compliance objectives. Through identification, development, documentation, prioritization, and periodic control testing, the Internal Controls System helps to assure the suitability of the control environment. It is a critical component of bank management; it allows the company to foresee potential problems and thereby prevent or minimize the risk of unexpected losses or damage to its reputation.

The Internal Control System is taking part in the overall risk assessment procedure. During the operational risk assessment – in alignment with the Bank's Operational Risk Management Framework – current and future risk exposures are identified and evaluated. The outcome of the risk assessment reveals the Bank's risk profile, based on which the mitigation measures can be defined.

In this regard, the risk assessment serves as a tool for monitoring and improving compliance to ensure the Bank operates according to compliance principles and regulations.

Certain climate change and environmental risks are defined as compliance relevant risks. The Board of Directors receives a quarterly summary report from the Bank's Compliance Officer, which includes assessments related to the compliance-relevant climate change and environmental risks.

In 2024, the Internal Control System undertook a deep dive on the Implementation of the „Green Recommendation" of the National Bank of Hungary in RBHU Group.

Credit Portfolio Management

Credit Portfolio Management is responsible for portfolio-level credit risk identification and steering. As such, it identifies and manages portfolio risks by setting and monitoring portfolio limits and KPIs. In hierarchical terms, it is assigned to Financial Institutions, Country and Portfolio Management, which reports directly to the head of Corporate Credit Risk Management. In view of the significant and increasing importance of ESG risks and their potential steering impact Corporate Credit Risk Management has assumed responsibility for steering and implementing ESG-related credit risk management processes, including customer ESG classification, ESG underwriting aspects and activities, and portfolio ESG level targets steering and monitoring. For the time being portfolio KPIs are targeting the average ESG score of the corporate credit portfolio. Other ESG strategical KPIs and ESG risk assessment issues not strongly and directly impacting the creditworthiness of the customers are managed by the Risk Controlling area.

Corporate Credit Risk Management

Corporate Credit Risk Management is a division assigned to the CRO, responsible for rating analysis, underwriting, contract- and collateral management, portfolio management and credit risk methodology steering of corporate loan customers. In terms of ESG and ESG risks, it performs ESG score analysis throughout the credit rating process. The rating analyst evaluates the ESG score of the customer by considering both qualitative and quantitative facts and information. Qualitative facts include the sustainability and annual report, policies, and mitigation aspects the corporate has in place, while quantitative aspects involve quantitative environmental data such as emission data and energy consumption. For the social and governance score, the analyst assesses the entire picture of the company, including the value chain and internal human resources topics. In underwriting, underwriters use the ESG score of the customer and the ESG assessment of the industry, in addition to credit rating aspects, to decide if a loan or limit application can be supported. Collateral management is responsible for assessing ESG aspects, such as physical risks, during collateral valuation.

Integrated Risk Management

Integrated Risk Management fulfills the Risk Controlling duties for the Bank and reports to the CRO. With respect to ESG risk, the main responsibilities of Integrated Risk Management are the integration of ESG risk to the ICAAP (e.g. risk assessment and stress testing), disclosure reporting, HO calculated financed emission and green asset ratio controlling, reporting and interpretation.

This department also covers several responsibilities related to ESG Risk Data Integration, acting as a coordinator between head office sourced tasks and other delivery units of RBHU Group. It takes part in coordinating the local ESG data collection and data sourcing, including the respective tools and platforms for customer data that support regulatory reporting and rating generation. Additionally, it provides advisory functions on how to implement ESG-induced changes in the process landscape of RBHU Group and on an ad-hoc basis might take part in client support and advisory on providing ESG-related data, Green and Social flagging of the financed loans and advances.

Policy frameworks as governance instruments

Policies are a cornerstone of governance and managing impacts, risks and opportunities. The RBHU Group policy framework is based on different types of internal regulations:

- Management Directives as framework regulations
- Operational Directives and Procedures for covering End-to-End processes
- Product Directives and Accounting Directives
- Standard Operating Procedures for covering detailed processes.

The entire Management is responsible for approving new, updated and cancelled Management Directives. Senior management is responsible for approving new, updated and cancelled Operational Directives, Procedures, Product Directives, Accounting Directives and Standard Operating Procedures. The rules stated in the internal policies are mandatory and binding, unless otherwise stated in the policy itself. The scope of application is defined for each policy by the respective policy owners and approved by the respective approval authorities. The RBHU Group policy database is the standard information platform for RBHU Group and the official source for all RBHU Group internal policies. All employees at head office as well as employees in the various units can access such data at all times. Information on new and updated policies is also sent to the relevant employees on a regular basis. All policies must be kept up-to-date by the policy authors and owners and therefore updated in intervals as may be required by applicable law, or if there is no such requirement, at least once every three years after approval.

GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Management Board and relevant committees are informed on a regular basis about material impacts, risks, and opportunities, including ad hoc meetings and the Sustainability Council. These updates are provided by senior management, including the Chief Risk Officer and sustainability officers. This regular flow of information ensures that the Management Board, the Board of Directors and its committees are well-equipped to oversee and guide the bank's strategy and operations regarding sustainability impacts, risks, and opportunities effectively.

The Management Board considers impacts, risks, and opportunities when overseeing the bank's strategy, decision-making on major transactions, and risk management processes. This involves an evaluation of how these factors align with and influence the bank's long-term strategic goals. When reviewing major transactions and strategic initiatives, the Management Board and relevant committees assess the potential trade-offs associated with various impacts, risks, and opportunities. They ensure that decisions are made with a comprehensive understanding. The Management Board and the Board of Directors ensure that the bank's strategic decisions and risk management practices also include a sustainability perspective. This approach enables RBHU Group to address complex challenges while simultaneously seizing opportunities.

In 2024 the Management Board focused on the transition plan, the ESG data collection and regulatory compliance. In this respect, the Management Board discussed the below-mentioned main topics within the reporting period and took the necessary decisions.

Within the environmental perspective, the focus within the Management Board was placed on RBHU Group's financed emissions target with an update on the climate and environmental business strategy including transition plan. The Management Board was informed and decided on topics pertaining to ESG risk management, disclosure requirements under CSRD, the calculation of financed emissions, green volume developments, the development and management of ESG data collection, and other supervisory and regulatory topics.

With regard to the social perspective, the Management Board discussed the Employee Engagement Survey 2024, received updates on several policies such as the remuneration policy, policy in relation to the RBHU Group performance management system and process, company car policy, the internal loan, the compliance function policy, the internal control system policy. For own workforce topics the agenda included gender pay gap directive implementation roadmap and analysis, performance bonus and annual salary increase, and role-based allowance incorporation to base salary. Cyber security information was discussed with regard to the cyber security strategy and roadmap as well as the information and cyber security status of RBHU Group, align with the local regulatory authority requirements and upcoming EU regulations. For data privacy the related topics included data breaches and the review of the relevant enforcement practices of the National Authority for Data Protection and Freedom of Information.

Regarding the governance perspective, the Management Board discussed, e.g., an update of the Code of Conduct, and received regular compliance updates in the areas of anti-money laundering, financial sanctions, compliance governance and controls, financial crime management, capital market compliance and safeguarding. Moreover, changes to the Organizational and Operational Policy were discussed. In 2024 also FIT & Proper training was conducted to the Management Board.

List of impacts, risk and opportunities related items overviewed by the Management Board (either directly or via the Sustainability Council):

- Environmental items: (i) climate change mitigation; (ii) climate change adaptation and (iii) energy;
- Social items: (i) adequate wages; (ii) working time; (iii) gender equality and equal pay; (iv) privacy; (v) cyber security;
- Governance items: (i) money laundering and counter terrorism; (ii) corruption and bribery and (iii) corporate culture.

These areas reflect RBHU Group's commitment to address key sustainability challenges and leveraging opportunities that align with its strategic goals.

GOV-3: Integration of sustainability-related performance in incentive scheme

Based on RBI's Remuneration policies and practices related to the sale and provision of retail banking products and services incentive schemes shall not promote the offer or provision of a specific product or category of products over other products, such as products which are more profitable for the Relevant NWU or Relevant person, to the detriment of the consumer. At RBHU Group, there is no part of the variable remuneration that depends on sustainability-related targets.

GOV-4: Statement on due diligence

The financial services sector itself has for years been confronted with many challenges and risks. In order to remain profitable over the long term, these challenges call for a strong culture of risk management and sustainability. Compliance with appropriate due diligence processes is therefore of particular importance. The following overview provides information on which sections of the current sustainability statement contain core elements of due diligence.

Core elements of due diligence	Paragraph in sustainability statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model
b) Engaging with affected stakeholders in all key steps of the due diligence	GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies SBM-2: Interests and views of stakeholders IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities E1-2: Policies related to climate change mitigation and adaptation S1-1: Policies related to own workforce S1-2: Processes for engaging with own workers and workers' representatives about impacts S4-1: Policies related to consumers and end-users S4-2: Processes for engaging with consumers and end-users about impacts G1-1: Corporate culture and Business conduct policies and corporate culture G1-2: Management of relationships with suppliers
c) Identifying and assessing adverse impacts	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities
d) Taking actions to address those adverse impacts	Respective sections on management of impacts, risks, and opportunities
e) Tracking the effectiveness of these efforts and communicating	E1-4: Targets related to climate change mitigation and adaptation S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

GOV-5: Risk management and internal controls over sustainability reporting

The Sustainability Statement was created in collaboration between units of RBHU Group with Strategy and Company Office as leader of coordination. With this said data collection was carried out in the respective divisions on an ongoing basis. Draft wording of the report was discussed by units, while division heads provided professional control over their respective parts. Once the report is completed, approved by the Management Board, the Board of Directors, and the Audit Committee. Balanced and comprehensive sustainability reporting is a priority for RBHU Group and its governing bodies, requiring compliance with all statutory requirements. In this regard RBHU Group aims to tackle the risks arising out or in connection with preparing the report.

Two main risks were identified in sustainability reporting: (i) the risk of overlooking material topics, leading to incomplete report; and (ii) the risk of inaccurate data. To mitigate the first risk, a materiality assessment is conducted before report preparation (see chapter SBM-3: Material impacts, risk and opportunities and their interaction with the strategy and business model), ensuring all relevant topics are identified and addressed. There is a second risk that incorrect data is input into the Sustainability Statement. To cover this risk, the content of the report is subject to internal controls and external audit.

Risk framework

Risk management is essential for implementing the ESG strategy and the associated risk control measures. RBI, and subsequently RBHU Group gears its business model to the high-level strategic goal of creating long-term value in line with the principles of responsible banking and regulatory requirements. In concrete terms, the Bank identifies, acknowledges, and aligns the continuous development of its risk management approach with the additional risks originating from ESG.

Firstly, there was a focus on tackling climate and environment-related risks (transition and physical risks), not only via an assessment at the counterparty level but also by considering the potential impact of those risks stemming from the materiality assessment and the internal/external climate stress test. In the meantime, social and governance aspects are also gaining increasing importance (as further described).

ESG-related risks have been accounted for by enhancing the existing classical four pillars of risk management on multiple operational levels:

- Identification and definition of ESG risks;
- Measurement, methodologies and analytics;
- Steering approaches, reflecting risks and opportunities;
- Risk processes and governance.

ESG-related topics in the CRO area are addressed via the line organization, ensuring streamlined integration into daily activities. The goal is to fully comply with regulatory requirements while aligning actions with the Bank's business model. These efforts closely adhere to the regulatory requirements outlined by the ECB and the EBA guides on climate-related and environmental risks.

The risk perspective is enhanced by market and industry expectations, which are equally represented and integrated within the ESG risk management processes.

When referring to the traditional four pillars of risk management, which are the foundation of the RBI Group risk management approach, the Bank is currently focusing on addressing, quantifying, managing and further integrating the respective risks, as well as the opportunities. The progress is measured via the regular monitoring and establishment of internal ESG KPIs. The main topics reflected within each pillar are highlighted below (different time horizons are considered depending on the topic):

I. Identification & definition of ESG risks	II. Measurement methodologies & analytics	III. Steering approaches, reflecting risks & opportunities	IV. Risk processes and governance
• Climate-related and environmental risks	• Use of metrics for measurement of ESG on a customer and portfolio dimension:	• Sectoral strategies & special policies	• Credit processes enhancement
• Identifying risks according to: • Climate change • Circularity • Biodiversity	• Environmental, Social and Governance score • Green Asset Ratio • Financed GHG emissions	• Climate stress testing	• Prevention of liability, reputational and greenwashing risk in the design phase
• Social risks			
• Governance risks			

The ESG risk framework ensures implementation across the four risk management pillars, offering a high-level overview and guidance for ongoing and planned risk management activities in the Group. These actions are motivated by the expectations of internal and external stakeholders. The framework is reviewed on a yearly basis, updated to the latest available trends and future expectations, and approved by the Management Board.

Identification of ESG risks

Proper identification, definition and understanding of ESG risks are crucial. In the first phase, RBI and subsequently RBHU Group has particularly focused on climate-related and environmental risks, although social and governmental risks are also gaining increasing attention in internal risk initiatives, especially with new regulations such as the upcoming new EBA guidelines. An initial qualitative and expert-driven approach has been further supported by quantitative assessments including impact analysis, materiality assessments, financed emissions calculations, and climate stress tests.

The definition of ESG risks and the transmission channels to traditional risk types are explained in more detail in the following chapter. The knowledge gained is transferred across the organization through different training activities (training sessions for new topics, regular exchange sessions, etc.). ESG risk training has become mandatory in the risk area.

The financed emission calculation has reinforced the above-mentioned definition process and supports the Bank in identifying the top carbon-intensive industries in its non-retail portfolio; a more detailed description and results are included under the chapter E1-6: Gross scopes 1, 2, 3 and total GHG emissions.

Topic-specific disclosure requirements

Environmental risk

Climate and environmental risks are driven by environmental factors (E risks). In the outside-in view, these risks should be understood as the financial risks posed by the Bank's exposures to counterparties that may potentially contribute to or be affected by climate change or adaption, and other forms of environmental degradation (such as air pollution, water pollution, scarcity of fresh water, land contamination, biodiversity loss and deforestation). Related to this, the Bank and its customers have to comply with additional political and social demands, otherwise the financed portfolio may face additional risks relating to physical damage or transition.

As such, E risks can result in additional capital requirements, expenditures and potential losses of revenue, which may lead to a deterioration in the respective credit standing and therefore have an adverse effect on the business, financial position and results of RBHU Group's operations. Further information on the different climate-related risks, and their transmission channels to the traditional risk types (market, liquidity, credit and operational risks) can be found in the section on the assessment of the materiality of climate and environment-related risks.

Social and governance risk

In alignment with RBI Group approach, these risks are addressed in RBHU Group's internal risk framework, building on the existing structure and internal information. The Bank is therefore continuously updating and refining its approach to enhance its positive impact and align itself with the latest industry standards:

- Social risks arise from the financial impact generated by the misuse of human capital, e.g. regarding the rights, well-being and interests of people and communities. This could refer to working conditions, health and safety, employee relations and diversity, employee training, inclusiveness, equality or community programs. Regarding all E, S and G-related topics, the framework also considers the country-specific situation as well as the legal background. For example, countries with low (or high) standards in social aspects such as human rights have a lower (or higher) score. This also impacts the ESG score of the customer: identical corporates with different country risk may have different ESG scores due to varying country scores

- Governance risks refer to the governance practices of the Bank's counterparties, including the inclusion of ESG factors in policies and procedures under the governance of the counterparties. This may include, but is not limited to, executive pay, board diversity and structure, shareholder rights, bribery and corruption, compliance, ethical standards (e.g. data ethics), fair tax strategy, etc.

Risk processes and governance

Steering approaches, reflecting risk and opportunities

The Management Board is the most senior decision-making body for ESG-related strategies, policies and commitments. The Management Board is supported in its ESG decisions by the cross-functional Sustainability Council.

From a risk management and supervision perspective, environmental, social and governance (ESG) risks are viewed as cross-dimensional risks that affect all areas of risk management. As such, the ESG risks are currently under incorporation into the Bank's risk strategy as driver of management of existing risk types. The materiality assessment described in separate chapter forms the basis for implementation in the ICAAP framework and is expected to be further refined over the coming years as methodologies are further developed and common practices evolve. As such, each relevant risk department (market, operational, liquidity and credit risk) is responsible for measuring environmentally-driven risk in accordance to the materiality levels. The risk strategy and risk regulations and processes are continuously updated, refined and adjusted to the current standards.

The ESG risk management dimension is currently in the course of being incorporated into the Bank's Risk Strategy, however from pure ESG perspective there is no single indicator yet as of now on which a risk capacity/ tolerance framework can be robustly built.

The main tools for managing and supervising environment-related risks as of year-end 2024 are:

- Environmental, social and governance score;
- Green Asset Ratio (GAR);
- Financed GHG emissions;
- Business policy on nuclear energy;
- Business policy on steel;
- Business policy on oil & gas;
- Business policy on real estate and construction;
- Business policy on thermal coal;
- Climate stress test methodology and results;
- Sustainability assessments in corporate lending and underwriting policy;
- RBHU Group ESG Rulebook.

Regarding specific reporting, ESG risk reports are continuously included, populated and distributed through the group risk controlling reporting framework. These include: the financed emission calculation, physical risk assessment/vulnerability, energy efficiency distribution, climate stress tests, exposure towards top polluters, ESG rating distribution and GAR results report.

Steering approaches, reflecting risk and opportunities

RBHU Group has the intention to redefine and reshape its business in line with the latest market requirement and is committed to meet regulatory requirements. Commitments have been made in the areas of thermal coal, nuclear power, arms and war material, and gambling. Efforts have also been taken to (re)define the approach to industries with high CO2 emissions and/or high negative environmental impacts by implementing the sector-specific group policies.

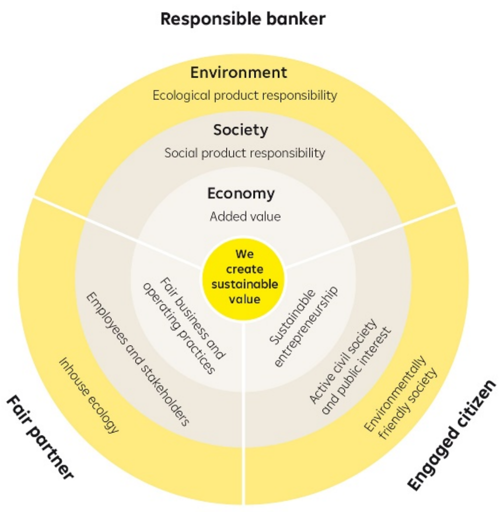
An overview of the existing policies can be found in chapter E1-2: Policies related to climate change mitigation and adaptation. The results of the climate stress test can be found in chapter Climate stress testing.

Strategy related to sustainability

SBM-1: Strategy, business model and value chain

Our understanding of sustainability

For over 130 years, the RBI Group has combined financial success with socially responsible actions.



Our approach as designers of a sustainable company and society

The RBI Group understands sustainability to mean responsible corporate activities for a long-term, economically positive result in consideration of key societal and environmental aspects. This understanding is deeply rooted in Raiffeisen's fundamental values (see also chapter G1-1: Corporate culture).

The RBI Group combines financial success with social responsibility by anchoring sustainability as a fixed component of its business and by practicing sustainability as an integral leadership and management responsibility, in addition to taking key sustainability aspects into consideration in its business activities.

The RBI Group is therefore committed to aligning the management structures and processes with this attitude. In the three strategic sustainability areas of responsibility – responsible banker, fair partner, and engaged citizen – which are closely linked to the business activities, RBI Group endeavors to professionally and effectively apply the values and competences to fostering sustainable development both in RBI Group and in society.

RBHU Group's sustainability strategy approach

The strategy and mission of RBHU Group is embedded in the strategy of RBI Group and backed by the technical expertise and knowledge hub of Raiffeisen Bank International. Sustainability is a fundamental principle for the Bank and a measure of corporate success. The Bank considers ESG factors within its business strategy. RBHU Group provides several sustainable financial and investment products, while daily operations are executed with the approach of energy efficiency and environmental consciousness.

Core action areas of our sustainability strategy

The sustainability strategy of the Bank is based on four main pillars, (i) analyses and assessment of our environment, tracking performance; (ii) risk analysis and management; (ii) the portfolio strategies and business approach introduced for the financing activities and (iv) target setting and executing.

Strategic analysis

The Bank currently performs two annual comprehensive analysis, the first one is the Climate Horizon Analysis and the second one is the GAP Analysis.

The climate horizon analysis is an analysis tend to identify relevant climate vulnerabilities and opportunities of the Bank on short (0-3 years), mid (4-10 years) and long term (10 years <). Vulnerability describes the exposures/potential adverse effects on companies due to the physical and transition risks, opportunities on the other hands mean the potential to grow within the changing environment.

RBHU Group also performs a periodical GAP analysis and action plan to address the Green Recommendations of ECB/NBH. The purpose of the assessment is to review compliance of RBHU Group with the Green Recommendations based on 4 section (business model and strategy, risk management, lending, internal governance and other sustainability matters) and present ongoing processes in order to comply with the recommendations and identify gaps to handle.

Risk analysis and management

Main focus points of risk analysis and management are: (i) define and identify ESG risks; (ii) identification of vulnerable industries; (iii) portfolio monitoring; (iv) ESG risk and business model assessment in relation to the lending processes; (v) customer risk analysis through ESG rating and (iv) collateral valuation.

For detailed descriptions in relation to the risk analysis and management functions please see:

- GOV-1: The role of the administrative, management and supervisory bodies
- GOV-5: Risk management and internal controls over sustainability reporting
- IRO-1: Process to identify and assess material impacts, risks and opportunities
- ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model; and
- E1-2: Policies related to climate change mitigation and adaptation.

RBHU Group climate and environmental business strategy

The RBI Group has formulated a Climate & Environment Business Strategy that integrates climate & environment risk into major strategic processes aiming to:

- make balance sheet Paris Agreement climate target fit
- support customer in their climate and environmental transition; and
- drive sustainable finance transformation based on up to date ESG expertise and governance.

The business model of the RBHU Group is in line with the strategic goals of RBI represented above.

The Bank has initiated portfolio strategies within the lending activities tailored in line with the economic transition, namely (i) restrictive; (ii) transformative and (iii) supportive approach:

- Supportive: support companies and projects that are "best-in-class" already
- Transformative: (1) transformative: in implementation – support companies and projects on their way to reduced carbon emission or Net-zero nature impact or in their efforts to provide positive environmental & social impact; (2) transformative: in planning – support companies and projects to plan and begin their way to reduced carbon emission or Net-zero nature impact or in their efforts to provide positive environmental and social impact
- Restrictive: dispreferred of companies and projects, also called negative screening. Engagement into lending to such entities is discouraged by the underwriting policy, unless the partner shows material, measurable and swift commitment for transition towards the transformative category expectations.

Strategic target setting

RBI Group assesses its environmental footprint, and other material impacts of the RBI Group on the environment and biosphere. Within these activities the RBI Group evaluates and assesses how it will operate in a carbon neutral economy and consequently plans its GHG reduction targets. Fundamentally the targets are divided into own operation and financed emission activities and reflecting the transition strategy of the RBI Group and also the RBHU Group.

As for the financed emission, the Bank intends to reduce its GHG emission, arising out from the financing of non-financial corporations, by 17.11 % by 2030 compared to the level measured in 2023.

At the RBHU Group level, local Scope 1 and 2 targets have not been defined; thus, RBHU Group generally aligns to the RBI Group-level target.

For detailed descriptions in relation to the emission numbers and detailed pathway please see:

- E1-1: Transition plan for climate change mitigation; and
- E1-4: Targets related to climate change mitigation and adaptation.

ESG factors and relations within the business model and segment level

Corporate Business

RBHU Group offers support via various sustainable financing options aligned with the business model and sustainability strategy of its customers. These sustainable financing options cover a wide range of financial instruments (bonds, project loans, syndicated loans, etc.) characterized by their linkage to sustainable activities.

RBHU Group's sustainable finance experts support corporate customers in their transformation by identifying and defining sustainable transactions. The basis for this assessment of financial products and services includes both the regulatory framework of the EU and the international market standards such as those of the Loan Market Association and the International Capital Market Association. RBHU Group supports its customers in verifying the suitability of various projects and activities with regard to EU Taxonomy compliance and RBI's internal definitions of green, social or sustainable transactions.

Sustainable financial products can be tailored to the individual customers so that they have a positive impact in terms of ESG criteria. RBHU Group supports customers in all industries – in critical sectors such as oil and gas, and through to non-critical sectors such as renewable energy – and in doing so, addresses each individual customer's respective challenges and opportunities. With all sustainable financing transactions, RBHU Group's sustainable finance experts always endeavor to provide corporate and institutional customers with a clear understanding of market standards and requirements, as well as best practices.

Providing sustainable financing generates added value for our customers and a wide range of activities for society that are suited to sustainable financing. We describe financing as being sustainable when it has a long-term positive impact on the environment and climate and/or on societal and social issues, and when it supports the attainment of the Sustainable Development Goals (SDGs). More specifically, the definition of a sustainable transaction is based on the EU Taxonomy Regulation and on RBHU Group's ESG Rulebook (basis: RBI's ESG Rulebook) definition for green and social. The eligibility criteria of the listed frameworks differ in terms of complexity and precision. Currently, our corporate sustainable finance activities mainly focusing on renewable energy, electrification and sustainable real estate finance projects.

The Sustainability Bond Framework of RBHU Group connects liability and asset side by allocating funds collected through green bonds issuance to the sustainable finance activities of large corporate segment. Both asset and liability side gained achievements during recent years. RBHU Group received the award for being the „Green Bank of the Year 2022" and „Green Bank of the Year 2024" from the Central Bank of Hungary based on its sustainable finance activities and outstanding amounts within corporate segment, affirming the efforts made towards the support of transition of the real economy. While in funding side 300 mn EUR Senior Preferred green MREL eligible bond has been issued to international investors with a demand showing substantial oversubscription in 2024.

For further information about the Sustainability Bond Framework please see: https://www.raiffeisen.hu/web/english/investor-relations

For detailed information about the corporate segment please see the respective parts of this Sustainability Statement.

Retail Business

RBHU Group provides services to around 450.000 retail and private banking customers, offering a broad product range (e.g. account packages, payment services, personal loan, mortgage loans and investment products). In Hungary, RBHU Group provides investment advisory and asset management services to premium and private customers. When talking about consumers and end-users in RBHU Group's business, RBHU Group means private individuals who use RBHU Group's products and services for personal use, either for themselves or for others, and not for professional purposes, including private individuals who will potentially become customers of RBHU Group. RBHU Group has customers of all ages and from all types of socio-economic background. RBHU Group follows a segment-based approach and covers mass-market retail clients.

RBHU Group aims to further increase new green loan sales to private individuals and small-business customers, and therefore advise our customers on the possibility of green mortgage loans secured by real estate and are made available exclusively to finance or refinance, in whole or in part, new and/or existing transactions with a specific use of proceeds as defined by the framework for Green and Social Loans included in the local Credit Policies.

For detailed information about the retail segment please see E1-4: Targets related to climate change mitigation and adaptation of this Sustainability Statement.

Significant geographical markets and total revenue

While RBHU Group is a subsidiary of the RBI Group, its main operation covers solely the territory of Hungary, in consequence the geographical market of RBHU Group is Hungary as whole.

The number of employees at reporting date can be found under S1-6: Characteristics of the undertaking's employees. section of the Sustainability Statement.

Raiffeisen Bank is a financial institution that provides services to companies across various sectors in the real economy, with a particular focus on the energy, real estate, and agriculture sector. In relation to the EU taxonomy, the bank also examines these sectors due to its exposure.

The total revenue of RBHU Group covering the financial year of 2024 can be found under (3.2) Profit or loss of the consolidated financial statements.

Definition of value chain

According to ESRS, it is necessary to report information related to an undertaking's own operations and upstream and downstream value chain, including its products and services, its business relationships and its supply chain. RBHU Group's business model is to provide banking services to corporate and retail customers in Hungary. Although deposit and lending activities are the focus of activity, RBHU Group also offers leasing, asset management, and investment banking services. RBHU Group has defined its value chain below.

Description of the upstream value chain

The upstream value chain consists of the financial liabilities that are borrowed as deposits or issued as bonds or equity. These products are a source of financing for RBHU Group, which is used to fund the activities of customers. In general, this does not lead to positive or negative sustainability outcomes in the value chain. However, sustainability related funding is also part of the upstream value chain, which aims to finance specific projects or outcomes (for further information please see in SBM-1 Corporate section). The funding impact of sustainability matters on RBHU Group's is taken into account. Money invested by customers in investment and pensions funds is not considered part of the upstream value chain. The suppliers of goods and services that RBHU Group purchases in order to carry out operating activities are considered to be a further part of the upstream value chain.

Description of the downstream value chain

The main downstream key value chain consists of the on-balance sheet financial assets, which are lent or leased to customers and financial investment activities of RBHU Group. These products are a source of financing for customers and investees in their activities, leading positive or negative sustainability outcomes. Here the key value chain relates to lending to corporate customers, this value chain has the greatest impact materiality. An additional key sustainability-related value chain relates to lending to retail customers. Lending to sovereigns, central banks and financial institutions, which is predominantly undertaken for liquidity purposes, is not considered a key sustainability-related value chain. Nevertheless, where market convention has been established to include additional information on lending to sovereigns and financial institutions, information is provided.

A second downstream key value chain consists of assets under management in investment. These products are a source of financing for investees in their activities, leading to positive or negative sustainability outcomes. Here only investment activity where RBHU Group employees have direct operational control of the investment process is considered to be part of the value chain. This means third party funds, where there is no direct operational control of the investment process and the possibility to look-through to the underlying assets is limited, are not considered part of the value chain.

Downstream value chain activity, which RBHU Group does not consider as being material, is not covered. This activity includes:

- Cash and cash equivalents, most of which is held at central banks or in other financial institutions
- Exposure from trading assets and liabilities are not considered due to their short-term nature. However, sustainability risk for market risk is considered as part of own operations in ESRS E1: Climate change
- Non-consolidated associates are considered for the purposes of Scope 3 Category 15 financed emissions to the extent that in-house data is available. However, they are not considered for other aspects of the value chain
- Non-consolidated investees are considered for the purposes of Scope 3 Category 15 financed emissions to the extent that in-house data is available. However, they are not considered for other aspects of the value chain
- Investment property is not included due to the non-core nature of the business. Nevertheless, own-use property and its impact on climate change is considered as part of the in-house ecology section in ESRS E1: Climate change.

Value chain information is currently provided to the extent that RBHU Group has ready access to the information. In the future RBHU Group expects to have access to more information as the CSRD develops.

SBM-2: Interests and views of stakeholders

General description of stakeholder engagement

Most important stakeholder groups

RBHU Group defines its stakeholders as those people or groups of people that have a legitimate interest in the company through their direct or indirect business activities. Stakeholders are therefore primarily:

- Shareholders/Owner: Individuals or entities that own shares in RBHU Group and have a vested interest in the company's financial performance and governance. Currently, the sole shareholder of RBHU Group is RBI as an ultimate beneficial owner
- Customers/Investors: Individuals or organizations that purchase or use RBHU Group's products and services, whose satisfaction and loyalty are crucial to business success. Examples: Corporate customers, private customers/consumers, international and retail investors, SMEs
- Employees: The workforce of RBHU Group, whose skills, engagement, and well-being are fundamental to operational effectiveness. Examples: Full-time staff, part-time staff, contractors
- Regulatory & Supranational Authorities: Government bodies and international organizations that set and enforce regulations impacting RBHU Group's operations. Examples: European Central Bank (ECB), National Bank of Hungary, World Bank Group Guarantees (MIGA), European Investment Bank (EIB), International Finance Corporation (IFC), European Bank for Reconstruction and Development (EBRD)
- Business Partners: Entities with which RBHU Group collaborates, including suppliers and service providers, essential for the supply chain and business operations. Examples: Consultants, auditors, suppliers
- RBHU Group Membership Organizations: Industry groups or associations that RBHU Group is a part of, which provide a platform for collaboration and advocacy. For example: Bankszövetség (Hungarian Banking Association)
- External ESG Expert Groups: Independent experts providing insights and guidance on environmental, social, and governance matters to enhance RBHU Group's sustainability performance. Example: Third-party ESG consultants, advisory panels.

Frequency and formats of stakeholder engagement

RBHU Group engages with its stakeholders through various methods to ensure their interests and views are adequately considered in the company's strategy and business model. The frequency of these engagements varies based on the needs and relevance of each stakeholder group. RBHU Group also plays an active role in various national and international forums:

- Conference: Large formal gatherings where stakeholders can discuss and share information
- Meeting: Smaller, more focused discussions with specific stakeholders, held as needed
- Training: Educational sessions aimed at informing or developing stakeholders' skills, scheduled as needed throughout the year
- Formal Committees: Official groups formed to discuss and make decisions on specific issues. Examples include the Sustainability Council, Sustainability Bond Committee, and various committees focused on workforce-related issues like health, working conditions, and social dialogue
- Working Groups: Working groups typically involve stakeholders from different departments, addressing projects related to ESG initiatives, climate action, and sustainability reporting.

Organization of stakeholder engagement

RBHU Group organizes its stakeholder engagement through a decentralized approach, where various units engage with stakeholders based on their specific areas of expertise and operational focus. This model ensures that interactions are relevant and directly aligned with the specific topics and issues at hand. Each unit within RBHU Group, including Strategy, Business, Risk, Legal, and Compliance, is responsible for managing its own stakeholder interactions, tailored to the context of specific stakeholder groups.

Purpose of stakeholder engagement

The purpose of RBHU Groups stakeholder engagement is to ensure that the interests and views of stakeholders are adequately considered in the company's strategy and business model. Engaging with stakeholders allows RBHU Group to:

- Gather Insights and Feedback: Through engagement with its stakeholders RBHU Group gains valuable insights and feedback on topics such as sustainability, regulatory compliance, and corporate performance. This helps the company understand stakeholder expectations and concerns, supporting decision-making and corporate strategy development
- Identify and Address Material Issues: In dialogue with stakeholders questions can be developed and prioritized that are important to both the company and the stakeholders
- Enhance Transparency and Accountability: Stakeholder engagement promotes transparency and accountability by providing stakeholders with information about RBHU Groups activities, performance, and future plans. This open communication helps to build trust and strengthen relationships with stakeholders
- Foster Collaboration and Partnerships: Stakeholder engagement provides opportunities for collaborative and partnerships with various stakeholder groups. This enables RBHU Group to work with its stakeholders to address and solve common challenges, share best practices, and achieve mutual benefits.

Consideration of stakeholder sngagement outcomes

RBHU Group values the insight and feedback gathered from stakeholder engagement and integrates, these outcomes into its decision-making processes where feasible. The keyways these outcomes are considered include:

- Incorporating Feedback: Feedback from stakeholders is considered during the decision-making and operational practices. This helps ensure alignment with stakeholder expectations and key concerns
- Informing Initiatives: Outcomes from stakeholder engagements serve as a foundation for various initiatives, including sustainability efforts, risk management, and policy updates. This helps RBHU Group prioritize goals and identify areas for improvement
- Documentation and Reporting: While there is no centralized documentation system for all stakeholder feedback, significant outcomes and actions taken in response to stakeholder engagements are documented where feasible.

By integrating the outcomes of stakeholder engagements into its processes, RBHU Group ensures that stakeholder interests and views are considered, supporting the company's long-term sustainability and success.

Inclusion of stakeholders in due diligence and materiality assessment

Within the assessment of double materiality first version of the documentation was carried out by RBI backed by their external stakeholders and experts. RBHU Group and other NWUs received this RBI Group level document and assessed and finetuned it based on local specifics. For the double materiality assessment, internal topic experts (stakeholders) assessed direct impacts, identifying relevant impacts, risk and opportunities within their areas of expertise. RBHU Group also participates in sectoral discussions in order to align reporting obligations on national level.

The selection of material topics is guided by the regulatory requirements of the European Sustainability Reporting Standards (ESRS). This approach ensures RBHU Group strategy reflects the expectations of key stakeholders, including supervisory authorities and supranational organizations.

Effect on the overall ESG strategy

RBHU Group has established a Sustainability Council consisting of the MAN and internal experts, which plays a critical role in stakeholder dialogue and sustainability management. The Sustainability Council guides RBHU Group's strategic direction concerning economic, environmental and social issues, ensuring stakeholder concerns are reflected within the organization.

Next steps

By continuously considering stakeholder feedback, RBHU Group aims to strengthen its stakeholder relationships and ensure that their interests are adequately considered. This is expected to increase trust and transparency.

In addition to the above regular reviews of internal ESG policies, ensure continuous improvement and alignment with best practices.

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

As part of an internationally active banking group, RBHU Group faces specific challenges in its efforts to realize its sustainability vision. These arise from the economic, social and environmental impacts of RBHU Group's business activities as well as from the external conditions within which it operates. RBHU Group works within a global environment that is characterized by numerous economic, geopolitical and environmental risks. In the sustainability statement, it addresses the sustainability topics that have been identified within RBHU Group as material, that reflect the expectations of its stakeholders, and that represented the focus of its engagement and people, including human rights. The sustainability topics elaborated in the sustainability statement are the result of the double materiality assessment.

In 2024, RBHU Group performed a double materiality assessment based on the principles and requirements formulated in the ESRS. For an overview of how the assessment was performed, please refer to the chapter IRO-1: Process to identify and assess material impacts, risks and opportunities. The assessment showed the topics through which RBHU Group has been or is connected to a material impact the environment or on people (impact materiality) and the topics that now, or may in the future, have a material financial effect on RBHU Group (financial materiality).

RBHU Group plans to assess, consider and cover materially important ESRS items within the formulation of the annual strategy update for 2025.

Description of material impacts, risks and opportunities

The outcomes, including both the material topics from own operations as well as from the value chain, are shown below:

ESRS topic	ESRS subtopic	RBHU Group topic	IRO short name	IRO description	IRO type	Business model	Value chain	Response in strategy decision-making	Time horizon	Stake-holder
E1 Climate change	Climate change mitigation; Climate change adaptation; Energy	Climate change	CO_2 emission reduction	Based on the business model, lending to high-carbon industries and fossil fuel projects can delay progress towards climate goals. Climate change mitigation measures focus on reducing greenhouse gas emissions to slow the pace of global warming.	Negative impact	Non-retail; retail; assets under management	Downstream through lending business as well as through assets under management in Hungary	RBHU Group constantly strives to improve customer experience, enabling its clients to achieve more in their personal and professional lives.	Medium to long-term	Non-retail and retail customers
E1 Climate change	Climate change mitigation	Climate change	Climate-fit operations	RBIHUs business activities can have a negative impact on the climate through greenhouse gas emissions (scope 1-3), which stem mainly from energy consumption, material consumption, and business travel within own operations.	Negative impact		Own operations	Sustained growth: sustained business growth and business model profitability	Medium to long-term	Employees
E1 Climate change	Climate change adaptation	Climate change	Adaptation risks (natural and governance)	Heat waves and extreme weather can keep employees from physically and remotely accessing their workplaces, resulting in reduced employee productivity and severe threats to business reliability. Resource scarcity, rising energy costs, and extreme weather will create business disruptions for FS companies. For example, blackouts will result in data security threats and outages, disrupting company and client access to information.	Negative impact		Own operations	Sustained growth: sustained business growth and business model profitability	Medium to long-term	Employees
E1 Climate change	Energy	Climate change	Sustainable operations	The use of fossil fuels further contributes to the emission of CO2 and enhances climate change. Therefore, RBHU Group can negatively impact its own footprint by sourcing energy derived from fossil fuels. Further the same cost factor could instead be used to support a growing transformation towards renewable energy.	Negative impact		Own operations	Sustained growth: sustained business growth and business model profitability	Medium to long-term	Employees
S1 Own workforce	Equal treatment and opportunities for all - Gender equality and equal pay for equal value; Employment and inclusion of persons with disabilities; Measures against violence and harassment in the workplace; Diversity	Diversity, equity and inclusion	Inclusion and belonging, societal equality; Better decision-making	An inclusive work environment allows everyone to be themselves, enhancing job satisfaction and personal growth. Embracing diversity broadens skills, knowledge, perspectives, improves cultural competence, and promotes a healthy and positive workplace. Poorly managed employee relations can cause exclusion, discrimination and lower motivation, harming job satisfaction and well-being.	Positive and negative impact (inclusion is only positive and harassment is only negative materiality)	Employees in HU primarily in administrative roles and customer service	Own operations	Be an attractive employer and have a high-performing working culture	Short to medium-term	Employees
S1 Own workforce	Equal treatment and opportunities for all - Training and skills development	Employee development	Personal development	Comprehensive learning fosters professional and personal growth and boosts employee satisfaction and motivation.	Positive impact	Employees in HU primarily in administrative roles and customer service	Own operations	People & culture: attractive employer and high-performing working culture	Short-term	Employees
S1 Own workforce	Working conditions - Working time; Health and safety	Health	Mental and physical health enablement	Healthcare, well-being, and sports opportunities can enhance physical and mental health, boosting overall productivity and long-term well-being. Persistent stress and sedentary office work can cause physical ailments, mental health issues, and decreased productivity.	Positive and negative impact	Employees in HU primarily in administrative roles and customer service	Own operations	People & culture: attractive employer and high-performing working culture	Short to medium-term	Employees

S1 Own workforce	Social dialogue	Employee involvement	Having a voice	Employee involvement enhances engagement and loyalty by giving employees a voice and ensuring they are heard. Without addressing employee needs and capturing their mood, potential problems may go unresolved, negatively impacting satisfaction.	Positive and negative impact	Employees in HU primarily in administrative roles and customer service	Own operations	People & culture: attractive employer and high-performing working culture	Short to long-term	Employees
S1 Own workforce	Working conditions - Secure employment; Adequate wages; Work-life balance	Employee relationships	Employee relationships	Secure and flexible employment enhances financial stability, work-life balance, and overall employee satisfaction. Benefits for part-time and temporary employees foster inclusivity and engagement, contributing to a healthier work environment. Insecure or temporary jobs can lead to stress, reduced life-planning security, and lower job satisfaction.	Positive impact	Employees in HU primarily in administrative roles and customer service	Own operations	People & culture: attractive employer and high-performing working culture	Short to long-term	Employees
S1 Own workforce	Other work-related rights - Privacy	Data privacy	Protection of personal data	Proper data privacy handling fosters trust and ensures personal information is secure. Poor data privacy practices can lead to breaches, causing stress and loss of trust.	Negative impact	Employees in HU primarily in administrative roles and customer service	Own operations	People & culture: attractive employer and high-performing working culture	Medium-term	Employees
S4 Consumers and/or end-users	Information-related impacts for consumers and/or end-users, cyber security & resilience is an entity specific topic	Privacy, cyber security & resilience	Privacy, cyber security & resilience	1) Impact: Transparency of Data Subject Rights, trust in the financial system. Loss of trust, misuse of confidential information, unavailability of systems and services. 2) Risks: regulatory fines and sanctions, loss of trust and credibility, negative publicity, decreased customer retention and acquisition, reduced revenues, higher insurance premiums, non-functioning of the financial market.	1) Positive and negative impact 2) Financial risk	Retail	Own operations	Privacy Customer centricity: trust and reliability; Cyber security: speed and adaptability – high adaptability to rapidly changing market developments and harnessing new technologies	1 Short to medium-term 2) Medium-term	Private individuals (consumers)
S4 Consumers and/or end-users	Information-related impacts for consumers and/or end-users Social inclusion of consumers and/or end-users	Access to (quality) information Responsible marketing practices	Access to (quality) information	1) Understanding of financial products and services, financial literacy, ability to make informed investment decisions and to repay loans; Financial harm to consumers. 2) Regulatory fines and sanctions, expense from lawsuits, loss of clients, reduced revenues. This topic is not only information-related, but also social inclusion related relevant (e.g. for people with disabilities): Enabling sound and well-informed financial decisions; increase in customer satisfaction while on the other hand there might be damage to trust and financial harm to customers.	1) Positive and negative impact (applicable for both) 2) Financial risk (applicable for quality information)	Retail	Own operations	Sustained growth / customer centricity + Efficiency	1) Short to medium-term 2) Medium-term	Private individuals (consumers)
S4 Consumers and/or end-users	Information-related impacts for consumers and/or end-users	Freedom of expression	Freedom of expression	Complaints and feedback will always happen - as long as the Bank react properly, this will be regarded in a positive way by customers. The Bank believes it operates a robust complaint management system and able to tackle every problematic case.	Positive impact	Retail	Own operations	Customer centricity: efficiency and deep customer understanding	Short to medium-term	Private individuals (consumers)
S4 Consumers and/or end-users	Social inclusion of consumers and/or end-users	Non-discrimination	Non-discrimination	Same chances for all, and on the other hand reduced chances, financial disadvantages, social exclusion.	Positive and negative impact	Retail	Own operations	Customer centricity: superior customer experience based on data excellence and deep customer understanding	Short to medium-term	Private individuals (consumers)
S4 Consumers and/or end-users	Social inclusion of consumers and/or end-users	Access to products and services	Access to products and services	Removed barriers (e.g. caused by the EU/EAA) lead to independence in financial matters, usage of financial products gives opportunities, safeguarding the stability and integrity of the financial system. On the other hand: discrimination (e.g. digitally illiterate people), damage to trust, financial harm to customers. Reduced market share and revenues; increased loan defaults and credit losses.	Positive and negative impact	Retail	Own operations	Customer centricity: superior customer experience based on data excellence and deep customer understanding	Short to medium-term	Private individuals (consumers)

G1 Business conduct	Corporate culture	Corporate governance and strong ethical compliance	Culture of integrity	At RBHU Group, fostering a strong culture of integrity is essential for creating a trustworthy and secure environment for our employees. This commitment to ethical behavior ensures that our staff feel valued and respected, which enhances their overall well-being and job satisfaction. Moreover, it encourages a positive organizational culture that promotes accountability and transparency. A robust integrity framework also empowers employees to make ethical decisions, contributing to their professional growth and development. This, in turn, positively impacts society by promoting fair business practices and reducing the likelihood of unethical conduct that could harm communities. Conversely, a weak culture of integrity can lead to internal instability, lower employee morale, and increased incidences of unethical behavior, which not only jeopardizes our internal environment but also has broader negative implications for societal trust and ethical standards	Positive and negative impact	Employees in HU primarily in administrative roles and customer service, retail, non-retail, assets under management	Own operations	Governance: strong risk governance	Short to medium-term	Employees, private individuals (consumers, suppliers, public)
G1 Business conduct	Protection of whistleblowers	Protection of whistleblowers	Protected whistleblowers	Whistleblowing enhances transparency and accountability both inside and outside RBHU Group while maintaining good workplace ethics. Proper management of whistleblowing and retaliation processes is essential to prevent severe psychological stress. If not handled professionally, it can lead to significant harm for whistleblowers, including employees and other stakeholders. Ensuring robust protection for all whistleblowers is crucial to fostering a safe and ethical environment where individuals feel empowered to report misconduct without fear of retaliation	Positive and negative impact	Employees in HU primarily in administrative roles and customer service, retail, non-retail, assets under management	Own operations	Governance: strong risk governance	Short-term	Employees, private individuals (consumers, suppliers, public)
G1 Business conduct	Corruption and bribery	Prevention and detection including training	Prevent corruption	At RBHU Group, the effective prevention and detection of corruption and bribery are fundamental to maintaining a transparent and accountable workplace. By fostering a culture of integrity and providing comprehensive training, we empower our employees to uphold high ethical standards and recognize potential risks. This proactive approach has a significant positive impact on society.	Positive impact	Employees in HU primarily in administrative roles and customer service, retail, non-retail, assets under management	Own operations	Governance: strong risk governance	Short-term	Employees, private individuals (consumers, suppliers, public)
G1 Business conduct	Corruption and bribery	Incidents	Incidents of corruption	Failure to promote fair business practices, safeguard the public interest, and ensure independence and adherence to ethical standards can undermine industry confidence, harm public trust, and contribute to an unjust and inequitable society, reflecting negatively on our commitment to ethical conduct both within and beyond our organization.	Negative impact	Primarily employees in administrative and branch offices in CEE, retail, non-retail, assets under management	Own operations	Governance: strong risk governance	Short-term	Employees, private individuals (consumers, suppliers, public)
G1 Business conduct	Entity-specific topic	Money laundering and counter-terrorism	Prevent money laundering and counter terrorism	Mismanagement of money laundering and counter-terrorism efforts can increase criminal activities, terrorist risks, and jeopardize public safety and the economy. Conversely, effective management enhances public safety and strengthens the economy.	Positive and negative impact	Retail, non-retail, assets under management	Own operations	Governance: strong risk governance	Short-term	Public
G1 Business conduct	Management of relationships with suppliers including payment practices	Fair partner to suppliers	Fair partner to suppliers supporting high ESG standards	Transparent partnerships and compliance with fair payment practices create stable and positive cooperation between RBHU Group and its suppliers. Including ESG-related criteria in the onboarding and selection process enhances supplier engagement and ensures high social and environmental standards. Effective supplier management in IT, consulting, and facility management significantly impacts responsible business practices.	Positive impact	Suppliers	Upstream	Efficiency / sustained growth	Medium-term	Suppliers, Public

The double materiality assessment will be re-evaluated in an annually regular process, which will be updated in the upcoming years. If a topic is currently not material, it could become material in the future.

Impact, risk and opportunity management

IRO-1: Process to identify and assess material impacts, risks and opportunities

In the sustainability statement, RBHU Group addresses the sustainability topics that have been identified within RBHU Group as material, that reflect the expectations of the stakeholders, and that represented the focus of its engagement in the past year.

The double materiality assessment process is used to identify and assess material impacts, risks and opportunities (IROs) based on the principle of double materiality, serving as the basis of the entire sustainability statement. This assessment ensures that the sustainability statement covers all topics and sub-topics with the greatest current or potential positive and negative impacts related to RBHU Group's business activities, products, and services. This includes impacts directly attributable to RBHU Group within its operations, as well as those which it contributes through business relationship with other entities. Additionally, the risk and opportunities relevant to RBHU Group in connection with these matters, or those that arise from its business activities or relationships, are also presented.

The first double materiality assessment in accordance with ESRS was carried out and was conducted with the help of workshops and internal discussions in the period from December 2023 to November 2024. The double materiality assessment process was performed for own operations and the value chain. The process was used to separate the effects RBHU Group has through its own operations from the effects it has through its value chain.

Within the assessment of double materiality first version of the documentation was carried out by RBI backed by their external stakeholders and experts. RBHU Group and other NWUs received this RBI Group level document and assessed and fine-tuned it based on local specifics. For the double materiality assessment, internal topic experts (stakeholders) assessed direct impacts, identifying relevant impacts, risk and opportunities within their areas of expertise. RBHU Group also participates in sectoral discussions in order to align reporting obligations on national level.

Identification of ESRS touchpoints

Own operations

The initial assessment for own operations was based on the RBI Group documentation with topics previously assessed and identified by RBI and external experts. This included topics and the relevant sub-topics, as well sub-sub-topics. In individual workshops and discussions, all internal stakeholders were familiarized with ESRS and received an introduction to the double materiality assessment. The goal was to enable the experts to review the RBI Group documentation and to adapt them to their views, based on their expert opinion. The RBI Group documentation was presented, reviewed, and adapted by the internal stakeholders of RBHU Group. The RBI Group documentation was fine-tuned then by local specifics with a reasoning for each deviation.

The internal stakeholders with ESG expertise from various departments are responsible for the topics mentioned below and conducted the materiality analysis:

- Accounting Department
- Compliance Department
- Security Department
- Human Resource Department
- In-house Ecology/Facility Management
- Legal Department
- Marketing Department
- Procurement/Supply Chain Management.

The main responsibility for the double materiality assessment lay with the CSRD implementation project teams, which is a cooperation of finance and sustainability experts.

Assessment method

For actual negative and positive impacts, materiality was based on the severity of the impact, while for potential impacts it was based on the severity and likelihood of the impact. For factors such as scale, scope and irremediability were used for the severity of the impact and a four-step scale was used, from one (very low) to four (high). The likelihood of occurrence of a sustainable topic was assessed for risks, opportunities, and potential impact using a four-step scale, from one (very unlikely) to four (likely). The same likelihood scale was used for the probability of occurrence for financial materiality and impact materiality. For potential impacts on human rights, the assessment was conducted in the same manner as for actual impacts, in accordance with ESRS 1 paragraph 48.

The likelihood was overridden by the potential impact on human rights, and if human rights were relevant to the topic, they were automatically considered likely for calculation purposes.

For the financial risks and opportunities assessment, a sustainability matter is considered material from a financial perspective if it triggers or is expected to trigger significant financial effects on the undertaking. This determination used factors such as the continuation of resource use, dependence on relationships, and other elements that influence the future value of the company. For risks and opportunities deemed relevant to RBHU Group, the time horizon for potential occurrences was defined before analyzing how these risks and opportunities could impact the factors used. Additionally, the likelihood was assessed.

An overall threshold of 0.66 was set for the direct impact materiality and direct financial materiality (risk and opportunities), derived from the assessment of the above criteria. If the impact materiality and/or financial materiality of an ESRS topic exceeded this threshold, it was considered material for RBHU Group and was included in the consolidated non-financial statement for 2024.

During the workshops and discussions, the identified ESRS topics were subsequently evaluated for their positive and negative effects, and for each impact, additionally assessed for potential and actual impacts. Actual impacts are those that have already occurred, while potential impacts are those that could occur in the future, initially, the origin of the impact (whether directly or indirectly caused by RBHU Group), the location (where the expected impact could occur), and the time horizon in which the impacts are likely to occur were assessed. Subsequently, a quantitative evaluation was conducted to determine the extent.

Value chain

Impact materiality assessment

The portfolio's impact materiality assessment was conducted using the United Nations Environment Programme – Finance Initiative (UNEP FI) Impact Analysis Tool. This tool, developed in collaboration with signatories of the Principles for Responsible Banking (PRB) and UNEP FI member banks, provides a framework for assessing the impacts associated with financial portfolios. By using this methodology, RBI evaluates the indirect impacts of its portfolio on sustainability priorities aligned with the European Sustainability Reporting Standards (ESRS).

For the analysis, RBHU Group's portfolio as of 31 December 2023 was segmented by business line – non retail and retail – and described in terms of industry sectors (NACE), country of operation, exposure at default (EAD), and booking country.

To assess how these portfolio elements impact sustainability topics, UNEP FI mapping is used to connect sector and geographic data to ESRS sub-topics. The sector-impact map highlights how industries influence specific impact areas – positively and negatively, directly or indirectly – and these impact areas are then mapped to ESRS sub-topics to connect portfolio impacts to ESRS standards. Adding country-specific data gives the analysis a geographic layer, helping to prioritize sustainability topics based on regional importance. While the ESRS standards require reflection on both actual and potential impacts, which could align with UNEP FI's direct and indirect impacts, RBHU Group's analysis focuses solely on direct impacts. This decision provides a clearer view of the immediate effects of the portfolio, while the overall analysis remains within the ESRS indirect realm from RBHU Group's perspective.

The impact calculation applies three measures, scale, scope and irremediability. Scale quantifies the monetary exposure (EAD) of sectors that directly affect ESRS sub-topics through UNEP FI impact areas. Scope adjusts scale by factoring in geographic relevance, reflecting country-specific needs that influence the priority of each topic. Irremediability then provides a qualitative assessment of the reversibility or permanence of these impacts, with higher scores indicating sectors or regions where impacts are challenging to mitigate.

These three measures – scale, scope and irremediability – combine to create an overall impact score for each ESRS sub-topic. This score serves as the basis for the double materiality analysis, following ESRS guidelines. A materiality threshold of two-thirds (66.7 per cent) is applied to determine which ESRS topics are considered material and should be prioritized. The quantitative score can also be adjusted using qualitative inputs such as stakeholder feedback or contextual insights, ensuring a more holistic assessment of the portfolio's indirect impacts.

Financial materiality assessment

According to ESRS, it is necessary to report information related to an undertaking's own operations and its upstream and downstream value chain, including its products and services, its business relationships, and its supply chain. The financial materiality of risk is assessed based on combination of the likelihood of occurrence and the potential magnitude of the financial effects. For the likelihood of occurrence, factors such as current and future legislation as well as reputational considerations are considered. For the purpose of the CSRD, RBHU Group uses the income dependency of RBHU Group's downstream value chain to assess the magnitude of the financial materiality of the topical standards (and sub-topics).

When the income dependency of a topical standard is greater than 10 per cent and it is likely there will be an impact, this provides confirmation of financial materiality. The income dependency ratio is defined as income from high-impact lending/investing divided by operating income and add-back interest expense and fee expense.

The income from high-impact lending/investing currently consists of the following positions:

- Interest income from non-financial corporations
- Interest income from retail mortgage loans
- Fee and commission income from non-financial corporations
- Fee and commission income from investment funds.

Financial materiality in the value chain is given when income from topical sectors is greater than 10 perc cent and it is likely that there will an impact. Currently, there is no perceived financial materiality in the value chain of RBHU Group.

Validation of double materiality assessment

The model covering direct double materiality perspective is covered by the relevant guidance of EFRAG, and in line with the requirements and recommendation of the aforementioned guideline. The indirect double materiality models are based on international standards and good practiced used by the sector. Several discussions and workshops were held between RBI and other NWUs (including RBHU Group) in relation to the methodology and results of double materiality assessment. In addition to the above, the Bank discussed the approach, the methodology and results with the internal experts and stakeholders.

The process and results of the double materiality assessment were presented and recognized by the Management on 24th of March 2025. The summary of the outcome of the double materiality assessment is presented in the chapter SBM-3: Material impacts, risks and opportunities and their interaction with the strategy and business model.

Topic-specific disclosure requirements

Climate change

Own operations

Impact materiality assessment

In terms of RBHU Group's own operations, the double materiality principle entails understanding and taking into account the impact of a company's own activities on the environment and the implications of environmental issues for the respective company.

At RBHU Group, the key materiality indicator is the volume of absolute greenhouse gas emissions (scope 1-3) that are caused by various activities, such as energy consumption and business trips. These emissions have an adverse impact on the climate and are therefore considered, even though the main focus rests on RBHU Group's financed emissions due to their much larger weight. As the changes in the world's climate have far-reaching consequences, which extend beyond national borders, there is no regional limitation of effects in the context of the inside-out approach. Although the impact of greenhouse gas emissions on the climate is entirely negative, aspects such as the use of renewable energy and the promotion of energy efficiency can mitigate the adverse effects.

Financial materiality assessment

The risks of operational activities are closely related to the environmental concerns set out to be managed in the CSRD. The biggest risk to the economy, society and the environment is the unwillingness of companies to counteract climate change. This leads to increased global warming with the known negative impacts. In addition to external environmental risk, RBHU Group and its operating locations are subject to physical, regulatory and reputational risks (outside-in perspective). In the area of physical risks, for example, natural disasters could result in damage to property. These risks are minimized by selecting the right locations and ensuring suitable property insurance (adaptation strategy).

They are managed on the cost side by continuously observing the internal and external environment and by consulting specialists in controlling the respective measures. Risks are classified as material when they endanger the achievement of RBHU Group's medium to long-term climate targets – particularly with regard to energy consumption – or when stakeholders classify them as material for RBHU Group. The measures set out are currently heavily focused on the area of energy, with examples including targeted increases in energy efficiency and structural alterations to building shells.

The physical risks of climate change, such as greater and more frequent temperature fluctuations, often result in higher operating costs, e.g. due to the increased need for cooling as the number of days with extreme heat increases. Risk management is based on a combined bottom-up and top-down approach in which all employees also pay a significant role in risk minimization in their respective working area.

RBHU Group is contributing to meeting the goals of the UN climate change conference in Paris (Conference of the Parties 21) by working to reduce greenhouse gas emissions, as well as promoting the renewable energy sector of the economy.

Consistent steering through KPIs in areas such as business travel and energy consumption represents a particular opportunity for RBHU Group with regards to the environmental impact of its own operations. Furthermore, reputational risks are minimized and resilience in the face of the consequences of climate change is increased. New collaborations in research and development and investment in energy efficiency measures can also play a role in promoting the transformation to a sustainable economy.

Value chain

Assessment of the materiality of climate and environment-related risk

To complement the impact analysis performed using the UNEP FI Portfolio Impact Analysis Tool (see chapter Impact materiality assessment and in line with the ECB Guide on climate-related and environmental risks (expectations 7.2 and 7.31), an extended annual risk assessment for climate and environmental risk drivers has been implemented within RBI's risk framework. While the UNEP FI portfolio impact analysis also considers the inside-out perspective, the materiality assessment described below focuses on the outside-in view, i.e., how the climate and environmental risks affect RBHU Group's risk profile. The inside-out view, on the other hand, would additionally address how RBI's activities affect the outside world (including the financed emission calculation, as well as how science-based targets measure and mitigate the inside-out impact).

The additional climate and environmental risk assessment process has been established to identify the severity of environmental risk from applicable transmission channels within the current portfolio and over different time horizons. This multiple dimensional approach considers:

- Different individual climate and environmental risk drivers (physical risk, transition risk, other environmental risks);
- The impact of each climate and environmental risk driver through risk-dependent transmission channels, assessed for each risk type (credit, market, operational and liquidity risk);
- The impact under different transition risk scenarios (orderly – specifically Net Zero 2050).

Individual climate and environmental risk drivers

Transition risk

With transition risk being defined as the risks related to the process of adjustment towards a low-carbon economy, the transition risk drivers represent climate-related changes that could generate, increase or reduce transition risks. They include changes in public sector (generally government) policies, legislation and regulation, changes in technology, and changes in market and customer sentiment, each of which has the potential to generate, accelerate, slow or disrupt the transition towards a low-carbon economy. Looking one step further, the transmission channels are the causal chains that explain how climate risk drivers give rise to financial risks that impact banks directly or indirectly through their counterparties, the assets they hold, and the economy in which they operate.

The Bank has identified transmission channels in line with the Basel Committee on Banking Supervision (BCBS) paper on climate-related risk drivers and their transmission channels.

Credit risk

Credit risk increases if climate risk drivers reduce borrowers' ability to repay and service debt (income effect) or banks' ability to fully recover the value of a loan in the event of default (wealth effect). For example, in the non-retail portfolio, macroeconomic and climate-related risk factors (e.g. carbon tax, emission trading system (ETS) expenses) are used to make sector-specific projections on production and operating costs which are distributed to the single borrower's financial figures (e.g. operating revenues, operating costs such as costs of goods sold and labor costs, additional costs relating to carbon tax, costs for green transitions, etc.). Finally, the projected financial positions are used to simulate the projection of the probability of default in RBI's rating models for a materiality assessment, under the different transition scenarios described above.

Market risk

Climate and environmental risk drivers may have a significant impact on the value of financial assets. Transition-related changes in official sector policy, technological advances and investor sentiment can alter or reveal new information about future economic conditions or the value of real or financial assets, resulting in downward price shocks and an increase in market volatility in traded assets. For instance, the transition to a low-carbon economy may impact commodity markets, especially fossil fuels which are prone to transition risks. Transition risk could also lead to a breakdown in correlations between assets, reducing the effectiveness of hedges and challenging banks' abilities to actively manage their risks.

The impact of transition risk on market risk is assessed using a centrally-developed, RBI Group methodology. This covers both corporate and sovereign issuers, according to which risk levels are assigned to positions – based on the NACE code/industry and risk country of the issuer. Corporate exposures are linked to NACE codes/industries and risk levels are assigned based on the industry share of GHG emissions in the risk country's total GHG emissions. Sovereigns are linked to countries and risk levels are based on several factors: the industry's GHG emissions, gross value added, wages and salaries, social security costs, environmental taxes, and operational surplus and mixed income (net). The materiality on market risk is assessed based on the total loss in relation to common equity tier 1 (CET1).

Liquidity risk

From a liquidity risk perspective, climate change transition risk can affect inflows from customers' loan repayments (due to lower creditworthiness) and the value of securities in the liquidity buffer. Liabilities and retail loans are not deemed vulnerable to transition risk. Meanwhile, if it is assumed that the transition risk is spread over a period of more than three months (i.e., a relatively gradual change in the legislative environment), the effect on liquidity risk is deemed negligible as it is expected that the balance sheet of the Bank will gradually adapt to the change. If the risk realization period is less than three months, the effect will be more palpable and is approached using the same assumptions as for market risk in terms of the devaluation of securities in the liquidity buffer, and credit risk, in terms of decreased inflows from loans due to a higher default rate. The materiality is assessed on the basis of the liquidity buffer devaluations' relative impact on liquidity surplus estimated by internal stress test model (time to wall).

Operational risk

Corporates and banks may be exposed to increasing legal and regulatory compliance risk, as well as litigation and liability costs associated with climate-sensitive investments and businesses. Furthermore, climate-related lawsuits could target corporations as well as banks for past environmental conduct, whilst seeking to direct future conduct. The impact of this transmission channel has been assessed by the operational risk framework that is in place, as current expected losses are measured by analysing historical data as well as identifying trends and forward-looking approaches. Operational risk is assessed on the loss in relation to the total revenue of the Bank.

Physical risk

Physical risk drivers are changes in both weather and climate. They are expected to increase over a longer time horizon if the transition to a sustainable, net-zero economy is not successful (e.g. the hot-house world which is a high emission scenario). Physical risks can be classified as acute risks, which are related to extreme weather events, or chronic risks associated with gradual shifts in climate:

- Acute physical risks are generally considered to consist of: floods, wildfires and storms, including hurricanes, cyclones and typhoons, as well as extreme precipitation
- Chronic physical risks include rising sea levels, rising average temperatures, and water stress. Extended periods of increased temperatures may also lead to further chronic climate events, such as desertification.

Similarly, extended periods of increased average temperatures could impact the ecosystem, especially agriculture. The way in which physical risks impact economies will vary depending on geographical location as different regions exhibit distinct climate patterns and levels of development. Some regions are expected to be more severely affected than others because they are more exposed and more vulnerable to specific types of weather disasters.

All these hazards are assessed via risk-specific transmission channels over a short, medium and long-term horizon (see section time horizons) under the orderly and hot-house world scenario based on a physical risk map containing information on hazard-specific vulnerability and impact for each relevant geolocation.

Credit risk

Physical risk drivers mainly impact banks' credit risk through their counterparties. The physical capital (housing, inventory, property, equipment or infrastructure) of households, corporates and sovereigns can be damaged or destroyed by physical hazards. This damage reduces the value of assets and, consequently, a counterparty's wealth. Physical risk drivers can also negatively impact the cash flows of the affected entities as damaged physical capital, such as impaired rental properties and factories, will generate less income. The damage may be caused by acute physical risks and chronic physical risks, such as rising sea levels. The materiality of this transmission channel is assessed by mapping portfolio exposure to a physical risk map under different transition scenarios (orderly, disorderly, hot house), while accounting for coping capacity at the country level (INFORM risk model).

Market risk

Physical risk may be sudden and severe, and have knock-on effects across regions and sectors through interconnected socioeconomic and financial systems. Physical risks emerging from climate change can cause market price fluctuations, such as more frequent and severe extreme weather events causing losses in equity prices due to the destruction of firms' assets or capacity to produce. Uncertainty about the timing, intensity and location of future severe weather events and other natural disasters may lead to higher volatility on the financial markets. Overall, the presence of physical risk may lead to a classical risk factor (e.g. an equity price or an exchange rate) being more volatile than historically observed, or being subject to severe jumps, diminishing the value of the financial instrument being traded. This transmission channel is assessed by mapping market risk exposure to a physical risk map (again under different transition scenarios (orderly, disorderly, hot house), while considering historical losses and the impact on GDP.

Liquidity risk

With respect to the effect of physical climate risk on liquidity risk, the logic is similar to that applied to transition risk. If the risk event is spread over a significant period of time or does not have an immediate effect, this risk has a negligible impact on liquidity risk. If acute climate physical risks materialize, the following effects are possible:

- Devaluation of securities in the liquidity buffer (in line with the market risk assessment)
- Decrease in inflows from loans due to a higher default rate and higher rollover rate, combined with higher withdrawals of loans from credit lines.

Customers, including those in the retail segment, use loans to cover damages caused by the event. Outflows from customers' liabilities arise due to the need to cover damage caused by the event. This effect is not straightforward, as if a bank has a significant market share and a diverse customer base, it is most likely that a customer who has suffered from the event would have to pay other customers (e.g. retail customers with damaged houses will pay for construction goods). In addition, the effect can be temporary in this case, as if the accounts are mainly in a customer's portfolio, inflows from insurance coverage will be reflected in the liabilities relatively soon after the potential decrease.

The materiality of this transmission channel has been evaluated by analysing the effect on the liquidity buffer under different interest and credit spread shocks under different transition scenarios, derived from the region-dependent physical risk score.

Operational risk

Physical hazards can affect banks directly as operational risks. For instance, if physical hazards disrupt transportation facilities and telecommunications infrastructure, banks' operational ability may be reduced. The impact of this transmission channel was assessed by extending the physical risk drivers to the operational risk assessment and scenario. In this scenario, business continuity management costs are measured using scenario methodology, i.e., it is assumed that the physical risk may cause potential business continuity management events (critical site not available and IT availability & continuity). The locations for both the primary head office and data centers were evaluated by the external data provider in terms of exposure to the climate and environmental risk drivers mentioned. The results of the scenario analysis did not reveal any severe impacts from those specific risk drivers.

Results of the climate related risk assessment

In the materiality assessment 2024, with the cut-off date of 30 June 2024 and using the methodology outlined above, all transitional and physical risks to the market, liquidity, operational and credit risk indicators were assessed at a low level for RBHU Group.

		Climate and environmental materiality assessment		
		Short term	Medium term	Long term
Credit risk	Transition risk	Low	Low	Low
	Physical risk	Low	Low	Low
Market risk	Transition risk	Low	Low	Low
	Physical risk	Low	Low	Low
Operational risk incl. reputational risk	Transition risk	Low	Low	Low
	Physical risk	Low	Low	Low
Liquidity risk	Transition risk	Low	Low	Low
	Physical risk	Low	Low	Low

The thresholds for the materiality analysis are determined individually by risk type. For credit risk, the effect of transition risk is derived from the probability of default of customers in different transition scenarios compared to actual values. For physical risk, the threshold is set individually for each possible event (e.g. flood, wildfire), and the final effect represents a combination of the event's probability and the resilience of a region. For market risk, the potential loss is measured in relation to total capital. For operational risk, the estimated loss in both transition and physical risk scenarios is compared against a threshold in accordance with RBI's internal operational risk framework.

For liquidity risk assessment, all scenarios and risk drivers demonstrated low materiality. Given that Climate and Environmental (C&E) risks have low materiality and that the main transition channels for liquidity risk are market and credit risks, only the materiality assessment is currently part of the ILAAP. Nonetheless, the Group is considering the integration of a stress scenario for C&E risks within the scope of liquidity risk.

To further reflect the risk related to income dependency (in parallel to the impact on risk parameters), the ICAAP risk assessment was extended with risk indicators related to income from industries with high contribution to climate change. Initial results show contribution to the Bank's income from relevant industries as (low) not material (below ten per cent).

IRO-2: Disclosure requirements in ESRS covered by the undertaking's sustainability statement

An overall threshold of 0.66 was set for the impact materiality and financial materiality (risks and opportunities), derived from assessments of various criteria. If the impact materiality and/or financial materiality of an ESRS topic exceeded this threshold, it was considered material for the Bank and was included in the consolidated non-financial statement for 2024.

Sector-agnostic standards

Disclosure requirements	Page reference	Omissions/explanations
ESRS 2 General disclosures		
BP-1: General basis for preparation of consolidated non-financial statement	1	
BP-2: Disclosures in relation to specific circumstances	2	
GOV-1: The role of the administrative, management and supervisory bodies	6	
GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	10	
GOV-3: Integration of sustainability-related performance in incentive schemes	11	
GOV-4: Statement on due diligence	11	
GOV-5: Risk management and internal controls over sustainability reporting	11	
SBM-1: Strategy, business model and value chain	15	
SBM-2: Interests and views of stakeholders	19	
SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	20	
IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities	25	
IRO-2: Disclosure requirements in ESRS covered by the undertaking's consolidated non-financial statement	31	
E1 Climate change		
GOV-3: Integration of sustainability-related performance in incentive schemes	11	
E1-1: Transition plan for climate change mitigation	115	
ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	117 and 138	
IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities	25	
E1-2: Policies related to climate change mitigation and adaptation	119	
E1-3: Actions and resources in relation to climate change policies	125	
E1-4: Targets related to climate change mitigation and adaptation	130	
E1-5: Energy consumption and mix	132	
E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions	132	
E1-7: GHG removals and GHG mitigation projects financed through carbon credits	137	Not material
E1-8: Internal carbon pricing	137	Not material
E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	–	Phase-in
S1 Own workforce		
SBM-2: Interests and views of stakeholders	19	
ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	117 and 138	
S1-1: Policies related to own workforce	139	
S1-2: Processes for engaging with own workers and workers' representatives about impacts	141	
S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns	142	
S1-4: Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	142	
S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	144	
S1-6: Characteristics of the undertaking's employees	145	
S1-7: Characteristics of non-employee workers in the undertaking's own workforce	145	
S1-8: Collective bargaining coverage and social dialogue	145	
S1-9: Diversity metrics	146	
S1-10: Adequate wages	147	
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S1-12: Persons with disabilities	147	
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S1-15: Work-life balance metrics	148	
S1-16: Compensation metrics (pay gap and total compensation)	148	
S1-17: Incidents, complaints and severe human rights impacts	149	
S4 Consumers and end-users		
SBM-2: Interests and views of stakeholders	19	
ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	117 and 138	
S4-1: Policies related to consumers and end-users	153	
S4-2: Processes for engaging with consumers and end-users about impacts	162	
S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	164	

S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	165	
S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	167	
G1 Business conduct		
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IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities	25	
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G1-2: Management of relationships with suppliers	173	
G1-3: Prevention and detection of corruption and bribery	174	
G1-4: Confirmed incidents of corruption or bribery	175	
G1-5: Political influence and lobbying activities	—	Not material
G1-6: Payment practices	175	

List of data points in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR	Pillar 3	Benchmark Regulation	EU Climate Law	Reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/18 16, Annex II		GOV-1: The role of the administrative, management and supervisory bodies
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Commission Delegated Regulation (EU) 2020/18 16, Annex II		GOV-1: The role of the administrative, management and supervisory bodies
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				GOV-4: Statement on due diligence
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/245328Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Commission Delegated Regulation (EU) 2020/18 16, Annex II		not applicable
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Commission Delegated Regulation (EU) 2020/18 16, Annex II		not applicable
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/18 18 Article 12(1), Delegated Regulation (EU) 2020/1816, Annex II		not applicable
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Commission Delegated Regulation (EU) 2020/18 18 Article 12(1), Delegated Regulation (EU) 2020/1816, Annex II		not applicable
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	E1-1: Transition plan for climate change mitigation
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Commission Delegated Regulation (EU) 2020/18 18 Article12.1 (d) to (g), and Article 12.2		E1-1: Transition plan for climate change mitigation
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Commission Delegated Regulation (EU) 2020/18 18 Article 6		E1-4: Targets related to climate change mitigation and adaptation
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				not applicable

ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				E1-5: Energy consumption and mix
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				not applicable
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity			E1-6: Gross scopes 1, 2, 3 and total GHG emissions
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Commission Delegated Regulation (EU) 2020/1818, Article 8(1)		E1-6: Gross scopes 1, 2, 3 and total GHG emissions
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	not applicable
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral			phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		phase-in
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				not material sub-topic
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				not material sub-topic
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				RBI human rights policy

ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 21		Delegated Regulation (EU) 2020/1816, Annex II	RBI human rights policy
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I		RBI human rights policy
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I		
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I		S1-3: Processes to remediate negative impacts and channels for own workforce to raise concerns
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	S1-14: Health and safety metrics
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I		S1-14: Health and safety metrics
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	S1-16: Remuneration metrics (pay gap and total remuneration)
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I		S1-16: Remuneration metrics (pay gap and total remuneration)
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I		S1-17: Incidents, complaints and severe human rights impacts
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1		S4-1-Policies related to information-related impacts for consumers and end-users
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1		Information and Cyber Security
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1		not applicable
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1		not applicable

ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II)	G1-4: Incidents of corruption or bribery
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1		G1-4: Incidents of corruption or bribery

Environmental information

Regulatory disclosure requirement in accordance with Article 8 of the EU Taxonomy Regulation

The EU Taxonomy Regulation sets out an EU-wide framework that allows investors and undertakings to determine whether certain economic activities are environmentally sustainable. Article 8 of the EU Taxonomy Regulation requires undertakings covered by the Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (CSRD) to publish information on how and to what extent their economic activities qualify as environmentally sustainable under the EU Taxonomy Regulation. RBHU Group is therefore required to disclose the taxonomy eligibility and taxonomy alignment of its economic activities for 2024.

The Green Asset Ratio (GAR) serves as a benchmark and reporting metric for taxonomy alignment. It describes the share of RBHU Group's green taxonomy-aligned business relative to the covered assets. However, the GARs disclosed by the Bank for 2024 is mostly based on retail exposure, as well as general-purpose exposure to non-financial undertakings which were subject to the Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups the Non-Financial Reporting Directive (NFRD; now CSRD). Loans to smaller companies and non-EU businesses, for instance, are not included the 2024 disclosure, which can distort the picture enormously depending on a banking group's key activities. Furthermore, the GAR does not reflect the fact that RBHU Group focused on the economic ESG transformation of its customers. In particular, RBHU Group supported undertakings that are already on the path to sustainability but whose transactions were not yet completely green according to the definitions of the EU Taxonomy Regulation.

The Bank's engagement with clients on the EU Taxonomy involves educating them about the classification system for sustainable activities that are relevant for the sector, and its importance in aligning investments with the EU's environmental goals from the perspective of a financial institution. The 'ESG experts' support clients, especially but not restricted to clients in the real estate and electric utilities sectors, by providing guidance on how their activities can meet the taxonomy criteria, thereby facilitating access to sustainable finance and enhancing transparency.

I. Mandatory disclosure

RBHU Group disclosed all key performance indicators (KPIs) in accordance with the Disclosures Delegated Act (Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021). This regulation supplements Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities and specifying the methodology to comply with that disclosure obligation. For additional information and improved clarity, the disclosure of these quantitative KPIs was supplemented by qualitative information pursuant to Annex XI of the Disclosures Delegated Act. For 2024, the Bank disclosed information on taxonomy eligibility and alignment with regard to the first two environmental objectives – climate change mitigation and climate change adaptation. Information available for the Bank on taxonomy for the other four environmental objectives is still very limited.

An overview of the relevant key figures and templates that are reported in accordance with Article 8 of the EU Taxonomy Regulation and the supplementary Disclosure Delegated Act for 2024 is available in the chapter "Overview of relevant KPIs and templates". The figures for the main KPI GAR stock and the additional KPI GAR flow are shown below.

Green Asset Ratio stock and flow

		Turnover GAR KPI		CapEx GAR KPI	
		2024	2023	2024	2023
Main KPI	GAR stock	0.27 %		0.40 %	
Additional KPI	GAR flow	0.26 %		0.26 %	

II. Details about templates and covered exposures as well as information on data sources and current data limitations

All EU Taxonomy Regulation KPIs for 2024 were determined in accordance with the legal requirements as set out in the Disclosures Delegated Act, as well as on turnover-based and capital expenditure-based (CapEx) information disclosed by the clients. Furthermore, information on financed nuclear and gas economic activities is reported, as required by the Delegated

Regulation. Detailed information on the calculations as per the qualitative disclosures required by Annex XI of the Delegated Regulation can be found separately for each KPI below.

RBHU Group's approach for determining Taxonomy-eligible and Taxonomy-aligned economic activities, assets and economic sectors (Template 0-2)

RBHU Group's banking book was used to determine its taxonomy-eligible and taxonomy-aligned economic activities. Total covered assets were identified as per the requirements of the full GAR disclosure. Exposures towards central banks, supranational institutions, the central government, and assets held for trading were excluded. The remaining covered assets formed the denominator in the formula for calculating the GAR.

All the taxonomy-eligible and taxonomy-aligned economic activities were included in the numerator for calculating the GAR. They were defined as covered assets additionally belonging to one of the following categories:

- Taxonomy-eligible and taxonomy-aligned economic activities of CSRD undertakings

  In accordance with Article 8 of the EU Taxonomy Regulation, the disclosure was based on the obligation to publish non-financial information pursuant to Articles 19a and 29a of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC. While for 2023, these articles were set out in the NFRD, the disclosure for 2024 was based on the CSRD, which replaced the respective Articles 19a and 29a.

- Taxonomy-eligible and taxonomy-aligned economic activities in retail banking
- Taxonomy-eligible and taxonomy-aligned economic activities related to local and regional government financing
- Real estate collaterals obtained by taking possession in exchange for the cancellation of debt and held for sale.

In addition, derivatives (not held for trading), on-demand interbank loans, cash and cash-related assets and other assets (e.g. goodwill, commodities) were also excluded from the numerator, but were included in the calculation of the denominator for the Green Asset Ratio. Furthermore, no exposures to non-EU or to small and medium-sized enterprises were taken into consideration.

If the purpose was known at transaction level and was consistent with the defined activities of the EU Taxonomy Regulation or the supplementary delegated regulation – for example, a property loan (acquisition and ownership of a building) – RBHU Group took into account exposures to the extent that taxonomy eligibility and taxonomy alignment could be demonstrated for the underlying transaction. In cases where a transaction qualified for more than one environmental objective, RBHU Group assigned the transaction, or an appropriate portion of it, to the most relevant objective to prevent double counting. The decision on which environmental goal is considered the most relevant is made based on expert opinion during the assessment and should reflect the purpose of the transaction.

For transactions conducted for general purposes – for example, for granting a working capital facility – RBHU Group took into account the relevant taxonomy KPIs for taxonomy eligibility and taxonomy alignment that were provided or disclosed by the counterparties.

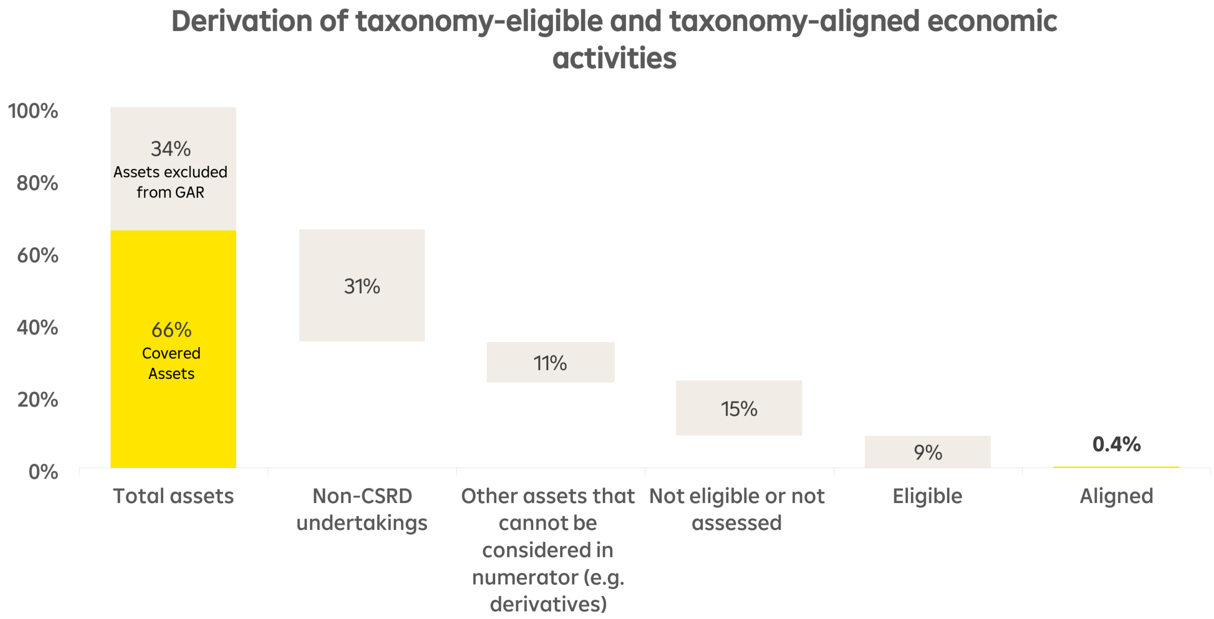
The relevant taxonomy KPIs for general-purpose transactions, including investment (CapEx) and turnover KPIs for non-financial counterparties, as well as taxonomy specific KPIs for financial counterparties, were gathered through an internal data collection project and supplemented by an external data provider.

In the disclosure for 2024, it was possible to include KPIs for taxonomy alignment for the first two environmental objectives of financial counterparties for the first time. These were published in 2024 (for the 2023 financial year). Regarding taxonomy eligibility, both financial and non-financial counterparties published KPIs for the four new environmental objectives for the first time in 2024 (for the 2023 financial year). Non-financial undertakings will be required to publish KPIs for taxonomy alignment for these four new environmental objectives in 2025 (for the 2024 financial year), while financial undertakings will be required to do so by 2026 (for the 2025 financial year).

The share of RBHU Group's exposures to non-CSRD undertakings for 2024 was material. The gradual implementation of the CSRD is expected to improve the KPIs, as it will also significantly increase the number of enterprises to be considered.

As structured data availability remains limited, in particular regarding the evidence required to assess use-of-proceeds transactions, and given the limitations described above, RBHU Group's relevant portfolio could not be considered in full for the GAR assessment. However, RBHU Group along with RBI is consistently working on improving the data situation. Furthermore, it is expected that the share of taxonomy-eligible and taxonomy-aligned exposures will change accordingly and increase in the future as more information is likely to be disclosed by customers.

The allocation of NACE codes, as disclosed in template 2 for the GAR sector information, is done based on the main business of the counterparty which is identified via information from local public registries or based on data from an external data provider.



This chart refers to the disclosure of the taxonomy-eligible and taxonomy-aligned economic activities on CapEx-based indicators. The percentage figures in the chart above refer to the share of the respective position in relation to RBHU Group's total assets. For the calculation of the taxonomy-aligned value (yellow), i.e. the Green Asset Ratio, the number in the qualitative chart refers to covered assets (denominator), not total assets.

Exposures to Taxonomy-aligned economic activities/covered assets (GAR (stock)) (Template 3)

The RBHU Group's (Raiffeisen Bank Hungary and its affiliates) assets with exposures to taxonomy-aligned economic activities amounted to 12,160.83 million HUF and are used int the calculation of the GAR (CapEx). In accordance with the instructions set out in Annex V of the Delegated Regulation, the exposures to be included in the numerator encompass banking book loans and advances to CSRD-relevant clients, households (limited to loans collateralized by residential real estate and loans granted for home renovation purposes), and loans and advances to local governments.

All retail exposures relevant to the EU Taxonomy were analyzed under the relevant economic activities and environmental objectives in accordance with the Disclosures Delegated Act and included in the CapEx as well as in the turnover GAR. With regard to compliance with minimum social safeguards (MS), the interpretation of the Platform on Sustainable Finance as set out in the Final Report on Minimum Safeguards (available at sustainable-finance-platform-finance-report) was followed, which does not cover the application of the MS criteria for retail exposures. The total amount of taxonomy-aligned economic activities in the retail sector amounted to 2,738.8 million HUF out of a total of 12,160.83 million HUF. The GAR (CapEx) amounted to 0.40 per cent, of which 0.09 percentage points corresponded to the contribution of taxonomy-aligned economic activities in the retail sector.

RBHU Group has analysed retail exposures in detail, particularly house purchase loans. Besides identifying thresholds for Nearly Zero Energy Buildings (NZEB), analyses identifying the top 15 per cent of the national building stock in terms of Primary Energy Demand (PED) for economic activity 7.7 (acquisition and ownership of buildings) were included in the calculation, where such analyses were based on transparent real data in line with the relevant FAQs. It was not possible to collect the necessary information from retail customers regarding building renovation loans as well as car loans given the detailed and high demands. Such financing was therefore still generally recognized as taxonomy non-aligned.

The physical risk assessment for the retail segment was performed with the help of an external provider. A physical risk assessment, including a vulnerability analysis, was conducted for the relevant financed properties both within and outside the EU in accordance with Appendix A of Annex I of Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation, and for determining whether that economic activity causes no significant harm to any of the other environmental objectives. The physical risk assessment considered acute and chronic risks for the relevant hazards as set out in that Appendix and used an Intergovernmental Panel on Climate Change (IPCC) RCP 8.5 scenario. The assessment was not passed if the seriousness of a threat was considered very high and no corresponding risk mitigation measures were taken.

By reference to internally available data, RBHU Group's CSRD client base was determined according to the following criteria:

- The country in which the counterparty is registered must be an EU member state
- The business partner's total assets (on a consolidated basis) must be more than or equal to € 25 million or its total revenue (turnover) must be more than or equal to € 50 million. For insurance and reinsurance undertakings, the gross premiums written were used instead of revenue, while the gross operating result was used for the other financial institutions
- The relevant thresholds as set out in Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (the Accounting Directive) were updated by the Commission Delegated Directive (EU) 2023/2775 of 17 October 2023 amending Directive 2013/34/EU of the European Parliament and of the Council as regards the adjustments of the size criteria for micro, small, medium-sized and large undertakings or groups
- The customer was either a capital market-oriented company, a credit institution or an insurance undertaking
- The customer had more than 500 employees on an average basis (on a consolidated basis).

RBHU Group also considered subsidiaries that were fully consolidated under CSRD customers and did not publish/provide taxonomy KPIs on a stand-alone basis in a sustainability statement.

The disclosure of taxonomy-eligible and taxonomy-aligned exposures must be based on actual information provided by the financial or non-financial undertaking. RBHU Group, along with RBI collected such data as part of the data collection project. In addition, third-party data providers were used to obtain information for the assessment of taxonomy-eligible and taxonomy-aligned economic activities.

Exposures to Taxonomy-aligned economic activities/covered assets (GAR (flow)) (Template 4)

The GAR KPI flow was calculated in line with the GAR KPI stock. However, unlike GAR KPI stock, it only considered those positions that were newly concluded in the 2024 financial year.

Off-balance-sheet exposures to Taxonomy-aligned economic activities/covered assets (Template 5)

RBHU Group analysed its off-balance sheet exposure, both with purpose known and general purpose with regard to taxonomy alignment for the first two environmental objectives – climate change mitigation and climate change adaptation – and the taxonomy eligibility of the four new environmental objectives. For the disclosure of off-balance-sheet exposures, a distinction was made between financial guarantees and assets under management.

The methodology for calculating the KPI for financial guarantees corresponded to the methodology laid down for loans and advances, and for bonds. However, it was applied to the underlying transaction of the financial guarantees. If RBHU Group had no data on the specific purpose of the underlying transaction, the counterparties' KPIs were used. For the earmarked exposures, the counterparties' taxonomy data were collected internally as part of the data collection project and by an external data provider.

The KPI for assets under management was calculated in line with the methodology determined for asset managers. The numerator comprised the weighted average value of the investments in the taxonomy-aligned economic activities of the enterprises in which investments were made. Reference was made here to the information on the taxonomy eligibility and taxonomy alignment of the respective counterparties (financial and non-financial CSRD undertakings) and the corresponding KPIs were used. For the earmarked exposures, data was also collected internally as part of the data collection project and by an external data provider. RBHU Group is committed to continuously improving its own processes and the topic of ESG data availability and quality as part of a constructive dialog with the relevant stakeholders.

Exposures to Taxonomy-eligible and Taxonomy-aligned economic activities/covered assets for nuclear and gas economic activities (Templates in accordance with Annex XII of the Disclosures Delegated Act)

The EU Taxonomy includes six economic activities in the nuclear and gas sector. Companies operating in these sectors that are subject to taxonomy disclosures are therefore also required to publish EU Taxonomy data on taxonomy eligibility and taxonomy alignment for their relevant nuclear and gas activities.

RBHU Group's sustainability concept in the nuclear and gas sector is detailed in the RBI Group's ESG framework (business policy on nuclear energy and business policy on oil & gas). Our parent company takes a restrictive approach towards the nuclear sector in accordance with its Code of Conduct. RBI implemented this restrictive approach for the following entities and their relevant suppliers in particular: nuclear power plants (NPPs), companies mining, processing and trading with nuclear fuel, or companies managing nuclear waste (storage of spent fuel derived from NPPs).

The above-mentioned policy takes into consideration that nuclear power plants are usually operated by electricity companies or holdings. As a consequence, thereof, RBHU Group seeks to continue its cooperation with these electricity companies or holdings, albeit with strict segregation from nuclear power plants and connected activities (i.e. any financing to electricity providers that process energy from nuclear sources is only allowed if the purpose of the financing is not used for or related to nuclear power plants).

Accordingly, any resultant exposure only stemmed from taxonomy KPIs for the nuclear sector as published by the companies in question. In addition, RBI has implemented a sector-specific group policy for the gas sector, in which it addresses the handling of oil and gas economic activities.

In 2024 RBHU Group had no taxonomy-eligible or taxonomy-aligned exposures earmarked in the gas sector. Accordingly, only the taxonomy KPIs published by the companies were used for the gas sector. KPIs for the nuclear and gas sectors were collected internally as part of the data collection project and supplemented by an external data provider. For the specific nuclear and gas activities of the relevant counterparties, all revenue-based and investment-based taxonomy KPIs were included regarding their taxonomy eligibility and taxonomy alignment. For 2024, this also involved the respective KPIs of financial undertakings, including other credit institutions for the first time.

III. Adjustments in the presentation of information compared to the previous annual reporting period

The EU Taxonomy is a novel framework, and the interpretation of its requirements is still subject to change. Further guidance, such as those provided by the European Commission in the FAQs can provide clarity and has been continuously monitored and evaluated by the Bank. The disclosure in accordance with Article 8 of the EU Taxonomy for 2024 reflected the Bank's current understanding of the EU Taxonomy. The FAQs of the European Commission were taken into account, insofar as the guidance does not exceed the requirements of the Taxonomy Regulation and Commission Delegated Regulation (EU) 2021/2178 or contradict the requirements of those regulations or explanations provided in previous FAQs.

Overview of relevant KPIs and templates:

Template number	Designation	Brief explanation
0	Summary of KPIs	Summary of all relevant GAR KPIs
1	Assets for the calculation of GAR	Summary of all relevant assets used for calculation of GAR
2	GAR sector information	Summary of exposures in the non-trading book relative to the sectors covered by the Taxonomy (NACE sectors, four breakdown levels)
3	GAR KPI stock	Exposures to Taxonomy-eligible economic activities/covered assets for all six[1] environmental objectives and Taxonomy-aligned economic activities/covered assets for the first two environmental objectives climate change mitigation and climate change adaptation (turnover and CapEx GAP (stock))
4	GAR KPI flow	Exposures to Taxonomy-eligible economic activities/covered assets for all six environmental objectives and Taxonomy-aligned economic activities/covered assets for the first two environmental objectives climate change mitigation and climate change adaptation (turnover and CapEx GAP (flow))
5	KPI off-balance-sheet exposures	Exposures to Taxonomy-eligible economic activities/covered assets for all six[1] environmental objectives and Taxonomy-aligned economic activities/covered assets for the first two environmental objectives climate change mitigation and climate change adaptation (off-balance): 0.08 per cent (turnover) and 0.33 per cent (CapEx) (GAR financial guarantees) Exposures to Taxonomy-eligible economic activities/covered assets for all six1 environmental objectives and Taxonomy-aligned economic activities/covered assets for the first two environmental objectives climate change mitigation and climate change adaptation (off-balance): 0 per cent (turnover) and 0 per cent (CapEx) (GAR assets under management)
6	KPI on fee and commission income from services other than lending and asset management	Exposures to Taxonomy-eligible and Taxonomy-aligned economic activities/covered assets for all six[1] environmental objectives (turnover and CapEx GAR (fee and commission income)) This indicator does not have to be reported until 2026 for the 2025 financial year.
7	KPI trading book portfolio	Exposures to Taxonomy-eligible and Taxonomy-aligned economic activities/covered assets for all six[1] environmental objectives (turnover and CapEx GAR (trading book portfolio). This indicator does not have to be reported until the 2025 financial year.

1 Climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems

Template 0 – Summary of KPIs

31.12.2024		Total environmentally sustainable assets (HUF mln)	KPI[4]	KPI[5]	% coverage (over total assets[3]	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	8 234	0.27%	0.40%	65.81%	41.70%	34.19%

31.12.2024		Total environmentally sustainable activities (HUF mln)	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	1 281	0.26%	0.26%	99.66%	78.09%	0.34%
	Trading book[1]						
	Financial guarantees	182	0.08%	0.33%			
	Assets under management	-	0.00%	0.00%			
	Fees and commissions income[2]						

1 - For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

2 - Fees and commissions income from services other than lending and assets under management

Institutions shall disclose forward-looking information for these KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

3 - % of assets covered by the KPI over banks´ total assets

4 - based on the Turnover KPI of the counterparty

5 - based on the CapEx KPI of the counterparty, except for lending activities where Turnover KPI is used for general lending

Note 1: Across the reporting templates: cells shaded in black should not be reported.

Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply as of 2026. SMEs´inclusion in these KPIs will only apply subject to a positive result of an impact assessment.

For the financial year 2024, the % of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V) also includes exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU as referred to in Article 7(3) of Commission Delegated Regulation (EU) 2021/2178.

Disclosure template 1 – assets for the calculation of GAR

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/ municipalities (house financing).
2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.
3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations
4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure

For the financial year 2024, collateral obtained by taking possession as set out in row 31 is not included in row 1 (which includes loans and advances, debt securities and equity instruments).

For the financial year 2024, assets related to household exposures which are not relevant for the GAR calculation (i.e. exposures not included in the green asset ratio for retail exposures as set out in section 1.2.1.3. of Annex V of the Commission Delegated Regulation (EU) 2021/2178) are included in row 47 (other categories of assets) and not in row 49 (assets not covered for GAR calculation), as these exposures are not excluded from the calculation of the numerator and denominator of the key performance indicators in accordance with Article 7(1) of Commission Delegated Regulation (EU) 2021/2178.

Assets for the calculation of GAR (CapEX)

	31/12/2024	Total [gross] carrying amount	Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
	in HUF million				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1 126 109,85	416 704,46	12 160,83	2 738,79	2 144,34	4 430,10
2	**Financial undertakings**	**588 545,62**	**12 865,05**	**19,19**	**-**	**-**	**-**
3	Credit institutions	588 545,62	12 865,05	19,19	-	-	-
4	Loans and advances	210 506,78	-	-	-	-	-
5	Debt securities, including UoP	378 038,84	12 865,05	19,19	-	-	-
6	Equity instruments	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-
20	**Non-financial undertakings**	**151 376,62**	**24 604,39**	**9 402,85**	**-**	**2 144,34**	**4 430,10**
21	Loans and advances	64 661,85	14 360,54	3 672,87	-	660,34	1 577,66
22	Debt securities, including UoP	86 714,77	10 243,85	5 729,98	-	1 483,99	2 852,44
23	Equity instruments	-	-	-	-	-	-
24	**Households**	**381 920,38**	**379 235,01**	**2 738,79**	**2 738,79**	**-**	**-**
25	of which loans collateralised by residential immovable property	380 794,03	379 235,01	2 738,79	2 738,79	-	-
26	of which building renovation loans	-	-	-	-	-	-
27	of which motor vehicle loans	1 126,35	-	-	-	-	-
28	**Local governments financing**	**4 267,23**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	4 267,23	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**1 208,53**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**1 949 373,93**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**	**1 454 105,24**	**-**	**-**	**-**	**-**	**-**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1 394 747,07	-	-	-	-	-
35	Loans and advances	1 204 653,27	-	-	-	-	-
36	of which loans collateralized by commercial immovable property	278 023,92	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-	-
38	Debt securities	189 544,27	-	-	-	-	-
39	Equity instruments	549,53	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	18 742,69	-	-	-	-	-
41	Loans and advances	1 633,44	-	-	-	-	-
42	Debt securities	17 109,25	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-
44	**Derivatives**	**92 148,75**	**-**	**-**	**-**	**-**	**-**
45	**On demand interbank loans**	**27 386,86**	**-**	**-**	**-**	**-**	**-**
46	**Cash and cash-related assets**	**58 272,27**	**-**	**-**	**-**	**-**	**-**
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**317 460,81**	**-**	**-**	**-**	**-**	**-**
48	**Total GAR assets**	**3 076 692,31**	**416 704,46**	**12 160,83**	**2 738,79**	**2 144,34**	**4 430,10**
49	**Assets not covered for GAR calculation**	**1 598 483,92**	**-**	**-**	**-**	**-**	**-**
50	**Central governments and Supranational issuers**	**910 018,69**	**-**	**-**	**-**	**-**	**-**
51	**Central banks exposure**	**606 059,72**	**-**	**-**	**-**	**-**	**-**
52	**Trading book**	**82 405,50**	**-**	**-**	**-**	**-**	**-**
53	**Total assets**	**4 675 176,22**	**416 704,46**	**12 160,83**	**2 738,79**	**2 144,34**	**4 430,10**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-
54	Financial guarantees	215 351,46	1 217,97	711,08	-	333,17	194,88
55	Assets under management	656 964,65	-	-	-	-	-
56	of which debt securities	—	—	—	—	—	—
57	of which equity instruments	—	—	—	—	—	—

		g	h	i	j
	31/12/2024	Climate Change Adaptation (CCA)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		
	in HUF million			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,26	-	-	-
2	**Financial undertakings**	**0,26**	**-**	**-**	**-**
3	Credit institutions	0,26	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	0,26	-	-	-
6	Equity instruments	-	-	-	-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-	-	-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-	-	-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-	-	-
20	**Non-financial undertakings**	**-**	**-**	**-**	**-**
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-	-	-
24	**Households**	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans	-	-	-	-
28	**Local governments financing**	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	**Financial and Non-financial undertakings**	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-
35	Loans and advances	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-
37	of which building renovation loans	-	-	-	-
38	Debt securities	-	-	-	-
39	Equity instruments	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-
41	Loans and advances	-	-	-	-
42	Debt securities	-	-	-	-
43	Equity instruments	-	-	-	-
44	**Derivatives**	-	-	-	-
45	**On demand interbank loans**	-	-	-	-
46	**Cash and cash-related assets**	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	-	-	-	-
48	**Total GAR assets**	**0,26**	**-**	**-**	**-**
49	**Assets not covered for GAR calculation**	-	-	-	-
50	**Central governments and Supranational issuers**	-	-	-	-
51	**Central banks exposure**	-	-	-	-
52	**Trading book**	-	-	-	-
53	**Total assets**	**0,26**	**-**	**-**	**-**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-
54	Financial guarantees	-	-	-	-
55	Assets under management	-	-	-	-
56	of which debt securities	—	—	—	—
57	of which equity instruments	—	—	—	—

		k	l	m	n
	31/12/2024	Water and marine resources (WTR)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		
	in HUF million			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	–			
2	**Financial undertakings**	–			
3	Credit institutions	–			
4	Loans and advances	–			
5	Debt securities, including UoP	–			
6	Equity instruments	–			
7	Other financial corporations	–			
8	of which investment firms	–			
9	Loans and advances	–			
10	Debt securities, including UoP	–			
11	Equity instruments	–			
12	of which management companies	–			
13	Loans and advances	–			
14	Debt securities, including UoP	–			
15	Equity instruments	–			
16	of which insurance undertakings	–			
17	Loans and advances	–			
18	Debt securities, including UoP	–			
19	Equity instruments	–			
20	**Non-financial undertakings**	–			
21	Loans and advances	–			
22	Debt securities, including UoP	–			
23	Equity instruments	–			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	–			
29	Housing financing	–			
30	Other local government financing	–			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–			
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	–			
33	**Financial and Non-financial undertakings**				
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralised by commercial immovable property				
37	of which building renovation loans				
38	Debt securities				
39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities				
43	Equity instruments				
44	**Derivatives**				
45	**On demand interbank loans**				
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**				
48	**Total GAR assets**	–			
49	**Assets not covered for GAR calculation**				
50	**Central governments and Supranational issuers**				
51	**Central banks exposure**				
52	**Trading book**				
53	**Total assets**	–			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations				
54	Financial guarantees	–			
55	Assets under management	–			
56	of which debt securities	–			
57	of which equity instruments	–			

	31/12/2024	o	p	q	r
		Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		
	in HUF million			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	–			
2	**Financial undertakings**	–			
3	Credit institutions	–			
4	Loans and advances	–			
5	Debt securities, including UoP	–			
6	Equity instruments	–			
7	Other financial corporations	–			
8	of which investment firms	–			
9	Loans and advances	–			
10	Debt securities, including UoP	–			
11	Equity instruments	–			
12	of which management companies	–			
13	Loans and advances	–			
14	Debt securities, including UoP	–			
15	Equity instruments	–			
16	of which insurance undertakings	–			
17	Loans and advances	–			
18	Debt securities, including UoP	–			
19	Equity instruments	–			
20	**Non-financial undertakings**	–			
21	Loans and advances	–			
22	Debt securities, including UoP	–			
23	Equity instruments	–			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	–			
29	Housing financing	–			
30	Other local government financing	–			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–			
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	–			
33	**Financial and Non-financial undertakings**				
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralised by commercial immovable property				
37	of which building renovation loans				
38	Debt securities				
39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities				
43	Equity instruments				
44	**Derivatives**				
45	**On demand interbank loans**				
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**				
48	**Total GAR assets**	–			
49	**Assets not covered for GAR calculation**				
50	**Central governments and Supranational issuers**				
51	**Central banks exposure**				
52	**Trading book**				
53	**Total assets**	–			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations				
54	Financial guarantees	–			
55	Assets under management	–			
56	of which debt securities	–			
57	of which equity instruments	–			

		s	t	u	v
	31/12/2024	Pollution (PPC)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		
	in HUF million			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	–			
2	**Financial undertakings**	–			
3	Credit institutions	–			
4	Loans and advances	–			
5	Debt securities, including UoP	–			
6	Equity instruments	–			
7	Other financial corporations	–			
8	of which investment firms	–			
9	Loans and advances	–			
10	Debt securities, including UoP	–			
11	Equity instruments	–			
12	of which management companies	–			
13	Loans and advances	–			
14	Debt securities, including UoP	–			
15	Equity instruments	–			
16	of which insurance undertakings	–			
17	Loans and advances	–			
18	Debt securities, including UoP	–			
19	Equity instruments	–			
20	**Non-financial undertakings**	–			
21	Loans and advances	–			
22	Debt securities, including UoP	–			
23	Equity instruments	–			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	–			
29	Housing financing	–			
30	Other local government financing	–			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–			
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	–			
33	**Financial and Non-financial undertakings**				
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralised by commercial immovable property				
37	of which building renovation loans				
38	Debt securities				
39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities				
43	Equity instruments				
44	**Derivatives**				
45	**On demand interbank loans**				
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**				
48	**Total GAR assets**	–			
49	**Assets not covered for GAR calculation**				
50	**Central governments and Supranational issuers**				
51	**Central banks exposure**				
52	**Trading book**				
53	**Total assets**	–			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations				
54	Financial guarantees	–			
55	Assets under management	–			
56	of which debt securities	–			
57	of which equity instruments	–			

		w	x	z	aa
	31/12/2024	Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		
	in HUF million			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	–			
2	**Financial undertakings**	–			
3	Credit institutions	–			
4	Loans and advances	–			
5	Debt securities, including UoP	–			
6	Equity instruments	–			
7	Other financial corporations	–			
8	of which investment firms	–			
9	Loans and advances	–			
10	Debt securities, including UoP	–			
11	Equity instruments	–			
12	of which management companies	–			
13	Loans and advances	–			
14	Debt securities, including UoP	–			
15	Equity instruments	–			
16	of which insurance undertakings	–			
17	Loans and advances	–			
18	Debt securities, including UoP	–			
19	Equity instruments	–			
20	**Non-financial undertakings**	–			
21	Loans and advances	–			
22	Debt securities, including UoP	–			
23	Equity instruments	–			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	–			
29	Housing financing	–			
30	Other local government financing	–			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–			
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	–			
33	**Financial and Non-financial undertakings**				
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralised by commercial immovable property				
37	of which building renovation loans				
38	Debt securities				
39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities				
43	Equity instruments				
44	**Derivatives**				
45	**On demand interbank loans**				
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**				
48	**Total GAR assets**	–			
49	**Assets not covered for GAR calculation**				
50	**Central governments and Supranational issuers**				
51	**Central banks exposure**				
52	**Trading book**				
53	**Total assets**	–			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations				
54	Financial guarantees	–			
55	Assets under management	–			
56	of which debt securities	–			
57	of which equity instruments	–			

		ab	ac	ad	ae	af
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)			
	in HUF million			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	416 704,72	12 160,83	2 738,79	2 144,34	4 430,10
2	**Financial undertakings**	**12 865,31**	**19,19**	**-**	**-**	**-**
3	Credit institutions	12 865,31	19,19	-	-	-
4	Loans and advances	-	-	-	-	-
5	Debt securities, including UoP	12 865,31	19,19	-	-	-
6	Equity instruments	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-
8	of which investment firms	-	-	-	-	-
9	Loans and advances	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-
11	Equity instruments	-	-	-	-	-
12	of which management companies	-	-	-	-	-
13	Loans and advances	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-
15	Equity instruments	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-
17	Loans and advances	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	-	-	-	-	-
20	**Non-financial undertakings**	**24 604,39**	**9 402,85**	**-**	**2 144,34**	**4 430,10**
21	Loans and advances	14 360,54	3 672,87	-	660,34	1 577,66
22	Debt securities, including UoP	10 243,85	5 729,98	-	1 483,99	2 852,44
23	Equity instruments	-	-	-	-	-
24	**Households**	**379 235,01**	**2 738,79**	**2 738,79**	**-**	**-**
25	of which loans collateralised by residential immovable property	379 235,01	2 738,79	2 738,79	-	-
26	of which building renovation loans	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-
30	Other local government financing	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-
35	Loans and advances	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-
38	Debt securities	-	-	-	-	-
39	Equity instruments	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-
41	Loans and advances	-	-	-	-	-
42	Debt securities	-	-	-	-	-
43	Equity instruments	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-
45	**On demand interbank loans**	-	-	-	-	-
46	**Cash and cash-related assets**	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	-	-	-	-	-
48	**Total GAR assets**	**416 704,72**	**12 160,83**	**2 738,79**	**2 144,34**	**4 430,10**
49	**Assets not covered for GAR calculation**	-	-	-	-	-
50	**Central governments and Supranational issuers**	-	-	-	-	-
51	**Central banks exposure**	-	-	-	-	-
52	**Trading book**	-	-	-	-	-
53	**Total assets**	**416 704,72**	**12 160,83**	**2 738,79**	**2 144,34**	**4 430,10**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	**-**	**-**	**-**	**-**	**-**
54	Financial guarantees	1 217,97	711,08	-	333,17	194,88
55	Assets under management	-	-	-	-	-
56	of which debt securities	—	—	—	—	—
57	of which equity instruments	—	—	—	—	—

Assets for the calculation of GAR (turnover)

		a	b	c	d	e	f
	31/12/2024	Total [gross] carrying amount	Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
	in HUF million				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1 126 109,85	421 558,86	8 233,80	2 738,79	544,84	3 259,28
2	**Financial undertakings**	**588 545,62**	**12 861,73**	**18,17**	**–**	**–**	**–**
3	Credit institutions	588 545,62	12 861,73	18,17	–	–	–
4	Loans and advances	210 506,78	–	–	–	–	–
5	Debt securities, including UoP	378 038,84	12 861,73	18,17	–	–	–
6	Equity instruments	–	–	–	–	–	–
7	Other financial corporations	–	–	–	–	–	–
8	of which investment firms	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–
11	Equity instruments	–	–	–	–	–	–
12	of which management companies	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–
15	Equity instruments	–	–	–	–	–	–
16	of which insurance undertakings	–	–	–	–	–	–
17	Loans and advances	–	–	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–
19	Equity instruments	–	–	–	–	–	–
20	**Non-financial undertakings**	**151 376,62**	**29 462,12**	**5 476,84**	**–**	**544,84**	**3 259,28**
21	Loans and advances	64 661,85	22 542,99	3 117,49	–	0,05	1 448,42
22	Debt securities, including UoP	86 714,77	6 919,13	2 359,35	–	544,79	1 810,87
23	Equity instruments	–	–	–	–	–	–
24	**Households**	**381 920,38**	**379 235,01**	**2 738,79**	**2 738,79**	**–**	**–**
25	of which loans collateralised by residential immovable property	380 794,03	379 235,01	2 738,79	2 738,79	–	–
26	of which building renovation loans	–	–	–	–	–	–
27	of which motor vehicle loans	1 126,35	–	–	–	–	–
28	**Local governments financing**	**4 267,23**	**–**	**–**	**–**	**–**	**–**
29	Housing financing	4 267,23	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**1 208,53**	**–**	**–**	**–**	**–**	**–**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**1 949 373,93**	**–**	**–**	**–**	**–**	**–**
33	**Financial and Non-financial undertakings**	**1 454 105,24**	**–**	**–**	**–**	**–**	**–**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1 394 747,07	–	–	–	–	–
35	Loans and advances	1 204 653,27	–	–	–	–	–
36	of which loans collateralised by commercial immovable property	278 023,92	–	–	–	–	–
37	of which building renovation loans	–	–	–	–	–	–
38	Debt securities	189 544,27	–	–	–	–	–
39	Equity instruments	549,53	–	–	–	–	–
40	Non-EU country counterparties not subject to NFRD disclosure obligations	18 742,69	–	–	–	–	–
41	Loans and advances	1 633,44	–	–	–	–	–
42	Debt securities	17 109,25	–	–	–	–	–
43	Equity instruments	–	–	–	–	–	–
44	**Derivatives**	**92 148,75**	**–**	**–**	**–**	**–**	**–**
45	**On demand interbank loans**	**27 386,86**	**–**	**–**	**–**	**–**	**–**
46	**Cash and cash-related assets**	**58 272,27**	**–**	**–**	**–**	**–**	**–**
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**317 460,81**	**–**	**–**	**–**	**–**	**–**
48	**Total GAR assets**	**3 076 692,31**	**421 558,86**	**8 233,80**	**2 738,79**	**544,84**	**3 259,28**
49	**Assets not covered for GAR calculation**	**1 598 483,92**	**–**	**–**	**–**	**–**	**–**
50	**Central governments and Supranational issuers**	**910 018,69**	**–**	**–**	**–**	**–**	**–**
51	**Central banks exposure**	**606 059,72**	**–**	**–**	**–**	**–**	**–**
52	**Trading book**	**82 405,50**	**–**	**–**	**–**	**–**	**–**
53	**Total assets**	**4 675 176,22**	**421 558,86**	**8 233,80**	**2 738,79**	**544,84**	**3 259,28**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	**–**	**–**	**–**	**–**	**–**	**–**
54	Financial guarantees	215 351,46	485,96	181,96	–	59,01	119,89
55	Assets under management	656 964,65	–	–	–	–	–
56	of which debt securities	–	–	–	–	–	–
57	of which equity instruments	–	–	–	–	–	–

		g	h	i	j
	31/12/2024	Climate Change Adaptation (CCA)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		
	in HUF million			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,26	–	–	–
2	**Financial undertakings**	**0,26**	**–**	**–**	**–**
3	Credit institutions	0,26	–	–	–
4	Loans and advances	–	–	–	–
5	Debt securities, including UoP	0,26	–	–	–
6	Equity instruments	–	–	–	–
7	Other financial corporations	–	–	–	–
8	of which investment firms	–	–	–	–
9	Loans and advances	–	–	–	–
10	Debt securities, including UoP	–	–	–	–
11	Equity instruments	–	–	–	–
12	of which management companies	–	–	–	–
13	Loans and advances	–	–	–	–
14	Debt securities, including UoP	–	–	–	–
15	Equity instruments	–	–	–	–
16	of which insurance undertakings	–	–	–	–
17	Loans and advances	–	–	–	–
18	Debt securities, including UoP	–	–	–	–
19	Equity instruments	–	–	–	–
20	**Non-financial undertakings**	**–**	**–**	**–**	**–**
21	Loans and advances	–	–	–	–
22	Debt securities, including UoP	–	–	–	–
23	Equity instruments	–	–	–	–
24	**Households**	**–**	**–**	**–**	**–**
25	of which loans collateralised by residential immovable property	–	–	–	–
26	of which building renovation loans	–	–	–	–
27	of which motor vehicle loans	–	–	–	–
28	**Local governments financing**	**–**	**–**	**–**	**–**
29	Housing financing	–	–	–	–
30	Other local government financing	–	–	–	–
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**–**	**–**	**–**	**–**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**–**	**–**	**–**	**–**
33	**Financial and Non-financial undertakings**	**–**	**–**	**–**	**–**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	–	–	–	–
35	Loans and advances	–	–	–	–
36	of which loans collateralised by commercial immovable property	–	–	–	–
37	of which building renovation loans	–	–	–	–
38	Debt securities	–	–	–	–
39	Equity instruments	–	–	–	–
40	Non-EU country counterparties not subject to NFRD disclosure obligations	–	–	–	–
41	Loans and advances	–	–	–	–
42	Debt securities	–	–	–	–
43	Equity instruments	–	–	–	–
44	**Derivatives**	**–**	**–**	**–**	**–**
45	**On demand interbank loans**	**–**	**–**	**–**	**–**
46	**Cash and cash-related assets**	**–**	**–**	**–**	**–**
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**–**	**–**	**–**	**–**
48	**Total GAR assets**	**0,26**	**–**	**–**	**–**
49	**Assets not covered for GAR calculation**	**–**	**–**	**–**	**–**
50	**Central governments and Supranational issuers**	**–**	**–**	**–**	**–**
51	**Central banks exposure**	**–**	**–**	**–**	**–**
52	**Trading book**	**–**	**–**	**–**	**–**
53	**Total assets**	**0,26**	**–**	**–**	**–**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	**–**	**–**	**–**	**–**
54	Financial guarantees	–	–	–	–
55	Assets under management	–	–	–	–
56	of which debt securities	–	–	–	–
57	of which equity instruments	–	–	–	–

		k	l	m	n
	31/12/2024	**Water and marine resources (WTR)**			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		
	in HUF million			**Of which Use of Proceeds**	**Of which enabling**
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	—			
2	**Financial undertakings**	—			
3	Credit institutions	—			
4	Loans and advances	—			
5	Debt securities, including UoP	—			
6	Equity instruments	—			
7	Other financial corporations	—			
8	of which investment firms	—			
9	Loans and advances	—			
10	Debt securities, including UoP	—			
11	Equity instruments	—			
12	of which management companies	—			
13	Loans and advances	—			
14	Debt securities, including UoP	—			
15	Equity instruments	—			
16	of which insurance undertakings	—			
17	Loans and advances	—			
18	Debt securities, including UoP	—			
19	Equity instruments	—			
20	**Non-financial undertakings**	—			
21	Loans and advances	—			
22	Debt securities, including UoP	—			
23	Equity instruments	—			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	—			
29	Housing financing	—			
30	Other local government financing	—			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	—			
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	—			
33	**Financial and Non-financial undertakings**				
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralised by commercial immovable property				
37	of which building renovation loans				
38	Debt securities				
39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities				
43	Equity instruments				
44	**Derivatives**				
45	**On demand interbank loans**				
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**				
48	**Total GAR assets**	—			
49	**Assets not covered for GAR calculation**				
50	**Central governments and Supranational issuers**				
51	**Central banks exposure**				
52	**Trading book**				
53	**Total assets**	—			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations				
54	Financial guarantees	—			
55	Assets under management	—			
56	of which debt securities	—			
57	of which equity instruments	—			

	31/12/2024	o	p	q	r
		Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		
	in HUF million			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	–			
2	**Financial undertakings**	–			
3	Credit institutions	–			
4	Loans and advances	–			
5	Debt securities, including UoP	–			
6	Equity instruments	–			
7	Other financial corporations	–			
8	of which investment firms	–			
9	Loans and advances	–			
10	Debt securities, including UoP	–			
11	Equity instruments	–			
12	of which management companies	–			
13	Loans and advances	–			
14	Debt securities, including UoP	–			
15	Equity instruments	–			
16	of which insurance undertakings	–			
17	Loans and advances	–			
18	Debt securities, including UoP	–			
19	Equity instruments	–			
20	**Non-financial undertakings**	–			
21	Loans and advances	–			
22	Debt securities, including UoP	–			
23	Equity instruments	–			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	–			
29	Housing financing	–			
30	Other local government financing	–			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–			
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	–			
33	**Financial and Non-financial undertakings**				
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralised by commercial immovable property				
37	of which building renovation loans				
38	Debt securities				
39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities				
43	Equity instruments				
44	**Derivatives**				
45	**On demand interbank loans**				
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**				
48	**Total GAR assets**	–			
49	**Assets not covered for GAR calculation**				
50	**Central governments and Supranational issuers**				
51	**Central banks exposure**				
52	**Trading book**				
53	**Total assets**	–			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations				
54	Financial guarantees	–			
55	Assets under management	–			
56	of which debt securities	–			
57	of which equity instruments	–			

		s	t	u	v
	31/12/2024	Pollution (PPC)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		
	in HUF million			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	–			
2	**Financial undertakings**	–			
3	Credit institutions	–			
4	Loans and advances	–			
5	Debt securities, including UoP	–			
6	Equity instruments	–			
7	Other financial corporations	–			
8	of which investment firms	–			
9	Loans and advances	–			
10	Debt securities, including UoP	–			
11	Equity instruments	–			
12	of which management companies	–			
13	Loans and advances	–			
14	Debt securities, including UoP	–			
15	Equity instruments	–			
16	of which insurance undertakings	–			
17	Loans and advances	–			
18	Debt securities, including UoP	–			
19	Equity instruments	–			
20	**Non-financial undertakings**	–			
21	Loans and advances	–			
22	Debt securities, including UoP	–			
23	Equity instruments	–			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	–			
29	Housing financing	–			
30	Other local government financing	–			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–			
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	–			
33	**Financial and Non-financial undertakings**				
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralised by commercial immovable property				
37	of which building renovation loans				
38	Debt securities				
39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities				
43	Equity instruments				
44	**Derivatives**				
45	**On demand interbank loans**				
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**				
48	**Total GAR assets**	–			
49	**Assets not covered for GAR calculation**				
50	**Central governments and Supranational issuers**				
51	**Central banks exposure**				
52	**Trading book**				
53	**Total assets**	–			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations				
54	Financial guarantees	–			
55	Assets under management	–			
56	of which debt securities	–			
57	of which equity instruments	–			

	31/12/2024	w	x	z	aa
		Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		
	in HUF million			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	–			
2	**Financial undertakings**	–			
3	Credit institutions	–			
4	Loans and advances	–			
5	Debt securities, including UoP	–			
6	Equity instruments	–			
7	Other financial corporations	–			
8	of which investment firms	–			
9	Loans and advances	–			
10	Debt securities, including UoP	–			
11	Equity instruments	–			
12	of which management companies	–			
13	Loans and advances	–			
14	Debt securities, including UoP	–			
15	Equity instruments	–			
16	of which insurance undertakings	–			
17	Loans and advances	–			
18	Debt securities, including UoP	–			
19	Equity instruments	–			
20	**Non-financial undertakings**	–			
21	Loans and advances	–			
22	Debt securities, including UoP	–			
23	Equity instruments	–			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	–			
29	Housing financing	–			
30	Other local government financing	–			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–			
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	–			
33	**Financial and Non-financial undertakings**				
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralised by commercial immovable property				
37	of which building renovation loans				
38	Debt securities				
39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities				
43	Equity instruments				
44	**Derivatives**				
45	**On demand interbank loans**				
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**				
48	**Total GAR assets**	–			
49	**Assets not covered for GAR calculation**				
50	**Central governments and Supranational issuers**				
51	**Central banks exposure**				
52	**Trading book**				
53	**Total assets**	–			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations				
54	Financial guarantees	–			
55	Assets under management	–			
56	of which debt securities	–			
57	of which equity instruments	–			

		ab	ac	ad	ae	af
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)			
	in HUF million			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	421 559,11	8 233,80	2 738,79	544,84	3 259,28
2	**Financial undertakings**	**12 861,98**	**18,17**	**—**	**—**	**—**
3	Credit institutions	12 861,98	18,17	—	—	—
4	Loans and advances	—	—	—	—	—
5	Debt securities, including UoP	12 861,98	18,17	—	—	—
6	Equity instruments	—	—	—	—	—
7	Other financial corporations	—	—	—	—	—
8	of which investment firms	—	—	—	—	—
9	Loans and advances	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—
11	Equity instruments	—	—	—	—	—
12	of which management companies	—	—	—	—	—
13	Loans and advances	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—
15	Equity instruments	—	—	—	—	—
16	of which insurance undertakings	—	—	—	—	—
17	Loans and advances	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—
19	Equity instruments	—	—	—	—	—
20	**Non-financial undertakings**	**29 462,12**	**5 476,84**	**—**	**544,84**	**3 259,28**
21	Loans and advances	22 542,99	3 117,49	—	0,05	1 448,42
22	Debt securities, including UoP	6 919,13	2 359,35	—	544,79	1 810,87
23	Equity instruments	—	—	—	—	—
24	**Households**	**379 235,01**	**2 738,79**	**2 738,79**	**—**	**—**
25	of which loans collateralised by residential immovable property	379 235,01	2 738,79	2 738,79	—	—
26	of which building renovation loans	—	—	—	—	—
27	of which motor vehicle loans	—	—	—	—	—
28	**Local governments financing**	**—**	**—**	**—**	**—**	**—**
29	Housing financing	—	—	—	—	—
30	Other local government financing	—	—	—	—	—
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**—**	**—**	**—**	**—**	**—**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**—**	**—**	**—**	**—**	**—**
33	**Financial and Non-financial undertakings**	**—**	**—**	**—**	**—**	**—**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	—	—	—	—	—
35	Loans and advances	—	—	—	—	—
36	of which loans collateralised by commercial immovable property	—	—	—	—	—
37	of which building renovation loans	—	—	—	—	—
38	Debt securities	—	—	—	—	—
39	Equity instruments	—	—	—	—	—
40	Non-EU country counterparties not subject to NFRD disclosure obligations	—	—	—	—	—
41	Loans and advances	—	—	—	—	—
42	Debt securities	—	—	—	—	—
43	Equity instruments	—	—	—	—	—
44	**Derivatives**	**—**	**—**	**—**	**—**	**—**
45	**On demand interbank loans**	**—**	**—**	**—**	**—**	**—**
46	**Cash and cash-related assets**	**—**	**—**	**—**	**—**	**—**
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**—**	**—**	**—**	**—**	**—**
48	**Total GAR assets**	**421 559,11**	**8 233,80**	**2 738,79**	**544,84**	**3 259,28**
49	**Assets not covered for GAR calculation**	**—**	**—**	**—**	**—**	**—**
50	**Central governments and Supranational issuers**	**—**	**—**	**—**	**—**	**—**
51	**Central banks exposure**	**—**	**—**	**—**	**—**	**—**
52	**Trading book**	**—**	**—**	**—**	**—**	**—**
53	**Total assets**	**421 559,11**	**8 233,80**	**2 738,79**	**544,84**	**3 259,28**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	**—**	**—**	**—**	**—**	**—**
54	Financial guarantees	485,96	181,96	—	59,01	119,89
55	Assets under management	—	—	—	—	—
56	of which debt securities	—	—	—	—	—
57	of which equity instruments	—	—	—	—	—

Template 2 – GAR sector information

1. Credit institutions shall disclose in this template information on exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty

2. The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.

GAR sector information (CapEX)

		a	b	c	d
	31/12/2024	Climate Change Mitigation (CCM)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCM)
1	1920 - Manufacture of refined petroleum products	889,14	317,28	–	–
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	–	24,72	–	–
3	2910 - Manufacture of motor vehicles	4 516,11	1 083,87	–	–
4	5229 - Other transportation support activities	4 485,95	–	–	–
5	6190 - Other telecommunications activities	200,59	–	–	–
6	6832 - Management of real estate on a fee or contract basis	7 792,97	2 261,13	–	–
7	7010 - Activities of head offices	855,02	181,36	–	–
8	7022 - Business and other management consultancy activities	4 638,43	4 329,20	–	–
9	7120 - Technical testing and analysis	1 226,01	1 205,23	–	–
10	8690 - Other human health activities	0,19	0,06	–	–

		a	b	c	d
	31/12/2024	Climate Change Adaptation (CCA)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCA)
1	1920 - Manufacture of refined petroleum products	–	–		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	–	–		
3	2910 - Manufacture of motor vehicles	–	–		
4	5229 - Other transportation support activities	–	–		
5	6190 - Other telecommunications activities	–	–		
6	6832 - Management of real estate on a fee or contract basis	–	–		
7	7010 - Activities of head offices	–	–		
8	7022 - Business and other management consultancy activities	–	–		
9	7120 - Technical testing and analysis	–	–		
10	8690 - Other human health activities	–	–		

		a	b	c	d
	31/12/2024	Water and marine resources (WTR)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (WTR)
1	1920 - Manufacture of refined petroleum products	—	—		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	—	—		
3	2910 - Manufacture of motor vehicles	—	—		
4	5229 - Other transportation support activities	—	—		
5	6190 - Other telecommunications activities	—	—		
6	6832 - Management of real estate on a fee or contract basis	—	—		
7	7010 - Activities of head offices	—	—		
8	7022 - Business and other management consultancy activities	—	—		
9	7120 - Technical testing and analysis	—	—		
10	8690 - Other human health activities	—	—		

		a	b	c	d
	31/12/2024	Circular economy (CE)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (CE)		Of which environmentally sustainable (CE)
1	1920 - Manufacture of refined petroleum products	—	—		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	—	—		
3	2910 - Manufacture of motor vehicles	—	—		
4	5229 - Other transportation support activities	—	—		
5	6190 - Other telecommunications activities	—	—		
6	6832 - Management of real estate on a fee or contract basis	—	—		
7	7010 - Activities of head offices	—	—		
8	7022 - Business and other management consultancy activities	—	—		
9	7120 - Technical testing and analysis	—	—		
10	8690 - Other human health activities	—	—		

		a	b	c	d
	31/12/2024	Pollution (PPC)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (PPC)
1	1920 - Manufacture of refined petroleum products	—	—		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	—	—		
3	2910 - Manufacture of motor vehicles	—	—		
4	5229 - Other transportation support activities	—	—		
5	6190 - Other telecommunications activities	—	—		
6	6832 - Management of real estate on a fee or contract basis	—	—		
7	7010 - Activities of head offices	—	—		
8	7022 - Business and other management consultancy activities	—	—		
9	7120 - Technical testing and analysis	—	—		
10	8690 - Other human health activities	—	—		

	31/12/2024	a	b	c	d
		Biodiversity and Ecosystems (BIO)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (BIO)
1	1920 - Manufacture of refined petroleum products	–	–		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	–	–		
3	2910 - Manufacture of motor vehicles	–	–		
4	5229 - Other transportation support activities	–	–		
5	6190 - Other telecommunications activities	–	–		
6	6832 - Management of real estate on a fee or contract basis	–	–		
7	7010 - Activities of head offices	–	–		
8	7022 - Business and other management consultancy activities	–	–		
9	7120 - Technical testing and analysis	–	–		
10	8690 - Other human health activities	–	–		

	31/12/2024	a	b	c	d
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	1920 - Manufacture of refined petroleum products	889,14	317,28	–	–
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	–	24,72	–	–
3	2910 - Manufacture of motor vehicles	4 516,11	1 083,87	–	–
4	5229 - Other transportation support activities	4 485,95	–	–	–
5	6190 - Other telecommunications activities	200,59	–	–	–
6	6832 - Management of real estate on a fee or contract basis	7 792,97	2 261,13	–	–
7	7010 - Activities of head offices	855,02	181,36	–	–
8	7022 - Business and other management consultancy activities	4 638,43	4 329,20	–	–
9	7120 - Technical testing and analysis	1 226,01	1 205,23	–	–
10	8690 - Other human health activities	0,19	0,06	–	–

GAR sector information (turnover)

	31/12/2024	a	b	c	d
		Climate Change Mitigation (CCM)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCM)
1	1920 - Manufacture of refined petroleum products	354,18	7,38	–	–
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	–	20,60	–	–
3	2910 - Manufacture of motor vehicles	4 470,95	632,25	–	–
4	5229 - Other transportation support activities	6 596,99	–	–	–
5	6190 - Other telecommunications activities	238,80	19,10	–	–
6	6832 - Management of real estate on a fee or contract basis	8 126,71	1 618,67	–	–
7	7010 - Activities of head offices	6 343,76	33,88	–	–
8	7022 - Business and other management consultancy activities	1 855,37	1 700,76	–	–
9	7120 - Technical testing and analysis	1 475,37	1 444,20	–	–

		a	b	c	d
	31/12/2024	Climate Change Adaptation (CCA)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCA)
1	1920 - Manufacture of refined petroleum products	–	–		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	–	–		
3	2910 - Manufacture of motor vehicles	–	–		
4	5229 - Other transportation support activities	–	–		
5	6190 - Other telecommunications activities	–	–		
6	6832 - Management of real estate on a fee or contract basis	–	–		
7	7010 - Activities of head offices	–	–		
8	7022 - Business and other management consultancy activities	–	–		
9	7120 - Technical testing and analysis	–	–		

		a	b	c	d
	31/12/2024	Water and marine resources (WTR)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (WTR)
1	1920 - Manufacture of refined petroleum products	–	–		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	–	–		
3	2910 - Manufacture of motor vehicles	–	–		
4	5229 - Other transportation support activities	–	–		
5	6190 - Other telecommunications activities	–	–		
6	6832 - Management of real estate on a fee or contract basis	–	–		
7	7010 - Activities of head offices	–	–		
8	7022 - Business and other management consultancy activities	–	–		
9	7120 - Technical testing and analysis	–	–		

		a	b	c	d
	31/12/2024	Circular economy (CE)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (CE)		Of which environmentally sustainable (CE)
1	1920 - Manufacture of refined petroleum products	–	–		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	–	–		
3	2910 - Manufacture of motor vehicles	–	–		
4	5229 - Other transportation support activities	–	–		
5	6190 - Other telecommunications activities	–	–		
6	6832 - Management of real estate on a fee or contract basis	–	–		
7	7010 - Activities of head offices	–	–		
8	7022 - Business and other management consultancy activities	–	–		
9	7120 - Technical testing and analysis	–	–		

		a	b	c	d
	31/12/2024	Pollution (PPC)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (PCC)
1	1920 - Manufacture of refined petroleum products	—	—		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	—	—		
3	2910 - Manufacture of motor vehicles	—	—		
4	5229 - Other transportation support activities	—	—		
5	6190 - Other telecommunications activities	—	—		
6	6832 - Management of real estate on a fee or contract basis	—	—		
7	7010 - Activities of head offices	—	—		
8	7022 - Business and other management consultancy activities	—	—		
9	7120 - Technical testing and analysis	—	—		

		a	b	c	d
	31/12/2024	Biodiversity and Ecosystems (BIO)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (BIO)
1	1920 - Manufacture of refined petroleum products	—	—		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	—	—		
3	2910 - Manufacture of motor vehicles	—	—		
4	5229 - Other transportation support activities	—	—		
5	6190 - Other telecommunications activities	—	—		
6	6832 - Management of real estate on a fee or contract basis	—	—		
7	7010 - Activities of head offices	—	—		
8	7022 - Business and other management consultancy activities	—	—		
9	7120 - Technical testing and analysis	—	—		

		a	b	c	d
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	1920 - Manufacture of refined petroleum products	354,18	7,38	—	—
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	—	20,60	—	—
3	2910 - Manufacture of motor vehicles	4 470,95	632,25	—	—
4	5229 - Other transportation support activities	6 596,99	—	—	—
5	6190 - Other telecommunications activities	238,80	19,10	—	—
6	6832 - Management of real estate on a fee or contract basis	8 126,71	1 618,67	—	—
7	7010 - Activities of head offices	6 343,76	33,88	—	—
8	7022 - Business and other management consultancy activities	1 855,37	1 700,76	—	—
9	7120 - Technical testing and analysis	1 475,37	1 444,20	—	—

Template 3 – GAR KPI stock

1. Institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
2. Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR
3. Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentally sustainable assets compared to total covered assets
4. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures

Note: For the financial year 2024, in order to accurately reflect the information to be disclosed in accordance with Sections 1.2.1.1., 1.2.1.2., 1.2.1.4. and 1.2.1.5. of Annex V of Commission Delegated Regulation (EU) 2021/2178, the proportions to be disclosed in this template are calculated by dividing the relevant eligible or aligned assets as recorded in template 1 (Assets for the calculation of the GAR) by the respective covered assets (as recorded in column a, rows 1-31 and 48 of that template) instead of the Total GAR assets (as set out in row 48 of that asset).

GAR KPI stock (CapEX)

		a	b	c	d	e
	31/12/2024	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	37,00 %	1,08 %	0,24 %	0,19 %	0,39 %
2	**Financial undertakings**	**2,19 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
3	Credit institutions	2,19 %	0,00 %	0,00 %	0,00 %	0,00 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
5	Debt securities, including UoP	3,40 %	0,01 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
20	**Non-financial undertakings**	**16,25 %**	**6,21 %**	**0,00 %**	**1,42 %**	**2,93 %**
21	Loans and advances	22,21 %	5,68 %	0,00 %	1,02 %	2,44 %
22	Debt securities, including UoP	11,81 %	6,61 %	0,00 %	1,71 %	3,29 %
23	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
24	**Households**	**99,30 %**	**0,72 %**	**0,72 %**	**0,00 %**	**0,00 %**
25	of which loans collateralised by residential immovable property	99,59 %	0,72 %	0,72 %	0,00 %	0,00 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**13,54 %**	**0,40 %**	**0,09 %**	**0,07 %**	**0,14 %**

		f	g	h	i
	31/12/2024	Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %	0,00 %	0,00 %	0,00 %
2	**Financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
3	Credit institutions	0,00 %	0,00 %	0,00 %	0,00 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
5	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %
20	**Non-financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
21	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
22	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
23	Equity instruments	0,00 %	0,00 %		0,00 %
24	**Households**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
25	of which loans collateralised by residential immovable property	0,00 %	0,00 %	0,00 %	0,00 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**

		j	k	l	m
	31/12/2024	Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		n	o	p	q
	31/12/2024	Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		r	s	t	u
	31/12/2024	Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		v	w	x	z
	31/12/2024	Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		aa	ab	ac	ad	ae	af
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	37,00 %	1,08 %	0,24 %	0,19 %	0,39 %	36,60 %
2	**Financial undertakings**	**2,19 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**19,13 %**
3	Credit institutions	2,19 %	0,00 %	0,00 %	0,00 %	0,00 %	19,13 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	6,84 %
5	Debt securities, including UoP	3,40 %	0,01 %	0,00 %	0,00 %	0,00 %	12,29 %
6	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
20	**Non-financial undertakings**	**16,25 %**	**6,21 %**	**0,00 %**	**1,42 %**	**2,93 %**	**4,92 %**
21	Loans and advances	22,21 %	5,68 %	0,00 %	1,02 %	2,44 %	2,10 %
22	Debt securities, including UoP	11,81 %	6,61 %	0,00 %	1,71 %	3,29 %	2,82 %
23	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
24	**Households**	**99,30 %**	**0,72 %**	**0,72 %**	**0,00 %**	**0,00 %**	**12,41 %**
25	of which loans collateralised by residential immovable property	99,59 %	0,72 %	0,72 %	0,00 %	0,00 %	12,38 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,04 %
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,14 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,14 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,04 %**
32	**Total GAR assets**	**13,54 %**	**0,40 %**	**0,09 %**	**0,07 %**	**0,14 %**	**100,00 %**

GAR KPI stock (turnover)

		a	b	c	d	e
	31/12/2024	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	37,43 %	0,73 %	0,24 %	0,05 %	0,29 %
2	**Financial undertakings**	**2,19 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
3	Credit institutions	2,19 %	0,00 %	0,00 %	0,00 %	0,00 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
5	Debt securities, including UoP	3,40 %	0,00 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
20	**Non-financial undertakings**	**19,46 %**	**3,62 %**	**0,00 %**	**0,36 %**	**2,15 %**
21	Loans and advances	34,86 %	4,82 %	0,00 %	0,00 %	2,24 %
22	Debt securities, including UoP	7,98 %	2,72 %	0,00 %	0,63 %	2,09 %
23	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
24	**Households**	**99,30 %**	**0,72 %**	**0,72 %**	**0,00 %**	**0,00 %**
25	of which loans collateralised by residential immovable property	99,59 %	0,72 %	0,72 %	0,00 %	0,00 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**13,70 %**	**0,27 %**	**0,09 %**	**0,02 %**	**0,11 %**

		f	g	h	i
	31/12/2024	Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %	0,00 %	0,00 %	0,00 %
2	**Financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
3	Credit institutions	0,00 %	0,00 %	0,00 %	0,00 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
5	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %
20	**Non-financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
21	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
22	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
23	Equity instruments	0,00 %	0,00 %		0,00 %
24	**Households**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
25	of which loans collateralised by residential immovable property	0,00 %	0,00 %	0,00 %	0,00 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**

		j	k	l	m
	31/12/2024	**Water and marine resources (WTR)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			**Of which Use of Proceeds**	**Of which enabling**
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		n	o	p	q
	31/12/2024	Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		r	s	t	u
	31/12/2024	Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		v	w	x	z
	31/12/2024	Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		aa	ab	ac	ad	ae	af
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	37,43 %	0,73 %	0,24 %	0,05 %	0,29 %	36,60 %
2	**Financial undertakings**	**2,19 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**19,13 %**
3	Credit institutions	2,19 %	0,00 %	0,00 %	0,00 %	0,00 %	19,13 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	6,84 %
5	Debt securities, including UoP	3,40 %	0,00 %	0,00 %	0,00 %	0,00 %	12,29 %
6	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
20	**Non-financial undertakings**	**19,46 %**	**3,62 %**	**0,00 %**	**0,36 %**	**2,15 %**	**4,92 %**
21	Loans and advances	34,86 %	4,82 %	0,00 %	0,00 %	2,24 %	2,10 %
22	Debt securities, including UoP	7,98 %	2,72 %	0,00 %	0,63 %	2,09 %	2,82 %
23	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
24	**Households**	**99,30 %**	**0,72 %**	**0,72 %**	**0,00 %**	**0,00 %**	**12,41 %**
25	of which loans collateralised by residential immovable property	99,59 %	0,72 %	0,72 %	0,00 %	0,00 %	12,38 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,04 %
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,14 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,14 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,04 %**
32	**Total GAR assets**	**13,70 %**	**0,27 %**	**0,09 %**	**0,02 %**	**0,11 %**	**100,00 %**

Template 4 – GAR KPI flow

1. Institution shall disclose in this template the GAR KPIs on flow of loans calculated (new loans on a net basis) based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
2. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures

Note: For the financial year 2024, in order to accurately reflect the information to be disclosed in accordance with Sections 1.2.1.1., 1.2.1.2., 1.2.1.4. and 1.2.1.5. of Annex V of Commission Delegated Regulation (EU) 2021/2178, the proportions to be disclosed in this template are calculated by dividing the flow of relevant eligible or aligned assets by the respective flow of covered assets instead of the flow of Total GAR assets.

GAR KPI flow (CapEX)

		a	b	c	d	e
	31/12/2024	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	67,22 %	1 %	1,20 %	0,00 %	0,00 %
2	**Financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
3	Credit institutions	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
5	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
20	**Non-financial undertakings**	**9,14 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
21	Loans and advances	9,14 %	0,00 %	0,00 %	0,00 %	0,00 %
22	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
23	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
24	**Households**	**98,89 %**	**1,81 %**	**1,81 %**	**0,00 %**	**0,00 %**
25	of which loans collateralised by residential immovable property	100,00 %	1,83 %	1,83 %	0,00 %	0,00 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**14,54 %**	**0,26 %**	**0,26 %**	**0,00 %**	**0,00 %**

		f	g	h	i
	31/12/2024	Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %	0,00 %	0,00 %	0,00 %
2	**Financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
3	Credit institutions	0,00 %	0,00 %	0,00 %	0,00 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
5	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %
20	**Non-financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
21	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
22	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
23	Equity instruments	0,00 %	0,00 %		0,00 %
24	**Households**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
25	of which loans collateralised by residential immovable property	0,00 %	0,00 %	0,00 %	0,00 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**

		j	k	l	m
	31/12/2024	Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		n	o	p	q
	31/12/2024	Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**	**0,00 %**			
25	of which loans collateralised by residential immovable property	0,00 %			
26	of which building renovation loans	0,00 %			
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		r	s	t	u
	31/12/2024	Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		v	w	x	z
	31/12/2024	Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		aa	ab	ac	ad	ae	af
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	67,22 %	1,20 %	1,20 %	0,00 %	0,00 %	21,64 %
2	**Financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**3,04 %**
3	Credit institutions	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	3,04 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	3,04 %
5	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
20	**Non-financial undertakings**	**9,14 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**4,28 %**
21	Loans and advances	9,14 %	0,00 %	0,00 %	0,00 %	0,00 %	4,28 %
22	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
23	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
24	**Households**	**98,89 %**	**1,81 %**	**1,81 %**	**0,00 %**	**0,00 %**	**14,31 %**
25	of which loans collateralised by residential immovable property	100,00 %	1,83 %	1,83 %	0,00 %	0,00 %	14,15 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,16 %
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**14,54 %**	**0,26 %**	**0,26 %**	**0,00 %**	**0,00 %**	**100,00 %**

GAR KPI flow (turnover)

		a	b	c	d	e
	31/12/2024	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	68,07 %	1,20 %	1,20 %	0,00 %	0,00 %
2	**Financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
3	Credit institutions	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
4	Loans and advances	0,00 %	0,00 %	0	0,00 %	0,00 %
5	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
20	**Non-financial undertakings**	**13,43 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
21	Loans and advances	13,43 %	0,00 %	0,00 %	0,00 %	0,00 %
22	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
23	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
24	**Households**	**98,89 %**	**1,81 %**	**1,81 %**	**0,00 %**	**0,00 %**
25	of which loans collateralised by residential immovable property	100,00 %	1,83 %	1,83 %	0,00 %	0,00 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**14,73 %**	**0,26 %**	**0,26 %**	**0,00 %**	**0,00 %**

		f	g	h	i
	31/12/2024	Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %	0,00 %	0,00 %	0,00 %
2	**Financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
3	Credit institutions	0,00 %	0,00 %	0,00 %	0,00 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
5	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %
20	**Non-financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
21	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
22	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
23	Equity instruments	0,00 %	0,00 %		0,00 %
24	**Households**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
25	of which loans collateralised by residential immovable property	0,00 %	0,00 %	0,00 %	0,00 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**

		j	k	l	m
	31/12/2024	Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		n	o	p	q
	31/12/2024	Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**	**0,00 %**			
25	of which loans collateralised by residential immovable property	0,00 %			
26	of which building renovation loans	0,00 %			
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		r	s	t	u
	31/12/2024	Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		v	w	x	z
	31/12/2024	Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		aa	ab	ac	ad	ae	af
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	68,07 %	1,20 %	1,20 %	0,00 %	0,00 %	21,64 %
2	**Financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**3,04 %**
3	Credit institutions	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	3,04 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	3,04 %
5	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
20	**Non-financial undertakings**	**13,43 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**4,28 %**
21	Loans and advances	13,43 %	0,00 %	0,00 %	0,00 %	0,00 %	4,28 %
22	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
23	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
24	**Households**	**98,89 %**	**1,81 %**	**1,81 %**	**0,00 %**	**0,00 %**	**14,31 %**
25	of which loans collateralised by residential immovable property	100,00 %	1,83 %	1,83 %	0,00 %	0,00 %	14,15 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,16 %
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**14,73 %**	**0,26 %**	**0,26 %**	**0,00 %**	**0,00 %**	**100,00 %**

Template 5 – GAR KPI off-balance-sheet exposures

1. Institution shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and assets under management) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures

GAR KPI off-balance-sheet exposures (CapEX)

		a	b	c	d	e
	31/12/2024	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,57 %	0,33 %	0,00 %	0,15 %	0,09 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %

		f	g	h	i
	31/12/2024	Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %	0,00 %	0,00 %	0,00 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %

		j	k	l	m
	31/12/2024	Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		n	o	p	q
	31/12/2024	Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		r	s	t	u
	31/12/2024	Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		v	w	x	z
	31/12/2024	Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		aa	ab	ac	ad	ae
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,57 %	0,33 %	0,00 %	0,15 %	0,09 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %

GAR KPI off-balance-sheet exposures (turnover)

		a	b	c	d	e
	31/12/2024	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,23 %	0,08 %	0,00 %	0,03 %	0,06 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %

		f	g	h	i
	31/12/2024	Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %	0,00 %	0,00 %	0,00 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %

		j	k	l	m
	31/12/2024	Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		n	o	p	q
	31/12/2024	Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		r	s	t	u
	31/12/2024	Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		v	w	x	z
	31/12/2024	Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		aa	ab	ac	ad	ae
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,23 %	0,08 %	0,00 %	0,03 %	0,06 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %

GAR KPI off-balance-sheet exposures (Flow CapEx)

		a	b	c	d	e
	31/12/2024	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	1,87 %	1,09 %	0,00 %	0,51 %	0,30 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %

		f	g	h	i
	31/12/2024	Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %	0,00 %	0,00 %	0,00 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %

		j	k	l	m
	31/12/2024	Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		n	o	p	q
	31/12/2024	Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		r	s	t	u
	31/12/2024	Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		v	w	x	z
	31/12/2024	Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		aa	ab	ac	ad	ae
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	1,87 %	1,09 %	0,00 %	0,51 %	0,30 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %

GAR KPI off-balance-sheet exposures (Flow turnover)

	31/12/2024	a	b	c	d	e
		Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,75 %	0,28 %	0,00 %	0,09 %	0,18 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %

	31/12/2024	f	g	h	i
		Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %	0,00 %	0,00 %	0,00 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %

	31/12/2024	j	k	l	m
		Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

	31/12/2024	n	o	p	q
		Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

	31/12/2024	r	s	t	u
		Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

	31/12/2024	v	w	x	z
		Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		aa	ab	ac	ad	ae
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,75 %	0,28 %	0,00 %	0,09 %	0,18 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %

Additional mandatory information

Exposures to Taxonomy (non-)eligible economic activities/covered assets for the four new environmental objectives and activities

RBHU Group discloses two quantitative indicators on the proportion of taxonomy-eligible and taxonomy non-eligible exposures with regard to the four new environmental objectives and activities in accordance with article 10 (7) of Commission Delegated Regulation (EU) 2021/2178 supplementing the EU Taxonomy Regulation. The disclosure of these quantitative KPIs is supplemented by qualitative information in accordance with Annex XI of the Delegated Regulation.

- Exposures to taxonomy-eligible economic activities/covered assets: 0.00 per cent
- Exposures to taxonomy non-eligible economic activities/covered assets: 0.00 per cent

Exposures to taxonomy (non-)eligible and taxonomy (non-)aligned economic activities/covered assets for nuclear and gas economic activities (CapEx) in accordance with Annex XII

Disclosure template 1 activities in the areas of nuclear energy and fossil gas - GAR stock

	Nuclear energy related activities	31/12/2024
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Disclosure template 1 activities in the areas of nuclear energy and fossil gas - GAR flow

	Nuclear energy related activities	31/12/2024
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Disclosure template 1 activities in the areas of nuclear energy and fossil gas - KPI financial guarantees stock

	Nuclear energy related activities	31/12/2024
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Disclosure template 1 activities in the areas of nuclear energy and fossil gas - KPI financial guarantees flow

	Nuclear energy related activities	31/12/2024
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Disclosure template 1 activities in the areas of nuclear energy and fossil gas - KPI assets under management stock

	Nuclear energy related activities	31/12/2024
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Disclosure template 1 activities in the areas of nuclear energy and fossil gas - KPI assets under management flow

	Nuclear energy related activities	31/12/2024
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Disclosure template 2 taxonomy-aligned economic activities – CapEX

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaptation	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	– %	0.00	– %	0	– %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	– %	0.00	– %	0	– %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,256.44	0.04 %	1,256.44	0.04 %	0	– %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	77.31	– %	77.31	– %	0	– %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	– %	0.00	– %	0	– %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	– %	0.00	– %	0	– %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**10,827.08**	**0.35 %**	**10,827.08**	**0.35 %**	**0**	**– %**
8	**Total applicable KPI**	**12,160.83**	**0.40 %**	**12,160.83**	**0.40 %**	**0**	**– %**

Disclosure template 2 taxonomy-aligned economic activities - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaptation	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	560.68	0.02 %	560.68	0.02 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	77.31	— %	77.31	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**7,595.81**	**0.25 %**	**7,595.81**	**0.25 %**	**0**	**— %**
8	**Total applicable KPI**	**8,233.80**	**0.27 %**	**8,233.80**	**0.27 %**	**0**	**— %**

Disclosure template 2 taxonomy-aligned economic activities - GAR flow - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaptation	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.11	— %	0.11	— %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.01	— %	0.01	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,281.25**	**0.26 %**	**1,281.25**	**0.26 %**	**0**	**— %**
8	**Total applicable KPI**	**1,281.36**	**0.26 %**	**1,281.36**	**0.26 %**	**0**	**— %**

Disclosure template 2 taxonomy-aligned economic activities - GAR flow - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaptation	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.05	— %	0.05	— %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.01	— %	0.01	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,281.08**	**0.26 %**	**1,281.08**	**0.26 %**	**0**	**— %**
8	**Total applicable KPI**	**1,281.14**	**0.26 %**	**1,281.14**	**0.26 %**	**0**	**— %**

Disclosure template 2 taxonomy-aligned economic activities - KPI financial guarantees stock - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaptation	
			%		%		%
1	activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	127.88	0.06 %	127.88	0.06 %	0	— %
4	activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7.99	— %	7.99	— %	0	— %
5	activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
6	activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**575.21**	**0.27 %**	**575.21**	**0.27 %**	**0**	**— %**
8	**Total applicable KPI**	**711.08**	**0.33 %**	**711.08**	**0.33 %**	**0**	**— %**

Disclosure template 2 taxonomy-aligned economic activities - KPI financial guarantees stock - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaptation	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	55.95	0.03 %	55.95	0.03 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7.99	— %	7.99	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**118.02**	**0.05 %**	**118.02**	**0.05 %**	**0**	**— %**
8	**Total applicable KPI**	**181.96**	**0.08 %**	**181.96**	**0.08 %**	**0**	**— %**

Disclosure template 2 taxonomy-aligned economic activities - KPI financial guarantees flow - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaptation	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	127.94	0.20 %	127.94	0.20 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	8.00	0.01 %	8.00	0.01 %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**575.35**	**0.89 %**	**575.35**	**0.89 %**	**0**	**— %**
8	**Total applicable KPI**	**711.28**	**1.09 %**	**711.28**	**1.09 %**	**0**	**— %**

Disclosure template 2 taxonomy-aligned economic activities - KPI financial guarantees flow - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaptation	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	55.97	0.09 %	55.97	0.09 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	8.00	0.01 %	8.00	0.01 %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**118.07**	**0.18 %**	**118.07**	**0.18 %**	**0**	**— %**
8	**Total applicable KPI**	**182.04**	**0.28 %**	**182.04**	**0.28 %**	**0**	**— %**

Disclosure template 3 taxonomy-aligned economic activities - GAR stock - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1,256.44	10.33 %	1,256.44	10.33 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	77.31	0.64 %	77.31	0.64 %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**10,827.08**	**89.03 %**	**10,827.08**	**89.03 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**12,160.83**	**100.00 %**	**12,160.83**	**100.00 %**	**0**	**— %**

Disclosure template 3 taxonomy-aligned economic activities - GAR stock - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	560.68	6.81 %	560.68	6.81 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	77.31	0.94 %	77.31	0.94 %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**7,595.81**	**92.25 %**	**7,595.81**	**92.25 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**8,233.80**	**100.00 %**	**8,233.80**	**100.00 %**	**0**	**— %**

Disclosure template 3 taxonomy-aligned economic activities - GAR flow - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.11	0.01 %	0.11	0.01 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.01	— %	0.01	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**1,281.25**	**99.99 %**	**1,281.25**	**99.99 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1,281.36**	**100.00 %**	**1,281.36**	**100.00 %**	**0**	**— %**

Disclosure template 3 taxonomy-aligned economic activities - GAR flow - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.05	— %	0.05	— %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.01	— %	0.01	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**1,281.08**	**100.00 %**	**1,281.08**	**100.00 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1,281.14**	**100.00 %**	**1,281.14**	**100.00 %**	**0**	**— %**

Disclosure template 3 taxonomy-aligned economic activities - KPI financial guarantees stock - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	127.88	17.98 %	127.88	17.98 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	7.99	1.12 %	7.99	1.12 %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**575.21**	**80.89 %**	**575.21**	**80.89 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**711.08**	**100.00 %**	**711.08**	**100.00 %**	**0**	**— %**

Disclosure template 3 taxonomy-aligned economic activities - KPI financial guarantees stock - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	55.95	30.75 %	55.95	30.75 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	7.99	4.39 %	7.99	4.39 %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**118.02**	**64.86 %**	**118.02**	**64.86 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**181.96**	**100.00 %**	**181.96**	**100.00 %**	**0**	**— %**

Disclosure template 3 taxonomy-aligned economic activities - KPI financial guarantees flow - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	127.94	17.99 %	127.94	17.99 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	8.00	1.12 %	8.00	1.12 %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**575.35**	**80.89 %**	**575.35**	**80.89 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**711.28**	**100.00 %**	**711.28**	**100.00 %**	**0**	**— %**

Disclosure template 3 taxonomy-aligned economic activities - KPI financial guarantees flow - turnover

	31/12/2024	CCM + CCA	%	Climate change mitigation	%	Climate change adaption	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	55.97	30.75 %	55.97	30.75 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	8.00	4.39 %	8.00	4.39 %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**118.07**	**64.86 %**	**118.07**	**64.86 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**182.04**	**100.00 %**	**182.04**	**100.00 %**	**0**	**— %**

Disclosure template 4 taxonomy-eligible but not taxonomy-aligned economic activities - GAR stock - CapEx

	31/12/2024	CCM + CCA	%	Climate change mitigation	%	Climate change adaption	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7	— %	7	— %	0	— %
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**404,537**	**13.15 %**	**404,536**	**13.15 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**404,544**	**13.15 %**	**404,544**	**13.15 %**	**0**	**— %**

Disclosure template 4 taxonomy-eligible but not taxonomy-aligned economic activities - GAR stock - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	0	0	0
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	0	0	0
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	18	— %	18	— %	0	— %
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**413,307**	**13.43 %**	**413,307**	**13.43 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**413,325**	**13.43 %**	**413,325**	**13.43 %**	**0**	**— %**

Disclosure template 4 taxonomy-eligible but not taxonomy-aligned economic activities - GAR flow - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**70,624**	**14.29 %**	**70,624**	**14.29 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**70,624**	**14.29 %**	**70,624**	**14.29 %**	**0**	**— %**

Disclosure template 4 taxonomy-eligible but not taxonomy-aligned economic activities - GAR flow - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	0	0	0
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	0	0	0
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**71,534**	**14.47 %**	**71,534**	**14.47 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**71,534**	**14.47 %**	**71,534**	**14.47 %**	**0**	**— %**

Disclosure template 4 taxonomy-eligible but not taxonomy-aligned economic activities - KPI financial guarantees stock - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	— %	6	— %	0	— %
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**501**	**0.23 %**	**501**	**0.23 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**507**	**0.24 %**	**507**	**0.24 %**	**0**	**— %**

Disclosure template 4 taxonomy-eligible but not taxonomy-aligned economic activities - KPI financial guarantees stock - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	0	0	0
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	0	0	0
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	15	0.01 %	15	0.01 %	0	— %
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**289**	**0.13 %**	**289**	**0.13 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**304**	**0.14 %**	**304**	**0.14 %**	**0**	**— %**

Disclosure template 4 taxonomy-eligible but not taxonomy-aligned economic activities - KPI financial guarantees flow - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	0.01 %	6	0.01 %	0	— %
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**501**	**0.77 %**	**501**	**0.77 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**507**	**0.78 %**	**507**	**0.78 %**	**0**	**— %**

Disclosure template 4 taxonomy-eligible but not taxonomy-aligned economic activities - KPI financial guarantees flow - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	0	0	0
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	0	0	0
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	15	0.02 %	15	0.02 %	0	— %
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**289**	**0.44 %**	**289**	**0.44 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**304**	**0.47 %**	**304**	**0.47 %**	**0**	**— %**

Disclosure template 5 taxonomy-non-eligible activities - GAR stock - CapEx

	31/12/2024		
			%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10	— %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**2,659,978**	**86.46 %**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**2,659,988**	**86.46 %**

Disclosure template 5 taxonomy-non-eligible activities - GAR stock - turnover

	31/12/2024		
			Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10	— %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**2,655,123**	**86.30 %**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**2,655,133**	**86.30 %**

Disclosure template 5 taxonomy-non-eligible activities - GAR flow - CapEx

	31/12/2024		
			Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**422,462**	**85.46 %**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**422,462**	**85.46 %**

Disclosure template 5 taxonomy-non-eligible activities - GAR flow - turnover

	31/12/2024		
			Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**421,553**	**85.27 %**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**421,553**	**85.27 %**

Disclosure template 5 taxonomy-non-eligible activities - KPI financial guarantees stock - CapEx

	31/12/2024		
			Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**214,133**	**99.43 %**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**214,133**	**99.43 %**

Disclosure template 5 taxonomy-non-eligible activities - KPI financial guarantees stock - turnover

	31/12/2024		
			Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**214,866**	**99.77 %**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**214,866**	**99.77 %**

Disclosure template 5 taxonomy-non-eligible activities - KPI financial guarantees flow - CapEx

	31/12/2024		
			Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**63,767**	**98.13 %**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**63,767**	**98.13 %**

Disclosure template 5 taxonomy-non-eligible activities - KPI financial guarantees flow - turnover

	31/12/2024		
			Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**64,499**	**99.25 %**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**64,499**	**99.25 %**

Climate change

E1-1: Transition plan for climate change mitigation

Value chain

The climate and environmental business strategy implementation plan of RBHU Group has been approved by the RBHU Group Management Board as part of the Bank's ESG Policy Statement document as starting point of the RBHU Group transition planning. The strategy has a clear goal of supporting customers' funding for investments in the green transition process and reducing emissions financed by RBHU Group.

Climate and environmental transition is an integral part of the Bank's business strategy, representing a key step towards the 2050 net-zero target. In 2024, the primary focus was explicitly on converting the general qualitative goals into specific quantitative targets.

RBHU Group is committed to achieve the following targets:

- Short-term (by 2025)
  - Develop key elements of climate and environmental transition execution plan for reaching CO2 targets 2030 in line with RBI Group Transition plan and define necessary measures.
- Mid-term (by 2030)
  - Reduce GHG emissions in the corporate lending portfolio by 17 per cent in RBHU Group. For more information, please refer to the chapter E1-4: Targets related to climate change mitigation and adaptation
  - Ongoing adaption of the climate and environmental business strategy / transition plan for climate protection.
- Long-term (by 2050)
  - The Bank intends to follow the RBI Group's commitment to be in line with the 1.5°C pathway and therefore aims to be in line with the net-zero greenhouse gas emission target by 2050.

RBHU Group set itself emission targets which were approved by the Management Board in 2024. The emission targets are formulated such that they support RBI Groups' 2030 emission targets in line with the 1.5°C pathway to reach net zero in 2050. The pathway was derived based on the Network for Greening the Financial System (NGFS) scenario. The chosen scenario is country specific as processed and published by the International Monetary Fund through its climate change dashboard (NGFS phase 4 net zero orderly transition).

The Bank is not excluded from the EU Paris-aligned Benchmarks and fulfills this disclosure in compliance with Commission Implementing Regulation (EU) 2022/2453 and Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Regulation), Articles 12.1 (d) to (g) and 12.2.

In its ESG Policy Statement, RBHU Group also focuses on supporting the Bank's customers in their climate and environmental transition. To support customers in their climate and environmental transition, RBHU Group intends to act at industry level, customer level, and transaction and product level. In this respect, the following implementation actions are planned:

- Customer engagement strategies:

  Focus on informing customers about the benefits and opportunities of sustainable finance solutions, with offering interactive sessions on the advantage of transitioning to green energy sources, EVs, adhering to green building standards and promoting energy efficiency investments.

- Development of new products or services:

  Having established a strong presence in renewable energy and green building financing in recent years, the primary focus of product development will now shift to introducing ESG KPI-linked loans and expanding green leasing options.

- New policies and procedures:

  Three key areas will be the focus when introducing new policies and procedures. First, emphasis will be placed on aligning loan processing with EU Taxonomy, with necessary frameworks developed and best practices gathered from clients, peers, and independent advisory service providers. Second, it is crucial to further strengthen the credit policy to support green lending. Finally, maintaining the Green Incentive Program for green loans is necessary to provide competitive offers in the market with maintaining profitability.

- Changes in lending conditions or documentation:

  Embedding green building and sustainability criteria into loan terms and documentation.

- ESG data collection:

  Encouraging clients to provide as detailed and accurate sustainability data as possible, be able to complete banking ESG questionnaires. Integration of sustainability reporting standards into IT infrastructure.

- Implications on the business and risk profile in the short, medium and long-term, including an impact estimation on revenues and profitability:

  The Bank intends to seek new green lending opportunities within the existing portfolio and exclude most of restrictive lending over on midterm. It also intends to focus on its established strengths in green building and renewable energy financing. Additionally, introducing new KPI-linked financing loans could also contribute to enhance the green aspect of the balance sheet.

  Assets and business activities that are incompatible with or need significant efforts to be compatible with transition to climate-neutral economy have not been identified.

- Actions and measures:

  Increase customer engagement through relevant products and proper ESG advisory, while innovating and customizing green financial products to meet emerging market demands and EU Taxonomy regulations. Offer ESG advisory services to relevant clients, maintain and potentially enhance green incentivization schemes for borrowing, and create financial projections under both scenarios with a focus on growth projections tied to green loan products. Additionally, assess and upgrade IT infrastructure to ensure robust support for the green product lineup and EU Taxonomy reporting.

Expected timeline for Implementation of our ambitions in line with our business activity:

- Short-term (0-2 years):
  - Launch and promotion of the updated green loan product suite
  - Continue participation in more state-incentivized green loan programs.
- Medium-term (2-5 years):
  - Establishment of a lending oriented ESG advisory service
  - Expansion into green bonds investments and arrangements.
- Long-term (5+ years):
  - Enhanced market reputation as a sustainable green bank
  - Full alignment with EU Taxonomy and green capital relief program supports entrenched into all aspects of lending.

Regarding transition, a key aspect is the planned development of the climate and environmental transition plan. The transition plan is set to serve as a guide for business decisions involving large corporates with the aim to develop a 1.5°C-aligned corporate portfolio by 2030. Based on the ESG score and the status of clients' specific physical emissions data, clients would be clustered into three categories:

- Supportive – customers are advanced in setting up their emissions in line with RBI Group's and consequently RBHU Group's 2030 targets, and their ESG rating is above average. The Bank's focus for these clients is to provide innovative ESG products and orient them towards future environmental challenges.
- Transformative – customers either lack developed targets to reach the 2030 threshold or have a below-average ESG rating. The Bank's focus for these clients is to offer a range of products and services to help improving their ESG transition ambitions.
- Restrictive – customers that do not have developed targets and whose ESG rating is below average.

To support the transition of the financed corporate portfolio towards the environmental targets outlined above, RBHU Group has introduced portfolio KPI monitoring in terms of average ESG score starting from Y2025 as part of its Corporate Credit Policy.

Own operations

RBI Group views environmental and climate protection as an integral part of business activity and sees itself as a fair partner to the environment. The direct environmental impacts of our operational activities are limited compared with those of production industries. Nevertheless, RBI Group has the goal of limiting negative environmental impacts at all of its sites.

Short-term (by 2026): see at E1-4: Targets related to climate change mitigation and adaptation.

As a responsible operator, RBHU Group has implemented and operates two management systems to ensure the company:

In the case of ISO 14001 EMS:

- Continually improves its overall environmental performance, providing a reliable foundation for initiatives aimed at sustainable development (e.g., operating a circular economy)
- Systematically manages its environmental responsibilities by enhancing environmental performance, significantly contributing to environmental sustainability.

In the case of ISO 50001 EMS:

- The general goal is to continuously improve the organization's energy management performance, including energy efficiency, usage, and adjusted consumption. The overall objectives also include – in alignment with EMS – reducing greenhouse gas emissions and energy costs.

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Climate stress testing

The Bank applies stress testing methodologies as part of the risk identification and assessment process, and most importantly for the analysis of the resilience of its exposures. Climate stress testing is conducted centrally on HO level for all Network Units and overall on Group level. As such, the outcome of the 2022 external/ECB climate risk stress testing exercise conducted by RBI was an important first step, and it confirmed the sectors and regions that were identified internally, on group level, as mostly affected by climate risk.

The exercise gave RBI important benchmark information with respect to model calibrations, data availability and the general confirmation of its internal framework. Based on this information, the three-year disorderly transition scenario (delayed warming by 2°C) has been incorporated into RBI's internal capital adequacy assessment framework (ICAAP), together with a flood risk scenario.

After the first successful external climate stress testing exercise in 2022 and internal climate stress testing exercise in 2023, the internal framework for climate stress testing was further refined to incorporate more risks and balance sheet assumptions (covering credit, market & operational risk). For the 2024 climate stress testing, RBI's positioning as of the cut-off of Q2-2024 was considered in the course of the assessment. The time horizon applied in the short term is three years, and the long-term analysis covers the time horizon up until 2050 (at time buckets 2030, 2040, 2050).

The transitional risks for non-retail and retail credit risk as well as operational and market risks were subject to an acute physical risk stress test for the retail collateral relating to flood risk. The basis of the scenarios was assessed by RBI's risk research in line with the latest Network for Greening the Financial System (NGFS) publications. The following scenarios have been selected:

- Disorderly (delayed transition) scenarios explore higher transition risks due to policies being delayed or divergent across countries and sectors. For example, (shadow) carbon prices are typically higher for a given temperature outcome.
- Orderly scenarios aimed at net-zero emissions by 2050 assume climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued.
- Hot house world (current policies) scenarios assume that some climate policies are implemented in some jurisdictions, but overall efforts are insufficient to halt significant global warming. The scenarios result in severe physical risk with limited transition risk.

The selected scenarios are compatible with the critical climate-related assumptions made in the financial statements in terms of the time horizon, methodology and possible outcomes.

Disorderly scenarios are largely driving transition risks, thereby staggering carbon and energy prices, which mutes gross domestic product (GDP) growth in the first years of the short-term scenarios. In the long-term perspective for disorderly, orderly and hot house world, the projections are rather mixed. The disorderly scenario shows a significant downside between 2030 and 2034 due to severe delayed policy changes. The orderly scenario, however, shows a more positive GDP development from 2035 to 2045 due to the smoother transition. By the year 2050, it is expected that the differences between the various scenarios will converge again.

For the non-retail portfolio, due to the lack of historical data combined with sharp and prolonged increases in carbon taxes and electricity costs, RBI cannot directly measure the impact of climate transition policies on defaults of corporates in the non-retail portfolio (as in the case with IFRS 9 and regular macro stress testing). Instead, RBI currently uses an approach that models the impact of such policies using structural models at the NACE sector level (level 2), based on the development of corporate profitability and debt-servicing ability. RBI then uses the financial module of its corporate rating model to turn projections of firm finances into one-year probability of default (PD) projections.

RBI refers to the first step as the transition risk engine, which consists of two parts:

- The sectoral-level general equilibrium models: this model calculates the impact of policies or shocks in the economy by taking account of the interdependencies between market participants and applying the economic theory of general equilibrium. The sectoral model provides the production/output and cost levels during stressed periods for each sector.
- Firm-level balance sheet models: the outcomes of the sectoral model are then transposed to the individual companies in the respective sectors.

This approach produces stressed balance sheets that include both the "direct" effect of carbon taxes and the indirect effect of macroeconomic aggregates. Once RBI has produced the stressed corporate balance sheets, the corporate rating model is applied to these shocks to produce one-year PDs. Finally, the projected PD is calculated by taking the internal rating derivation logic into account.

In the retail portfolio, especially for residential mortgage exposures, retail models have been extended for the purpose of the climate stress test to include energy price and house price index (HPI) developments in the PD and LGD (loss given default) macroeconomic models according to the energy efficiency (EPC, energy performance certificate) label awarded to the underlying collateral. For this purpose, each retail macroeconomic model now includes the HPI per EPC as parameter and energy prices in the climate and environmental stress calculation. The HPI per EPC scenario applied is based on the Network for Greening the Financial System input, which also includes an HPI for unknown EPC labels that is applied accordingly in the assessment. In line with the ECB climate stress test 2022, all corporate bonds and equity positions in the trading book are subject to this fair value revaluation as market risk scope.

From an operational risk perspective, initial physical risks in the form of direct losses (e.g. critical IT infrastructure) and transitional and compliance risk scenarios (e.g. greenwashing) have been defined as part of the economic capital calculation to account for forward-looking risk triggered by environmental and climate-related events in the short-term scenario as well. Both effects might yield reputational and legal costs. For market risk the corporate bond portfolio was stressed in the short-term scenario with dedicated bond spread shocks being applied directly affecting the profits and losses or capital.

In addition to the assessment of the risk-related impacts, profitability impacts were also re-evaluated in the course of the short-term exercise. For this purpose, net interest income and net fee commission income flows were simulated given a stressed interest environment under the disorderly scenario. Alongside the credit risks, impacts on net interest income and net fee commission income were the main contributors to the impact of the stress test in the short-term scenarios.

As outlined, the short-term exercise is complemented with a 1-year acute physical risk scenario for which the collaterals on retail and non-retail are shocked individually. For this purpose, all collaterals are scored from low to very high under the given scenario according to Moody's physical risk tool. According to this score, haircuts on the dedicated collateral values and real estate value are applied, reducing their values significantly. The resilience to further physical hazards, e.g. heatwave, will be investigated in upcoming exercises.

Based on the learning from previous exercises (long and short-term), the focus for the 2024 long-term exercise was on credit risk, market risk and income components only. For the analysis, a sector-related portfolio growth was considered as part of a dynamic portfolio assumption – on top of a static balance sheet assumption. In contrast to the short-term stress testing, the disorderly, orderly and Hot-House-World scenario was analysed for the long-term exercise.

The results of the short-term and acute physical risk stress tests contribute to RBHU Group's framework via a deduction item from the internal capital – see the dedicated results below. Furthermore, the climate risk stress test is one of the input parameters to the materiality assessment and should also complement the target and strategy selection. Given the relatively young discipline, the annual exercise is used to reassess the assumptions made and models in order to reduce the uncertainty of the resilience analysis. This especially covers the area of dynamic balance sheet assumptions, data coverage/completeness and modelling assumptions given the scarcity of data.

Both on RBI Group and RBHU Group level, the impact on the risk parameters from the climate risk exercises has been assessed as non-material, supporting the overall resilience of the Bank. This is considered mild, in comparison to regular stress test exercises, such as the EBA stress test where a comparably larger depletion is observed and confirms the relatively low effect from the isolated climate effect on the risk parameters.

Short-term impact of disorderly scenario

CET1 impact (compared to baseline) in basis points	2025	2026	2027
RBHU Group	-246	-238	-166

Impact of acute physical risk scenario

CET1 impact (compared to baseline) in basis points	2025
RBHU Group	-303

Impact of long-term scenario

	2050		
change in basis points	Hot-House/Baseline	Disorderly	Orderly
Provisioning ratio	14	19	18

E1-2: Policies related to climate change mitigation and adaptation

Value chain

General framework

RBHU Group strives to achieve long-term profitable business while reducing, amongst others, social and environmental harm by related proper due-diligence practices. Furthermore, RBHU Group wants to contribute to the improvement of environmental protection and social standards. RBHU Group, as member of RBI Group is aware of sensitive business fields (especially, but not limited to nuclear power, coal, military goods and technologies, gambling) which the RBI Group handles with care and for which internal policies have to be followed by staff members.

To support the above-mentioned goals, RBHU Group applies the following levels of internal policies: all the below mentioned regulations is classified to one of these categories:

- RBI Group regulation adhered to within RBHU Group practices directly: these regulations are implemented into RBHU Group workflows and risk management practices without specific local implementation. Policies in this category are generally available in the Group Regulation Database
- RBI Group regulation locally approved as part of local key master policies – e.g. Annex to Credit Policy regulations without any local amendment. Policies in this category are generally available RBHU Group local regulation database and in the Group Regulation Database
- RBI Group standards translated and adapted to local processes and organisational responsibilities: fully fledged local version, compliant with group directives. Policies in this category are generally available RBHU Group local regulation database
- The policies listed are all impacting to some extent climate change mitigation, adaptation, energy efficiency and renewable energy deployment efforts.

All of the above-mentioned policies are regularly reviewed and all relevant affected units are notified upon changes.

Lending business (on-balance)

Sectoral policies

ESG sectoral strategies

- ESG Sectoral Policies are RBI Group regulations, locally approved in RBHU Group as Annex to Credit Policy regulations and to the Sustainability assessments in corporate lending and underwriting local regulations, without any local amendment
- The Bank held internal trainings on 4 occasions in 2024 for employees concerned upon the requirements of the Sectoral policies to enhance effective roll-out
- Sectorial policies are also adopted for SME segments in retail lending and are included in local Credit Policy regulations
- The ESG Sectoral Policies, as annexed part of the Credit Policy regulations were approved by the Board of Management and by the Board of Directors.

The application of the rules falls into the responsibility of the Department Heads of those business and risk areas that are in charge for the lending activities.

This policy gathered and included sectoral policies on oil & gas, steel, and real estate and construction. In addition, an oil & gas exclusion policy became a part of such policy which aims to:

- Identify the supportive, transformative, and restrictive criteria in the oil & gas, real estate & construction, and steel industries and as well as define the principles, rules, and engagement criteria for such classifications
- Support the implementation of qualitative targets about negative impacts on resource efficiency and climate change
- Define customer and project-level criteria per sector to contribute to decarbonization.

Furthermore, the policy defines how to engage with clients in the value chain and is applicable for all group units involved in the lending business.

The policy is prepared on the following regulatory/legal framework:

- EU taxonomy 2020/852
- The Paris Agreement
- Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law')
- European Central Bank, Banking Supervision - Guide on climate-related and environmental risks Supervisory expectations relating to risk management and disclosure (November 2020)
- The Principles of Responsible Banking (UNEP FI)
- Alignment with the EU/US/UK regulations

The policy was authored by RBI Group Credit Portfolio Management. To ensure awareness and implementation, several key stakeholders such as Business, Group Regulatory Affairs, Group ESG & Sustainability, and other stakeholders were involved from the beginning until the finalization.

This internal policy is available to all stakeholders involved through a group wide database. Oil & Gas Exclusion Policy, a part of this policy, is published externally as well. It can be retrieved through Fossil fuel exclusion policy (rbinternational.com).

The monitoring tool on the supportive, transformative, and restrictive categorization is a Dashboard and demonstrates the distribution of the portfolio across supportive, transformative, and restrictive categories together with corresponding Exposure at Default (EAD) and Risk-Weighted Assets (RWA).

Business policy on thermal coal

- Business policy on thermal coal is RBI Group regulation, locally approved in RBHU Group as Annex to Credit Policy regulations and to the Sustainability assessments in corporate lending and underwriting local regulations, without any local amendment
- Scope of the regulation is the coal-related lending activity financing of the Bank.

This is an exit (phase-out) policy that sets rules for the exit from Thermal Coal Financing by 2030. Allowed business for transformation from Thermal Coal is a part of the policy. The policy's threshold is based on revenues (25% or lower) for acceptability, provided that the companies have a clear exit plan from the sector by 2030.

The policy is prepared on the following regulatory/legal framework:

- The Paris Pledge for Action (United Nations Climate Change Conference)
- Katowice Rulebook (24th United Nations Framework Convention on Climate Change Conference, COP24), Katowice, December 2018
- United Nations Global Compact - Principles 7-9.

This internal policy is available to all stakeholders involved through a group wide database and the ultimate responsibility of implementation is with the Group Head of Corporate Customers.

Business policy on tobacco

Business policy on Tobacco is RBI Group regulation, locally approved in RBHU Group as Annex to Credit Policy regulations and to the Sustainability assessments in corporate lending and underwriting local regulations, without any local amendment.

Scope of the regulation is the Tobacco-related lending activity financing of the Bank. The policy outlines business rules for tobacco producers and distributors, categorizing customers as acceptable, critical, or non-acceptable. Accepted customers include globally active tobacco producers with high transparency and governance, and a commitment to responsible labeling, packaging, and marketing, especially regarding health warnings and protection of minors. These producers must also be transitioning away from traditional tobacco products, offering at least one reduced health risk product brand in each main market. Distributors must rely on at least 75 percent of their sales from these responsible l tobacco producers.

The policy is prepared on the following regulatory/legal framework:

- The World Health Organization (WHO) Framework Convention on Tobacco Control
- UN's Sustainable Development Goals: Nr. 3 "Good Health and Well-being"
- UNEP FI Principles of Responsible Banking: Principle 2 "Impact Analysis and Target Setting"
- DIRECTIVE 2014/40/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 3 April 2014 on the approximation of the laws, regulations and administrative provisions of the Member States concerning the manufacture, presentation and sale of tobacco and related products.
- DIRECTIVE 2010/13/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive)

This internal policy is available to all stakeholders involved through our group wide database. and the ultimate responsibility of implementation is with the Group Head of Corporate Customers.

Business policy on nuclear energy

- Business policy on nuclear energy is an RBI Group regulation adhered to within RBHU Group practices directly: these regulations are implemented into RBHU Group workflows and risk management practices without specific local implementation.
- Scope of the regulation is the nuclear energy-related lending activity financing of the Bank.

The policy is implemented to avoid and minimize environmental risks associated with nuclear power plants. In accordance with our business conduct RBI seeks to avoid financing of or participation in any transactions or projects which put the environment at risk of lasting substantial detrimental effect (e.g. negative effect on pollution of land, air or waters). RBI aims to avoid the mobilization and catalyzing of nuclear energy business (as to financing, advisory or other banking services, participation, investment funds focusing on nuclear energy). RBI ensures that financing requests in the underwriting process are classified and evaluated according to the presented ESG framework through its internal processes and regulations. Consequently, the Compliance department, along with account officers, product managers, the sustainable finance team, as well as the Risk department, collaboratively check whether clients comply with the RBI Group Nuclear Policy. This evaluation includes reviewing clients related to nuclear activities during onboarding and financing stages, as well as conducting annual monitoring. Responsibility for the adherence to the policy lies with the head of Group Compliance.

The policy is prepared on the following regulatory/legal framework:

- Convention on the Physical Protection of Nuclear Material, as amended (CPPNM) (Vienna, 1979)
- Convention on Early Notification of a Nuclear Accident (ENC) (Vienna 1986)
- Convention on Assistance in the Case of a Nuclear Accident or Radiological Emergency (NARE) (Vienna, 1986)
- Convention on Nuclear Safety (NS) (Vienna 1994)
- Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management (RADW) (Vienna 1997)

The policy was established by Group Compliance and is a result of alignment between all local compliance officers as its main stakeholders which are responsible for sensitive business.

To make the policy available to its key stakeholders, the business policy on nuclear energy is published internally in a group-wide database. Furthermore, RBI published its position statement on nuclear energy on its website under the following link: Nuclear Power.

Process policy

ESG Risk Framework and the EU Taxonomy Regulation KPI Calculation Framework

ESG Risk Framework and the EU Taxonomy Regulation KPI Calculation Framework is an RBI Group regulation adhered to within RBHU Group practices directly: these regulations are implemented into RBHU Group workflows and risk management practices without specific local implementation.

The policy describes how ESG relevant topics are to be reflected within the risk management area, and for which a stand-alone supporting document has been created. The main documents attached to the ESG Risk Framework relate to:

- ESG Process Flow - reflects the inclusion of the ESG within the corporate lending process
- Sectoral strategies
- Financed emissions calculations
- ESG in Corporate underwriting

All the mentioned policies have a specific monitoring process, whereas the implementation of the overall framework is locally in the responsibility of the Integrated Risk Management Department.

The policy reflects how ESG risks are identified, measured and steered, while having the relevant processes and governance. • Employees working within the risk area, and across all business lines.

Relevant stakeholders:

- Project Finance
- Corporate Risk Management
- Risk Controlling
- Corporate Business

Group Financial Institutions, Country and Portfolio Risk Management is accountable for the implementation of the policy.

The policy is prepared based on the following regulatory and legal framework:

- ECB Guide on climate-related and environmental risks

The policy was established by Group Financial Institutions, Country and Portfolio Risk Management and is a result of alignment between the risk area and the corporate business area.

To make the policy available to its key stakeholders, the policy is published internally in a group-wide database.

RBHU Group ESG Rulebook

- RBHU Group ESG Rulebook is a local policy, where RBI Group standards translated and adapted to local processes and organisational responsibilities: fully fledged local version, compliant with group directives
- The application of the rules falls into the responsibility of the Department Heads of those business areas that are in charge for the lending activities
- Scope of the regulation is the mid- and large corporate and project finance lending activity financing of the Bank
- The Bank held internal trainings on 3 occasions in 2024 for employees concerned upon the requirements of the ESG Rulebook to enhance effective roll-out.

To help its customers improve their carbon footprint and make their transformation a sustainable success, RBHU Group needs to be able to assess transactions and projects on the basis of ESG criteria and advise its customers accordingly. In 2020, RBI devised a harmonized definition of sustainable customers and transactions, and made it available to the whole of the RBI in the form of an ESG Rulebook. The RBI Group ESG Rulebook was implemented on local level in 2023. RBHU Group aims to update the RBHU Group ESG Rulebook regularly in order to reflect the latest market developments.

The policy describes the ESG flagging of financial products within Corporate and Institutional customer segments (including Financial Institutions, Sovereigns and LGRs) in RBHU Group.

The policy is based on Loan Market Association guidelines, ICMA principles, the EU Taxonomy regulation as well as market practice in relation to anti-greenwashing processes.

To make the policy available to its key stakeholders, the policy is published internally in a database.

Sustainability assessments in corporate lending and underwriting

Based on RBI Group policies 'ESG in Corporate Underwriting' and 'ESG Process Flow Corporates'

- Sustainability assessments in corporate lending and underwriting is a local policy, where RBI Group standards translated and adapted to local processes and organisational responsibilities: fully fledged local version, compliant with group directives.
- The application of the rules falls into the responsibility of the Department Heads of those business and risk areas that are in charge for the lending activities.
- Scope of the regulation is the mid- and large corporate and project finance lending activity financing of the Bank
- The Bank held internal trainings on 4 occasions in 2024 for employees concerned upon the requirements of the Sustainability assessments in corporate lending and underwriting policy to enhance effective roll-out.

Scope of this regulation is to define the definitions, responsibilities and tasks within the framework of ESG induced corporate credit risk management.

- ESG process flow corporates policy based RBHU Group rules within the Sustainability assessments in corporate lending and underwriting policy
- The policy describes how ESG risks have been included in the three lines of defence model (especially the first and second line of defence, as the third line of defence audit is regulated in the respective audit policies).
- It provides an overview of the ESG process steps to be taken on the business and risk management side, to incorporate ESG risks. Relevant stakeholders are: Account Managers, ESG Experts, Risk Managers, Credit Analysts.
- Credit Product Management Team, Project Finance Department and Corporate Credit Risk Management Department are accountable for the implementation of the policy.

The policy is prepared on the following regulatory/legal framework: ECB Guide on Climate and Environmental related risks.

ESG in Corporate Underwriting policy based RBHU Group rules within the sustainability assessments in corporate lending and underwriting policy

The policy describes which type of ESG-related information the corporate credit analyst and risk manager via its risk analysis and statement transfers to the credit decision maker and in which cases dependent on a combination of customer & industry environmental score the corporate risk manager undertakes a more detailed analysis of the customer's business model and how it is affected by environmental risks. The ESG risk analysis is an integral part of the Risk Statement, ensuring implicit monitoring of the policy.

The policy provides regulations for the credit analyst and for the corporate risk manager / underwriter how to report & (partially) assess environmental risks the customer might be exposed to. Relevant stakeholders are: Account Managers, ESG Experts, Risk Managers, Credit Analysts involved in Corporate & Specialized Lending.

Corporate Credit Risk Management Department is accountable for the implementation of the policy.

The policy is prepared on the following regulatory/legal framework:

- ECB Guide on Climate and Environmental related risks
- EBA Guidelines for Loan Origination & Monitoring
- EBA Report on ESG Risks Management & Supervision
- FMA Guide for Managing Sustainability Risks.

The policy is aligned with all relevant process stakeholders. To make the policy available to its key stakeholders, the policy is published internally in regulation database.

RBI taxonomy rulebook

The RBI taxonomy rulebook outlines the regulatory requirements of the EU Taxonomy Regulation and the respective implementing and delegated acts and how these need to be implemented across the RBI Group, respectively the Bank in order ensure regulatory compliance. The RBI taxonomy rulebook thus provides the methodology for the disclosure of the proportion of financing provided by the Bank which relates to economic activities that substantially contribute to the environmental objectives of the EU Taxonomy and fulfil the relevant technical screening criteria, DNSH requirements and minimum safeguards. The Bank ensures that a financing flagged as taxonomy-aligned is classified in line with the requirements of the RBI taxonomy rulebook. Accordingly, Sustainable Finance, with the support of the relevant departments, reviews the respective transactions and provided documentation. In addition, where applicable, the assessment must be carried out using a dedicated tool that ensures that the requirements are fulfilled.

The policy concerns both the collection of disclosed counterparty KPIs regarding general-purpose exposures as well as the assessment of exposures with known use of proceeds during the origination process and based on documentation provided by the counterparty. Thus, it must be considered by all employees at head office and in the subsidiaries involved in the assessment and flagging of taxonomy eligibility and alignment and the respective reporting of KPIs, in particular ESG experts, Risk Controlling and Regulatory Reporting.

RBHU Group is subject to the requirement to publish non-financial information pursuant to Article 19a and Article 29a of CSRD and consequently to the disclosure obligation as outlined in Article 8 Taxonomy Regulation and the respective delegated acts. The respective assessment of exposures with known use of proceeds is conducted locally in RBHU Group, while the implementation of the RBI taxonomy rulebook lies with the Group Risk Data & Regulatory Reporting department.

The application of the rules falls into the responsibility of the Department Heads of those business areas that are in charge for the lending activities.

Own operations

Management

Environmental policy

In the year 2023, RBHU Group obtained certification for its Environmental Management System according to the ISO 14001 standard, and in connection with this, the company's environmental policy was also issued which details the key action areas and aims to manage and inform actions and targets regarding own operations.

The active communication and involvement of stakeholders such as internal and external experts to inform the policy content, local Facility Management for implementation of actions, as well as local sustainability specialists to collect data and ensure regular adaptation, are part of the process. The policy is available on RBHU Group's website.

The scope of the policy is the own operations of Raiffeisen Bank Zrt. level, while the most senior level accountable for the policy is the head of the CPO department. The policy has been revised and accepted on local Senior Management level.

RBHU Group's environmental policy can be read below:

In recognition of the importance of environmental protection and sustainable development, and our commitment to it, we are implementing and operating an environmental management system in accordance with the requirements of the ISO 14001:2015 standard. Our main objectives, in line with the strategic direction of our company and the Environmental Management System (EMS), are primarily focused on the following areas:

- The foundation for the establishment and proper operation of the environmental management system is the commitment of our management and employees, enhancing this commitment and their purposeful collaboration
- We strive to continuously ensure compliance with relevant obligatory laws, regulations, EMS requirements, and agreed obligations, keeping in mind the alignment of these with our operational processes. We place great emphasis on monitoring to ensure compliance
- Based on environmental data and indicators, we take actions to continuously improve the management system and enhance our environmental performance
- We carry out our activities with a focus on correcting any detected non-compliances
- To prevent and reduce environmental pollution, we analyse both the direct and indirect impacts that may affect our activities
- Considering the expectations of interested parties, we aim to reduce our environmental impacts and risks, while increasing opportunities by identifying, assessing, and reviewing environmental factors and impacts, risks, and opportunities, as well as setting related goals
- We strive to minimize the use of natural resources, energy, and raw materials
- We strive to replace environmentally harmful materials and substitute hazardous materials with less dangerous ones, thereby reducing associated risks
- To reduce air pollution and increase awareness, we aim to decrease emissions related to personal transportation
- We focus on continuously increasing the positive climate impact of our business activities by supporting climate-friendly innovations and consistently reducing our carbon footprint. Where possible, we aim to achieve carbon neutrality (CO2 neutrality) by 2050
- We strive to prevent and reduce the generation of waste, implement selective waste collection, and promote recycling
- Many of our objectives serve to reduce energy consumption, as evidenced by the operation of our energy-focused management system
- We provide continuous training and education to our employees to prevent environmental pollution, preserve natural resources, improve the management system, and increase employees' environmental awareness
- We engage in open communication with customers, suppliers, authorities, and significant stakeholders to improve environmental protection
- We follow-up the environmental performance and work of subcontractors and suppliers.

We ensure that this policy is documented, public, and accessible to our employees and all interested parties.

Travel policy

The RBHU Group travel policy aims to regulate the processes and reimbursement related to domestic and foreign assignments taking place at Raiffeisen Bank and its subsidiaries in accordance with the law. The Head of HR Department is accountable for the policy and the application of its rules.

E1-3: Actions and resources in relation to climate change policies

Value chain

Corporate and Institutional customers

One key goal for the climate & environmental business strategy is to incorporate the climate targets of the Paris Agreement into RBI Group and consequently to RBHU Group balance sheet. The Bank identifies and measures climate related impacts. This allows to recognize new business opportunities on one hand, while on the other hand setting measures to mitigate harmful effects to the climate and environment, thus making its overall business composition more sustainable.

In a first step, RBI Group runs an assessment both at portfolio and counterparty level, on a qualitative and quantitative basis across the various customer types and industries. The goal is to identify both risks and opportunities and to create the conditions for potentially necessary management of sustainability risks customer and industry levels. At this stage at portfolio level, the Bank relies on the results of the materiality analysis and impact analysis, the financed emission calculation, and results from the climate stress test. At counterparty level, the Bank focuses on the ESG counterparty assessment and includes its considerations in the lending process.

RBI then transforms those results into internal steering impulses according to financial, risk, and operational needs. RBI and consequently RBHU Group set targets and prioritize our resource allocation by reducing relations with businesses not meeting our environmental and economical parameters. This helps us both achieving our ambitions and realizing opportunities at the same time.

The sectoral strategies are the tool for the steering process. In Phase 1, we classified customers and transactions in three clusters: "restrictive" designates candidates earmarked for termination in case transition is not achieved; "transformative" designates customers that support our transformation with new loans meeting our sustainability criteria (they account for the main part of the portfolio); supportive is for customers already green. In Phase 2 we plan to design engagement criteria and quantitative targets. The credit policy and the lending process are included in the steering process. The credit policy currently reflects the minimum ESG criteria and guidelines in accordance with the latest ESG risk developments. The lending process includes ESG-relevant aspects in the "three lines of defence"-model for the corporate segment.

Sustainable financing

Providing sustainable financing generates added value for our customers and a wide range of activities for society that are suited to sustainable financing. The Bank describes financing as being sustainable when it has a long-term positive impact on the environment and climate and/or on societal and social issues, and when it supports the attainment of the Sustainable Development Goals (SDGs). More specifically, the definition of a sustainable transaction is based on the EU Taxonomy Regulation and on RBHU Group's ESG Rulebook (basis: RBI's ESG Rulebook) definition for green and social. The eligibility criteria of the listed frameworks differ in terms of complexity and precision.

The total volume of sustainable financing (limited to financing with a positive impact on the environment and the climate and ESG-linked financing) for corporate and institutional customers at RBHU Group and its subsidiaries in 2024 was around €574 million as of 31 December 2024. Of this amount, customers have utilized financing lines amounting to €541 million. In addition, there was an unutilized line of sustainable financing of nearly €33 million.

Sustainable financing – corporate and institutional customers

in € million	2024	
Financing with a positive impact on the environment and the climate	538.99	94 %
ESG-linked financing	2.55	0 %
Subtotal (utilized line)	541.54	94 %
Unutilized line	32.86	6 %
Sustainable financing	574.40	100 %

Breakdown of sustainable financing by category:

Sustainable financing - corporate and institutional customers

in € million	2024	
Sustainable real estate	249.67	43 %
Renewable energy	175.34	31 %
Energy efficiency measures	-	- %
Sustainable mobility	113.98	20 %
Water supply, sewage treatment and waste management	-	- %
Sustainable forestry and farming	-	- %
Manufacturing industry	-	- %
ESG KPI-linked loans	2.55	0 %
ESG Rating-linked loans	-	- %
Subtotal (utilized line)	**541.54**	94 %
Unutilized line	32.86	6 %
Sustainable financing	**574.40**	100 %

As this is an ongoing process there are not specific time horizons defined for completing this action, mainly the provision of sustainable financing.

Sustainable real estate

Real Estate and Construction are among the key industries under the radar of those that are involved in green economy and finance. RBHU Group is committed to being one of the pioneers in the industry, which means that it does not follow the market, but rather strives for sectoral strategies that reflect its leading role in banking. Therefore, aligned to the RBI Group practice RBHU Group included Real Estate & Construction as part of its sectoral policy with the main goal of defining the categories for the transition to green economy.

The policy defines engagement criteria based on ESG clusters and provides EAD portfolio targets for 2025 and 2030 for Construction, and 2025 for Real Estate. In order to monitor those targets, a Power Bi monitoring tool was developed which shows the portfolio distribution and in case of deviation from the targets, notifies the relevant stakeholders (e.g. Industry Lead, Sustainable Finance) and negotiates paths with these parties to solve the breach.

In 2024, the volume of financing utilized at RBHU Group in the area of sustainable real estate was nearly € 250 million as of 31 December. Moreover, sustainable real estate finance is one of the most important asset categories in the volume of finance with a positive impact on the environment and climate with 43% of the total.

Renewable energy, energy efficiency and electrification

The 2023 World Energy Transition Outlook (World Energy Transitions Outlook 2023: 1.5°C Pathway (irena.org)), explicitly identified renewable energy, energy efficiency, and electrification as key transition drivers, broadly enabled by the technological advancements of renewable energy production capacities. Moreover, it highlights that even though considerable progress has been made in the past decade, financing institutions should further prioritize supporting the construction of such infrastructure.

Based on an increasing RBI Group portfolio base and RBI Group business pipeline of applicable projects and customer capex investments, there is a substantial business case arising for RBI Group's carbon transition to Net Zero 2050. For RBHU Group most opportunities originate around renewable energy, energy efficiency, and electrification.

Renewable energy

Renewable energy consists of solar, wind (onshore and offshore), hydro and rooftop solar. The build out of renewable energy production will contribute an estimated 25% to global CO_2 reduction. An estimated annual deployment of ca. 1000 GW of renewable power is required to stay on a 1.5°C pathway (according to World Energy Transitions Outlook 2023: 1.5°C Pathway (irena.org)).

In 2024, the volume of financing committed to renewable energy investment projects by RBHU Group was € 175 million as of 31 December 2024 which, alongside a solid pipeline and significant demand growth expected, provides a good basis for future business development.

Key steps to further increase the renewable energy business segment are to increase RBHU Group's track record with established relationship customers and undertake the financing of projects under newly implemented regulatory regimes like onshore wind financing.

As this is an ongoing process there are not specific time horizons defined for completing this action.

Electrification

In focus are Battery Energy Storage Systems (BESS), public transport (EV fleet), EV charging infrastructure, electricity grids, electric utilities, and adjacent industries. Broad electrification of transport and industrial processes will contribute to an estimated 19% of global CO_2 reduction. Electrification is set to become the main energy carrier, accounting for 50% of total final energy consumption by 2050.

To enable the electrification value chain, RBHU Group is actively looking into opportunities from battery production to BESS projects and to continue the cooperation with RBHU Group's industry specialists, specifically for automotive. Contributing to the accelerating growth of a potentially booming BESS market are falling production costs, especially of lithium-ion batteries, which despite substantial R&D working on alternatives, are still the dominating technology.

As this is an ongoing process there are not specific time horizons defined for completing this action.

Retail banking

RBHU Group aims to further increase new green loan sales to private individuals and small-business customers, and therefore advise our customers on the possibility of green mortgage loans (secured by real estate and are made available exclusively to finance or refinance, in whole or in part, new and/or existing transactions with a specific use of proceeds as defined by the framework for Green and Social Loans included in the local Credit Policies).

Prevention of greenwashing and negative ESG impacts

To tackle the topics of negative ESG impacts and greenwashing prevention within the sustainable finance transactions, RBHU Group has implemented different processes, which include the ESG Expert Opinion and the Greenwashing Prevention Check. RBHU Group also conforms to the exclusion list (established on RBI Group level) of all corporate activities in which RBHU Group does not wish to be involved.

ESG expert opinion

An ESG expert opinion is prepared for particularly critical customers, but specifically for critical projects. The ESG expert opinion evaluates the ESG impact of the transaction at project and company level and assesses its impact on the environment and social issues. It also includes a qualitative assessment and presents a conclusion on whether or not the transaction should be pursued from an ESG impact point of view. Consequently, the ESG expert opinion provides decision makers with more detailed information and enables them to consider ESG impacts in their lending decisions. It therefore plays a key role in preventing negative impacts from an ESG perspective. The assessment in the ESG expert opinion takes the following aspects into account: industry impact based on the Principles for Responsible Banking (PRB) Impact Radar; company- and project-related negative impact on key sustainability issues and their mitigation measures; past and current controversies and incidents; the legal environment (i.e. whether high environmental and social standards are ensured through EU regulations).

For critical cases, the ESG expert opinion is issued by RBI AG's Sustainable Finance department with the contributions of local ESG experts. To formalize and standardize the process, an ESG expert opinion tool has been set up internally and a workshop was held to train local ESG experts on how to write an ESG expert opinion and how to navigate through the tool. Follow-up trainings will be established.

Greenwashing prevention check

RBHU Group has established a process to prevent greenwashing and has rolled it out as part of the RBHU Group ESG Rulebook. Under the greenwashing prevention check, RBHU Group commits to certain internal process steps, which must be complied with in the event of a sustainable transaction with a customer. In particular, local ESG experts are involved in the bid phase, the decision phase and the execution phase of a sustainable financing transaction with the external support of RBI AG's Sustainable Finance team if necessary. The greenwashing prevention check focuses on the structure of sustainable financial products, including products that are designated as green, social, sustainability-linked or similar. For the definitions of sustainable business transactions, standards such as the Loan Markets Association guidelines, the ICMA Principles and the EU Taxonomy Regulation were applied. These are used for qualification and (de)flagging of business transactions and form the basis for the greenwashing prevention process. In other words, the greenwashing prevention check is a precondition for RBHU Group's involvement in sustainable finance products. The check is applied for all sustainable finance products. By involving the local ESG experts in ESG transactions, RBHU Group provides a further supervisory body to minimize greenwashing risks and contribute to greenwashing prevention.

Raising awareness – supporting the local business units

It is key to raise awareness of ESG-related topics in the business units, to build up ESG knowledge internally and to ensure efficient cooperation within the RBI Group. Accordingly, Corporate ESG Ambassadors have been established in all the subsidiary banks in Central and Eastern Europe, including the subsidiary bank in Hungary. The primary objectives of the network are to pass on knowledge and information between head office and RBHU Group, to advertise ESG activities for corporate customers in Hungary and to support these companies so that they can leverage the opportunities available to them in the area of ESG megatrends and combat global climate change to the greatest possible extent, as well as updating and educating local relationship managers on latest developments in ESG. Local ESG Ambassadors regularly participate at the business-specific trainings provided by Head office on subjects such as EU taxonomy compliance, ICMA bond standards, current developments, circular economy, as well as on the various ESG and sustainability-related products. In addition, RBHU Group's local ESG Ambassadors participate on monthly update calls held with the Corporate ESG Ambassadors in order to maintain a dialog on ESG topics. Through this close cooperation, we are able to maintain and foster the RBI Group standard for day-to-day business on the subject of sustainable financing.

The actions - described in E1-3/Value chain chapter - scope covers the segments impacted by the Bank's financial services.

The actions - described in E1-3/Value chain chapter - do not require significant capital expenditures.

Own operations

A variety of options are available to enhance sustainability within the company. At RBHU Group, these range from building management and energy reduction measures, to increasing the share of material recycled and staging information campaigns for employees. The actions taken to increase the sustainability of own operations varies across RBHU Group, as it is within the local sustainability management's expertise to inform which actions will have the biggest impact.

Our primary targets include among others the continuous reduction of RBHU Group's carbon footprint. From 2022 onwards, we have started quantifying it and setting specific targets to help achieve this objective. An overview of a few key actions as well as their implementation for 2025-2026, can be found below:

- Purchasing green electricity for both the AGORA Headquarters and branch offices:
  - During the procurement of electricity, we strive to ensure that at least 30% of the electricity purchased for RBHU Group comes from certified renewable energy sources. This step is crucial in proportionately reducing greenhouse gas emissions from electricity producers.
- Establishing selective waste collection in the Bank's branch network:
  - The selective waste collection system implemented at the AGORA headquarters is very popular among employees. Based on the experiences gained so far, we plan to introduce selective waste collection in suitable branch offices, contributing to the expansion and operation of a circular economy.
- Purchasing electric vehicles for the Bank's fleet:
  - In 2024, we acquired 16 new EVs through grant support, which will help reduce the CO2 emissions of RBHU Group's road fleet. Leveraging these experiences, we aim to create further opportunities to green the RBHU Group fleet in 2025.
- Installing new solar parks in selected branches:
  - Since its commissioning in 2022, the 50 kWp solar park installed on the Raiffeisen Bank Service Center building has generated approximately 64.39 MWh of energy, preventing 29.29 tons of CO2 emissions. Based on this success, we have initially selected two branches where the conditions (location, required energy amount, permits) allow for the installation of additional solar systems.
- Continuing branch lighting upgrades (LED Installation):
  - With each redesign, new branches are renovated every year, replacing the old lighting systems with new LED-based lighting.

Overview of measures

Topic	Measure	HU
Environmental certificates	ISO 14001	✓
	ISO 50001	✓
	External energy audit	
Energy savings and efficiency	LED	✓
	Light sensors	✓
	Evening/weekend mode	✓
	Computer/printer with energy labels	
	Adaptions in heating/cooling	✓
	IT with environmental standards	
	Adjusments in building envelope	
Renewable energy	Purchasing renewable electricity	✓
Business travel & commuting	Support of public transportation	
	Bicycle parking spaces	✓
Fleet	CO2 reduction measures	
	E-cars, hybrid vehicles	✓
Paper consumption	Measures for reducing consumption	
	Paper with an environmental label	
Waste	Waste separation	✓
	Waste management system	✓
	Increase of recycling waste	
	Measures to waste reduction	
Water	Measures for reducing consumption	
Employee information	e.g. in the form of training and via intranet	✓

E1-4: Targets related to climate change mitigation and adaptation

Value chain

Lending portfolio (non-financial corporations)

The RBHU Group's financed emissions targets are at the first stage set for non-financial corporations and are in accordance with RBI Group's approach.

The backbone of net-zero emissions is the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (the IPCC). Financial institutions should establish their emission reduction targets in line with category C1 of the AR6, i.e., 1.5°C pathway with no or limited overshoot. The RBHU Group's approach, adhering to the RBI Group's approach for setting targets involved the following considerations, guidelines, and components: in order to set science-based targets and be compatible with limiting global warming to 1.5°C, RBI considered a diverse range of climate scenarios to detect relevant environmental, societal, technology, market and policy-related developments and determine decarbonization levers. RBI also considered the Emissions Gap Report (2023) by the United Nations Environment Programme as a part of the framework. Accordingly, Nationally Determined Contributions in the United Nations Framework Convention on Climate Change and National Energy and Climate Plans of the EU Commission repositories were examined. National pledges demonstrate the decarbonization paths of countries as declared by themselves. RBI compared national pledges to net zero pathways and noticed that in most cases, national pledges are less ambitious than net zero scenario decarbonization pathways. In such cases, RBI applied net zero scenario reduction pathways to ensure that the pathways are followed in line with net-zero projections.

Two main approaches exist for setting financed emissions targets: the overarching target, also known as the Absolute Contraction Approach (ACA) and the Sectoral Decarbonization Approach (SDA). The ACA (overarching target) is a one-size-fits-all approach that enables companies to deliver their absolute emissions values in line with global decarbonization pathways, while the SDA entails carbon-intensity metrics. Both approaches have own benefits and limitations. As a starting point, RBI opted for the ACA and set an overarching target for the non-financial corporations' portfolio in line with the 1.5°C pathway. Following its rigorous research and exploration of scientific/academic writings and practices applied for decarbonization, and after reading through climate scenarios and pathways, RBI inferred that several scenarios do not provide GHG data whereas CSRD require undertakings to disclose their values in GHG. As a PCAF signatory, RBI discloses its financed emissions in GHG (CO_2e), and therefore, scenarios including GHG are of priority.

The scenario RBI has chosen is the Net Zero Orderly Transition scenario of the Network for Greening the Financial System (NGFS). The NGFS, a group of central banks and supervisors, develops their scenarios phase-by-phase, and RBI applied their scenario of the current phase (Phase 4). To note, the NGFS provides several scenarios that include different projections such as delayed transition, well below 2°C, etc. RBI's choice, in line with the 1.5°C pathway requirement, has been the Net Zero Orderly Transition scenario which is an ambitious scenario that limits global warming to 1.4°C in line with AR6 of the IPCC. At the time of the IPCC AR6, the NGFS scenario, then having its phase 2, was an acceptable scenario as referenced by the IPCC. Phase 4, published in late 2023, follows the same structures while offering more granularity. In addition, the International Monetary Fund, in cooperation with the NGFS, curated NGFS phase 4 scenarios and published them at their climate change dashboard. This enabled a country-specific view of the GHG emissions as a combination of CO_2 and non-CO_2 emissions (non-CO_2 emissions are other gases under the Kyoto Protocol in NGFS). GHG gases, in addition to carbon dioxide include Kyoto gases under both the NGFS scenario and PCAF standards.

The NGFS scenario draws upon integrated assessment models. Integrated assessment models (IAM) are scientific models that provide links to societal structures, economic facts and projections, and they also take biosphere and atmosphere into account. This synthesizing approach is based on human-earth interplay. Hence, although RBI considered the granularity of the SDA on specific sectors, it opted for an overarching target based on the NGFS scenario due to an extensive lack of other industries under the current SDA framework and inadequate information about GHG guidance. It should also be noted that the NGFS scenarios, in themselves, and as stated by the NGFS, consist of sectoral granularity to an extent that is above average compared to other scenarios assessed by the IPCC AR6 (see NGFS scenarios, p.4). The main categories under the integrated assessment models are energy industries, transportation, and buildings. As is the case with several other scenarios, the NGFS scenario, too, projects immediate action and significant changes to the energy mix. The scenario's immediacy can be noticed through the sharper decreases projected by 2030 and 2035, having a time path until 2050 where net zero scenarios are to provide 0 or lower net CO_2. Furthermore, RBI will continue to explore sectoral approaches, also keeping its stance that they will extend and develop further. In RBI's case, although it assumes alignment of the portfolio with country-specific macroeconomics, ACA fits the case for the beginning of this dynamic process as RBI's portfolio does not carry significant exposures in sensitive industries such as thermal coal and oil upstream. RBI's baseline year has been determined as the last year of its financed emissions disclosure, and the data used was the NGFS scenario curated by the International Monetary Fund in order to apply the decarbonization path toward the target year 2030.

Pursuant to these considerations and having the possibility to have country-specific data, RBI applied global decarbonization paths based on the portfolio approach, as the underlying modelling entails the above-mentioned sectoral consideration. This cross-sectoral approach enabled RBI to project its GHG emissions for the target year in line with the 1.5°C pathway required by CSRD. These levers are expected to contribute to achieving RBI's GHG emissions reduction target in line with group policies, as they reflect cross-sectoral projections on the basis of weighted exposure. RBHU Group sets the targets as 17.11 per cent financed emissions reductions for its non-financial corporations portfolio.

While setting the target, the Bank involved all stakeholders such as Corporate Business, Risk Management, and the sustainable finance team, and finally its Board of Management approved these targets. RBI Group and the local RBHU Group aimed to follow best practices and knowledge in the industry through this approach as RBI noticed that physical emission intensities, although widely used, do not guarantee the same percentage of decrease in financed emissions that employ a different metric ($kgCO_2e$/t Euro). This might lead to an unprecedented outcome such as non-decreasing or inadequately decreasing financed emissions while even physical emissions or their intensities flow as projected. Another risk point is the volatility and non-comparability of the Partnership for Carbon Accounting Financials (PCAF) standards to date. Nonetheless, as a financial institution, the Bank is aware that it has to work on that basis despite such proneness to volatility in current standards.

As the scenarios for decarbonization do not provide specific guidance for scopes other than scope 1(e.g. IEA NZE 2050), the Bank, in line with RBI's approach, applied a pro-rata decarbonization share for the other scopes. The RBHU Group also considers that scope 3 is more vulnerable to volatility and double counting; in that respect, targets are set including scope 1 and scope 2 currently. The RBHU Group will continue its development of sectoral approaches which are used for internal steering particular to the non-financial corporations portfolio.

Pursuant to the target setting disclosed in line with the 1.5°C pathway under the IPCC and in line with CSRD provisions, the RBHU Group will track and report its financed emissions and their intensity (in tCO_2e/mn€) in the next years to disclose how the portfolio is developing based on the initial settings towards the target year 2030. The Bank commits to the above-mentioned target level if no material adverse change happens.

Reduction target of RBHU Group from 2023 to 2030

	2030		2050
Cross-sector reductions pathway based on the year 2023 as the base year	17	%	

It should be noted that the targets set attribute to covered emissions for the non-financial corporations lending portfolio (see Section E1-6). For the 2023 baseline year, scope 1 and scope 2 total financed emissions for the lending portfolio of the non-financial corporations were: 778,074 $kgCO_2e$. The relevant financed emission intensity for 2023 was: 273 tCO_2e/mn €.

Hence, the 2030 financed emissions intensity as target is: 227 tCO_2e/mn € (2030 absolute financed emissions: 645,801 $kgCO_2e$). For the calculations of the base year the PCAF database from September 2024 was considered.

Retail mortgage loans

RBI Group HO has centrally started to calculate the baseline of the emissions for the year 2024; this includes residential real estate. This will serve as a basis for RBHU Group future plans, regarding emission target setting. However, before setting a target, we deem a monitoring period of at least one year necessary, engaging with the stakeholders and thoroughly understanding the drivers as well as well as uncertainties in the data, in order to ensure the stability and consistency of the methodology and the results. In light of these points, we shall set targets in 2025.

Own operations

At the RBHU Group level, local Scope 1 and 2 targets have not been defined; thus, RBHU Group generally aligns to the RBI Group-level targets when it comes to own operations.

E1-5: Energy consumption and mix

Own operations

Energy consumption and mix	2024
Fuel consumption from coal and coal products (MWh)	-
Fuel consumption from crude oil and petroleum products (MWh); including diesel and gasoline consumption related to owned vehicles)	3 448,83
Fuel consumption from natural gas (MWh)	-
Fuel consumption from other fossil sources (MWh)	-
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (MWh)	4 752,12
Total energy consumption from fossil sources (MWh)	8 200,95
Percentage of fossil sources in total energy consumption (%)	66,79
Total energy consumption from nuclear sources (MWh)	2 165,65
Percentage of energy consumption from nuclear sources in total energy consumption (%)	17,64
Fuel consumption from renewable sources (MWh)	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	-
Consumption of self-generated non-fuel renewable energy (MWh)	55,04
Total energy consumption from renewable sources (MWh)	1 912,06
Percentage of renewable sources in total energy consumption (%)	15,57
Non-renewable energy production (MWh)	-
Renewable energy production (MWh)	58,81
Total energy consumption excluding nuclear (MWh)	10 113,01

E1-6: Gross scopes 1, 2, 3 and total GHG emissions

Value chain

Since 2020, RBI has calculated and published its Scope 3 category 15 financed GHG emissions, i.e. the indirect downstream emissions associated with its lending and investment activities. RBHU Group was part of the centrally calculated Scope 3 emission figures but has not been disclosed on individual basis until year-end 2024. This has been an important step in identifying sectors on which to focus its efforts to mitigate the negative impact on the environment of its customers' activities. RBHU Group was part of the centrally calculated Scope 3 emission figures but has not disclosed on individual basis until year-end 2024.

The methodology applied is based on the PCAF standard – the most widely accepted, GHG Protocol-compliant standard for financed emissions calculations. For the 2024 year-end publication, the scope of calculations was enlarged by including the following for the first time, compared to previously reported information of RBI Group:

- Scope 3 emissions from all sectors were taken in account when calculating the RBHU Group's financed emissions in order to account for the indirect upstream and downstream emissions of RBI's customers in accordance with the recommendation of the PCAF standard.
- A first estimation of financed emissions associated with the mortgage asset class.
- PCAF parameters from September 2024, including the inflation adjustment effect, have been used for the year-end 2024 financed emissions calculation for corporate exposures. Additionally, year-end 2023 financed emissions values and emission intensities for corporate exposures have been recalculated using the same updated PCAF parameters to ensure comparability of results across both reporting periods.
- When calculating Sovereign emissions, calculation was adjusted so that it accounts for the impact of the purchasing power parity.
- Results are based on the IFRS scope of consolidation.

An overview of the PCAF asset classes in scope for the year-end 2024 calculations is provided below, with an indication of the coverage achieved in each asset class. Coverage of less than 100 per cent is the result of data gaps or due to financed emissions calculations according to the PCAF not being applicable to a specific asset category.

Financed emissions asset distribution and coverage

in million HUF	Gross carrying amount	Covered by financed emissions	%	Not covered by financed emissions %
Central banks	606,087	-	0%	100%
Central government	914,286	908,884	99%	1%
Credit institutions	873,732	735,691	84%	16%
Other financial corporations	85,192	75,898	89%	11%
Non-financial corporations	1,262,463	1,159,160	92%	8%
Households	635,496	367,934	58%	42%
Other assets	297,920	9,579	3%	97%
Total assets	**4,675,176**	**3,257,147**	**70%**	**30%**

In total, the Bank's financed GHG emissions calculations covered 70 per cent of its total assets. Covered exposures are defined as those gross carrying amounts which could be mapped to PCAF asset classes and for which calculation of financed emissions was performed successfully. PCAF asset classes cover exposures to loans and advances, debt securities and equity not held for trading from central banks, credit institutions, other financial corporations, non-financial corporations and household mortgage loans. The PCAF standard sets out requirements for determining the portion of customers' emissions that can be attributed to a financial institution. Customer-specific GHG emissions data was used in the calculation where available. This data allowed a more precise assessment of financed emissions, but availability was still limited. RBI and alongside RBHU Group conducted an extensive data collection exercise in an effort to constantly improve the quality of their calculations. Estimates for customer scope 1, 2 and 3 emissions were derived using emission factors, representing average (physical or economic activity-based) emissions intensity values for specific industries and countries. The main source of emission factors was the PCAF database.

The PCAF asset class of vehicle loans, which are non-material to RBI's overall portfolio, was outside the scope of the calculations.

Avoided emissions were reported separately and were not added in total financed emissions; in line with the GHG Protocol, there was no netting with positive emissions from the portfolio. As the name suggests, avoided emissions are those that were avoided by investing in renewable energy projects, compared to the emissions that would have been created in the absence of the respective project.

The PCAF parameters from September 2024 were applied in the financed emissions calculation. The value for the PCAF data quality score, a measure of the quality of data used to estimate financed emissions, shows a weighted average of 4 (on a scale of 1 to 5, where 1 is the highest, 5 is the lowest of the quality). Further details regarding data quality are provided in the table below showing the results of the calculation on the level of the PCAF asset classes.

Sovereign emissions were calculated according to the PCAF standard using emission factors available in the PCAF emission factor database. Sovereign scope 1 production financed emissions were disclosed twice, in line with the PCAF requirements, with the first calculation including the net effect of the land use, land use change, and forestry sectors, while this effect was excluded in the second calculation. The results obtained amounted to 0.85 million tons of CO_2e if the net effect of Land Use, Land-Use Change, and Forestry (LULUCF) was included, and 0.96 million tons of CO_2e if these sectors were excluded. Emission factors were primarily sourced from the PCAF database and represent the emission intensity of the countries' respective economies (GDP expressed in purchasing power parity terms). The high data quality score achieved reflected the good quality of the underlying data, obtained directly from the GHG inventories that countries are required to regularly maintain. It is also important to highlight that, to some extent, the sovereign emissions can be expected to overlap with those of the RBHU Group's corporate portfolio, provided that activities at the source of the corporate emissions are located in countries and sectors covered by the national GHG inventories. Therefore, the emissions of the asset class sovereign debt are not included in the total sums of financed emissions in the following tables (e.g. Financed emissions by PCAF asset classes, Total greenhouse gas emissions in detail etc.) to avoid double counting of uncertain magnitude. The financed emissions of the asset class sovereign debt are transparently reported below the line total.

Financed emissions by PCAF asset class

in million HUF	Gross carrying amount covered by emissions calculation		Financed emissions in thousand tCO2e		Emission intensity tCO2e/ HUF million		Weighted data quality (High = 1, Low= 5)	
			Scope 1, 2	Scope 3	Scope 1, 2	Scope 1,2	Scope 1, 2	Scope 3
	2024	2023	2024	2024	2024	2023	2024	2024
Business loans	1,073,409		657	1,884	0.612	–	3.4	3.5
Corporate bonds	630,880		27	580	0.042	–	3.6	3.6
Commercial real estate	264,454		13	–	0.051	–	4.0	–
Project finance	–		–	–	–	–	–	–
Mortgages	366,646		15	–	0.041	–	4.0	–
Total	**2,335,389**		**712**	**2,464**	**0.305**	**–**	**3.6**	**3.6**
Project finance, electricity generation – avoided emissions	60,764		53	–	0.875	–	–	–
Sovereign - incl. LU	860,994		851	–	0.989	–	1.0	–
Sovereign - excl. LU	860,994		965	–	1.121	–	1.0	–

The table above shows the results of RBHU Group’s financed emissions calculations including customers’ scope 3 emissions for the PCAF asset classes business loans and unlisted equity, listed equity and corporate bonds, and project finance. The Bank would like to highlight that the scope 3 financed emissions imply double counting of emissions in a bank’s own portfolio. This is because some of the Bank’s customers’ scope 3 emissions will already be accounted for in the scope 1 and 2 of other customers in cases where the latter has been part of the former’s value chain – either upstream (as suppliers) or downstream (as customers).

The RBI Group and the RBHU Group as well has been striving to stabilize the data quality, calculation framework and scope of own financed emission calculations. The Bank also understands that measure of PCAF data quality and stability of financed emissions results have not been exclusively driven by own efforts, but also reflect the soundness and comprehensiveness of the data the Bank depends on, namely customers’ own disclosures and external databases. We expect corporate disclosures to progressively converge towards best practice and provide the most comprehensive coverage, supported by the improved harmonization of reporting requirements.

The table below shows the distribution of financed emissions by NACE sector classification within PCAF asset classes of business loans and unlisted equity, listed equity and corporate bonds, project finance, and commercial real estate.

Financed emissions by NACE sector

in million HUF	Gross carrying amount covered by emissions calculation		Financed emissions in thousand tCO2e		Emission intensity tCO2e/ million HUF		Weighted data quality (High = 1, Low= 5)	
			Scope 1, 2	Scope 3	Scope 1, 2	Scope 3	Scope 1, 2	Scope 3
	2024	**2023**	**2024**	**2024**	**2024**	**2024**	**2024**	**2024**
Financial and insurance activities	686,183		23	23	0.033	0.034	4.0	4.0
Manufacturing	374,387		361	1,709	0.963	4.565	2.5	2.8
Real estate activities	285,214		16	11	0.056	0.231	3.9	3.6
Wholesale and retail trade; repair of motor vehicles and motorcycles	186,970		162	587	0.867	3.138	3.4	3.7
Professional, scientific and technical activities	106,382		28	38	0.261	0.393	3.0	3.0
Activities of extraterritorial organizations and bodies	92,197		0	0	0.000	0.002	4.0	4.0
Transportation and storage	74,652		35	35	0.474	0.473	3.0	3.0
Mining and quarrying	52,097		16	11	0.317	0.211	4.0	4.0
Agriculture, forestry and fishing	22,771		43	17	1.908	0.753	4.0	4.0
Information and communication	18,260		1	4	0.041	0.200	3.0	3.0
Construction	15,749		2	11	0.108	0.717	4.0	4.0
Human health and social work activities	13,933		1	3	0.054	0.237	4.0	4.0
Administrative and support service activities	13,306		2	4	0.144	0.322	4.0	4.0
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	10,308		1	0	0.056	0.000	4.0	0.0
Accommodation and food service activities	8,964		1	2	0.069	0.409	4.0	4.0
Water supply; sewerage, waste management and remediation activities	3,070		3	4	1.048	1.294	3.9	3.9
Electricity, gas, steam and air conditioning supply	2,736		2	4	0.876	1.498	4.0	4.0
Other service activities	909		1	0	0.757	1.020	4.0	4.0
Arts, entertainment and recreation	487		0	0	0.040	0.087	4.0	4.0
Education	167		0	0	0.227	0.369	4.0	4.0
Public administration and defense; compulsory social security	0		0	0	0.000	0.000	0.0	0.0
Total	**1,968,742**		**698**	**2,464**	**0.354**	**1.446**	**3.5**	**3.6**

Financed emissions by country

in million HUF	Gross carrying amount covered by emissions calculation		Financed emissions in thousand tCO2e		Emission intensity in tCO2e/ million HUF		Weighted data quality (High = 1, Low= 5)	
			Scope 1, 2	Scope 3	Scope 1, 2	Scope 3	Scope 1, 2	Scope 3
	2024	2023	2024	2024	2024	2024	2024	2024
Hungary	1,998,352		687.7	2,429.6	0.356	1.776	3.6	3.5
Luxembourg	121,825		1.0	2.5	0.008	0.021	3.7	3.7
Austria	116,036		5.4	8.0	0.047	0.069	3.9	3.9
Germany	51,450		15.3	13.1	0.297	0.256	3.0	3.0
Great Britain	17,448		0.0	0.1	0.002	0.008	4.0	4.0
Belgium	8,516		2.2	5.7	0.258	0.675	2.5	2.5
Slovakia	7,363		0.6	4.2	0.087	0.570	4.0	4.0
Check Rep.	6,608		0.1	0.4	0.014	0.056	4.0	4.0
Netherlands	2,096		0.1	0.1	0.025	0.068	4.0	4.0
Rest of the world	5,695		0.0	0.0	0.001	0.004	3.5	3.5
Total	**2,335,389**		**712.4**	**2,463.9**	**0.305**	**1.446**	**3.6**	**3.6**

Total greenhouse gas emissions in detail

	2024
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions (tCO_2e)	960.97
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (tCO_2e)	-
Scope 2 GHG emissions	
Gross location-based Scope 2 GHG emissions (tCO_2e)	1,612.05
Gross market-based Scope 2 GHG emissions (tCO_2e)	1,612.05
Significant Scope 3 GHG emissions	
Gross Scope 3 GHG emissions (tCO_2e)	3,179,880.54
1. Purchased goods and services (tCO_2e)	73.06
1a Cloud service (tCO_2e)	0.2
2. Capital goods (tCO_2e)	674.69
3. Fuel- and energy-related activities (not included in scope 1 or scope 2) (tCO_2e)	822.05
4. Upstream transportation and distribution (tCO_2e)	2.46
5. Waste generated in operations (tCO_2e)	591.12
6. Business travel (tCO_2e)	44.26
7. Employee commuting (tCO_2e)	1,385.07
8. Upstream leased assets (tCO_2e)	-
9. Downstream transportation and distribution (tCO_2e)	-
10. Processing of sold products (tCO_2e)	-
11. Use of sold products (tCO_2e)	-
12. End-of-life treatment of sold products (tCO_2e)	-
13. Downstream leased assets (tCO_2e)	-
14. Franchises (tCO_2e)	-
15. Investments (tCO_2e)	3,176,287.63
Total GHG emissions	
Total GHG emissions location-based (tCO_2e)	3,182,453.56
Total GHG emissions market-based (tCO_2e)	3,182,453.56

GHG intensity per net revenue

GHG intensity per net revenue	2024
Total GHG emissions (location-based) per net revenue (tCO_2e/ million HUF)	13.33
Total GHG emissions (market-based) per net revenue (tCO_2e/ million HUF)	13.33

The net revenues amounting to 238 724 million HUF, which served as the basis for calculating the GHG intensity, are reported under operating income (total operating income, net) in the income statement of the consolidated financial statements.

E1-7: GHG Removals and GHG Mitigation Projects Financed Through Carbon Credits

The RBHU Group does not currently engage in GHG removal activities or finance GHG mitigation projects through carbon credits, making this disclosure non-applicable in 2024. The bank emphasizes that claims of greenhouse gas neutrality and the use of carbon credits should support operational efforts to reduce emissions and achieve net-zero objectives.

This disclosure will be addressed as part of the bank's ongoing commitment to transparency, with information provided when the topics become relevant to its operations and reporting framework.

E1-8: Internal Carbon Pricing

The RBHU Group does not currently apply internal carbon pricing within its operations, rendering this disclosure non-applicable.

This disclosure will be addressed as part of the bank's ongoing commitment to transparency, with information provided when the topics become relevant to its operations and reporting framework.

Social information

Own workforce

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Materiality assessment of social risks

In addition to the climate and environmental materiality assessment, the overall ESG risk assessment also includes social risks. By conducting a thorough materiality assessment of social risks, organizations can better understand and manage the social factors that are critical to their long-term success and sustainability. The social component was classified as material for the 2024 RBHU Group impact assessment. Qualitatively, the counterparty social risk was assessed as Low to Moderate. This qualitative low to moderate risk was documented, as the assessment and management of social risk are integral to the internal ESG framework.

Positive and negative impacts (own operations)

The RBI group strategic roadmap for 2024 and 2025 includes a dedicated pillar on people and culture. Our people and culture pillar includes strategic initiatives aimed at developing conscious and effective leaders, fostering a collaborative and customer-centric culture, ensuring we have the right capabilities for both present and future needs, maintaining sustainable reward and recognition systems, positioning ourselves as an authentic and distinctive employer, and providing meaningful career and growth opportunities.

The banking sector operates in a strictly regulated environment and there is high demand for highly skilled professionals who are capable of successfully completing their tasks. Having satisfied and motivated employees is key, however as a learning organization RBHU Group understands that the development of the employees is essential to maintaining high standards.

Working conditions – secure employment

Regarding working conditions, RBHU Group acknowledges their importance for high employee satisfaction. The nature of the employment relationship can significantly impact health, influencing factors such as stress levels and work-life balance. Currently, at 95% of RBHU Group's active employees are employed under permanent contracts.

To bring in specialized expertise and manage short-term workforce needs for project-related tasks, RBHU Group may enter into contracts with non-employees. For cost optimization and sustainability purposes, non-employees are often transitioned to permanent contracts.

RBHU Group also provides opportunities for internship contracts, initially limited to a maximum period of six months, with the possibility of extension. While RBHU Group often offers permanent contracts for junior positions to interns, such offers are subject to business needs and cannot be guaranteed.

RBHU Group complies with all legal requirements regarding working time and recognizes the benefits of flexible working hours. Flexible working hours help to increase employee satisfaction and have positive effects on health.

Health

RBHU Group operates Employee Well-being Initiatives and programs contributing to the overall health and well-being of our employees. These initiatives aim to promote physical, mental, and emotional well-being by ensuring a safe work environment through the implementation of safety protocols, regular safety training, and compliance with occupational health and safety regulations.

RBHU Group provides comprehensive health insurance for employees, including medical and vision care. We also offer preventive health services, health screenings to help reduce the risk of illness and injury, recognizing the importance of proactive health management.

To help employees to manage stress, RBHU Group operates training programs and provides relaxation spaces.

Adequate wages

RBHU Group aims to attract and retain a motivated and qualified workforce by providing competitive compensation aligned with local market trends. The value of work is assessed based on professional knowledge, business perspective, leadership role, organizational impact, and other job-required competencies. Our job evaluations are conducted using gender-neutral criteria to prevent any form of discrimination.

Employee involvement

RBHU Group management believes engaged and enabled employees are more motivated and efficient, leading to higher productivity and better performance. When employees feel engaged and supported in their roles, they experience greater job satisfaction, which can reduce turnover rate and the costs associated with hiring and training new staff.

Engaged employees are also more likely to contribute ideas and solutions, fostering a culture of innovation and continuous improvement. By focusing on engagement and enablement, we aim to build a positive, supportive workplace culture that can attract top talent and enhance the company's reputation.

To ensure employees' voices are heard, we conduct an annual engagement survey. The results are analysed and discussed with lower managerial levels to identify and address development opportunities. While RBHU Group is committed to fostering employee engagement and involvement, the effectiveness of these initiatives and their outcomes may vary.

Equal treatment and opportunities for all

At RBHU Group, we are committed to fostering an environment where all employees are treated fairly and without discrimination. Our aim is to ensure that all employees have access to opportunities for hiring, promotion, training, and development based on merit. We create a workplace culture where all employees feel respected and valued. We are dedicated to maintaining a work environment where harassment and bullying are not tolerated, and where employees feel safe and supported.

Other work-related rights

At RBHU Group, we understand that data security and privacy are fundamental to protecting the autonomy, dignity, and freedom of our employees. Our commitment to data privacy reflects our dedication to ethical principles and respect for individual rights.

Financial risks

While there are currently no short-term material financial effects of sustainability matters related to RBHU Group's own workforce and we believe if the followings focus topics are effectively managed, those can further contribute to a stable, motivated, and productive workforce, which is crucial for long-term financial success and can support a positive and sustainable work environment:

- Continuously monitoring and improve ineffective labour practices
- focusing on retention, proactively using preventive action to minimize attrition
- Maintaining high productivity by focusing on employee satisfaction, motivation, and health
- Continuous development of employees to maintain skilled and competitive workforce.

S1-1: Policies related to own workforce

The following paragraphs focus on all policies which are related to the topic of our own workforce. All policies are published only internally. Further information on monitoring of the policies and how RBHU Group policies are made available to key stakeholder groups can be found in chapter Policy frameworks as governance instruments.

Code of Conduct

At RBHU Group, we adhere to the RBI Group framework. Our Code of Conduct is designed to guide our daily interactions with both internal and external stakeholders. Upholding lawful, ethical, responsible, and sustainable business practices is a cornerstone of our corporate culture. The Code emphasizes equal treatment and opportunities for all employees, focusing on fair employment practices, non-discrimination, and the prohibition of harassment and violence. It underscores the importance of complying with laws, regulations, and international standards related to human rights, including the principles of the International Labour Organization, equal employment opportunities, and the prohibition of forced or child labour.

The Code of Conduct explicitly states that any form of discrimination whether based on age, ethnicity, religion, gender, sexual orientation, disability, or political beliefs or any form of harassment is incompatible with fostering an inclusive work environment where all employees can achieve their highest levels of productivity and contribute to our business goals.

We encourage our staff to be proactive and to handle change constructively by anticipating it whenever possible. Employees are also encouraged to express their professional opinions and judgments on matters within their areas of responsibility.

Additionally, RBHU Group is committed to helping employees maintain a healthy work-life balance, ensuring they can effectively manage their working hours alongside their private lives.

Topic specific policies

Diversity policy

RBHU Group plans to consider the local implementation of RBI Group Diversity Policy. This policy will outline our attitudes, roles, and responsibilities related to diversity and set forth principles for implementing a diversity and inclusion strategy across our organization.

Key elements of the RBI Diversity policy include the RBI Diversity Vision and Mission, providing a framework for effective diversity management.

Total rewards management of RBHU Group

At RBHU Group, we adhere to a Total Rewards Approach, which encompasses both monetary and non-monetary returns provided to our employees in exchange for their time, talents, efforts, and results. This approach includes the following elements:

- Compensation
- Fringe Benefits
- Performance & Recognition
- Development & Career Opportunities
- Work-Life Balance Initiatives.

Our Remuneration Policy offers general guidelines on performance-related and market-appropriate compensation, fringe benefits, and recognition in line with the Total Rewards Approach. Additionally, this policy reflects and implements regulatory requirements concerning remuneration principles in compliance with the EBA Guidelines on sound remuneration policies.

The Remuneration Policy meets international standards for an objective, transparent, and fair compensation structure, compliant with current regulatory requirements. RBHU Group's remuneration system is designed to be consistent with and promote sound and effective risk management, ensuring that it does not encourage risk-taking beyond acceptable levels. This policy aligns with the business strategy, objectives, values, and long-term interests of both the RBI Group and RBHU Group, incorporating measures to avoid conflicts of interest. Developed to support the long-term strategy of both RBHU Group and the RBI Group, this Remuneration Policy provides a framework enabling RBHU Group to operate effectively within its local market.

This policy is intended to provide general guidelines and does not constitute a contractual commitment. this policy is regularly revised and updated to comply with applicable laws and regulations.

Policy about RBHU Group performance management system and process:

The purpose of this policy is to establish a unified interpretation, framework, and guidelines for the performance management process at RBHU Group.

Performance management is a vital tool in corporate governance, enabling leaders to set strategic goals and determine the necessary individual contributions to achieve these objectives. Throughout the performance management process, business goals are transparently communicated, ensuring that the contributions and goals of both leaders and employees align with the organization's overall objectives.

Whistleblowing management

RBHU Group strives to create an organizational culture that allows employees to work in a safe and ethical environment. This includes the opportunity and certain cases obligation for employees to report any violations of the RBHU Group's Code of Conduct, possible unlawful act, omission or abuse immediately to the supervisor or to the Compliance department. To this end, RBI Group has established a whistleblowing system, which provides various options for employees to report such incidents, including the possibility of making anonymous reports. The following channels are offered to employees to raise concerns:

- Whistleblowing - Both staff and external stakeholders have the responsibility to report potential violations of the Code of Conduct or regulatory requirements via either e-mail, phone, postal letter, personally or via Whispli, an anonymous reporting platform available across the RBHU Group.
- Line Management / HR Function - Employees are responsible for raising concerns and complaints through their line management, who are supported by the local HR function.

Compliance Department investigates the reported breaches in accordance with the legal regulations and its Whistleblowing policy.

Occupational Health and Safety policy

The policy defines the bank's work safety activities - according to law - referring to operational area and teleworking. Present regulation includes all obligatory requirements stipulated by Labor law and other regulations to Employers and those which are necessary and justified for area specificity

Framework for Remote Work (Home Office)

The purpose of the regulation is to establish and sustain a unitary and clear rule inside Raiffeisen Bank Zrt. and its subsidiaries for introducing and applying Home Office working opportunity. Furthermore, regulating Home Office process, clarifying roles and responsibilities of leaders and employees.

S1-2: Processes for engaging with own workforce and workers' representatives about impacts

The Director of Human Resource is responsible for overseeing the processes for engaging with own workforce and workers' representatives.

Employee surveys

At RBHU Group, we use two key KPIs in our annual employee satisfaction surveys. One is engagement, which measures the percentage of employees willing to put in extra effort in their daily work. The other is enablement, which indicates the percentage of employees who feel that the conditions and work environment enable them to perform at their best. Understanding the drivers behind these metrics provides valuable feedback on our strengths and areas needing improvement. Therefore, results are discussed across all levels of local management and functional areas, involving employees to understand the main aspects. Follow-up actions are then defined by the functional areas, focusing on key feedback highlighted by employees.

Management briefs

With regards to business results and upcoming actions related to own workforce management briefs are held occasionally to all managerial level to transparently communicate and leverage management messages to employees.

Works council

The Hungarian Labor Code (Chapter XIX;XX) defines how works council can be established and elected by the employees in companies with more than 50 employees. In RBHU Group works council operates aligned with the Labor Code. At least once a year they are consulting and sharing information with CEO in subjects affecting employees (compensation, restructuring).

S1-3: Processes to remediate negative impacts and channels for own workforce to raise concerns

For all RBHU Group employees the "Whispli" tool is available for reporting incidents of any nature. This tool allows to report corporate misconduct or breaches of the Code of Conduct, such as bribery, corruption, conflicts of interest, workplace harassment, bullying, discrimination, fraud, and theft, through an anonymous and secure mailbox. Each report is processed by a case manager. For more details, please refer to the Whistleblowing chapter and described in G1-1 Business conduct policies.

In cases of fraud, misconduct, data privacy issues, and similar concerns, the Disciplinary Committee is responsible for investigating and defining appropriate mitigation actions.

S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The below table is summarizing the actions fields:

	RBHU Group material topics related to impacts, risks and opportunities				
Topic	Diversity, equity and inclusion	Employee development	Health	Employee involvement	Employee relationships
Code of conduct training (S1-1 AR 17c)	x				
Employee Resource or Affinity Groups	x				
Woman empowerment programs	x	x			
Generation Management	x		x		
Employment of people with disabilities (S1-12 AR 76)	x		x		
Hybrid working	x		x		x
Part-time-work (parents) (S1-6)	x		x		x
Part-time-work (other than parents) (S1-6)	x		x		x
Talent management (S1-1 AR 17h)	x	x			
Trainee programs		x			x
Educational leaves (S1-15)		x			x
Programs for mental health		x	x		
Cooperations with Universities		x			
Health management trainings		x	x		
Health checks			x		
General health consulting			x		
Access to non-occupational medical and health care services			x		
Voluntary health services			x		
Bank robberies - psychological support			x		
Promotion of sport activities			x		
Reimbursement public transport costs					x
Special terms bank products					x
Employee Survey				x	

Diversity, equity and inclusion

Code of Conduct trainings are held bi-yearly for existing employees and for each new joiner to raise awareness about recognizing and combating discrimination based on gender, cultural aspects, religion, or sexual orientation.

The Women's Empowerment Program aims to raise awareness about the different leadership characteristics of women and men and how these can be optimized and balanced in their operations.

To build a network for young employees, understand their needs, and provide a forum for networking and development, RBHU Group launched the Young Generation Program in 2021. The main goals are to build a young community within the bank, provide professional learning & development, and strengthen corporate values. In 2024 approximately 20 programs were held with more than 250 participants on the events organized.

Recognizing that flexibility is highly valued in the global labour market, RBHU Group offers hybrid working options based on job position characteristics, as well as part-time work opportunities.

To help employees balance work and family life, RBHU Group provides financial support for summer camps for employees' children and offers more home office options during the summer.

While RBHU Group strives to support its employees through these initiatives, the company cannot guarantee specific outcomes or benefits for every individual.

Employee development

The continuous development of our employees is important to meet both legal and personal requirements and expectations. RBHU Group has a structured performance management system designed to support employees in their personal and professional development. It also ensures that employees understand their expected contributions and how these align with the organization's overall targets.

At RBHU Group, we value learning and encourage all employees to continue their learning journey and shape their development. A wide range of training opportunities is available, including:

- Soft skills
- Professional skills
- Language skills
- Future-proof skills

Development programs available for managers include:

- MyExcellence training program
- Leadership Academy
- Foundation of Leadership
- Coaching and mentoring

There are also functional area-specific programs, such as:

- Future IT
- SMART program
- Risk Academy

Additionally, we offer a trainee program specifically aimed at students, providing an entry point for a career at RBHU Group.

Please note that while RBHU Group strives to support employee development through these initiatives, participation and outcomes may vary, and the company cannot guarantee specific results for every individual.

Employee involvement

Employee surveys are a crucial tool for capturing employee sentiments and providing an opportunity for anonymous feedback and suggestions for improvement or appreciation (please see details above).

In 2024, aligned with the RBI initiative, RBHU Group launched the AI Pioneer program and selected AI ambassadors from functional areas to enhance employees' technological awareness, demonstrate AI opportunities, and promote its ethical use in their own areas. The AI ambassadors will receive training to improve their AI-related skills and knowledge, enabling them to make a significant impact within their teams.

Employee relationship

The proportion of temporary employment contracts is very low and is typically offered only for absence replacements and student positions, adhering to all legal provisions across all units.

Health

RBHU Group offers health insurance to its employees, including a company-financed basic package and health screenings. Employees have the option to upgrade the basic package and extend health services to family members through self-financing.

Additionally, RBHU Group provides health screenings for managers differentiated at managerial level, which are also available to employees at a discounted price.

Occupational health and safety examinations are provided to both new joiners and existing employees.

S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Actual market level is the target for voluntary attrition.

Cross-metric methods and significant assumptions

For the calculation of the metrics in the following disclosure tables (from S1-6 to S1-17), only units with more than 100 employees were considered. The measurement of the parameters has not been validated by any external party other than the entity responsible for the quality assurance of the non-financial statement. The figures were reported as headcounts either as of the reporting date or for a period. Where it was possible to provide either point-in-time values or average values, point-in-time values were disclosed. In this section, we present factual data sourced from the RBHU Group HR systems, as well as data derived from these facts. No estimates were employed in the preparation of the data tables.

S1-6: Characteristics of the undertaking's employees

Indicator	Description	Unit	2024 -EoP Consolidated data	2024 - EoP Raiffeisen Bank Zrt.	2024 - EoP Raiffeisen Bank Contact Centre
	S1-6 DR50 a)				
ESRS S1-6	Total number of employees, male	Persons	1 283	1 143	140
ESRS S1-6	Total number of employees, female	Persons	1 775	1 447	328
ESRS S1-6	Total number of employees	Persons	3 058	2 590	468
	S1-6 DR50 b)				
ESRS S1-6	Permanent employees, male	Persons	1 231	1 091	140
ESRS S1-6	Permanent employees, female	Persons	1 668	1 340	328
ESRS S1-6	Total number of permanent employees	Persons	2 899	2 431	468
ESRS S1-6	Temporary employees, male	Persons	52	52	0
ESRS S1-6	Temporary employees, female	Persons	107	107	0
ESRS S1-6	Total number of temporary employees	Persons	159	159	0
ESRS S1-6	Non-guaranteed hours employees, male	Persons	0	0	0
ESRS S1-6	Non-guaranteed hours employees, female	Persons	0	0	0
ESRS S1-6	Total number of non-guaranteed hours employees	Persons	0	0	0
ESRS S1-6	Full-time employees, male	Persons	1 260	1 122	138
ESRS S1-6	Full-time employees, female	Persons	1 569	1 262	307
ESRS S1-6	Total number of full-time employees	Persons	2 829	2 384	445
ESRS S1-6	Part-time employees, male	Persons	23	21	2
ESRS S1-6	Part-time employees, female	Persons	206	185	21
ESRS S1-6	Total number of part-time employees	Persons	229	206	23
	S1-6 DR50 c)				
ESRS S1-6	Total number of employees who have left during the reporting period	Persons	474	378	96
ESRS S1-6	Rate of employee turnover in the reporting period	Share	16	15	21

S1-7: Characteristics of non-employees in the undertaking's own workforce

Non-employees = Either individual contractors supplying labor to the undertaking ("self-employed people"), or people provided by undertakings (third-party) primarily engaged in "employment activities" (NACE Code N78). During 2024, no self-employed people were employed as non-employees.

Indicator	Description	Unit	2024 -EoP Consolidated data	2024 - EoP Raiffeisen Bank Zrt.	2024 - EoP Raiffeisen Bank Contact Centre
	S1-7 DR55 a)				
ESRS S1-7	Total number of non-employees in the organization's own workforce	Quantity	47	47	0

S1-8: Collective bargaining coverage and social dialogue

Workers' representatives: namely representatives who are freely elected by the workers of the organisation not under the domination or control of the employer in accordance with provisions of national laws or regulations or of collective agreements and whose functions do not include activities which are the exclusive prerogative of trade unions in the country concerned and which existence is not used to under-mine the function of the trade unions concerned or their representatives

Indicator	Description	Unit	2024 -EoP Consolidated data	2024 - EoP Raiffeisen Bank Zrt.	2024 - EoP Raiffeisen Bank Contact Centre
	S1-8 DR60 a)				
ESRS S1-8	Percentage of total employees covered by collective bargaining agreements	%	0	0	0
	S1-8 DR60 b)				
ESRS S1-8	Percentage of employees in country with significant employment (in the EEA) covered by workers' representatives	%	100	100	100

S1-9: Diversity metrics

B-1 category represents the executive senior management level under Management Board.

B-2 category represents the middle management level.

Indicator	Description	Unit	2024 -EoP Consolidated data	2024 - EoP Raiffeisen Bank Zrt.	2024 - EoP Raiffeisen Bank Contact Centre
	S1-9 DR66 a)				
gen-ind	Board of Directors, male	Persons	6	6	0
gen-ind	Audit Committee, male	Persons	0	0	0
gen-ind	Management Board, male	Persons	6	6	0
ESRS S1-9	Male employees in B-1	Quantity	33	33	0
ESRS S1-9	Male employees in B-2	Quantity	102	96	6
gen-ind	Board of Directors, female	Persons	2	2	0
gen-ind	Audit Committee, female	Persons	3	3	0
gen-ind	Management Board, female	Persons	0	0	0
ESRS S1-9	Female employees in B-1	Quantity	8	7	1
ESRS S1-9	Female employees in B-2	Quantity	55	52	3
gen-ind	Share of "Board of Directors, male" in "Board of Directors, Total"	%	75	75	
gen-ind	Share of "Audit Committee, male" in "Audit Committee, Total"	%	0	0	
gen-ind	Share of "Management Board, male" in "Management Board, Total"	%	100	100	
ESRS S1-9	Share of "Male employees in B-1" in "B-1 total"	%	80	83	0
ESRS S1-9	Share of "Male employees in B-2" in "B-2 total"	%	65	65	67
gen-ind	Share of "Board of Directors, female" in "Board of Directors, Total"	%	25	25	
gen-ind	Share of "Audit Committee, female" in "Audit Committee, Total"	%	100	100	
gen-ind	Share of "Management Board, female" in "Management Board, Total"	%	0	0	
ESRS S1-9	Share of "Female employees in B-1" in "B-1 total"	%	20	18	100
ESRS S1-9	Share of "Female employees in B-2" in "B-2 total"	%	35	35	33
	S1-9 DR66 b)				
gen-ind	Total employees <30	Persons	656	474	182
gen-ind	Total employees 30-50	Persons	1 823	1 562	261
gen-ind	Total employees >50	Persons	579	554	25
ESRS S1-9	Share of employee age group < 30	%	21	18	39
ESRS S1-9	Share of employee age group 30 – 49	%	60	60	56
ESRS S1-9	Share of employee age group >= 50	%	19	21	5

S1-10: Adequate wages

RBHU Group is paying all employees an adequate wage.

S1-11: Social protection

Employees have social protection through public programs concerning life events such as sickness, unemployment, injury and acquired disability as well as for parental leave and retirement.

S1-12: Persons with disabilities

The categorization of employees is based on the documents submitted by the employees regarding their reduced work capacity, in accordance with Act CXCI of 2011 on the benefits for persons with disabilities and the amendment of certain laws. 5 persons with disabilities are employed 4 in RBHU Group and 1 in RB Szolgáltató Központ Kft.

Indicator	Description	Unit	2024 -EoP Consolidated data	2024 - EoP Raiffeisen Bank Zrt.	2024 - EoP Raiffeisen Bank Contact Centre
	S1-12 DR79				
ESRS S1-12	Percentage Disability of own employees	%	0.0016	0.0015	0.0021

S1-13: Training and skills development metrics

Regular performance review = review based on criteria known to the employee and his or her superior undertaken with the knowledge of the employee at least once per year. The review can include an evaluation by the worker's direct superior peers or a wider range of employees. The review can also involve the human resources department.

Indicator	Description	Unit	2024 -EoP Consolidated data	2024 - EoP Raiffeisen Bank Zrt.	2024 - EoP Raiffeisen Bank Contact Centre
	S1-13 DR83 a)				
ESRS S1-13	Percentage of employees that participated in regular performance and career development reviews	%	100	100	100
ESRS S1-13	Percentage of male employees that participated in regular performance and career development reviews	%	100	100	100
ESRS S1-13	Percentage of female employees that participated in regular performance and career development reviews	%	100	100	100
	S1-13 DR83 b)				
ESRS S1-13	Average number of training hours per person for employees	Hours	45	46	38
ESRS S1-13	Average number of training hours male employees	Hours	43	43	37
ESRS S1-13	Average number of training hours female employees	Hours	47	49	38

S1-14: Health and safety metrics

Work-related injuries and work-related ill health arise from exposure to hazards at work.

Incidents during personal commuting (incl. regular commuting to and from work) are not considered work-related, unless specified by local legislations. Besides work-related injuries, the Bank didn't record other work-related ill health of employees.

Indicator	Description	Unit	2024 -EoP Consolidated data	2024 - EoP Raiffeisen Bank Zrt.	2024 - EoP Raiffeisen Bank Contact Centre
	S1-14 DR88 a)				
ESRS S1-14	Employees within the management system for occupational health and safety - Number of employees which are covered by the management system for occupational health and safety	%	100	100	100
	S1-14 DR88 b)				
Employees - Accidents and ill health	Fatalities as a result of work-related injury employees - Number of fatalities as a result of work-related injury employees	Number	0	0	0
	S1-14 DR88 c)				
ESRS S1-14	Recordable work-related injuries employees	Quantity	11	7	4
ESRS S1-14	Rate of recordable work-related accidents for own workforce	%	2	2	5
	S1-14 DR88 e)				
ESRS S1-14	Absence days due to injuries, accidents, fatalities or illness	Days	178	107	71

S1-15: Work-life balance metrics

Carers' leave from work = leave for workers to provide personal care or support to a relative or a person who lives in the same household in need of significant care or support for a serious medical reason as defined by each country's law.

Indicator	Description	Unit	2024 -EoP Consolidated data	2024 - EoP Raiffeisen Bank Zrt.	2024 - EoP Raiffeisen Bank Contact Centre
	S1-15 DR93 a)				
gen-ind	Percentage of employees entitled to take family-related leave - Parental leave (paternity)	%	100	100	100
gen-ind	Percentage of employees entitled to take family-related leave - Parental leave (maternity)	%	100	100	100
ESRS S1-15	Percentage of employees entitled to take family-related leave - Carers' leave	%	100	100	100
	S1-15 DR93 b)				
ESRS S1-15	Percentage of entitled male employees that took family-related leave - Parental leave	%	4	4	3
ESRS S1-15	Percentage of entitled female employees that took family-related leave - Parental leave	%	16	14	22
ESRS S1-15	Percentage of entitled male employees that took family-related leave - Carers' leave	%	0	0	0
ESRS S1-15	Percentage of entitled female employees that took family-related leave - Carers' leave	%	0	0	0

S1-16: Remuneration metrics (pay gap and total remuneration)

On 30 March 2023, the European Parliament adopted Directive 2023/970 on pay transparency, the main objective of which is to ensure the right of women and men to equal pay for equal work or work of equal value by increasing pay transparency and institutionalizing enforcement mechanisms related thereto.

Member States are required to transpose the provisions of the Directive into their national laws by 7 June 2026. The Hungarian legal system has not yet implemented the measures of the Directive but has formulated certain expectations in a recommendation. The average pay levels between male and female employees were determined based on the methodology described in point 52 of Hungarian National Bank's recommendation 4/2022 (IV.8.).

It purely shows the difference of average pay levels between male and female employees excluding Board of Management, expressed as percentage of the average pay level of male employees. This required approach is a straightforward calculation without any regression analysis (no inclusion of natural log of wages on gender and other pay factors like experience, location, education, purchasing power and tenure). Therefore, the ratio has very limited significance in this form.

Gender pay gap per quartile

in per cent	2024
1st quartile	-1%
2nd quartile	0%
3rd quartile	3%
4th quartile	11%

Total remuneration ratio

The ratio of the annual total remuneration of the highest-paid individual to the median of the annual total remuneration of all employees (excluding the highest-paid individual) for 2024 is 28.

The ratio of the total annual remuneration includes the base salary, the function-related allowance and – where applicable – the annual variable target remuneration

S1-17: Incidents, complaints, and severe human rights impacts

The number of incidents and complaints indicates how many were received. Based on the investigations, these incidents and complaints were found to be unsubstantiated, and therefore no actual cases resulted from them.

	2024
Number of incidents of discrimination (including harassment)	5
Number of complaints filed through channels for people in the undertaking’s own workforce to raise concerns (including grievance mechanisms)	10
Total amount of fines, penalties and compensations for damages as a result of the incidents and complaints disclosed above	0
Number of severe human rights incidents connected to the undertaking's workforce	0
Total amount in € million of fines, penalties and compensations for damages related to severe human rights incidents	0

Consumers and end-users

Description of consumers and/or end-users

RBHU Group provides services to around 450.000 retail and private banking customers, offering a broad product range (e.g. account packages, payment services, personal loan, mortgage loans and investment products). In Hungary, RBHU Group provides investment advisory and asset management services to premium and private banking customers. When talking about consumers and end-users in RBHU Group's business, RBHU Group means private individuals who use RBHU Group's products and services for personal use, either for themselves or for others, and not for professional purposes, including private individuals who will potentially become customers of RBHU Group. BHU has customers of all ages and from all types of socio-economic background.

RBHU Group follows a segment-based approach and covers mass-market retail clients.

Types of consumers:

- Existing customers (private individuals) of RBHU Group
- Prospective customers (private individuals) of RBHU Group
- All other private individuals who do not fall under a) or b), but are exposed to the marketing and communication activities of RBHU Group
- The aforementioned types include vulnerable private individuals, such as people with disabilities, women, elderly people, consumers from certain geographical areas or locations (rural, urban, farmers), migrants and refugees.

This particularly includes vulnerable individuals such as minors, who may not fully understand financial matters and their rights, as well as elderly customers, who may have difficulty keeping up with the digitalization of banking services and the associated necessary data protection requirements.

ESRS 2 SBM-3 material impacts, risks and opportunities and their interaction with strategy and business model

Information-related impacts

Impacts regarding privacy and cyber security & resilience

A strategy and a framework with guidelines and standards to ensure the protection goals of confidentiality, integrity, and availability of information and systems are defined, approved and their implementation within the RBHU Group is managed and monitored. The strategy, the framework of guidelines and standards, as well as the defined technical and organizational measures to achieve the protection goals are regularly reviewed to appropriately address current threat situations, technical developments, and external requirements, and to manage and minimize risks that affect the company as well as its customers and users.

We are aware of the fact that the positive or negative perceptions of customers and users regarding information security, resilience, and data protection can impact the trust in the financial sector as well as digital services overall. Therefore essential for the functioning of the financial market locally or internationally, as well as for meeting the basic needs of customers, end users, and corporate clients.

The security strategy and measures are regularly reviewed and adjusted to appropriately address identified security threats and risks.

The following negative impacts could result from security incidents or weaknesses in the information security management system on individuals, groups of individuals, or society:

- Reputational damage could lead to a loss of trust in financial services or digital products
- Unauthorized access to confidential information and misuse of such information could lead to fraud and financial losses

- Incidents or unavailability of systems and services could lead to legal consequences or fines/penalties
- Unavailability of systems and data could result in customers being unable to use our services.

A solid information security management system ensures trust in financial institutions, a well-functioning financial market, and digital services provided by the bank. Secure, resilient, and reliable business processes and associated systems reduce the likelihood and impact of security incidents.

Financial institutions in general are attractive targets for cyberattacks due to the financial assets they manage and the sensitive customer data they hold.

Attempted attacks and security incidents occur frequently in a large bank (time horizon: short-term). Due to the implemented measures, only a few of these incidents negatively affect customers. The positive impacts of a secure, resilient, and reliable company have both immediate and long-term effects on customers, groups of individuals, and society (time horizon: short- and medium-term).

Both, business activities and business relationships (suppliers, contractors, business partners, etc.) impact information security risk and potential effects on customers. Therefore, RBHU Group seeks to manage information security risks and reduce impacts through security measures.

We consider our goal of providing customers with secure, resilient, and reliable services, and ensuring the responsible handling of personal data, as one of the most important prerequisites for building and maintaining customer relationships.

No specific impacts related to information security and cyber security could be identified for specific groups. A consistently high level of security is applied to all financial services offered, ensuring the protection of information.

In 2024, 1 low level incident related to information security were reported, no impact on confidentiality, integrity or availability.

Impacts regarding Freedom of expression

Freedom of Expression is a fundamental human right which plays a crucial role in creating an open space for dialogue, learning and innovation within RBHU Group. External and internal stakeholders speaking their mind does not only empower customers to voice complaints and concerns, but also enables the refinement of business strategies and models. This dynamic strengthens consumer trust and drives long-term success and resilience in a competitive business landscape.

Regarding freedom of expression, i.e. the freedom for our consumers/customers to speak up and to be heard, having a functioning complaint management system is an important prerequisite. Furthermore, the collection of customer feedback and a customer satisfaction analysis are needed.

Impacts regarding Access to (quality) information

Access to (quality) information is described as the right to be informed about the quality, quantity, potency, purity, standard, and price of goods, which is crucial for protecting consumers against unfair trade practices.

We strive to build a digital bank with a human touch. The human touch is our capability to humanize all experiences, by making them personal, relevant, and rewarding. We aim to enable our customers to manage their financial life and fulfil their financial needs anywhere, anytime. We assist & educate our customers with the transition to digital self-service across all channels (in branch, in call centers, in app).

RBHU Group actively promotes an understanding of financial products and services and imparts banking expertise as part of its day-to-day advisory role. The nature of its core business means it has close links with the subject of financial education, i.e. the competent handling of money and financial matters, also known as financial literacy.

In order to ensure good quality of information, sufficient training opportunities for the sales staff, with regards to knowledge and personal responsibility has to be provide.

Bad access and/or bad quality of information can include damage to trust, financial harm to customers, insufficient competence and risk assessment in the capital market, erroneous investment decisions, specific foreign exchange issues, all either resulting in financial burdens for customers and/or potential over-indebtedness of private customers.

On the other hand, our positive impacts on consumers involve better comparability of products and services, easier decision-making, customer education, and reduced uncertainty and complaints. Well informed and well-educated customers are important for our business.

Financial education is a powerful tool that can help individuals make informed decisions about their money, leading to greater financial stability and security. By providing our customers with financial tips and resources, we can empower them to take control of their financial futures. This not only helps them, but also helps our bank by creating more financially stable customers. Moreover, promoting financial literacy is a key component of responsible banking.

On the investment side especially, high transparency, such as accurate and complete product labelling including cost breakdowns, forms the basis for customers to make informed investment decisions. On the loan side, customers´ financial education and improved comparability of products and services and receiving good explanations of the possible risks associated with products or services, and appropriate information on topics such as risk reduction also need to be well understood and are a prerequisite for a customer's ability to repay a loan.

Both the negative and the positive impacts described above, short and medium term, originate from RBHU Group's business model and are inherent to the business of banking and financial services, including asset management, which can have a significant impact on consumers´ lives.

Access to (quality) information is key to understand the consequences of financial decisions. This means that we have to adapt our materials for their special needs.

Social inclusion-related impacts

Impacts regarding non-discrimination

We treat all our customers respectfully, acknowledging that there are vulnerable groups who need our special attention like consumers with impairments who depend on a barrier-free access.

Being financially included has a direct positive impact on vulnerable groups like people with disabilities, low incomes or who are in financial need, because it makes a great difference for each of them and provides the same chances for all.

Having no access to the financial system could lead to reduced chances and financial disadvantages and end in social exclusion.

Private individuals that are likely to be affected by discrimination are categorized as vulnerable group.

Impacts regarding non-discrimination and access to products and services

RBHU Group provides services to around ~450.000 private customers in Hungary, offering a broad product range (e.g. account packages, payment services, personal loan, mortgage loans and investment products).

By guaranteeing a reliable and secure infrastructure, RBHU Group plays a contributory role in safeguarding the stability and integrity of the financial system, protecting the digital economy from threats and further reinforcing the trust of its customers. We leverage technology and financial expertise to innovate and design exceptional digital experiences for all our customers Our foremost commitment is to deliver unparalleled client experiences and to build a digital bank with a human touch.

In general, digitalization makes it much easier to access products and services. Thus, we strive to remove another barrier to our products and services.

We treat all our customers respectfully, acknowledging that there are vulnerable groups who need our special attention. Consumers with impairments who can't use our products and services because they have no access to the branch need our support in creating barrier-free access.

Impacts regarding responsible marketing practices

Responsible marketing practices covers marketing communication of products and services through media channels in a way that first of all meets all legal regulations and is also ethical, transparent, and respectful to customers. This includes avoiding misleading advertising, ensuring that all claims are truthful and substantiated. The positive impacts of the responsible marketing practices are a trustful brand and a growing customer base, meanwhile negative impacts are customer dissatisfaction, complaints and authority examinations and fines.

Financial risks

Risks connected to privacy, cyber security and resilience

Failure of the bank to prevent customer privacy breaches could lead to regulatory fines and sanctions for non-compliance with data protection regulations, as well as expenses relating to lawsuits. Additionally, a loss of trust and credibility as well as negative media coverage could lead customer losses, which would result in yield losses. Further, expenses could arise relating to operational costs of investigating breaches, notifying affected customers, and implementing remediation measures. Finally, customers prefer banks that ensure higher data protection and information security standards.

Risks connected to access to quality information

Failure of the bank to provide access to quality information to customers could lead to regulatory fines and sanctions for non-compliance with EU consumer protection, as well as expenses relating to lawsuits. Expenses relating to lawsuits could also be incurred due to product mis-selling or failure to disclose essential product information.

Additionally, a loss of clients who switch to competitors offering clearer and more reliable information could result in reduced revenues. Furthermore, failure of the bank to support the financial literacy of all customer groups could lead to a higher likelihood of customers mismanaging their finances, leading to increased loan defaults and credit losses. Finally, increased customer service expenses to handle complaints and inquiries due to unclear product information could lead to operational inefficiencies.

S4-1-Policies related to consumers and end-users

General frameworks:

- Code of Conduct
- RBI Group Human Rights policy.

Policies specifically associated with information-related impacts for consumers and end-users:

- Information & security policy
- Data protection policy
- Conflict of Interest policy
- RBI Group policy on Advertising, Donations, Sponsorships and Membership Fees
- Customer Complaint management Policy
- Retail Credit Risk policy
- Retail Restructuring policy
- Retail Investment Product Distribution regulation
- Product governance policy
- Consumer Protection Policy.

Code of Conduct - Regulation on the Ethics and Compliance Rules of Raiffeisen Bank and its subsidiaries

The Code of Conduct is based on the United Nations Global Compact and UNEP FI Principles for Responsible Banking, the European Convention on Human Rights, the Universal Declaration of Human Rights as well as the Fundamental Principles of the International Labour Organization. We respect and support the protection of human rights stipulated in the above-mentioned Convention and Declaration and we do not discriminate our customers in connection with our business decisions. We aim to engage in business, which is in line with these principles. We strive to neither directly nor indirectly finance any transactions, projects or parties, nor cooperate with any business partner (including customers, service providers and suppliers) that do not adhere to these standards or are suspected of human rights violations which includes any form of modern slavery and human trafficking.

The Code of Conduct includes standards for our customer relationships, and ensures products and services according to the interests of our customers, fairness, and consumer and investor protection. It is stipulated in the Code of Conduct that we treat all our customers respectfully since one of our main principles of Customer Relations is fairness. We strive to identify and avoid potential conflicts of interest in our business activities and have stringent internal guidelines in that respect.

Both the RBHU Group Code of Conduct, which is identical to RBHU Group's Code of Conduct and the Supplier Code of Conduct is publicly available on RBI's website in Hungarian, as also in the internal system of regulations. The Supplier's Code of Conduct is the compulsory annex for the supplier's contract.

Conflict of Interest Policies

The RBHU Group Conflict of Interest Policy is published on the website www.rcm.at under corporate governance (see Corporate Governance). RBHU Group has specific local conflict of interest policies, which are accessible to all employees internally within the Bank and its subsidiaries. The Compliance Department of RBHU Group is responsible for the creation, implementation, application, and updating of the conflicts of interest policies.

The conflict of interest policies aim to avoid conflicts of interest and, where not possible, to disclose and resolve them to prevent or minimize harm to customers.

The general Conflict of Interest policy aims to address conflicts of interest in daily operations. The purpose of the regulation is to describe the processes, rules and principles defined and applied by RBHU Group for the identification, evaluation, management and mitigation of conflict of interest situations that arise.

The policy also includes the reporting obligation of employees and management board members regarding conflict of interest situations. The policy incorporates employee training and regular reports to management to avoid conflicts of interest and ensure transparency. This aligns with the objective of responsible customer management. The policy corresponds to the customer expectation of access to quality (protection against unfair business practices).

Conflict of Interest Policy of RBHU Group in connection with providing investment services

Conflict of interest policy of Raiffeisen Bank Zrt. and its subsidiaries in connection with providing investment services is published on the website of RBHU Group: RAIFFEISEN BANK ÖSSZEFÉRHETETLENSÉGI

It is also accessible internally to all employees as a directive.

Its goal is to maintain the reputation with customers, other business partners, and third parties to increase the likelihood of business success and to avoid conflict of interest that could harm customers. This aligns with the objective of responsible customer handling and covers all consumers and/or end-users that are defined as target customers.

Conflicts of interest, as defined in § 110 of Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers and the Regulations Governing Their Activities ("Bszt"), § 33-43 of Commission Delegated Regulation (EU) 2017/565, include conflicts between the Bank's and its customers' interests, between clients' and group of customers' interests, between the Bank's employees' and executive officers' and Bank' or its customers' interest, which may arise in the provision of investment services and ancillary services by the Bank.

General measures to avoid conflicts of interest include creating confidentiality areas, conflict of interest reporting duties, conducting employee training, regularly reporting to the relevant management, and conducting continuous review by internal audit. The conflicts of interest policy aligns with the customer expectation of access to quality (protection against unfair business practices).

Guidelines on Client information regarding financial instruments or (ancillary) investment services pertains to the transparent and balanced presentation of customer information. The aim of the guidelines is to summarize the MiFID legal requirements that are relevant when preparing information and marketing material to clients. Regulation summarizes the information required to provide client prior investment services and during the ongoing business relationship. It contains the basic principles, that information provided to customers must be clear, fair, and aligned with legal disclosure requirements, ensuring consistent access to quality information. Additional requirements are defined for the marketing communication to retail clients. Furthermore, it specifies what information should be provided for the clients, how performance data should be presented. Guidelines on Client Categorization, Investor-based and Investment-based Advisory describe the different type of investment services. The aim of this guideline is to set the principles for the client categorization and the rules of providing investment advice to clients in compliance with the legal requirement set in the MiFID relevant regulations. The regulation includes the requirements of MiFID suitability and appropriateness test. The directive specifies how investment advice, portfolio management should be conducted, taking into account clients' investment objectives, risk tolerance, and sustainability preferences. Monitoring and assessment of financial instruments within client portfolios are defined, with regular reporting obligations to clients.

Principle of Product Governance Process of Investment Products (PGP) is a MiFID regulatory requirement to ensure that RBHU Group acts in the best interest of their respective clients when distributing financial instruments. Furthermore, the PGP Policy aims at reducing the risk of miss-selling financial instruments and of related negative financial consequences. Monitoring occurs through regular meetings of the PGP Committee and the Product Governance Working Group, as well as annual product reviews.

These policies align with customer expectations of access to quality information and responsible marketing.

The previously mentioned policies are interconnected to ensure that RBHU Group operates in the best interest of its customers and adheres to regulatory standards. This commitment is evident in the transparent design and offering of products tailored to the target group's needs. Additionally, information provided to customers must be clear, fair, and aligned with legal disclosure requirements, ensuring consistent access to quality information.

Through the implementation of the policies RBHU Group respects the respective legal requirements specified in relevant national and international regulations, guidelines and laws (MiFIDII, Delegated Regulation (EU) 2017/565, Bszt, etc.).

In summary, these refer to organizational requirements for investment firms and the conditions for the exercise of their activities, and establish minimum standards for conduct rules.

The interests of investors as key stakeholders play a central role in Raiffeisen Bank Zrt's conflict of interest policy. The conflict of interest policy aims to avoid conflicts of interest and, where this is not possible, to disclose and resolve them to prevent or minimize harm to clients. The policies mentioned above describe the consideration given to the interests of key stakeholders by emphasizing the importance of acting independently and solely in the interest of customers, maintaining the company's reputation, and ensuring that conflicts of interest are properly managed and disclosed.

The conflict of interest policy of RBHU Group includes measures, in a broader sense, to protect the rights of investors by ensuring that investor needs are systematically identified and documented. It mandates that sales personnel offer products that can meet the client's profit expectations with adequate risk. The conflict of interest policy is related to human rights principles by ensuring that the Bank acts independently and in the best interest of shareholders, maintains transparency, and upholds accountability. This alignment with human rights principles ensures fair treatment and protection of the rights and interests of all stakeholders.

It protects the rights and interests of investors, promote sustainable development, and prevent unethical practices such as greenwashing.

The directive on providing information to clients includes, in a broader sense, obligations to protect the rights of consumers and end-users by requiring honest, fair, clear, understandable, and non-misleading information. It demands a balanced presentation of benefits and risks and considers the target audience to ensure that the information is comprehensible and clear for the customers addressed. The directive requires that marketing communications do not contradict disclosures made in the prospectus or on the website, especially regarding sustainable investments. This includes avoiding greenwashing and accurately representing sustainability-related aspects, which can be viewed as measures to address human rights impacts by ensuring transparency and honesty towards investors.

The directive on product governance relates to human rights principles by ensuring transparency, fairness, and accountability, which protect the rights and interests of investors.

The application of product governance focus on product governance, sustainability aspects, compliance, and customer interaction within the framework of MiFID II, but do not include specific information on human rights impacts and remedial measures. The accurate, honest, and targeted presentation of information can be broadly viewed as a measure to address human rights impacts by ensuring transparency and honesty towards investors, given the human right to information access.

In terms of customer engagement, the policy ensures that decisions are clear, rule-based, equal, and thoroughly documented, providing a transparent and auditable process.

Responsible marketing practices

Adherence to Laws: Ensure that all marketing practices comply with relevant laws and regulations. This includes advertising standards, consumer protection laws, and industry-specific regulations.

Children Under 18: Ensure all marketing content directed at children under 18 is age-appropriate, ethical, and complies with relevant regulations.

RBI Group Policy "LAW-2015-0045 Advertising, Donations, Sponsorships and Membership Fees V5.0" covers regulation of Marketing department activities (Advertising, Donations and Sponsorship). The policy sets out the definition of terms advertising, donations, sponsorships a, the procedures for the processing of advertising, donations, sponsorships, to ensure consistency and transparency. The Definitions covers the activities of RBHU Group Marketing department regarding Advertising, Donation and Sponsorships.

Human Rights policy

RBHU Group does not have a separate human rights policy on its own, however RBHU Group acknowledges the parent company's group regulations as binding for the Bank and therefore the RBI human right policy is applicable as a Group policy. The responsibility of the RBI human rights policy is with Group ESG & Sustainability Management. The scope of the policy covers own operations and the value chain for the whole RBHU Group. RBI human rights policy sets out the general framework for human rights management to comply with the UN and European Human Rights standards and EU regulations. These are the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Social, Economic and Cultural Rights, the Fundamental Principles of the International Labor Organization (ILO): Freedom of Association, Right to Organize and Collective Bargaining, Abolition of Forced Labor and Worst Forms of Child Labor, Equal Remuneration, Non-Discrimination (in Employment and Occupation), the European Convention on Human Rights, the Corporate Sustainability Due Diligence Directive and the Corporate Sustainability Reporting Directive (including Annex Regulation (EU) 1893/2006) as well as to the minimum social safeguard principle of the EU Taxonomy Regulation.

It was set up internally published in 2023 and is the result of work and cooperation between the Ludwig Boltzmann Institute of Fundamental and Human Rights and a cross-divisional RBI working group established in 2023 specifically to address the topic of human rights. The Institute is Austria's largest non-university research institution in its field. It promotes human rights research, advocates a human rights-based approach and contributes to the improvement of human rights realities in Austria and abroad. The policy is a continuously evolving working and learning process that takes the new EU regulatory requirements into consideration and aligns itself to the UN Guiding Principles on Business and Human Rights. RBI's Group Human Rights Policy sets out RBI's values, areas of impact and influence, as well as responsibilities in relation to its human rights responsibilities in accordance with the Code of Conduct.

Human Rights standards

The principle of non-discrimination, labour law standards, collective bargaining agreements and social dialogue are being respected, fulfilled, and promoted. The acceptance of differences with regard to age, ethnicity, religion or belief, gender, sexual orientation or disability, political or other opinion are central to the creation of an inclusive business culture that aims at the reduction of barriers and inequalities in the career path. Alongside these factors, a safe and healthy working environment, adequate remuneration as well as the right to (according to the Fundamental Principles of the ILO) also play a vital role in upholding employees' Human Rights. Protection of employees 'interests envisage, at a minimum, that there are channels for the exchange on relevant topics between employees and the board. People, Culture and Organization as process owner shall ensure and facilitate compliance with the above requirements and steer the network entities.

Information Security Policy

The most senior level that is accountable for the implementation of the Information Security Policy is the Chief Executive Officer (CEO). The monitoring of compliance with the Security Policies and Standards is carried out within regular internal processes.

Generally, the security requirements defined by RBI aim for a very high level of information security to best protect customer data and IT systems.

The protection of confidentiality and privacy are essential objectives of the Information Security Policy (Article 12 of the Human Rights Convention).

RBHU Group's information security management system (ISMS) with its policies, standards processes and measures are built to appropriately protect the confidentiality, integrity and availability of information and systems. The implementation of the information security requirements is regularly assessed and tested. The ISMS is continuously improved to enhance the security measures and effectiveness thereof.

Data Protection Policy

RBHU Group. has have the following policies in place to manage material impacts, risks and opportunities on data protection and privacy related to consumers and end-users:

- General Privacy Policy of the Raiffeisen Bank Zrt. (available at the following link: https://www.raiffeisen.hu/documents/56444/1386884/General_Privacy_Policy.pdf)
- Data Protection and Data Security Policy of Raiffeisen Bank Zrt. and its Subsidiaries (available at the following link: https://www.raiffeisen.hu/documents/56444/1386884/DataProtection_and_Data_Security_Policy.pdf)
- Data protection policy of Raiffeisen Bank Zrt. and its subsidiaries and Processes related to the Bank's data protection and data processing (internal regulations, in the followings together: Data protection policy)

The Data protection policy is implemented to define the framework, principles and responsibilities for compliance with GDPR (Regulation (EU) 2016/679), the Act CXII of 2011 on the Right of Informational Self-Determination and on Freedom of Information (Info tv.) and other legal requirements. The goal is to ensure that the protection and rights of individuals are uniformly ensured and that penalties for Raiffeisen Bank Zrt. are avoided.

Data protection policy covers the principles, the purpose, the basis of the processing of personal data. These principles are lawfulness, processing in good faith, transparency, purpose limitation, data minimization, accuracy, storage limitation, and integrity and confidentiality. The topics covered in the data protection policy:

- Compliance of the Rights of the data subjects
- Compliance with the principles of the GDPR
- Compliance with the obligations of controllers and processors
- Maintaining a record of processing activities in accordance with Art. 30 GDPR
- Compliance with the provisions on automated individual decision-making in accordance with Art. 22 GDPR
- Notification of personal data breaches to the supervisory authority and the data subject
- Conducting a Data protection impact assessment in accordance with Art. 35 GDPR
- Compliance with technical and organizational measures of the GDPR in accordance with Art. 32 GDPR
- Establishment of the organizational structure of the Raiffeisen Bank Zrt.'s data protection system
- Transfer of personal data to third countries or international organizations
- Employee training
- Legal basis:
- GDPR (General Data Protection Regulation): GDPR is a European Union Law that sets guidelines for collecting, using, and protecting personal data. It ensures that organizations handle natural person´s data responsibly, giving individuals more control over their personal information. Under GDPR, companies must be transparent about how they use personal data and keep it secure, with strict rules for sharing and storing this personal information. This regulation promotes ethical data use and enhances trust with stakeholders
- Data Protection Act and local data protection legislation

- Guidelines and other documents of the European Data Protection Board and the National Authority for Data Protection and Freedom of Information
- International Standards:
- ePrivacy Directive: The ePrivacy Directive is an EU set of rules focused on protecting privacy in electronic communications. It governs how organizations handle data like cookies, emails and phone numbers, ensuring that people´s online interactions remain private and secure. This directive complements GDPR by specifically targeting privacy in the digital world, helping organizations maintain responsible data practices online. This directive ensures respectful and secure online communication with individuals and builds digital trust.

Raiffeisen Bank Zrt. aligns its privacy policies and practices with internationally recognized standards to protect consumers and end user, reflecting our commitment to responsible business conduct within ESG framework. This alignment is demonstrated in the following ways:

UN Guiding Principles on Business and Human Rights:

- Respecting privacy as Human Right: Raiffeisen Bank Zrt. respects the privacy rights of individuals by protecting customer data in the sense of the data protection laws and limiting its use to necessary, transparent purposes. Regular assessments to prevent privacy risks are conducted, giving consumers confidence that their personal information is handled responsibly
- Grievance Mechanisms: Clear and accessible channel for customers to raise concerns or request support regarding their privacy rights are provided. This aligns with global human rights principles and the GDPR offering a path to customers to resolve issues
- Raiffeisen Bank Zrt. has not identified any cases of non-compliance with UN Guiding Principles on Business and Human Rights, ILO Declaration, or OECD Guidelines related to consumer and end-use data privacy. Our adherence to GDPR and data protection standards ensures alignment with these frameworks
- International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work
    - Fair and Non-Discriminatory Treatment: While primarily a workplace standard, the ILO´s principles guide our fair treatment of consumers. Raiffeisen Bank Zrt. ´s policies prevent bias in data handling and ensure that all customers receive equitable service without discrimination
    - Responsible Employee Practices: Raiffeisen Bank Zrt. trains employees to handle consumer data responsibly, preventing misuse and aligning ILO standards on ethical behaviour, indirectly benefiting consumers by ensuring data is treated securely and fairly.

The data protection management system of Raiffeisen Bank Zrt. is accessible to all employees through the Data Protection section on a so-called "intranet" page made for employees and maintained by Raiffeisen Bank Zrt. and training is provided on a regular basis. Appropriate security requirements are stipulated in contractual agreements with Raiffeisen Bank Zrt.'s suppliers and service providers.

Privacy and data protection are recognized as rights in certain EU treaties and the Charter of Fundamental Rights of the European Union. The Charter specifically establishes a right to the protection of personal data (Article 8). With the implementation of the Treaty of Lisbon in 2009, the Charter of Fundamental Rights acquired the same legal status as the EU's constitutional treaties. Consequently, EU institutions and bodies, along with Member States, are obliged to adhere to the Charter.

Furthermore, under Article 16 of the Treaty on the Functioning of the European Union, the EU is obliged to establish data protection regulations for the processing of personal data.

Raiffeisen Bank Zrt.'s data protection policy is formulated to identify, manage, and mitigate risks associated with the privacy and security of consumer and end-user data. It addresses material impacts and ensures compliance with GDPR to safeguard personal data and maintain customer trust.

Raiffeisen Bank Zrt. is dedicated to honouring the data privacy rights of consumers and end-users in accordance with international human rights standards, including GDPR. The bank respects the privacy rights of consumers and end-users by adhering to GDPR principles, such as lawfulness, fairness, transparency, and data minimization. Our approach guarantees that all personal data is processed in a way that upholds human rights and data privacy.

Raiffeisen Bank Zrt. engages with consumers and end-users in a transparent manner, providing clear information regarding data collection practices and seeking consent when necessary. This approach ensures that consumers are informed about their rights and our data protection practices.

Data Privacy:

- Every person has the right to protection of personal data concerning them.
- This data must be processed fairly and lawfully for specified purposes and based on the consent of the data subject or another legally established legitimate basis. Every person has the right to access data concerning them and the right to rectify such data.

Information regarding data protection and the rights of data subjects can be found at: https://www.raiffeisen.hu/web/english/raiffeisen-group/raiffeisen-bank-in-hungary/legal-declaration/data-protection

Customer Complaint Management Policy

At RBHU Group, complaints are viewed as valuable opportunities to identify process and product improvements and enhance customer satisfaction. This mindset is embraced by all employees and aligns with RBI's vision and mission. RBHU Group takes customer concerns and feedback seriously and strives to find solutions that improve its processes and products, thereby contributing to customer satisfaction.

One of the most important intentions of RBHU Group is the high-quality Customer service. The development of services and processes suiting Customer needs increasingly is of great importance.

According to the above the Bank assures, that the Customer having a complaint in connection with the Bank's activity or failure can announce it verbally (personally or via telephone) or in writing (personally, or assigned by a third person, via mail, fax or email). For this reason, inbound complaints from Customers are handled based on currently valid legal regulations, in a uniform, centralized way, through the Central Complaint Management Group.

Complaint management is seen as an opportunity to improve customer satisfaction. Clear processes for documenting and handling complaints are described, which can be seen as a measure to address human rights impacts, as it involves handling customer complaints and safeguarding their rights.

Find more at: https://www.raiffeisen.hu/documents/56444/861231/complaint_management_regulation.pdf/7feba357-c12f-0f26-eea8-22542904ad38

Retail credit risk policy

In RBHU Group the V-40/2007 CEO regulation contains the local retail credit risk policy. The backbone of the local regulation is the RBI relevant GD and this internal regulation establishes the rules and minimum requirements for lending to private individuals (consumers) across the entire Banking Group. It outlines detailed eligibility criteria and procedural checks for the lending process, including provisions related to access to quality information.

RBHU Group is dedicated to upholding the highest standards in customer service and protection. The Retail Credit Policy focuses on access to (quality) information:

- Customers are thoroughly informed about the implications and risks associated with different loan types.
- Loan decisions are documented and stored to ensure transparency and clarity for customers regarding their loan applications.

The most senior level that is accountable for the implementation of both policies is the Management Level (Board-1).

RBHU Group retail credit risk policy is aligned with the

- EBA Material: Guidelines on loan origination and monitoring.

- 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.

The policy supports the human rights of consumers and end-users on the one hand by ensuring that lending and restructuring decisions are made based on objective criteria and without discrimination. On the other hand, it aims to assess customers' loan affordability to prevent over-indebtedness and stabilize their financial situations through responsible lending practices. In terms of customer engagement, it ensures that decisions are clear, rule-based, equal, and thoroughly documented, providing a transparent and auditable process.

RBHU Group Retail Restructuring policy

The Retail Restructuring Policy of Raiffeisen Bank Zrt. defines the rules and minimum requirements for restructuring the loans of customers facing financial difficulties. It specifies the eligibility criteria and process requirements for restructuring, with an emphasis on access to Raiffeisen Bank Zrt.'s products and services.

Through the processes of Raiffeisen Bank Zrt.'s Retail Restructuring Policy, customers facing financial difficulties are managed by a dedicated team at the Bank upon contacting the Bank. During this management, customers' creditworthiness is assessed comprehensively and with appropriate expertise to avoid excessive indebtedness and ensure the stabilization of their financial situation.

Raiffeisen Bank Zrt. manages its customers facing financial difficulties with the support of its specially developed - APS RES - system, which allows the Bank to offer customised solutions for managing and repaying bank debts to avoid further financial difficulties.

To identify and predict potential payment difficulties of retail customers Early Warning System (EWS) is operated at the Bank. On the basis of regular EWS reporting, a dedicated team is proactively deal with customers, mainly by telephone, to detect and resolve problems early.

The Retail Restructuring Policy, among others, includes a focus on access to (quality) information as customers are kept informed throughout the entire restructuring process, ensuring they understand each step. All communications are tracked and recorded to maintain transparency and allow for auditing. The Retail Restructuring Policy also includes a focus on non-discrimination as the eligibility for restructuring is based on clear, documented criteria to ensure fairness and consistency.

The primary responsibility for the development of Raiffeisen Bank Zrt.'s Retail Restructuring Policy lies with Retail Risk Management, while the Collection Department is responsible for its implementation, alongside the control function operated by Retail Risk Management.

Raiffeisen Bank Zrt.'s Retail Restructuring Policy complies with the relevant current legal regulations and the requirements and expectations of MNB decrees and recommendations.

Retail investment product distribution regulation

The RBHU Group retail investment product distribution regulation and its supporting documents defines the basic principles and guidelines for the sale of investment products to retail clients under the MiFID II regime for all Retail client segments (Private Individuals, Premium Banking, Private Banking and SME). MiFID II ensures that consumers (investors) are well-informed about the financial products they are considering. This regulation requires firms to provide clear, accurate, and comprehensive information about financial instruments, ensuring that investors understand the risks, costs, and features of the products. The goal is to protect investors by promoting transparency and helping them to make informed decisions. Additionally, MiFID II includes provisions such as the appropriateness test and suitability test. The appropriateness test (assessing client knowledge and experience) is mandatory and it helps financial institutions in the EU to ensure that complex financial products are suitable for the investor based on their knowledge and experience. The suitability test (assessing client risk, financial capacity and sustainability preferences) is required for advisory transactions and portfolio management. The available products include ESG options and among the products some are available for regular savings.

Compliance with the respective policy is monitored primarily by management and relevant departments at RBHU Group as part of regular internal processes.

The scope of the regulation includes investment products and services offered to retail clients from all retail segments (Private Individuals, Premium and Affluent Banking, Private Banking and SME). The regulation is implemented in the Principle of product governance process of investment products as the attachment no. 2 (Investment policy of Raiffeisen Bank Zrt.).

RBHU Group follows a segment-based approach when it comes to investment services. Up to three types of services are available: advisory, non-advisory and portfolio management. Execution only transactions are not performed due to RBI regulations.

	Execution only	Non-advisory	Advisory	Portfolio management
Private Individuals	-	X	-	-
Premium Banking	-	X	X	-
Private Banking	-	X	X	X
SME	-	X	X	-

Through implementation of the policy, the following standards are adhered to: Directive 2014/65/EU (MIFID II), Delegated Directive (EU) 2017/593 (Supplement to Directive 2014/65/EU), Delegated Regulation (EU) 2017/565 (Supplement to Directive 2014/65/EU), Final report on the guidelines on product governance requirements under MiFID II (ESMA35-43-620), and Delegated Regulation (EU) 2021/1253, 27 January 2022 | ESMA35-43-2998.

Product governance policy (PGP)

The regulation on product governance process are contained in Directive 2014/65/EU on markets in financial instruments ("MiFID II"), Delegated Directive (EU) 2017/593, the national implementation measures included in Act CXXXVIII of 2007 on investment firms and commodity dealers and the regulations governing their activities and Decree 16/2017 (VI.30) of the Ministry for National Economy on the product approval process to be employed by investment firms. Product monitoring obligations are regulated for legal entities that design financial instruments. This aligns with customer requirements for access to quality information.

The regulation adopts a client-centric approach and ensures that RBHU Group acts in the best interests of its clients in accordance with MiFID II requirements during the production and distribution of financial instruments and aims to avoid greenwashing and to mitigate the risks associated with the abusive selling of financial instruments and the resulting adverse financial consequences for the Bank.

According to the PGP regulation RBHU Group

- defines a target market and distribution strategy (target market definition), identifies and properly manages potential conflict of interest – includes those arising from the integration of customers' sustainability preferences -, and implements process to ensure that sales to customers are in line with the target market and distribution strategy (target market monitoring),
- reviews the products regularly and, if necessary, ad hoc to access whether they continue to meet the identified target market's needs and the defined distribution strategy.

Consumer Protection Policy

Raiffeisen Bank Zrt. is a committed supporter of equal treatment. It consistently refrains from any ethnic, religious or other discrimination during its business policy and product development. It provides everyone with equal access to any of its products, striving to ensure that no one is discriminated against.

In its business policy, Raiffeisen Bank Zrt. consistently strives to ensure that its products do not cause negative effects of any kind on any member of society, regardless of gender, age, ethnicity, religion or other reasons. Our bank strives to pursue a business policy accepted by a wide range of society.

S4-2-Processes for engaging with consumers and end-users about information-related impacts on consumers and end-users

Engagement on information-related impacts

Engagement regarding privacy and cyber security & resilience

Raiffeisen Bank Zrt.'s Information & Cyber Security Policy is aligned with internationally recognized instruments relevant to consumers, including the UN Guiding Principles on Business and Human Rights. The policy emphasizes adherence to high standards of information and cyber security, confidentiality, integrity, and availability of data, and compliance with relevant internal and external regulations, including the GDPR.

Raiffeisen Bank Zrt. has implemented robust processes, procedures and measures designed to swiftly identify, react to, and respond to security incidents. Incident response plans enable Raiffeisen Bank Zrt. to minimize the impact, restore services to normal operation promptly, and provide effective remedies for customers and end users. This proactive approach includes continuous monitoring, and a dedicated incident response team that is regularly trained. By prioritizing swift and efficient responses, Raiffeisen Bank Zrt. strengthens the resilience of its operations and uphold the trust and confidence of its customers.

Raiffeisen Bank Zrt. is committed to ensuring the highest standards of data protection and privacy for its consumers, as essentially required by law, through the following practices as a basis for engagement:

- Transparency and consent: Raiffeisen Bank Zrt. strive to ensure that all communications with consumers about the use of their personal data privacy and its potential impacts are transparent. This includes clear explanation in the privacy information in accordance with Art. 13. And Art. 14 GDPR of how data is collected, used shared, and stored.
- Consumers rights engagement: Raiffeisen Bank Zrt. has legally compliant processes for consumers to exercise their rights under the General Data Protection Regulation (GDPR) including right to access, correct, delete, or port their data.
- Sustainable and ethical data use: Raiffeisen Bank Zrt. strives to ensure for each process where personal data is involved ethical data use by adopting fair data practices and preventing misuse of data in ways that could harm consumers. The personal data is used only for the original purpose that it was collected. Further processing is possible only if there is a compatibility of the new purpose according to the principles of GDPR.
- Regular audits and reporting: Raiffeisen Bank Zrt. conducts monitoring of data protection practices for ensuring that consumer data is handled according to GDPR. Raiffeisen Bank Zrt. engages with costumers in several ways focusing on transparency, risk mitigation, and responsible data handling.

In the event of a data breach involving a high level of risk for the data subjects, Raiffeisen Bank Zrt. as legally required, will directly inform the affected customers.

Raiffeisen Bank Zrt. informs its customers about their rights under the General Data Protection Regulation and about the processing of their personal data through a privacy policy in accordance with Articles 13 and 14 GDPR on the Raiffeisen Bank Zrt.'s website, during account opening and in every email communication via a signature addendum. When requesting consent for marketing activities., Raiffeisen Bank Zrt. fulfils its information obligation through website banners (specifically for cookie consent), or on the platforms of Raiffeisen Bank Zrt. Further information about the Raiffeisen Bank Zrt.'s data processing regarding advertising activities is available at the following link: https://www.raiffeisen.hu/documents/56444/1386884/concerning_advertising_marketing_lead_collection_and_customer_relationship.pdf

Engagement regarding freedom of expression

At RBHU Group, the perspectives and feedback of our customers are effectively incorporated by facilitating complaint management and by using various other channels across the organization which are used to collect feedback by both external and internal stakeholders. This approach ensures an effective management of both actual and potential impacts.

Regarding external authorities, the Central Bank of Hungary, the Financial Conciliation Body, the court, the Platform of the European Commission for Online Dispute Resolutions may be addressed additionally.

Customers, who wish to submit a complaint to RBHU Group, may address RBHU Group's complaint management via various channels. After submitting their complaint, customers receive initial feedback as soon as possible by the complaint management, informing them about the receipt of their mail, the upcoming internal investigation and the processing of their data. .Within 30 calendar days, or in the case of complaints related to payment services, within15 business days, customers are informed about the final outcome of their complaint according to 435/2016. (XII.16) Government Regulation (5)-(5b). In case of more complex and time-consuming cases, customers receive an intermediary update on a frequent basis. Furthermore, we engage with consumers and end-users directly, when important information missing or necessary for the investigation final result, or when RBHU Group commissions customer surveys to obtain structured feedback from consumers and end-users.

At the end of every reporting period, complaint root causes are identified by the consumer protection team and the complaint management and communicated to Compliance or every business department for further analysis. Furthermore, corresponding mitigation measures are designed, reviewed and subsequently implemented.

Raiffeisen Bank Hungary takes every complaint brought to its attention seriously and with utmost concern. Every complaint is carefully analyzed by complaint specialists together with the addressed or concerned business department. All claims made by consumers are carefully and independently investigated until a resolution is aligned upon. Complaints of specifically vulnerable customers may trigger the direct involvement of middle or senior management.

Engagement regarding access to quality information

Perspectives of consumers and end-users are collected continuously through regular measurements of customer satisfaction and customer experience, regular tracking of our brand perception, as well as the feedback obtained via complaint management processes.

Customers provide their feedback on RBHU Group's products usually directly to their customer advisor in the Raiffeisen Bank. Through regular exchange with the Raiffeisen Banks, this feedback influences product development and design.

Raiffeisen Bank Hungary ensures that its customers are informed transparently and comprehensibly about product details and conditions in product information like brochures, flyers, advertising campaigns etc. According to the Central Bank of Hungary regulations, to which Raiffeisen Bank Hungary complies, all product information must be clear and not misleading to consumers.

Raiffeisen Bank Hungary top tier NPS (Net Promoter Score) in all segments. It interacts with customers on a regular basis in all segments to gather feedback on our products and the level of service provided through branch, mobile, call center and video channels. Depending on the survey, measurements are conducted quarterly, half yearly, or annually. Negative impact identified via customer complaints channels is addressed to business units following customer complaints procedures involving internal stakeholders from first and second line of defence. By the end of each reporting period, mitigation measures for main complaint root causes are implemented and followed-up.

Engagement on social inclusion

Engagement regarding non-discrimination

Regarding the topic on non-discrimination, at RBHU Group, the perspectives and feedback of our customers are effectively incorporated by facilitating complaint management and by using various other channels across the organization which are used to collect feedback by both external and internal stakeholders. This approach ensures an effective management of both actual and potential impacts.

Engagement regarding access to products and services

RBHU Group is committed to active engagement with consumers and end-users, to understand and address actual and potential impacts on them. As part of our ongoing due diligence process, a number of mechanisms ensure that the views of our customers are integrated in our decision-making processes.

RBHU Group Code of Conduct acts as foundation to ensure fairness, consumer protection, and delivery of excellent products and services, aligned with consumer interests.

When talking about accessibility of banking products and services, different channels are being offered, such as mobile banking applications, web-based internet banking, but also branches, as well as remote advisory (either by phone or video calls).

Although digitalization makes it much easier to access products and services, affordability also plays a crucial role. Therefore, RBHU Group offers special conditions for the target groups students/youths. In this way the account doesn't have high fees and becomes more affordable. This also means to be connected to means of payment, allowing the consumer to fully participate in society.

We actively gather feedback through different contact channels, including customer contact centers, surveys, and focus groups, to identify and take measures in reducing potential barriers in access to our products and services.

Through these policies and direct engagement with our customers, we aim to increase accessibility, inclusivity, and trust across our product and service offerings.

The Consumer Protection Forum is responsible for providing information to the Board on the types of investigations that have been conducted or are in progress in the past period in relation to consumer protection. The forum also includes presenting trends and root causes in relation to complaint handling. During the forum, a decision may be made on a more complex topic, such as the guidelines for action to be taken on a given topic or the principles for handling similar cases.

Engagement regarding responsible marketing practices

Customer engagement: Raiffeisen Bank Hungary has Top Tier NPS (Net Promoter Score) in all segments. It interacts with customers on a regular basis in all segments (Mass, Premium, Private, Corporate, Micro and Small Enterprises) to gather feedback on our products (e.g. current account, personal loan, mortgage) and the level of service provided through branch, mobile, call centre and video channels.

Engagement of non-customers via advertising: key marketing communication campaign materials (e.g. TV spots) are regularly measured back with market research and spot analysis tools, with their impact, message and reactions.

S4-3- Processes to remediate impacts and channels for consumers and end-users to raise concerns

Information – and social inclusion-related remediation processes

If RBHU Group has failed to fully meet customer expectations, consumers and end-users can address their complaints via various channels. In line with RBHU Group's internal rules (see also the Customer Complaint Management Policy), all potential complaints, expressed as dissatisfaction addressed to the bank or its employees, must be examined to determine whether they meet the definition of a complaint. Negative impacts identified through customer complaint channels must be directed to the appropriate units in accordance with customer complaint handling procedures. Complaints must be documented immediately in RBHU Group's complaint management system, and the person who registered the complaint must be notified of its receipt and the next steps in handling the complaint. The next step involves consulting the affected department(s) or employee(s) to determine whether the content of the complaint is objectively justified. The result of this analysis must be immediately communicated to the person who registered the complaint and documented in the complaint management system. Additionally, the department responsible for handling the complaint must examine the causes. The Board of Directors and the Supervisory Board must be informed of the latest developments in complaint management at regular intervals. By the end of each reporting period, measures to mitigate the root causes of major complaints will be implemented and followed up.

If Raiffeisen Bank Zrt. identifies data privacy risks according to the specific categorization within GDPR, such as a data breach with a high level of risk to customers' personal data, Raiffeisen Bank Zrt. has processes in place to proactively notify the data protection authority and affected customers (if applicable according to GDPR). These notifications should typically explain the nature of the risk, what personal data is affected, and the steps taken to address the issue. This allows the affected customers to take any necessary precautions.

Measures to mitigate the root causes of complaints are considered objectives according to RBHU Group's Customer Complaint Management Policy and are directly linked to its principles. Customer-oriented, appropriate handling of complaints is a main objective of RBHU Group's Complaint Management Policy. The mentioned implementation, evaluation, and review compared to the previous year directly contribute to this objective. The mitigation measures are also objectives related to RBHU Group's processes and products.

Customers can also submit their complaints directly to RBHU Group through various channels, including email, phone, letter, website, or in person.

At RBHU Group, complaints are seen as valuable opportunities to optimize processes and products and increase customer satisfaction. RBHU Group has therefore provided appropriate options for consumers and end-users. Transparent information about these options is provided on RBHU Group's website (Complaint Management).

Every submitted complaint is carefully documented in the appropriate case management system. RBHU Group publishes information about complaint management on its website to provide regular updates on changes to channels, procedures, or legal foundations. The overarching goal of complaint management is to ensure the swift and appropriate resolution of all customer complaints. At least once a year, the main reasons for complaints are identified and analysed by the business units and the compliance department. Following this analysis, remedial actions are defined and continuously integrated throughout the new reporting year.

RBHU Group seeks to ensure that customers are aware of official complaint channels by publishing corresponding information about complaint management and potential external authorities for mediation and escalation on its website. By continuously monitoring complaint data, including the respective customer-complaint ratio, RBHU Group ensures that customers are properly informed.

S4-4-Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Information-related action taken for consumers and/or end-users

Privacy, cyber security and resilience

To avert, lessen, and address the adverse material effects on consumers and/or end-users, as well as to foster positive material outcomes for them, Raiffeisen Bank Zrt. has put into place the following measures also aims to reduce the associated risks:

- Development and implementation of policies
- The allocation of roles and responsibilities
- Conducting regular projects and activities assessments (where it is necessary due to the GDPR)
- Third-party evaluations
- Implementation of suitable security technologies such as encryption, firewalls, data loss/leakage prevention systems and intrusion detection/prevention systems
- Access controls, restriction of data access, monitoring of access logs
- Clear communication with users about data handling
- Obtaining consent after providing information.

Creating a comprehensive plan for responding to data breaches and data breaches.

RBHU Group has allocated resources to promote awareness of the GDPR and to ensure transparency and effective oversight. The management structure includes:

- a Data Protection Officer (Head of the Data Protection Group)
- the Data Protection Group

Regarding information and cyber security, the technical and organizational security measures aim to protect the confidentiality, integrity, and availability of information and information systems. Services provided feature high levels of security, reliability, and resilience. Measures and processes are defined, implemented, and tested to prevent, detect, and respond appropriately to security incidents to minimize impacts.

A high level of information security has a positive impact on customers and their free, secure, and uninterrupted use of the provided services for daily use as well as in adverse situations. Thus, we take the following action steps:

- Compliance with GDPR, technical and organizational measures proportionate to the risk, employee trainings.
- Incident response plan, answering within regulatory time to the data subjects rights requests;
- Monitoring data breaches and data breach notification
- Transparency
- Innovative services

RBHU Group sets a strong focus on information security. A security strategy, a framework of policies and standards, as well as technical and organizational security measures, are defined, implemented, and regularly reviewed for effectiveness by internal and external bodies, and adjusted when necessary, based on the state of the art and industry standards.

As part of information security risk management, security risks are identified, documented, and appropriately addressed. A high security standard for the protection of information is intended to ensure long-term existence, competitiveness, and the provision of trustworthy, secure, and reliable services and products.

The information security management system, defined by the security policy and the established comprehensive standard framework, is regularly reviewed through internal and external audits and subject to a continuous improvement process. Identified weaknesses, improvements, external requirements, etc. are documented, measures, and remediation/action plans with ambitious timelines are defined and their implementation is monitored. The degree of implementation of security measures is regularly checked and reported centrally in the corresponding committees.

The information security management system addresses and aims to reduce or avoid negative impacts on and security risks to customers (organizational and technical security measures).

Adjustments to requirements in security standards are reported to and approved by the CSO. Changes to the security and standards are documented. The implementation status of the security requirements across RBI is regularly checked and reported to the management.

RBHU Group tries to minimize the impact of an incident and learn from past incidents to better prevent, detect, or handle such incidents in the future.

Freedom of expression

In order for customers and other stakeholders to freely express themselves towards Raiffeisen Bank Hungary, complaint management collaborates with RBHU Group Consumer Protection team and RBHU Group Compliance.

With the purpose of ensuring a holistic and coherent approach on complaint management including the assessment of material impacts and risks in the form of root causes - in aliis verbis major reasons for complaints -, as well as the consistent leverage of opportunities, a group-wide policy on the handling of complaints was rolled out through RBI Group.

The major target of the forementioned complaint management policy and its yearly root cause analysis for complaints lies in the optimization of RBHU Group's processes and products, seeing complaints as an opportunity for constant improvement, and thus the overall increase of customer satisfaction.

Mitigation measures are investigated once per reporting period.

Access to (quality) information

RBHU Group is following all relevant legislation and regulation, as well as additional frameworks such as the RBI Group Human Rights policy in order to prevent negative material impacts through its communication with and by providing information to consumers and end-users.

In order to achieve the best possible impact when providing information on products and services, financial literacy among our private customers is a prerequisite for their ability to make informed investment decisions and to repay loans.

In RBHU Group the instructions on providing information to customers set out requirements for all types of customer information, based on the principle that it is honest, clear, understandable, and not misleading. In doing so, the target group is taken into account. The instructions of the Conflict-of-interest policy and complaint management describe measures that RBHU Group takes to provide or enable remedy in relation to an actual material impact. These measures include handling conflicts of interest and complaint management, including documenting and reporting complaints, training employees and regularly reviewing policies.

When providing investment advice, care is taken to ensure that the services correspond to the customer's investment objectives and an appropriate evaluation and comparison method is established. If the appropriateness test is negative, the customer is warned. The qualifications of employees are documented and checked through a training account. These are ongoing processes within the organization. Raiffeisen Bank Hungary manages complaints by recording, processing, and reporting them according to guidelines.

Actions related to social inclusion

Non-discrimination and access to products and services

Non-discrimination and social inclusion are valid for all business lines, the entire bank and all units and therefore fall under the umbrella of the RBI Group Human Rights policy. When talking about accessibility of banking products and services, different channels are being offered, such as mobile banking applications, web-based internet banking, but also traditional branches, as well as remote advisory (either by phone or video calls). In this way RBHU Group strives not to discriminate anybody and to offer access to products and services also for people with special needs on an ongoing basis.

Although digitalization makes it much easier to access products and services, affordability also plays a crucial role. Therefore, RBHU Group offers special conditions for the target groups students/youths.

To mitigate language barriers all of RBHU Group's ATMs are multilingual (Hungarian, English, German).

RBHU Group has taken action to reduce its websites being another barrier for inclusion and access to products and services. Considering the upcoming European Accessibility Act a working group has been established at the Head office. The Accessibility Act includes products and services provided through websites and mobile applications. So far, RBHU Group is committed to creating a more inclusive online environment that can be navigated and used effectively by all individuals.

The guidelines are organized around four key principles: perceivable (content must be presented in ways that users can perceive, such as providing text alternatives for non-text content), operable (interface components and navigation must be operable, meaning all users should be able to interact with and navigate the content, understandable (Information and the operation of user interface must be understandable, ensuring that content is clear and consistent) and robust (content must be robust enough to be interpreted reliably by a wide variety of user agents, including assistive technologies). These measures will ensure that more people will be able to have access to our products and services.

Responsible marketing practices

The objective of the actions taken in relation to responsible marketing is to ensure that all marketing communication comply with relevant laws and regulations and is also ethical, transparent, and respectful to consumers. Marketing communication campaign materials are developed with the involvement of the relevant product, segment departments, legal and compliance departments (if necessary) and final advertising materials are approved by legal department. In case of a regulatory examination all required information is collected and delivered to authorities

S4-5-Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Information-related and social inclusion targets

Privacy protection targets

In its Data Protection Policy, Raiffeisen Bank Zrt. has established data privacy targets for GDPR compliance. The aim is to have a data privacy framework in place that guarantees the prompt handling of data subject requests (in the followings: DSR), ensures proactive data breach prevention through monitoring and awareness training for employees, and maintains GDPR compliance to protect customer data and avoid regulatory penalties.

Another goal is to optimize the processes related to DSR requests and to avoid redundancies in processes and documentation in the event of data breaches.

By managing these processes, it should be ensured that no fines or reputational damage occur.

Also, Raiffeisen Bank Zrt. records the number and types of DSR requests (ie. access, erasure, rectification). In the event of data breach, Raiffeisen Bank Zrt. monitors the number of data breaches and classifies them by type (e.g., unauthorized access).

Targets for information and cyber security

RBHU Group's information and cyber security department reviews and updates security standards regularly. The information and cyber security target is tracked via the security requirements assessment (SRA) which monitors the implementation status of the security requirements defined within the group information and cyber security policy and standards framework. The target is therefore in direct relation to the group information and cyber security policy.

The target is assessed annually on RBI and the aim is to have implemented the necessary security requirements. Changes are tracked and reported to the group security committee and supervisory board. The percentage figure of the target describes the security requirements implemented in the RBHU Group that are prescribed in the RBI Group information and cyber security policy and standards framework.

Different tests to assess the effectiveness of security processes and measures are performed. Additionally, information is gathered about (potential) threats concerning RBI's customers, end-users and itself continuously. Lessons learned, treatment measures and actions are derived from performed tests, exercises, assessments, incidents, near misses and the gained threat intelligence. The goal is to continuously improve the technical and organizational protection mechanisms to provide secure and resilient products and to protect customers and end-user as well as their information. Potentially negative impacts should be prevented as good as possible.

When setting targets, the impact of our operations on consumers and end-users, is considered, but the consumers are not actively involved in the target setting and its performance tracking. In addition, requirements and obligations by regulators are also taken into account when setting targets.

Freedom of expression

The overall target of Complaint Management is to guarantee/safeguard the timely and accurate handling of all customer complaints. At least once per year, complaint root causes are identified and analysed by business units and consumer protection team. In relation to the aforementioned root causes, mitigation measures are defined and subsequently integrated during the upcoming reporting year on an ongoing basis in order to reduce negative impacts, advance positive impacts on customers and to mitigate material risks and facilitate opportunities.

Mitigation measures for complaint root causes are considered targets as outlined in RBI's Group complaint management policy and stand in direct relationship with its goals and principles. Providing customer-centric expert handling on complaints constitutes a key objective of RBI Group's complaint management policy, the aforementioned year-to-year implementation, measurement and review on respectively of mitigation measures directly contributes to this goal. Mitigation measures are also a relative target linked to RBHU Group's processes and products.

RBHU Group takes every complaint brought to its attention seriously. Subsequently, RBHU Group does not differentiate on customers or their backgrounds while simultaneously specifically protecting vulnerable customers and other end-to-end users. Furthermore, RBI employees receive special training on non-discrimination.

Access to quality information and responsible marketing practices

By adhering to the existing regulations, we aim to minimize complaints or issues related to access to quality information and responsible marketing practices.

Practices to provide access to quality information should lead to clearer and easier understanding of our products and services, which should lead to an increase in customer satisfaction.

Targets regarding non-discrimination and access to products and services

By adhering to the existing regulations, we aim to minimize complaints or issues related to non-discrimination and access to products and services.

Complaint root causes are identified and analysed by business units.

Governance information

Business conduct

G1-1: Corporate culture

Introduction

Responsible and transparent business management and culture are key values in RBHU Group. They go back to the traditional Raiffeisen values as defined by Wilhelm Friedrich Raiffeisen in the 19th century, and still build the basis of RBHU Group's Code of Conduct, which is identical to the RBI Group Code of Conduct.

RBHU Group's commitment is based on good corporate governance and on global standards (including the United Nations Global Compact and UNEP FI Principles for Responsible Banking) for responsible business practices, active and transparent management of its operations, careful risk management and due diligence, a functioning compliance including anti-bribery and corruption, anti-money laundering, and tax compliance as well as responsible supplier management.

Additional key elements of creating and maintaining RBHU Group's corporate culture is its zero-tolerance policy e.g., against harassment and discrimination. Also, whistleblowing protection measures are implemented in accordance with the EU Directive on the protection of persons who report breaches of Union law (Directive (EU) 2019/1937) and the Act XXV of 2023 on Complaints and Public Interest Disclosures, and on the Rules of Whistleblowing Notifications in Hungary.

RBI's foundation: The philosophy of Friedrich Wilhelm Raiffeisen (1818-1888)

In the 19th century, Friedrich Wilhelm Raiffeisen simplified the idea of a cooperative down to one basic principle: In unity lies strength. This idea is backed by the values of helping others to help themselves, social solidarity, charity, communality, sustainability, and responsibility for others. RBHU Group continues to build on these values. They are visible in RBHU Group's and the RBI Group's key strategies and decisions and expressed in a strong brand that places an emphasis on the principles of identity, self-administration, economic solidarity, sustainability, and subsidiarity.

RBI Code of Conduct [Code of conduct]

The Code of Conduct is based on F.W. Philosophy. It forms the foundation of RBHU Group's corporate culture and is guiding its daily actions with internal and external stakeholders. It defines RBHU Group's corporate values, ethical principles, and reflects RBHU Group's and the whole RBI Group's values of collaboration, proactivity, learning and responsibility. The Code of Conduct should ensure that RBHU Group's behaviour in business dealings and ethical matters is compliant with RBHU Group's high standards.

The Code of Conduct is a binding regulatory framework to comply with laws and international standards. It defines RBHU Group's standards on customer / Investor / Employee Relations, Compliance with laws and regulations, combating against financial crime, and on RBHU Group's social and environmental responsibility and complying with environmental laws to the best of RBHU Group's knowledge and ability. In particular, it includes laws supporting the fight against money laundering and terrorist financing, fraud, corruption and bribery, insider trading and market abuse. Furthermore, avoiding conflicts of interest, complying with economic sanctions and embargoes, adhering to data protection standards and other forms of critical business practices, including respect for the fundamental rights of employees.

In addition, the Code of Conduct consciously goes beyond formal and legally ordained conduct and describes how RBHU Group deals with customers, business partners and employees.

The Code of Conduct applies to all employees of RBHU Group and its subsidiaries. It is published in Hungarian and across the RBI Group in English as well as in the respective national languages on the RBI websites. It is available to all the employees of RBHU Group and subsidiaries in the internal regulation system and it is the first document that new hires should read. To ensure the awareness of the Code of Conduct principles, all employees must periodically complete an e-learning on the Code of Conduct basics. In addition, all employees must sign a compliance statement in which they commit to observe the Code of Conduct, which includes the disclosure and regular updating of statements on conflicts of interest.

External persons such as contractors, suppliers, and service providers, and acting for or providing services on behalf of RBHU Group as well as all other business partners, must commit to RBHU Group's Code of Conduct by accepting the supplier Code of Conduct as part of the contractual relationship.

The pillars for ethical dealings

The Code of Conduct defines six pillars of RBHU Group's standard for ethical dealings:

- Customer Relations
- ·Investor Relations
- Employee Relations
- Compliance with laws and regulations
- Combating against financial crime
- Social and environmental responsibility

Social and environmental responsibility

It is RBHU Group's understanding that its business may have an important effect on each pillar of sustainability: in the economic sphere, in society and on the environment. This is reflected according to the RBI Group's sustainability strategy as a responsible banker, a fair partner and an engaged corporate citizen. RBHU Group therefore strives to achieve long term profitable business while avoiding, amongst others, social and environmental harm by related proper due diligence practices. Furthermore, RBHU Group wants to contribute to the improvement of environmental protection and social standards.

Human rights

RBHU Group is aware of specific industries (in particular nuclear, gambling and defence sectors) which due to their sensitivity have impacts to human rights. In respect of these industries, the specific policies are made available internally.

RBHU Group respects and supports the protection of human rights stipulated in the European Convention on Human Rights, the UN Universal Declaration of Human Rights as well as the UN Guiding Principles on Business and Human Rights. RBHU Group seeks not to be involved in business with products that are intended to be used for abolition of demonstrations, political unrest, or other violations of human rights. Any involvement in the controversial weapons (nuclear, biological, chemical weapons, blinding laser weapons, anti-personnel mines, cluster munitions, depleted uranium ammunition, incendiary weapons, non-detectable fragments) are strictly forbidden by RBHU Group.

Diversity and inclusion

We believe that embracing diversity enriches perspectives, positively impacting business decisions and outcomes. RBHU Group strives to create an inclusive workplace that establishes conditions and frameworks equally attractive and beneficial to all employees, RBHU Group is actively committed to ensuring equal opportunities for all employees, regardless of age, gender, nationality, social origin, sexual orientation and identity, disability, or religion or belief. The importance of diversity and inclusion is also shown in the RBHU Group Code of Conduct.

Corporate governance

Corporate governance refers to the system of rules, practices, and processes by which a corporation is directed and controlled. It involves balancing the interests of stakeholders, including shareholders, management, and customers.

At RBHU Group, corporate governance includes regulations set by legislators and the consideration of shareholder interests, guiding leadership under the Management Board and the Board of Directors. The aim is responsible, transparent management focused on long-term value, with key principles including efficient collaboration, safeguarding shareholder interests, and open communication.

RBHU Group adheres to various international and local legal provisions, supported by its Code of Conduct for sustainable governance and social responsibility. RBHU Group's operations are also guided by the recommendations of the National Bank of Hungary and the RBI Group's policies. These regulations are collectively translated into RBHU Group's own internal policies, which are regularly revised. The policies are available to all employees in RBHU Group's internal system.

These regulations are collectively translated into RBHU Group's own internal policies, which are regularly revised. The policies are available to all employees in RBHU Group's internal system.

Anti-bribery & corruption

RBHU Group has implemented the Policy on Anti-Bribery & Corruption of Raiffeisen Bank and its subsidiaries with the annexes on Gift, invitation, donations, support, and sponsorship management and the Compliance Training Strategy. RBHU Group believes that bribery and corruption are crimes that require international action in both the private and public sectors. Combating all forms of bribery and corruption requires a comprehensive approach involving all stakeholders, with strong private and public partnerships, including the cooperation and support of financial institutions. The risk of bribery and corruption is particularly significant for financial institutions, as it can negatively impact their reputation, thereby directly and/ or indirectly affecting their profitability and shareholder value.

The responsibility for the policy is with General Compliance Management Team.

The scope of the policy applies to all employees of the RBHU Group and its subsidiaries and to all individuals in any other employment relationship with the RBHU Group and its subsidiaries.

The policy is consistent with the United National Convention against Corruption. The legal basis of the policy for RBHU Group are applicable laws, i.e., Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (Hpt.); Act C of 2012 on the Criminal Code; Regulation (EU) No 575/2013 of the European Parliament and of the Council (June 26, 2013) on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 and Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing in the versions currently applicable, as well as further guidelines and governance principles which were considered.

The policy outlines key duties and responsibilities of employees, Compliance and management functions, defines bribery and corruption risks and describes organizational anti-bribery and corruption standards in RBHU Group. Every employee receives annual anti-bribery and corruption training, which may vary in depth depending on their job description. RBHU Group places great importance on ensuring that 100% of its employees receive anti-corruption and bribery training.

	Unit	2024 -EoP Consolidated data	2024 - EoP Raiffeisen Bank Zrt.	2024 - EoP Raiffeisen Bank Contact Centre
Employees with exam obligation	Persons	3075	2607	468
Employees who completed it	Persons	3072	2604	468
Success rate	%	99.9%	99,9%	100,0%

The 'figure shown for Employees with exam obligation' (Bank) differs from the previously shown figure in section S1-6: Characteristics of the undertaking's employees - Total Employees, as it additionally accounts for the following: Bank employees + 8 BoD + 3 AC + 6 MB members.

The policy aligns with RBI's Group Policy. A condensed overview of RBI Group's Anti-Bribery and Corruption program is accessible to stakeholders on RBI's homepage.

RBHU Group is politically neutral, does not make any political contribution and aims to refrain from any involvement with political movements.

Whistleblowing

The purpose of the Whistleblowing reporting system is to encourage employees, former employees of RBHU Group and its subsidiaries, individuals in other contractual employment relationships with RBHU Group and its subsidiaries, as well as companies or individuals in contractual relationships with RBHU Group and its subsidiaries, to report if they observe illegal or suspected illegal acts, omissions, internal misconduct, or serious violations of the principles outlined in the Code of Conduct.

The following (non-exhaustive) list includes violations and other misconducts that can be reported through the Whistleblowing system:

- Bribery, corruption
- Fraud, theft
- Conflicts of interest
- Workplace harassment, discrimination
- Other violations of the Code of Conduct.
- Suspected cases of money laundering,
- violations of financial sanctions regulations;
- Market manipulation, insider trading;
- Misuse of personal data;
- Abuses related to sensitive business assignments.

RBI provides a whistleblowing platform (operated by an external service provider) that enables anonymous electronic reporting. Alternatively, employees and external stakeholders can use other channels to report Code of Conduct violations (e.g., telephone, email, postal letter, personal meeting). RBHU Group has established five distinct channels to ensure that all individuals can effortlessly report any violations. These channels are designed to provide ease of access and convenience for reporting, thereby fostering a culture of transparency and accountability.

In cases where someone wishes to report misconduct involving the Compliance Department or the Board of Management, they can utilize the RBI whistleblowing platform. This platform ensures that such reports are directed to the RBI instead of the RBHU Group. By leveraging these channels, the organization demonstrates its commitment to maintaining high standards of compliance and ethical conduct. RBHU Group regularly communicates these mechanisms to its employees through training programs and all staff e-mails.

All reports are processed in accordance with the internal compliance investigation mechanism. RBHU Group's zero-tolerance policy derived from the Code of Conduct (e.g., against harassment and discrimination) ensures that all allegations are taken seriously. The policy emphasizes that the whistleblower will not face any adverse discrimination for making a report in good faith. RBHU Group treats reports made in good faith as constructive feedback and informs the Board of recurring or systemic issues. Both the whistleblower and the person implicated in the report have the right to express their opinions and positions regarding the matter and present evidence supporting their views. The policy ensures that the related investigation is conducted fairly, without influence, and impartially in all cases.

All reports are treated as confidential and specific whistleblowing protection measures are implemented in accordance with the EU Directive on the protection of persons who report breaches of Union law (Directive (EU) 2019/1937) and the Act XXV of 2023 on Complaints, Public Interest Disclosures, and Rules Related to Whistleblowing.

If violations are detected, RBHU Group imposes appropriate risk-based actions including disciplinary ones, in accordance with internal group policy. RBHU Group constantly analyses its rules and regulations to mitigate the risks for the future as much as possible.

The Compliance Department provides quarterly updates to both the Board of Directors and Group Compliance on the number, type, and outcome of the reports received. If recurring or systemic internal misconduct is identified based on the content and location of the reports, the Compliance Department will also report the cause and provide associated recommendations. The Chief Compliance Officer in case of necessity escalates specific material cases to the highest management bodies on an ad hoc basis.

Link to the whistleblowing platform: https://www.rbinternational.com/en/raiffeisen/rbi-group/leadership-governance/compliance/whistleblowing.html#accordion-1c21aa00a0-item-4b71a60913

Training & awareness

RBHU Group Compliance training policy components and structure

RBHU Group considers consistent and targeted training to be a core element of establishing a compliant corporate culture. The Compliance Training Strategy is the annex of the Policy on Anti-Bribery & Corruption of Raiffeisen Bank and its subsidiaries. The structured training program provides periodical trainings to all levels of expertise and on various business conduct related subject matters, including but not only Code of Conduct, anti-bribery & corruption, conflict of interest, whistleblowing, anti-money laundering and counter terrorist financing.

All employees must complete an annual training on a minimum standard of compliance related topics to refresh their existing knowledge and to be informed about relevant changes and developments. All new RBHU Group employees must complete training courses on the topic of compliance. In particular, these cover aspects of preventing economic crime (especially combating money laundering and the financing of terrorism, international sanctions and embargoes, and corruption prevention), market abuse and conflicts of interest, as well as appropriate measures and rules concerning internal reporting obligations. The attendance is mandatory for all employees, recorded and monitored on a continuous basis.

The content of the trainings is structured into different modules and tailored to employees' specific roles and responsibilities, the compliance risk exposure, and the relevant regulatory requirements. Updates to the training materials are triggered by new laws and regulations, products, and customer groups or when internal procedures change. The modules are also offered as interactive trainings with testing components to ensure the effectiveness of the trainings.

G1-2: Management of relationships with suppliers

RBHU Group is conscious of its position in the finance industry in Hungary. RBHU Group has about 1500 suppliers mainly in IT, facility management, consulting services and marketing. Thus, the company plays a significant role as a customer for businesses in these sectors in their respective domestic markets. RBHU Group has set itself the goal of exploiting the potential of its role as customer, by setting high environmental and social principles for a contractual relationship and incorporating sustainability criteria when selecting suppliers.

Being a fair partner for RBHU Group's suppliers and demanding fairness towards their employees and suppliers as well as sustainable behaviour, not only safeguards RBHU Group's operational banking activities. RBHU Group sees it as an opportunity to make a positive contribution to society and the environment. RBHU Group uses RBI's Human Rights Policy which also underlines the commitment towards Human Rights in the supply chain through obligating its suppliers to conduct their business in line with the RBI Group Supplier Code of Conduct and together with RBHU Group's top suppliers RBHU Group works to reduce emissions together.

Fair partnership with its suppliers also includes fair payment terms and the goal of complying with contractually agreed payment terms. Further information regarding payment practices is provided in chapter G1-6 Payment practices.

All RBHU Group suppliers must comply with the RBI Group Supplier Code of Conduct and its principles, which, among other considerations, include compliance with the law, the prohibition of corruption and bribery, respect for the fundamental rights of employees and environmental regulations. The Supplier Code of Conduct is included on a RBI Group-wide basis in contracts agreed with suppliers. In exceptional cases, supplier codes of conduct with comparable content are accepted as part of the contract. The principles defined in the Supplier Code of Conduct are to be regarded as a minimum level for environmental and social criteria, based on the various regulations and directives with which RBHU Group has undertaken to comply. They are a material prerequisite to becoming a supplier to RBHU Group.

The Supplier Code of Conduct helps to ensure that RBHU Group suppliers adhere to important environmental and social criteria. Moreover, in the event of the principles being breached, RBHU Group has the right to terminate the contractual relationship with the supplier. This approach highlights compliance with selected social and environmental standards as a fundamental requirement for working with us.

Further measures include considering the progress made in relation to sustainability in the selection of suppliers and the annual survey of RBHU Group's top (strategic and significant) suppliers. This will lead to even higher standards being expected by the suppliers and additionally heighten these companies' responsibility to society and the environment. If the supplier failed to meet its obligations, RBHU Group would terminate the contractual relationship.

As part of the supplier management process, RBHU Group's top (strategic and significant) suppliers are surveyed annually on topics including environmental and/or socially relevant certificates for the company along with products and/or services purchased by RBHU Group, proceedings due to the infringement of environmental regulations, and indicators on emissions (CO2e).

RBHU Group's procurement is convinced that suppliers with a high level of commitment to their social and environmental business practices are stable partners and lower the risk of supplier failures, high workforce fluctuation and reputational damage, as well as ensuring compliance with regulatory provisions. Establishing a fair partnership with suppliers also fosters stability and provides a sound basis for the company's business operations.

G1-3: Prevention and detection of corruption and bribery

Coverage of employees by anti-corruption training by employee categories

Anti-money laundering and countering the financing of terrorism

RBHU Group has established a comprehensive Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) policy, designed to effectively address, and mitigate related regulatory, reputational, and compliance risks. This policy is in full alignment with applicable local and international regulations, including the recommendations set forth by the Financial Action Task Force (FATF), ensuring that it applies to all areas under the bank's responsibility. The policy, approved by the Board of Management, outlines clear measures for identifying, assessing, and mitigating money laundering and terrorism financing risks and is subject to continuous monitoring, with at least an annual review.

The policy is applicable to all employees of RBHU Group and its subsidiaries, requiring strict adherence to relevant laws, regulations, and internal procedures. Inadequate management of AML/CFT risks could lead to increased criminal activity, damaging public safety and the economy. On the other hand, effective risk management strengthens public trust, enhances the bank's reputation, and fosters strong business relationships, while minimizing legal, regulatory, and reputational risks.

Key actions implemented as part of the AML/CFT policy include:

- Appointment of an AML/CFT officer who reports directly to senior management
- Risk-based identification and classification of customers and products, alongside tailored due diligence processes
- Ongoing customer due diligence, including identification of Politically Exposed Persons (PEPs) and beneficial owners, with enhanced scrutiny and management approval for high-risk customers, including those linked to PEPs or high-risk jurisdictions
- Additional due diligence for companies incorporated in offshore jurisdictions
- Continuous monitoring of customer data, transactions, and accounts, including sanctions screening

- Reporting of suspicious activities to relevant authorities, such as the FIU
- Active cooperation and information exchange with national and international authorities
- Robust internal controls, periodic internal and external audits, and evaluations
- Regular training and awareness programs for staff, including in-person, e-learning, and micro-learning modules
- Active participation in industry initiatives and working groups at national, European, and international levels contributing to the development of legal and regulatory standards.

RBHU Group acknowledges that combating money laundering and terrorism financing is an ongoing process that requires continuous adaptation to emerging risks and regulatory changes. This commitment ensures that RBHU Group engages only with reputable customers involved in legitimate business activities, with funds originating from lawful sources. By upholding these standards, RBHU Group mitigates compliance risks, strengthens its reputation, and builds trust with stakeholders.

G1-4: Incidents of corruption or bribery

All bribery and corruptions suspicions are processed in accordance with RBHU Group's internal compliance investigation and reporting mechanism and adequate internal sanctions and disciplinary measures, i.e., dismissal of employees, irrespective to criminal law sanctions and legal consequences were adequately applied and enforced.

Bribery and corruption cases are investigated by the Compliance Department. RBHU Group has zero tolerance policy for bribery and corruption. The Compliance Officer's independence is guaranteed by the internal regulations. The Compliance Officer reports directly to the CEO and organizationally falls under the direct authority of the CEO. In executing their duties, the Compliance Officer is independent of individuals responsible for business matters and is not obligated to follow their directives. The Compliance Officer manages the Compliance department and its activities according to the interests of the RBHU Group and in accordance with the law, aiming to preserve the integrity of the RBHU Group and the market.

No member of the management, the Board of Directors, or the Supervisory Board may issue instructions to the Compliance Department that would prevent it from conducting any investigation it deems necessary, nor may they assign additional tasks to such an extent that it would hinder the effective operation of the compliance function.

In cases where someone wishes to report misconduct involving the Compliance Department or the Board of Management, they can utilize the RBI whistleblowing platform. This platform ensures that such reports are directed to the RBI instead of the RBHU Group. By leveraging these channels, the organization demonstrates its commitment to maintaining high standards of compliance and ethical conduct. RBHU Group regularly communicates these mechanisms to its employees through training programs and all staff e-mails.

Incidents of corruption or bribery in 2024:

- Number of convictions for violation of anti-corruption and anti-bribery laws: 0
- Amount in € millions of fines for violation of anti-corruption and anti- bribery laws: 0

In 2024 all of the staff (including the Management) received anti-corruption and bribery training in the framework of the Compliance e-learning.

G1-6 Payment practices

RBHU Group is conscious of its customer in its home market Hungary and CEE and committed to be a fair partner for its suppliers. This includes fair payment terms and the objective to contractual agreed payment.

The table below shows the payment terms for suppliers of RBHU Group, based on a representative sampling on invoices from 2024.

G1-6 - Payment practices

	2024
Average time the entity takes to pay the invoice (in days)	22
Payments aligned with the standard payments term (in %)	88
Standard payment terms (in days)	30 days

	2024
Legal proceedings currently outstanding for late payments	0

The above figures are based on invoices due between January and December 2024. The selected review period is representative of the entire fiscal year 2024. There is no differentiation by size of company.

Although the information if the supplier is a small or medium enterprise (SME) is not available during the payment process the respective employees are advised to consider the size and financial situation of the supplier when processing the invoices.

RBHU Group has strict procedures and compliance measures to be followed when engaging third parties. A KYBP (Know Your Business Partner) check is conducted by the Compliance Department to ensure that all third parties meet the required standards and do not pose any compliance risks. Additionally, every contract includes the Supplier's Code of Conduct as a mandatory annex. This ensures that all suppliers are aware of and adhere to RBHU Group's ethical standards and compliance requirements.

Abbreviations

Abbreviation	Meaning
ACA	Absolute Contraction Approach
AML	Anti-Money Laundering
AuM	Assets under Management
BCBS	Basel Committee on Banking Supervision
BESS	Battery Energy Storage System
BIO	Biodiversity and Ecosystems
BoD	Board of Directors
BWG	Austrian Banking Act (Bankwesengesetz)
CapEx	Capital Expenditure
CCA	Climate Change Adaptation
CCM	Climate Change Mitigation
CE	Circular Economy
CEE	Central and Eastern Europe
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
CFT	Countering the Financing of Terrorism
CPO	Central Procurement Office
CPPNM	Convention on the Physical Protection of Nuclear Material
CRD	Capital Requirements Directives
CRO	Chief Risk Officer
CSO	Chief Security Officer
CSRD	Corporate Sustainability Reporting Directive
DSR	Data Subject Requests
EAD	Exposure at Default
EBA	European Banking Authority
EBRD	European Bank for Reconstruction and Development
ECB	European Central Bank
EFRAG	European Financial Reporting Advisory Group
EIB	European Investment Bank
EMS	Environmental Management System
EPC	Energy Performance Certificate
ESG	Environmental, Social, and Governance
ESRS	European Sustainability Reporting Standards
ETS	Emissions Trading System
EV	Electric Vehicle
EWS	Early Warning System
FATF	Financial Action Task Force
FinGuar	Financial Guarantee
FIU	Financial Intelligence Units
GAR	Green Asset Ratio
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas
Hft	Held for trading
HO	Head Office
HPI	House Price Index
IAM	Integrated Assessment Model
IASB	International Accounting Standards Board
ICAAP	Internal Capital Adequacy Assessment Process
ICMA	International Capital Market Association
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ILO	International Labor Organization
IPCC	Intergovernmental Panel on Climate Change
ISMS	Information Security Management System
KPI	Key Performance Indicator

Abbreviation	Meaning
KYBP	Know Your Business Partner
LGD	Loss Given Default
LULUCF	Land Use, Land-Use Change, and Forestry
MAN	Management
MiFID	Markets in Financial Instruments Directive
MIGA	Multilateral Investment Guarantee Agency
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
MS	Minimum Social Safeguards
NBH	National Bank of Hungary
NFC	Non-Financial Corporation
NFRD	Non-Financial Reporting Directive
NGFS	Network for Greening the Financial System
NPP	Nuclear Power Plant
NS	Nuclear Safety
NWU	Networking Unit
NZEB	Nearly Zero Energy Buildings
OECD	Organization for Economic Co-operation and Development
PCAF	Partnership for Carbon Accounting Financials
PD	Probability of Default
PED	Primary Energy Demand
PEP	Politically Exposed Person
PFS	Project Finance and Structured products Dept.
PGP	Product Governance Policy
PPC	Pollution
PRB	Principles for Responsible Banking
RBHU	Raiffeisen Bank Hungary
RBI	Raiffeisen Bank International
REMCO	Remuneration Committee
RWA	Risk-Weighted Assets
SBC	Sustainable Bond Committee
SCO	Strategy and Company Office
SDA	Sectoral Decarbonization Approach
SDG	Sustainable Development Goals
SME	Small and Medium-sized Enterprises
SRA	Security requirements assessment
UNEP FI	United Nations Environment Programme - Finance Initiative
WCAG	Web Content Accessibility Guidelines
WTR	Water and marine resources

Consolidated financial statements

2024

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I. Primary consolidated financial statements

Statement of profit or loss

(HUF million)	Notes	2024	2023
Interest income calculated with the effective interest method		216,776	358,864
Other interest income		170,925	244,368
Interest expense		-200,720	-402,576
Net interest income	**[7], [11], [25]**	**186,981**	**200,656**
Dividend income	[7], [11]	152	465
Fee and commission income		128,133	114,193
Fee and commission expenses		-33,749	-32,673
Net fee and commission income	**[8]**	**94,384**	**81,520**
Net trading income and fair value result	[9], [11]	-9,750	-12,975
Net gains/losses from hedge accounting	[10], [11]	3,478	-1,508
Net gains/losses from derecognition of financial assets and liabilities not measured at fair value through profit or loss	[11]	-1,536	-2,881
Other operating income	[12]	2,118	1,967
Other operating expenses	[12]	-37,103	-29,417
Staff expenses	[15]	-45,758	-42,698
Other administrative expenses	[16], [25]	-29,909	-25,913
Depreciation and amortisation	[24]	-13,456	-12,843
Other result	[11], [13], [14]	-2,039	-5,087
Bank tax and other special levies	[17]	-25,869	-35,956
Impairment losses on financial assets	[6], [11]	13,277	986
Profit before tax		**134,970**	**116,316**
Tax expense	[18]	-19,018	-13,057
Profit for the year		**115,952**	**103,259**

Statement of profit and loss and other comprehensive income

(HUF million)	Notes	2024	2023
Profit for the year		**115,952**	**103,259**
Other comprehensive income	**[6, 38]**	**-9,092**	**13,340**
Items that will not be reclassified to profit or loss		**7**	**4**
Fair value changes of equity instruments measured at fair value through other comprehensive income	[37]	8	4
Income tax relating to items that will not be reclassified to profit or loss	[18, 37]	-1	0
Items that may be reclassified to profit or loss		**-9,099**	**13,336**
Cash flow hedges (effective portion)	[10, 37]	-11,005	10,549
Valuation gains/losses taken to other comprehensive income		-8,410	10,792
Net amount reclassified to profit or loss		-2,595	-243
Debt instruments measured at fair value through other comprehensive income	[37]	1,006	4,106
Valuation gains/losses taken to other comprehensive income		534	2,072
Net amount reclassified to profit or loss		472	2,034
Income tax relating to items that may be reclassified to profit or loss	[18, 37]	900	-1,319
Total comprehensive income for the year		**106,860**	**116,599**

Statement of financial position

(HUF million)	Notes	31.12.2024	31.12.2023
Cash, cash balances at central banks and other demand deposits	[6, 19]	530,901	927,845
Financial assets held for trading	[6, 20, 42]	82,406	97,809
Non-trading financial assets mandatorily at fair value through profit or loss	[6, 20, 42]	185,934	165,041
Financial assets measured at fair value through other comprehensive income	[6, 22, 23, 42]	550,339	365,884
Financial assets measured at amortised cost	[6, 21, 22, 42]	3,108,434	2,693,484
Derivative instruments designated as hedging instruments	[10, 42]	92,149	119,623
Fair value changes of the hedged items in portfolio hedge of interest rate risk	[10, 42]	-9,752	-11,289
Current tax assets	[18]	13	108
Investments in subsidiaries	[44]	3	8
Tangible fixed assets	[24]	38,672	38,707
Intangible fixed assets	[24]	25,205	23,639
Deferred tax assets	[18]	1,341	1,841
Other assets	[26]	9,611	9,355
Total assets		**4,615,256**	**4,432,055**
Financial liabilities held for trading	[6, 27, 28, 42]	76,471	93,665
Financial liabilities measured at amortised cost	[6, 25, 28, 29, 30, 31, 42]	3,972,822	3,781,372
Derivative instruments designated as hedging instruments	[10, 42]	105,166	126,808
Fair value changes of the hedged items in portfolio hedge of interest rate risk	[10, 42]	-60,617	-64,919
Current tax liabilities	[18]	6,478	3,745
Provisions	[6, 33]	16,993	16,831
Deferred tax liabilities	[18]	17	11
Other liabilities	[32]	14,898	11,814
Total liabilities		**4,132,228**	**3,969,327**
Share capital	[35]	50,000	50,000
Share premium	[36]	113,445	113,445
Equity instruments issued other than share capital	[37]	46,979	46,979
Accumulated other comprehensive income	[38]	13,101	22,193
Retained earnings	[40]	99,957	94,709
Other reserves	[39]	43,594	32,143
Profit for the year		115,952	103,259
Total equity		**483,028**	**462,728**
Total liabilities and total equity		**4,615,256**	**4,432,055**

Statement of changes in equity

2024				OCI* not to be reclassified to profit or loss	OCI* that may be reclassified to profit or loss					
(HUF million)	Share capital	Share premium	AT1 instruments	Fair value changes of equity instruments	Cash flow hedges (effective portion)	Fair value changes of debt instruments	Foreign currency translation	Retained earnings	Other reserves	Total
Notes	[6, 35]	[6, 36]	[6, 37]	[6, 38]	[6, 38]	[6, 38]	[6, 38]	[6, 40]	[6, 39]	
Opening balance	**50,000**	**113,445**	**46,979**	**35**	**20,354**	**1,804**	**0**	**197,968**	**32,143**	**462,728**
Profit for the year	0	0	0	0	0	0	0	115,952	0	115,952
Other comprehensive income	0	0	0	7	-10,014	915	0	0	0	-9,092
Total comprehensive income for the year	**0**	**0**	**0**	**7**	**-10,014**	**915**	**0**	**115,952**	**0**	**106,860**
Issuance of other equity instruments	0	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0	-86,655	0	-86,655
Contributions and distributions total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-86,655**	**0**	**-86,655**
Transfers among components of equity	0	0	0	0	0	0	0	-11,451	11,451	0
Other increase (+)/decrease (-) in equity	0	0	0	0	0	0	0	95	0	95
Other equity transactions total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-11,356**	**11,451**	**95**
Closing balance	**50,000**	**113,445**	**46,979**	**42**	**10,340**	**2,719**	**0**	**215,909**	**43,594**	**483,028**

*OCI: other comprehensive income

2023				OCI* not to be reclassified to profit or loss	OCI* that may be reclassified to profit or loss					
(HUF million)	Share capital	Share premium	AT1 instruments	Fair value changes of equity instruments	Cash flow hedges (effective portion)	Fair value changes of debt instruments	Foreign currency translation	Retained earnings	Other reserves	Total
Notes	[6, 35]	[6, 36]	[6, 37]	[6, 38]	[6, 38]	[6, 38]	[6, 38]	[6, 40]	[6, 39]	
Opening balance	**50,000**	**113,445**	**31,445**	**31**	**10,754**	**-1,932**	**0**	**128,828**	**22,215**	**354,786**
Profit for the year	0	0	0	0	0	0	0	103,259	0	103,259
Other comprehensive income	0	0	0	4	9,600	3,736	0	0	0	13,340
Total comprehensive income for the year	**0**	**0**	**0**	**4**	**9,600**	**3,736**	**0**	**103,259**	**0**	**116,599**
Issuance of other equity instruments	0	0	15,534	0	0	0	0	0	0	15,534
Dividends	0	0	0	0	0	0	0	-24,213	0	-24,213
Contributions and distributions total	**0**	**0**	**15,534**	**0**	**0**	**0**	**0**	**-24,213**	**0**	**-8,679**
Transfers among components of equity	0	0	0	0	0	0	0	-9,928	9,928	0
Other increase (+)/decrease (-) in equity	0	0	0	0	0	0	0	22	0	22
Other equity transactions total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-9,906**	**9,928**	**22**
Closing balance	**50,000**	**113,445**	**46,979**	**35**	**20,354**	**1,804**	**0**	**197,968**	**32,143**	**462,728**

*OCI: other comprehensive income

Statement of cash flows

(HUF million)	Notes	2024	2023
Cash, cash balances at central banks and other demand deposits, opening balance	**[19]**	**927,845**	**784,913**
Cash flows from operating activities:			
Profit for the year		115,952	103,259
Adjustments for:			
Depreciation and amortisation	[24]	13,456	12,843
Impairment (+)/reversal (-) of impairment on non-financial assets	[13]	21	32
Impairment (+)/reversal (-) of impairment on financial assets not measured at fair value through profit or loss	[11]	-12,805	-4,107
Net interest income	[11]	-186,981	-200,656
Net gains/losses from derecognition of non-financial assets	[12]	27	-14
Other		-540	-30,092
Income tax expense	[18]	19,018	13,057
Subtotal		**-167,804**	**-208,937**
Changes in operating assets and liabilities:			
Change in financial assets held for trading	[20]	5,811	-62,624
Change in non-trading financial assets mandatorily at fair value through profit or loss	[20]	-21,093	-38,485
Change in financial assets designated at fair value through other comprehensive income	[22]	-181,633	-56,047
Change in financial assets measured at amortised cost	[22]	-15,352	299,724
Change in derivative instruments (assets) designated as hedging instruments	[10]	8,167	204,591
Change in other assets and assets held for sale	[26]	-8,639	6,748
Change in financial liabilities held for trading	[27]	-17,194	82,743
Change in financial liabilities measured at amortised cost	[29]	175,857	55,569
Change in derivative instruments (liabilities) designated as hedging instruments	[10]	-19,847	-269,168
Fair value changes of the hedged items in portfolio hedge of interest rate risk	[10]	2,764	99,724
Change in other liabilities and provisions	[32, 33, 34]	3,246	4,942
Subtotal		**-67,913**	**327,717**
Interest received	[7, 11]	468,860	607,124
Interest paid	[7, 11]	-264,287	-374,563
Dividend received	[42]	152	465
Income tax paid	[18]	-14,784	-12,085
Net cash generated from (+)/used in (-) operating activities		**70,176**	**442,980**
Cash flows from investing activities:			
Purchase of securities	[20, 22]	-393,344	-328,803
Disposal of securities	[20, 22]	24,912	73,349
Purchase of equity investments	[44]	-31	-5
Disposal of equity investments	[44]	0	5
Purchase of tangible fixed assets	[24]	-22,000	-6,648
Disposal of tangible fixed assets	[24]	12,814	1,520
Purchase of intangible fixed assets	[24]	-7,529	-6,777
Disposal of intangible fixed assets	[24]	114	0
Net cash generated from (+)/used in (-) investing activities		**-385,064**	**-267,359**
Cash flows from financing activities:			
Issuance of issued debt securities	[30]	136,476	196
Repayment of issued debt securities at maturity	[30]	-136,286	-142
Issuance of additional tier 1 capital (AT1)	[37]	0	15,534
Payment of lease liabilities	[25]	-4,702	-4,423
Dividend paid	[35]	-86,655	-24,213
Net cash generated from (+)/used in (-) financing activities	**[46]**	**-91,167**	**-13,048**
Net increase (+)/decrease (-) of cash, cash balances at central banks and other demand deposits		**-406,055**	**162,573**
Effect of changes in foreign exchange rates		9,111	-19,641
Cash, cash balances at central banks and other demand deposits, closing balance	**[19]**	**530,901**	**927,845**

II. Notes to the financial statements

(1) General information

Raiffeisen Bank Zrt. ('the Bank') commenced its operations in 1987 as a commercial bank domiciled in Hungary. The Bank's registered office is 1133 Budapest, Váci út 116-118.The website of the Bank is available at:

https://www.raiffeisen.hu/raiffeisen-csoport/raiffeisen-bank-zrt.

The Bank holds a full commercial banking license issued by the National Bank of Hungary (NBH) and carries on a wide range of financial activities.

The Bank is controlled by Raiffeisen CEE Region Holding GmbH. The ultimate parent company of the banking group is Raiffeisen Bank International A.G. (RBI).

The consolidated financial statements of the Bank as at and for the year ended 31 December 2024 comprise the Bank and its subsidiaries (together referred to as the 'Group'). For further information on consolidated subsidiaries please see (44) Investments in subsidiaries. The website of the financial statements can be found at:

https://www.raiffeisen.hu/raiffeisen-csoport/sajtoszoba/penzugyi-adatok.

Zeljko Obradovic, Chief Financial Officer (availability: 1133 Budapest, Váci út 116-118.) and Tibor Gáspárr, Head of Accounting Department are obliged to sign these consolidated financial statements. Tibor Gáspár is entitled to perform bookkeeping services (registration number: 168480, availability: 1133 Budapest, Váci út 116-118.)

(2) Basis of preparation

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

(2.1) Statement of compliance

As of the financial year starting from 1 January 2017, Raiffeisen Bank Zrt. – in line with the Act of Credit Institutions and Financial Enterprises – decided to apply international accounting standards also for the purposes of preparing separate financial statements of the Bank in accordance with section 177 (55) of Hungarian Accounting Law (hereinafter 'HAL'). The Bank has applied International Financial Reporting Standards for the first time in its separate financial statements as at the opening balance sheet date of 1 January 2016. The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union.

IFRSs comprise accounting standards issued by the International Accounting Standards Board ('IASB') and its predecessor body and interpretations issued by the IFRS Interpretations Committee and its predecessor body.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

These consolidated financial statements were authorised by the Board for issue on 27 March 2025.

(2.2) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for the following:

- financial instruments at fair value through profit or loss are measured at fair value;

- financial assets measured at fair value through other comprehensive income are measured at fair value;
- financial assets and liabilities designated in qualifying fair value hedge relationships are measured at amortised cost adjusted with fair value changes attributable to the hedged risk;
- all other financial assets and liabilities and all non-financial assets and liabilities are stated at amortised cost or – if applicable –, at cost less accumulated depreciation and/or impairment losses.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management aligns the selection, development, application and disclosure of critical accounting policies and accounting estimates with the Supervisory Board of the Bank.

Significant areas of estimation uncertainty are expected credit loss described in note (6) Financial risk management and the determination of fair value described in note (42) Determination of fair value. Sustainability-related estimates are included in note (6) Financial risk management.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(2.3) Functional and presentation currency

These financial statements are presented in Hungarian Forints, which is the Bank's and its subsidiaries' functional currency. Except as indicated, financial information is presented in Hungarian Forints rounded to the nearest million.

(3) Changes in accounting policies

Amendments to standards and interpretations first applied in 2024 had no or insignificant effect on the consolidated financial statements.

(4) Significant accounting policies

Accounting policies are the specific principles, bases, conventions, rules and practices adopted by the Group in preparing and presenting financial statements. The accounting policies set out below have been consistently applied to all the periods presented in the financial statements, and by all Group entities.

(4.1) Presentation of financial statements

These consolidated financial statements include the financial statements of the Bank and its subsidiaries and associates ('the Group). Income, expenses, assets and liabilities of the subsidiaries are included in the respective line items in the consolidated financial statements, after eliminating inter-company balances and transactions.

(4.2) Basis of consolidation

The Group reports under equity instruments interests that are acquired in accordance with the Group's long-term strategic goals, plans and business policies. Shares and other ownership interests acquired this way may include subsidiaries, associates and other investments.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the investor is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the investor controls the entity. The financial statements of subsidiaries are part of the consolidated financial statements from the date when control commences until the date when control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The costs directly attributable to the acquisition are accounted for at the date of acquisition in the statement of profit or loss. Any excess of the consideration paid for the subsidiary over the fair value of the share of the identifiable assets, liabilities and contingent liabilities acquired is recorded as goodwill. If the consideration paid for the subsidiary is less than the fair value of the share of the identifiable assets, liabilities and contingent liabilities of the business acquired, the difference is recognised immediately in profit or loss, after reassessing the identification and measurement of the assets acquired. The acquired identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition.

Associates

An associate is an entity over which the Group has significant influence without having control. Associates are not consolidated. The Group had no such participations in 2024 and 2023.

Non-trading equity instruments

Non-trading equity instruments representing investments in entities over which the Group has neither joint control nor significant influence are presented in 'Financial assets measured at fair value through other comprehensive income'. These equity instruments are not consolidated.

Special purpose entities

Special purpose entities are entities that are created to accomplish a narrow and well-defined objective such as the execution of a specific borrowing or lending transaction. The financial statements of special purpose entities are included in the Group's consolidated financial statements if, based on an evaluation of the substance of their relationship with the Group and the risks and benefits associated with them, the Group concludes that it controls those entities.

Funds management

The Group manages and administers assets held in investment funds on behalf of investors. The financial statements of these investment funds are not included in these consolidated financial statements, except when the Group controls the investment funds. Information about the Group's funds management activities is set out in note (45) Fund management activity.

Control

There is only one basis for consolidation, namely control. Control exists if an investor has all three of the following elements: (a) rights to the income of the investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect these returns. Definition of control is defined in IFRS 10. The Bank adopted the definition of control and consolidates subsidiaries based on that.

Transactions eliminated on consolidation

Intra-group balances and any realised and unrealised income and expenses arising from intra-group transactions are eliminated in preparing consolidated financial statements. All unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. In line with the consolidated accounting policy, entities are not consolidated if they are exempted from consolidation based on that policy (e.g., due to immateriality).

(4.3) Foreign currency transactions

Items included in the financial statements of all entities in the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Transactions executed in a currency other than the functional currency are considered to be foreign currency transactions. Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to Hungarian Forint at exchange rates at that date as published by the National Bank of Hungary.

The foreign exchange gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted by effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on the translation of equity investments measured at fair value through other comprehensive income, which are recognised in other comprehensive income as part of the fair value measurement.

(4.4) Intangible fixed assets

Intangible assets are identifiable non-monetary assets without physical substance held for the purpose of providing services or for administration purposes.

Goodwill

Goodwill arises on business combinations, including the acquisition of subsidiaries, when the consideration paid exceeds the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired. If the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of an acquired business is greater than the consideration transferred, the excess is recognised immediately in profit or loss.

Goodwill is measured at cost less accumulated impairment losses. The carrying amount of goodwill is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the goodwill's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of goodwill exceeds its recoverable amount. Impairment losses recognised for goodwill are charged to profit or loss and are not reversed in a subsequent period.

Intangible assets other than goodwill

Intangible fixed assets that have a finite useful life are measured initially at cost and subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. The asset is tested for impairment by comparing its recoverable amount, determined in accordance with IAS 36, with its carrying amount, and recognising any excess of the carrying amount over the recoverable amount as an impairment loss.

Other intangible fixed assets are amortised using the straight-line method over their estimated useful life not exceeding 6 years from the date when the asset is available for use. The amortisation shall cease at the earlier of the date when the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5, and the date when the asset is derecognised. Amortisation methods and useful lives are reviewed at each financial year-end and adjusted if appropriate.

Personnel expenses incurred during developing intangible assets are capitalised and amortised. Subsequent other expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

(4.5) Tangible fixed assets

Owner occupied property

Items of property and equipment, including leasehold improvements, are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Cost of maintenance and repairs are recognised in profit or loss as incurred. Major improvements of an item of property and equipment are recognised in the carrying amount of those items if it is probable that associated future economic benefits will flow to the Group and related costs can be measured reliably.

Depreciation is allocated over the estimated useful life of the asset using the straight-line method and is included in line item 'Depreciation and amortisation' in the statement of profit or loss.

The estimated useful lives of individual categories of assets are as follows:

- properties (freehold): 50 years;
- properties (leasehold): the contractual terms of the leasehold are considered;
- equipment: 3-7 years.

Freehold land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Items of property and equipment are subject to an impairment review if there are events or changes in circumstances which indicate that the carrying amount may not be recoverable.

Gains/losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net in line items 'Other operating income' or 'Other operating expenses' in the statement of profit or loss.

Leased assets

At inception of a contract, the Group in accordance with IFRS 16 assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into (or modified) on or after 1 January 2019.

The Group applies the practical expedients allowed by IFRS 16 to short-term leases and to leases where the underlying asset is a low-value asset. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group acting as a lessee

For contracts that contain in addition to one lease component one or more lease or non-lease components the Group as a lessee allocates consideration in the contract to each lease component on the basis of the relative standalone selling price of the lease component and the aggregate standalone selling price of the non-lease components.

The Group as a lessee recognises a right-of-use asset and a lease liability at the commencement date of the lease term. The right-of-use asset is initially recognised at cost, which comprises the initially recognised amount of the lease liability, any lease payments made at or before the commencement date of the lease term minus any lease incentives received, the Group's initial direct costs incurred and an estimate of costs to dismantle the underlying asset and to restore the underlying asset to the condition required by the terms and conditions of the lease.

The Group as a lessee measures the lease liability at the commencement date of the lease term at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the lessee, which is a base rate derived from interest rate swap curves in the currency of the respective lease contracts increased with a margin derived from unsecured and liquid (traded) bonds of European banks published by Bloomberg.

At the commencement date of the lease term the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under a residual value guarantee;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- penalties for early termination of the lease if the lease term reflects the exercise of an early termination option by the lessee.

The lease liability is subsequently measured at amortised cost using the effective interest method.

The lease liabilities are remeasured when there is a change in future lease payments. It can arise from a change in an index or rate used for determining the lease payments, from a change in the estimate of the amount expected to be payable under a residual value guarantee, from the Group's changing its assessment of whether it will exercise a purchase, extension or termination option or from the revision of fixed lease payment.

The Group records the amount of remeasurement of the lease liability as an adjustment to the carrying amount of the right-of-use asset. In case the carrying amount of the right-of-use asset has been reduced to zero and further reduction shall be made due to the remeasurement of the lease liability, the remaining reduction is recorded in profit or loss.

The Group presents right-of-use assets in 'Tangible fixed assets' and lease liabilities in 'Financial liabilities measured at amortised cost' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to apply the requirements of the standard to short-term leases and to leases where the underlying asset is a low-value asset. The Group recognises the lease payments associated with these leases as an expense on the straight-line basis over the lease term.

To the net investment in a lease, the derecognition and impairment requirements of IFRS 9 standard are applied.

(4.6) Assets obtained against receivables

If the Group has mortgages registered on the collateralised property pledged as collateral, it is entitled to sell it with or without a court resolution, under a sales procedure conducted on its own behalf. The property may also be subject to forced sale if the owner is a company subject to liquidation procedure.

If the Group has a purchase right over the property, the Bank's claim may be enforced against the property. In this case, the Group is entitled to purchase the property at the purchase price determined in the option contract and to offset the purchase price against its claim or to assign a third party to exercise the right of purchase and to offset the purchase price paid by the third party against its claim.

Assets of which the Group takes possession upon resigning credit transactions are valued at a price determined by an expert.Group calculates the impairment loss only for the receivable before the sale, because later the receivable is reduced by the income from the sale of the asset. In case of loan contracts, impairment losses are recognised for the assets repossessed if the fair value is lower than the carrying amount.

These assets and their impairment loss allowance are recognised in the statement of financial position as 'Other assets' and in the statement of profit or loss as 'Other operating expenses', the amount of the reversal is reported as 'Other operating income'.

(4.7) Cash and cash equivalents

Cash and cash equivalents include notes and cash on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position and are presented as 'Cash, cash balances at central banks and other demand deposits' in the statement of financial position.

Classification of the mandatory reserve as cash is explained in more detail in note (19) Cash, cash balances at central banks and other demand deposits.

(4.8) Determination of fair value

The Group's accounting policies and a number of disclosures require the determination of fair value of financial assets and liabilities. Fair value is determined for measurement and/or disclosure purposes based on the following methods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Subsequent to initial recognition, the fair value of financial instruments that are quoted in active markets are measured at fair value based on bid prices for assets held and ask prices for liabilities issued. When observable prices are not available, fair value is determined by using valuation techniques which refer to observable market data. These include comparison with similar instruments where observable market prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. For financial instruments, fair value may be determined in whole or in part using valuation techniques based on assumptions that are not supported by prices from current market transactions or observable market data.

The determination of fair value assumes that the sale or disposal of the asset occurs on the primary market for the asset or liability or, lacking that, on the most favourable market for the asset or liability.

The primary market is the market with the highest volume and activity level for the asset or liability being valued.

The most favourable market is the market that maximises the amount that would be received for the sale of the asset or minimises the amount that would be paid for the transfer of the liability after considering transaction costs and shipping costs.

More information about the determination of fair value is in note (42) Determination of fair value.

(4.9) Financial instruments

Recognition and initial measurement

For regular way purchases and sales of financial assets, the Group applies trade date accounting, i.e., recognition when the Group is committed to the purchase or sale of the asset. Regular way purchase or sale is a purchase or sale of an asset based on a contract whose terms require delivering the asset within the time frame established by conventions and regulations in the market.

All other financial asset and liability (including financial assets and liabilities measured at fair value through profit or loss) is recognised when the Group becomes party to the contractual provisions of the instrument e.g., receivables arising from loans to banks or clients are recognised when the loan is disbursed.

At initial recognition, the Group measures the financial assets or liabilities at their fair value plus or minus, in the case of a financial asset or liability not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price (i.e., the fair value of the consideration given or received).

If the fair value determined by the Group differs from the transaction price at initial recognition – e.g., off-market interest rate loans – then the difference at initial recognition is recognised as follows:

If that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, the Group recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss under 'Net trading income and fair value result'; in all other cases, the measurement is adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Group recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would consider when pricing the asset or liability. In case of loans, the deferred difference is recognised using the effective interest rate while in case of derivatives the difference is recognised linearly.

Classification and subsequent measurement

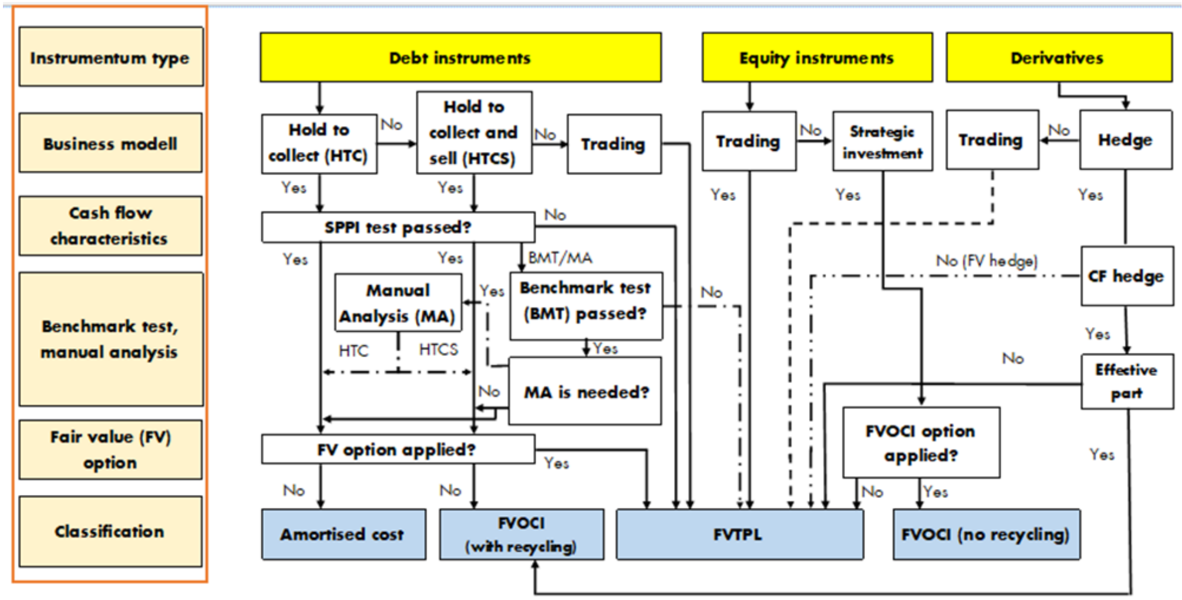
At initial recognition, the Group classifies financial assets to the following categories:

- at amortised cost;
- at fair value through other comprehensive income or
- at fair value through profit or loss.

The classification of a financial asset is based on a two-step methodology which defines the accounting valuation model for the instrument types:

- determination of the business model;
- analysis of the contractual cash flow characteristics (Solely Payment of Principal and Interest, SPPI test).

The following chart illustrates the methodology discussed above:



Business model of financial assets

The business model is determined on a portfolio level as it best reflects the Group's business objectives for a group of assets, and it is also the level of aggregation that management uses. When determining the business model, the Group takes into consideration the following information:

- how the performance of the business model (and the financial assets held within that business model) are evaluated and reported to the Group's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed;
- how managers of the business are compensated – e.g., whether the compensation is based on the fair value of the assets managed or the contractual cash flows collected;
- the frequency, value and timing of sales in prior periods, the reasons for such sales, and the expectations about future sales activity; and
- whether sales activity and the collection of contractual cash flows are each integral or incidental to the business model ('hold to collect' versus 'hold to collect and sell' business model).

Hold to collect business model

The model's objective is to hold financial assets to collect contractual cash flows even when if sales of financial assets have occurred or are expected to occur.

The following examples of sales may be consistent with the hold-to-collect business model:

- the sales are due to an increase in the credit risk of a financial asset;
- the sales are infrequent (even if significant), or are insignificant individually and in aggregate (even if frequent);
- the sales take place close to the maturity of the financial asset and the proceeds from the sales approximate the the remaining contractual cash flows.

Quantitative guidelines or thresholds are not provided by IFRS 9 on the value or frequency of sales from hold-to-collect portfolio. The Group considers the sale of less than 10% of the portfolio's carrying amount during a rolling 3-year period consistent with hold-to-collect business model. The Group considers the sale of an asset with maturity of less than 3 months can be deemed as close to maturity.

Hold to collect and sell business model

The objective of this business model is to meet the Group's everyday liquidity needs. Realising profit from financial assets in these types of portfolios can be achieved by both collecting contractual cash flows and selling financial assets in the portfolio.

Other business models

- Trading portfolio: the primary objective is to realise short-term profits.
- Strategic investment portfolio: the goal is to hold long-term investments and collect cash flows (e.g., dividend).
- Hedge portfolio: derivatives in hedging relationships as hedging instruments.

Analysis of contractual cash flow characteristics

The Group assesses whether the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI test), i.e., whether they are consistent with the terms of a basic lending agreement. For this purpose, the principal is the fair value at initial recognition. The interest can only contain consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks (e.g., liquidity risk) and costs (e.g., administrative costs), as well as a profit margin. This involves the assessment whether the financial asset has contractual terms that might change the timing of contractual cash flows. In assessing this, the Group considers the following factors:

- conditional events that might change the timing or amount of contractual cash flows;
- leverage;
- prepayment and prolongation options;
- contractual terms that limit the Group's receivables to defined assets of the debtor or cash flows generated by a defined asset (e.g., non-performing financial assets that cannot be liquidated in case of non-performance), and
- contractual terms that modify the time value of money element – e.g., the interest rate is reset on a regular basis.

The Group uses both quantitative (benchmark test – denoted by 'BMT' in the above figure) and qualitative (manual analysis – denoted by 'MA' in the above figure) approaches to determine whether the time value of money element of the interest rate is modified.

The Group primarily performs the analysis of contractual cash flow characteristics by clasterisation of financial assets. The analysis of contractual cash flow characteristics of contracts that cannot be clasterised is performed individually.

Sustainability-linked (ESG-linked) loans are structured such that their interest rates vary based on whether the borrower achieves pre-determined targets defined in the loan agreement. As long as the variability of the interest rate is not related to additional leverage, linked to an external index or is below a predefined threshold the loans are shown at amortized cost.

The Group identified the following three portfolios where the contractual terms are not consistent with a basic lending agreement as described in IFRS 9.

Subsidised housing loans ('CSOK' – housing subsidy for families, Subsidised Housing Loans)

These loans granted to individuals for the purpose of financing the purchase of flats/houses share two characteristics. One shared characteristic is that a pre-determined portion of the contractual interest is generally paid by the Hungarian government instead of the borrower over a certain period. The other shared characteristic is that the contractual interest reprices with a pre-determined frequency (the interest period can be 3, 5 and 10 years) and depends on average yields ('GDMA average yields') observed at government bond and treasury bill auctions, regularly published by the Government Debt Management Agency ('GDMA'). In the formula determining contractual interest, the GDMA average yields are multiplied by 1.3 and a risk premium is added to the resulting interest rate. The Group regards the multiplier applied to GDMA average yields as a leverage factor inconsistent with a basic lending agreement and thus the contractual cash flows of subsidised housing loans are deemed not to solely represent payments of principal and interest on principal outstanding.

Loan programs of Hungarian Development Bank (HDB)

A common characteristic of the interest of such loans granted to enterprises in course of the loan programs is that the currency in which the loan is denominated differs from the currency of the base rate used to determine variable interest rate on those loans (currency mismatch): according to IFRS 9, due to the currency mismatch, the contractual cash flows of the loans do not solely represent payments of principal and interest on principal outstanding.

Childbirth incentive loan

The childbirth incentive loan is part of the Hungarian Government's Family Protection Action Plan. The program offers a state subsidized personal loan up to HUF 10 million to married couples with the condition that they bear at least one child within 5 years. Further state support is granted to an early redemption of the loan after the second child (30% capital repayment) and the third newly born child (full capital repayment). The loan is interest free for the customers who pay only the capital and the guarantee fee. The interest subsidy is equal to 130% of the weighted average of 5-year government bond yields observed on auctions regularly published by GDMA in the preceding 3 months plus 2%. In case of breaching the contract, the customer shall pay back the interest subsidy within 120 days and the loan becomes interest bearing with an interest rate equal to 130% of the weighted average of 5-year government bond yields observed on auctions regularly published by GDMA in the preceding 3 months plus 4%. The Group regards the multiplier applied to GDMA average yields as a leverage factor inconsistent with a basic lending agreement and thus the contractual cash flows of childbirth incentive loans are deemed not to solely represent payments of principal and interest on principal outstanding.

Accounting classification

At amortised cost

The Group measures its financial assets measured at amortised cost (AAC), if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows (hold to collect) and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any loss allowance.

At fair value through other comprehensive income

The Bank measures its debt instruments at fair value through other comprehensive income (FVOCI) if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (hold-and-sell) and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

The Group may make an irrevocable election at initial recognition for equity investments not held for trading and does not qualify as a subsidiary, associate or joint venture, to measure subsequent changes in fair value in other comprehensive income. The Group makes this election on an instrument by instrument basis.

At fair value through profit and loss

All other financial assets – i.e., not measured at amortised cost or at fair value through other comprehensive income – are measured at fair value through profit and loss (FVTPL).

The Group may make an irrevocable election at initial recognition to measure a financial asset at fair value through profit or loss, if it eliminates or significantly reduces an accounting or presentation mismatch.

Classification and measurement of financial liabilities

The Group measures financial liabilities, except for financial guarantees and loan commitments, at amortised cost or at fair value through profit or loss.

At fair value through profit and loss

Financial liabilities measured at fair value through profit or loss include held for trading financial liabilities that are not derivatives and derivatives that are not in hedging relationships.

The fair value changes of financial liabilities measured at fair value through profit or loss after initial measurement are recognised in profit or loss.

At amortised cost

Financial liabilities measured at amortised cost are subsequently measured at amortised cost using effective interest method.

Reclassifications

The Group reclassifies a financial asset, when and only when it changes its business model for managing the financial asset.

If the Group reclassifies financial assets, the reclassification is applied prospectively from the date of reclassification. The Group considers the first day of the quarter following the business model change as the reclassification date. The Group does not remeasure income, expense (including impairment losses or gains) and interest recognised previously.

The Group cannot reclassify a financial liability after initial recognition.

Derivative instruments

Derivative financial instruments include forward foreign exchange contracts, interest rate swaps, forward rate agreements, futures and options (both written and purchased). Derivatives are measured initially and subsequently at fair value.

Derivative contracts are entered into with the purpose of trading, or for risk management purposes in order to hedge interest rate and foreign exchange risk. In addition, the Group uses other derivatives, not designated in a qualifying hedge relationship, to manage its exposure to foreign currency, interest rate and equity market risks. The instruments used include interest rate swaps, cross-currency interest rate swaps, forward contracts, and options. The Group applies IAS 39 to the accounting for designated hedging relationships.

Derivatives embedded in financial assets that are in the scope of IFRS 9 are never separated. In this case the entire hybrid instrument is assessed for classification as part of the SPPI test.

For financial liabilities where the host is not an IFRS 9 financial asset, embedded derivatives should be accounted for separately if :

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid (combined) instrument is not measured at fair value with changes in fair value recognized in profit or loss (i.e. a derivative that is embedded in a financial liability at fair value through profit or loss is not separated).

Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. According to IAS 32.42 derivative assets and liabilities arising from different transactions are only offset in the statement of financial position if the transactions are with the same counterparty, a legal right to offset exists, and the parties intend to settle the cash flows on a net basis. The netting agreements of the Group can only be enforced under certain conditions, therefore financial assets and liabilities are presented gross in the statement of financial position.

Interest income and expense from IRS and CCIRS deals – irrespective whether derivatives are held for trading or held for risk management purposes – are recognised in line item 'Net interest income'.

Some derivative instruments such as FX swaps and FX forwards may have no contractually stipulated interest part, but a fair value that is influenced by interest rate movements (e.g., forward points based on interest rate differential). If such derivatives are used as economic hedges in order to hedge the interest rate risk of an underlying, the according implicit interest part may be presented 'Net interest income' to correctly reflect the business nature of the transaction of correcting the interest income/ expense of the hedged underlying.

Changes in fair value less accrued interest and the implicit interest result of trading FX swaps and FX forwards are recognised in line item 'Net trading income and fair value result'.

Hedge accounting

The Group designates certain derivatives held for risk management as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and the hedged item(s), including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedging relationship as well as on an ongoing basis, as to whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value of the respective hedged item during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent.

Fair value hedges

When a derivative is designated as the hedging instrument in a hedge of the changes in fair value of a recognised asset or liability that could affect profit and loss, changes in the fair value less accrued interest of the derivative are recognised immediately in profit and loss together with changes in the fair value of the hedged item that are attributable to the hedged risk under 'Net gains/losses from hedge accounting'. Interest income or expense arising from the derivative is reported as 'Net interest income'.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. Any adjustment up to that point to a hedged item for which the effective interest method is used, is amortised to profit and loss over its remaining term through a recalculated effective interest rate of the item.

The Group hedges fixed-rate loans, deposits, fixed-rate issued bonds and purchased bonds in fair value hedge relationships with interest rate swaps and cross currency interest rate swaps. Hedge accounting is applied on both micro and on macro (portfolio) level as well. In the latter case, a portfolio of (modelled) current account balances and a portfolio of fixed rate loans are designated as hedged items.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, the portion of the gain or loss less accrued interest on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss under 'Net gains/losses from hedge accounting'. Interest income or expense of the derivative is reported as 'Net interest income'.

The Group applies cash flow hedge accounting using interest rate swaps and cross currency interest rate swaps where the hedged portfolio is a group of foreign currency loans and forint deposits, and the purpose of the hedge is to eliminate the fluctuation of the interest income and expense that arises from fluctuations in the base rates and in exchange rates.

If the hedging derivative expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively from that point of time when the hedging relationship became ineffective. The Group reclassifies gain or loss accumulated in other comprehensive income into profit or loss in the same periods during which the hedged asset or liability affects the profit or loss. However, if the Group expects that all or part of the loss recognised in the other comprehensive income will not be recoverable then it reclassifies that amount immediately to profit or loss as 'Net gains/losses from hedge accounting'.

Sources of ineffectiveness

The Group has identified the following possible sources of ineffectiveness in both fair value and cash flow hedges:

- Hedging interest rate risk with swaps could cause a possible ineffectiveness due to the credit risk of the derivative counterparty which is not included in the hedged item. This risk is minimised by entering into hedging swaps only with high credit quality counterparties.
- Different amortisation profiles of hedged items and hedging instruments or different notionals.
- Discounting the hedged item and the hedging instrument with different yield curves when determining fair value.
- Ineffectiveness might arise due to different starting/maturity dates between the hedged items and the hedging instruments.

Impairment of financial assets

The determination of expected credit losses requires accounting estimates that by definition, are rarely the same as the actual results.

The Group measures expected credit losses based on entire contractual term for financial instruments measured at amortised cost or at fair value through other comprehensive income, loan commitments, lease receivables and financial guarantee contracts. The Group recognises for these expected losses impairment loss allowance (in case of financial assets) or provision (in case of loan commitments or financial guarantee contracts) at each reporting date.

Recognition of expected credit losses

For the purposes of expected credit losses, the Group classifies its assets to the following valuation categories:

- Performing financial instruments where the credit risk of the financial instrument has not increased significantly since initial recognition (stage 1 classification): For financial instruments classified to stage 1, the recognition of 12 months expected credit loss is required, which is a portion of the lifetime expected credit loss, i.e., expected credit loss attributable to the financial instrument, arising from default events within 12 months after the reporting date.
- Performing financial instruments with a deteriorating credit risk profile, where the credit risk of the financial instrument has increased significantly since initial recognition (stage 2 classification): Financial instruments, the credit risk of which has significantly increased since initial recognition or other qualitative factors indicate significant risk.
- Credit-impaired financial instruments (stage 3 classification): Those exposures are classified as credit-impaired where there is objective evidence that the debtor will not be able to meet its payment obligations towards the Group. For financial instruments classified as stage 3, the recognition of lifetime expected credit loss is required (see the definition below).
- Purchased or originated credit impaired financial instruments (POCI classification): POCI financial assets are those which are credit-impaired at initial recognition. For the Group, POCI financial assets can be recognised by either purchase or contract modification, where the modification results in derecognition of the original financial asset and the recognition of the modified financial asset. In case of POCI financial assets, the recognition of lifetime expected credit loss is required from initial recognition until derecognition.

Low credit risk financial assets

The Group applies this classification only in case of investment grade rated government securities, for which the Group always recognises 12-month expected credit losses, even if their credit risk has increased significantly since initial recognition. The Group classifies government securities as investment grade for which external credit rating agencies gave AAA and BBB- (Standard &Poor's, Fitch), or Aaa and Baa3 (Moody's) ratings.

Significant increase in credit risk (transfer to stage 2)

The Group considers an increase in credit risk of a financial instrument significant since its initial recognition, when at least one of the following quantitative, qualitative or termination criteria are met:

Quantitative criteria

The Group applies quantitative criteria as primary indicators related to the significant increase in credit risk for all its portfolios. For the quantitative classification, the Group compares the actual and initial probability of default for the remaining maturity of the asset. The increase in probability of default (PD) which is considered significant differs for each segment (by default it is 250% for non-retail segments but can decrease to a minimum of 150% for transactions with a maturity of over one year, in line with the requirements of the parent bank). In the retail segment (households and micro enterprises) the determination of significant increase in PD is based on the initial and actual credit rating, remaining maturity and the PD curve. The measure for significant portfolio deterioration was determined on the basis of the PD estimated for the remaining maturity of a financial asset at the date of disbursement divided by the current PD for the remaining maturity, disaggregated into products of the retail portfolio.

Qualitative criteria

For the determination of significant increase in the credit risk for all its material portfolios, the Group uses qualitative criteria as secondary indicators. The transfer to stage 2 is carried out if the following criteria are met:

In case of sovereign, banking and corporate financial institutions, local and regional government portfolios, if at least one of the following criteria are met for the borrower:

- renegotiation because of financial difficulties;
- past-due for more than 30 days;
- the client requires special treatment because of its credit risk status,
- in line with the provisions of IFRS and the instructions of the parent bank in case of contracts where the Group identifies significantly increased credit risk, which cannot be detected using other stage 2 indicators, nor assessed with statistical models: in case of those clients where the post model adjustment described in Chapter 6.2 assumes a non-significant rating deterioration, the transfer to stage 2 is automatic.

The assessment of the significant increase of credit risk involves forward looking information and is carried out quarterly for each non-retail portfolio of the Group.

In case of retail (individuals and micro enterprises) portfolios, if the borrower meets one or more of the following criteria:

- renegotiation because of financial difficulties;
- expert judgement;
- past-due for more than 30 days;
- default event at another transaction of the client;
- the transaction or client is rated under the IRB methodology but falls to the unclassified category.

The assessment of the significant increase of credit risk involves forward looking information and is carried out monthly for each retail portfolio of the Group at the transaction level.

For the information related to the increase in credit risk due to COVID-19 please see note (6.2) Credit risk.

Definition of credit-impaired loans (transfer to stage 3)

Non-retail clients

In case of non-retail clients in line with the definition of credit-impaired loans, the Group considers a debt instrument arising from a financing agreement defaulted if it meets one or more of the following criteria:

Quantitative criteria

A payment delay is considered material, if the overdue amount reaches HUF 180,000 and the ratio of the overdue amount to the total on-balance outstanding amount from the same client reaches 1%.

Qualitative criteria

It is expected that the borrower cannot fulfil its payment obligations, which indicates that the borrower is experiencing significant financial difficulties. A non-retail client turns into default due to expected non-payment in the following cases:

- legal claim enforcement procedure (bankruptcy, liquidation) starts against the micro enterprise client;
- the Group terminates the financing agreement with immediate effect;
- the Group restructures the obligation with material losses due to existing financial difficulties in line with the above-mentioned materiality limit of 1%;;
- the Group suffers credit losses due to the client, or it sells the asset with losses due to financial difficulties and increased credit risk (typically these are not primary defaults);
- in case of financial institutions, the supervisory license is withdrawn;
- repayment moratoria in a country;
- the borrower is in significant, more than 90 days payment delinquency compared to its contractual payment obligation.

It is not possible for borrowers with contractual payments past due for more than 90 days to be classified to a category other than stage 3.

In case of probable expected credit losses due to other reasons: for the purpose of assessing expected credit losses, in order to sort out clients with financial difficulties, the Group applies a complex early warning system and process based on qualitative and quantitative indicators, which examines the expected credit losses and expected recoveries of the client using financial indicators.

The Group classifies every transaction that meets the credit impaired definition under IFRS as non-performing and categorises them as stage 3 for impairment and provision calculation purposes.

The criteria mentioned above are applied for all non-retail debt instruments of the Group and are in line with the definition of non-performance used in internal credit risk management. The definition of default is applied consistently in the Group's models relating to probability of default (PD), exposure at default (EAD), and loss given default (LGD).

If the criteria of default are not met, expectations about losses are not justified and there are no valid concerns regarding the fulfilment of debt service for at least 3 months or in case of restructured loans for more than 3 months, but at least for a 1-year period, the asset is not considered defaulted anymore.

Participation in the legislative repayment moratorium due to the 2020 Covid-19 pandemic is not considered an automatic indicator for non-performance. For clients participating either in the repayment moratorium 2 introduced in 2021 (repayment moratorium 2 and repayment moratorium 3) or in the moratorium extension in 2022 (repayment moratorium 4) or in 2022 newly introduced moratorium for exposures from agricultural financing, as well as the SME benchmark interest rate stop (detailed in section (5.2) Significant events in the reporting period), the Group assessed individually the possible worsened liquidity and financial position, and in such situations the clients affected by the moratoria were considered restructured and the Group performed an impairment test to detect the expected non-performance. In case of clients detected in the impairment test the Group performed a net present value calculation, and in case of such clients where the net present value of the expected future repayments did not cover the actual outstanding balance, default status was identified, and the client was transferred to stage3. The tests described above were performed separately for clients participating in the moratoria (2, 3, 4 and agricultural) and the SME interest rate stop.

During the repayment moratoria, the DPD calculations have been suspended for the outstanding balances eligible for the moratoria.

Retail clients

In case of retail clients, the Group considers a debt instrument arising from a financing agreement as defaulted in line with the definition of credit-impaired, if it meets one or more of the following criteria:

The financial asset is in a material, more than 90 days payment delinquency compared to the contractual payment obligation arising from the financing agreement.

A payment delay is considered material, if the delay related to the financing agreement reaches the HUF equivalent of EUR 100 and 1% compared to the total (delayed and non-delayed) exposure from the transaction (in case of micro enterprises the total exposure from the same client).

It is expected that the borrower cannot fulfil its payment obligation, which indicates that the borrower is experiencing significant financial difficulties. In case of retail client the transaction turns into default due to expected non-payment in the following cases:

- the debtor passed away;
- the debtor committed a fraud;
- legal claim enforcement procedure (bankruptcy, liquidation) starts against the client;
- the Group sold the receivable due to its high credit risk;
- terminating the financing agreement with immediate effect;
- restructuring the obligation due to financial difficulties;
- envisaging expected credit losses due to other reasons;
- there is a cross-default, i.e., another transaction of a client or another client's default causes default of a certain transaction.

An asset is no longer considered defaulted when the criteria of default have not met for at least 3 months, or in case of restructured loans for at least 1 year, and the client fulfils all other conditions to be classified out of the 'defaulted' category.

The Group considers every credit-impaired (see the definition above) transaction defaulted and classifies it to stage 3 for the purposes of impairment and provisioning. The criteria above are applied to all retail debt instruments of the Group.

Measurement of expected credit losses

The amount of expected credit loss is an unbiased probability-weighted amount that takes into consideration the time value of money, uses reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

More specifically, the Group measures expected credit losses in the following way:

In case of stage 1 and stage 2 exposures: The marginal expected credit loss for the given month is the product of PD, LGD and EAD. The above calculation estimates the future amount of expected credit losses effectively, from which the Group calculates a present value for the reporting date. Then the calculated amount of expected credit losses is weighted based on a forward-looking scenarios.

The Group applies different models for estimating its reserves for stage 3 exposures:

In case of exposures to sovereigns, corporate clients, project financing and financial institutions, local and regional municipalities, insurance undertakings and collective investment companies in stage 3, the reserves are calculated by workout experts by discounting the expected recoveries from cash flows with the effective interest rate of the transactions. The experts provide estimates of expected recoveries at the client level in more scenarios and the probability-weighted averages of the cash flows from each recovery scenario is considered in the present value calculations.

In case of stage 3 retail loans, the expected credit loss is calculated based on statistical estimates for most likely expected loss (BEEL, Best Estimate of Expected Loss) to remove indirect costs, and conservative add-ons from those estimations.

Discount rate

The Group applies the following discount rates when calculating the expected credit losses:

- financial instruments and financial assets which are not purchased or originated credit-impaired (non-POCI): original or current effective interest rate;
- purchased or originated credit-impaired financial assets (POCI): the credit-adjusted effective interest rate;
- undrawn loan commitments: market interest rate which is an appropriate approximation of effective interest rate;
- financial guarantees: market interest rate which is an appropriate approximation of effective interest rate.

Forward looking information

Assessment of whether credit risk has increased significantly since initial recognition and the measurement of expected credit losses are estimations incorporating also forward-looking information. The Group performs a chronological analysis and determines the most significant economic variables influencing credit risk and expected credit losses in case of each portfolio.

These economic variables and their impact on the probability of default, loss given default and exposure at default can vary across types of categories. While making this analysis, the Group also uses expert estimations. The forecasts of the above economic variables ('base case economic scenario') is provided by Raiffeisen Research quarterly, giving the best estimates of those economic indicators for the following three years. In the non-retail segment, the impact of those economic variables on the probability of default, loss given default and exposure at default is determined by using statistical regressions in order to make the impact of historical development of such variables on default rates, non-performing exposures and expected losses understandable.

In case of retail portfolios, the Group applies a macroeconomic model based on these economical variables in order to estimate the probability of default. Based on this model the effect of forecasted change in PD is estimated for a 3-year period, then it returns to the original PD curve over a one year transitional period.

Besides the base economic scenario, a best case (optimistic) and a worst case (pessimistic) scenario is also provided by Raiffeisen Research, together with their weighting in order to grab the expected variance. The Group concluded that three scenarios capture the expected variance properly. The weighting of the scenarios is determined by the combination of statistical analysis and expert credit rating taken the outcomes of the selected individual scenarios into account. The probability-weighted expected credit losses are determined by running the appropriate expected credit loss model to the respective scenarios and weighting the results, the weights being the probabilities of the scenarios. The weights of the scenarios (probability of the scenarios: 50% base, 25% optimistic, 25% pessimistic) remained the same in 2024.

Like all economic forecasts, these estimates and their probabilities of occurrence are prone to significant uncertainties and thus actual outcomes might significantly differ from forecasts. It is the Group's view that these forecasts represent the best estimate of the possible results and cover eventual differences and asymmetries concerning the various portfolios of the Group.

Forward looking information applied in estimating expected credit losses for the current year and for the comparative period is described in note (6.2) Credit risk.

Presentation of expected credit losses in the statement of financial position

The Group presents expected credit losses in its statement of financial position as follows:

- for financial assets measured at amortised cost: as loss allowance which is deducted from the gross carrying amount of the asset;
- for loan commitments and financial guarantee contracts: as a provision;
- for financial assets measured at fair value through other comprehensive income: the impairment is not recognised in the statement of financial position, since the carrying amounts of these assets are their fair values. The Group

recognises the impairment for these financial assets in the reserve for fair value measurement and discloses those amounts in the notes.

Write-off of financial assets

Loans and debt instruments are written off (partially or entirely) if the Group has no reasonable expectations of recovering a financial asset or a portion thereof. Generally, this is the case if the Group believes that the debtor does not have sufficient assets that generate enough cash flow to repay the amount to be written off.

In a legal claim enforcement procedure, the Group considers the following factors when deciding on the write-off of a loan to clients other than individuals:

- the claim has been qualified as irrecoverable in a legal claim enforcement procedure (liquidation, enforcement);
- the recoverable amount does not cover collection costs; or
- the expected recovery of the Group is zero in a liquidation procedure based on the ranking order of creditors.

The Group applies the partial write-off rules of IFRS 9 for loans to non-individuals, if it has no reasonable expectations of recovering a financial asset in its entirety, based on ongoing legal claim enforcement procedure or or in lack of operating cash flows of the client. In these cases, partial write-off is applied to the extent of the existing loss allowance. The legal claim towards the client remains the contractual gross receivable amount before write-off.

Forgiveness of receivables is also possible for non-individuals and it qualifies as a derecognition event. Forgiveness is only possible with taking the requirements of business rationality into account. Not only business and economic considerations can be reasonable, but also any other considerations, e.g., legal, technical, technological or other.

A loan to an individual can be written off, if the recoverable amount from the transaction does not cover collection costs and the claim was qualified as irrecoverable.

The write-off or forgiveness of a loan is recognised in the statement of profit or loss, depending on the classification of the financial asset under either 'Impairment losses on financial assets' (loans measured at amortised cost or at fair value through other comprehensive income) or 'Net trading income and fair value result' (loans measured at fair value through profit or loss). Any return on a loan previously written off is recognised under the same lines in the statement of profit or loss.

Derecognition of financial assets and liabilities, other than contract modifications

The Group derecognises a financial asset, when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group also enters into transactions whereby it transfers assets recognised on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the statement of financial position. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending, sale and repurchase transaction and securitisations.

When assets are sold to a third party with a concurrent total return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similarly to sale and repurchase transactions.

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of the ownership of a financial asset, it derecognises the asset, if it does not retain control over the asset. If the Group retains substantially all the risks and rewards, the rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate in the line items 'Financial assets measured at amortised cost' or 'Financial liabilities measured at amortised cost' depending on direction of the transaction. In transfers in which control over the financial asset is retained, the Bank continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Group retains the obligation to service the transferred financial assets for a fee. The transferred asset is derecognised in its entirety if it meets the derecognition criteria. An asset is recognised for the servicing contract if servicing fee exceeds the value of the service and a liability is recognised for the servicing contract if servicing fee is lower than the value of the service.

The Group enters into purchases (or sales) of securities under agreements to resell (or repurchase) substantially identical securities at a certain date in the future at a fixed price. Securities purchased subject to commitments to resell them at future dates are not recognised as securities. The amounts paid are presented in the statement of financial position line item

'Financial assets measured at amortised cost' and disclosed as collateralised by the underlying security. Securities sold under repurchase agreements continue to be presented and measured in the statement of financial position among securities. The Group presents the obligations to transfer the securities among "Financial liabilities measured at amortised cost'. The difference between the sale and repurchase considerations is recognised on an accrual basis over the term of the transaction and is included in "Other interest income' or 'Interest expense'

The Group securitises certain financial instruments by classifying the related risks into portfolios. A securitisation is a transaction in which the credit risk associated with an exposure (or a group of exposures) is assigned to a series of tranches, and for which both of the following criteria is met: payments under the transaction are made in the context of the performance of the exposure or group of exposures, and the relative subordination of the series of tranches to each other determines the distribution of losses over the life of the transaction. Traditional securitisation allows a group of loans to be refinanced by converting them into a marketable securities. In this case, a true transfer of receivables takes place and the assets and risks are fully or partially derecognised from the balance sheet of the party initiating the securitisation. In case of synthetic securitisation, the transfer of risk is achieved by the use of credit derivatives or guarantees, and the exposures being securitised remain exposures of the Group.

On 23 December 2022, the Group concluded a portfolio guarantee contract. The received guarantee is a synthetic transaction which is split into senior, mezzanine and junior tranches. The credit risk of the mezzanine tranche is guaranteed by institutional investors, whereas the Group retained the credit risk of the junior and senior tranches. As the Bank retained the contractual rights to the cash flows arising from the loans and it retained all or substantially all risks and rewards from a portion of all loans concerned, under IFRS 9 the loans are not derecognised from the statement of financial position.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The result from derecognition of financial assets and liabilities is presented in 'Net trading income and fair value result' or 'Net gains/losses from derecognition of financial assets and liabilities not measured at fair value through profit or loss' line items of the statement of profit or loss.

Modification of financial assets and liabilities

Financial assets

The Group carries out an evaluation when the contractual cash flows of a financial asset are renegotiated, otherwise modified or exchanged for another financial asset. Based on this, if the renegotiated cash flows significantly differ from the contractual cash flows of the original financial asset, the original financial asset is derecognised and the new financial asset is recognised at fair value on the date of the renegotiation. The difference between the carrying amount of the original financial asset and the fair value of the newly recognised financial asset is included in the line item 'Net gains/losses from derecognition of financial assets and liabilities not measured at fair value through profit or loss' in the statement of profit or loss.

The Group evaluates significance based on qualitative and quantitative criteria:.

Qualitative criteria:

- change of currency, when the contract does not allow draw-downs in multiple currencies;
- the financial instrument changes (i.e., loan to bond or current account to term loan in case of restructuring);
- addition or elimination of a contractual term that violates the SPPI test.

Quantitative criteria:

- the cumulative average remaining term of the transaction weighted with the cash flow changes at least by 2 years or the original term changes by at least 50% (taking into account the greater of the two criteria);
- the net present value of the modified contractual cash flows discounted using the original effective interest rate (or for floating rate instruments, using the actual effective interest rate) differs from the net present value of the original contractual cash flows discounted with the same interest rate by more than 10% and in case of non-retail financial assets at least by EUR 100,000, in case of retail assets at least by EUR 2,000 (considering the larger of the 2 criteria).

If the modified cash flows of an asset measured at amortised cost do not differ significantly from the cash flows prior to the modification, the modification does not result in derecognition. In this case, the Group recalculates the gross carrying amount of the financial asset and the difference between this amount and the gross carrying amount of the asset prior to the modification is recognised as a modification gain or loss in the statement of profit or loss. If the modification was carried out in relation to the financial difficulties of the client, the modification gain or loss is presented in the statement of comprehensive income in the line item 'Impairment losses on financial assets'. In other cases, the modification gain or loss is presented in the statement of profit or loss in the line item 'Other result.

Any fees considered in determining the fair value of the new financial asset and any reimbursed transaction costs incurred during the modification adjust the amortised cost of the modified financial asset. Other transaction costs are recognised as part of the gain or loss on the derecognition.

Financial liabilities

The Group derecognises the financial liability, if its terms are modified and the modified cash flows significantly differ from the original cash flows (the evaluation of significance is the same as for financial assets). In this case, the carrying amount of the original financial liability is derecognised and the modified financial liability is recognised at its fair value on the date of modification. The difference between the carrying amount of the derecognised financial liability and the fair value of the new, modified financial liability is reported as 'Net gains/losses from derecognition of financial assets and liabilities not measured at fair value through profit or loss' in the statement of profit or loss.

If the modified cash flows of a liability measured at amortised cost do not differ significantly from the cash flows prior to the modification, the modification does not result in derecognition of the financial liability. In this case, the Group recalculates the amortised cost of the financial liability and the difference between this amount and the amortised cost of the liability prior to the modification is recognised as a modification gain or loss as 'Other result'.

If the modification does not result in derecognition, transaction costs and fees incurred during the modification adjust the amortised cost of the financial liability.

If the modification results in derecognition of a financial liability, transaction costs and fees incurred related to the modification are normally recognised in profit or loss, unless they are proven to be directly attributable to the newly recognised modified financial liability.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Financial and operative leasing

Agreements which transfer to counterparties substantially all the risks and rewards incidental to the ownership of assets, but not necessarily legal title, are classified as finance leases. The Group, as a lessor, recognises assets held under a finance lease in its consolidated statement of financial position as receivables (under 'Placements with banks' and 'Loans and advances to clients' as appropriate) at an amount equal to the net investment in the lease. The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the Group's net investment outstanding in respect of the finance lease. Lease payments relating to the accounting period are applied against the gross investment in the lease to reduce both the principal and unearned finance income.

All other leases are classified as operating leases. When acting as lessor, the Group includes the assets subject to operating leases in 'Tangible fixed assets' and accounts for them accordingly. Impairment losses are recognised to the extent that residual values are not fully recoverable and the carrying value of the equipment is thereby impaired.

(4.10) Deposits, debt securities and subordinated liabilities

Deposits, debt securities issued and subordinated liabilities are the Group's sources of debt funding.

Deposits, debt securities issued and subordinated liabilities are initially measured at fair value less directly attributable transaction costs, and subsequently measured at their amortised cost using the effective interest method.

(4.11) Provisions for contingent liabilities

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Contingent liabilities, which include loan commitments and certain issued guarantees, are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the control of the Group.

The timing of the possible outflows depends on the occurrence, or non-occurrence of future events which, in case of loan commitments and issued guarantees, could occur at any time up to the maturity date, while in case of pending legal cases it is expected to occur after the date of closing the legal case.

All contingent liabilities are included in the financial statements regardless of whether the outflow of economic resources arising from the fulfilment of the obligation is probable or not.

(4.12) Financial guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee liabilities are initially recognised at their fair value, and the initial fair value is amortised over the life of the financial guarantee.

The financial guarantee liability is subsequently measured at the higher of the provision for expected credit losses in line with the rules of IFRS 9 and the initially recognised amount less the accumulated revenue recorded in line with IFRS 15. The financial guarantees are presented under 'Provisions'.

Further details are set out in note (41) Contingent liabilities and commitments.

(4.13) Interest income and interest expense

Interest income and expense on financial instruments of the Group, calculated using the effective interest method are presented in the line item 'Interest income calculated with the effective interest method', negative interest on demand deposits at the National Bank of Hungary and on financial liabilities is presented in the line item 'Other interest income' and interest payable on financial liabilities as well as negative interest on financial assets is presented in the line item 'Interest expense' in the statement of profit or loss. Financial instruments measured at fair value through profit or loss held in the trading book and classified as held for trading, as well as derivative instruments designated for risk management purposes are exceptions to that and their interest income and interest expense are presented in 'Other interest income' and 'Interest expense', respectively. Interest income for loans measured at fair value through profit or loss is also presented in 'Other interest income' and interest expense for deposits measured at fair value through profit or loss is presented in 'Interest expense'. In case of derivatives, the interest is separated from other changes in fair value and as a consequence, interest result from derivatives only contains realised and unrealised interest results.

The effective interest rate method is the method used for the calculation of amortised cost of financial assets and liabilities and the allocation of interest income and expense between different reporting periods.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life (or a sometimes a shorter period) of the financial asset or financial liability to the net carrying amount of a financial asset or a financial liability. The effective interest rate is determined at the initial recognition of the financial asset or financial liability and is revised in case of financial instruments with a floating interest when the floating interest rate is periodically reset. When calculating the effective interest rate, the Group estimates future cash flows by considering all contractual terms of the financial instrument. The calculation contains all paid or received amounts which are an integral part of the effective interest rate, including transaction costs and any other premium and discount. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Calculation of interest income

The Group calculates the effective interest on financial assets that are not credit-impaired (stage 1 and stage 2) by applying the original effective interest rate to the gross carrying amount of the financial asset. In case of credit-impaired (but not POCI) financial assets, the interest is calculated by applying the original effective interest rate to the amortised cost (net carrying amount) of the financial asset. If the financial asset is reclassified to a non-credit-impaired category (stage 1 and stage 2), the base for effective interest calculation reverts to the gross carrying amount. For POCI financial assets, the interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost (net carrying amount) of the financial asset until derecognition.

(4.14) Fee and commission income

Every realised and accrued fee and commission income is recognised as a fee and commission income, except for those that are included in the calculation of the effective interest rate of financial instruments and which relate to financial instruments measured at fair value through profit or loss.

The Group applies IFRS 15 Revenue from contracts with customers standard for its fee and commission income arising from its contracts with customers.

Fees for payment services and bank cards

Settlement service fees and fees and commissions related to bank cards are reported under fees for payment services and bank cards.

Settlement service fees

The Group provides to its clients various services relating to account management. In course of account management, various related services can be used, for example initiating transfers, direct debits, standing orders, internet banking, providing or forwarding account information.

Fees related to the Group's continuous services are charged monthly in arrears. The fees charged are typically fixed monthly fees which were determined per customer group and per account package.

Transaction fees are typically charged by the Group at the time of the cash movement of the transaction or monthly in arrears. These fees are typically determined as a percentage, the volume depending on the transaction. One-off fees related to transactions are collected by the Group when the service is provided. These fees can be fixed fees or fees determined on a percentage basis.

Fees and fee packages are periodically revised, detailed information on which can be found in the current published list of terms and conditions.

Fees and commissions related to bank cards

The Group's services include issuing bank cards for its clients, merchant card acceptance and other related activities. In providing those services, various types of commission income are realised in the settlement services related line items of 'Fee and commission income' which are basically determined in relation to card issuance, but also related to merchant card acceptance and based on card transactions.

A typical fee income is the yearly ban card usage fee, which depends on the type of the bank card. The yearly fees are typically charged in advance.

Fees related to services provided continuously are accounted for over the time period the service is provided. Transaction based fees related to issued bank cards are charged either when the transaction is affected or monthly in arrears. Transaction based fees are typically the following: ATM cash withdrawal and cash deposit fees, brokerage commissions. One-off fees can be card blocking fees and card replacement fees which typically fall into the category of fixed fees.

Fees and fee packages are periodically revised, detailed information on which can be found in the current published list of terms and conditions.

Fees included in foreign exchange conversions and other transactions

The Group embeds a margin, a quasi transaction fee, in the transactions of clients involving currency conversion and in clients' other securities transactions. Although these margin amounts are accounted for as foreign exchange gain or loss at the time of effecting the transaction, the Group reclassifies them monthly to its commission income. Such margins can be charged in relation to spot and forward transfers, conversions, bank card and securities trading transactions, effected through various channels (Direktnet, Elektra, branch office).

Fees charged for outsourced currency exchange activity

In Hungary only credit institutions are allowed to engage in currency exchange activity. The Group does this type of activity for its clients also through currency exchange brokers. Given that if the Group did this activity directly on its own, it would incur certain expenditures, the profit realised on currency exchange activity is presented gross: fees embedded in transactions and charged in relation to the clients' currency exchanges and other fees collected from exchange brokers are presented as fee income, whereas the result of currency exchange deals credited to the exchange brokers are presented as fee expense. The fees are typically settled monthly.

Security issuance fees and transfer commissions

In course of its investment management services, the Group provides securities account management services for its clients. The Group charges fees for securities account management and related services. Securities account management fees are typically determined as a percentage of the stock of securities managed on the securities account over a certain period. It is settled in the reference period in arrears, quarterly or yearly.

Other fees and commissions can be charged in relation to securities transactions of the Group's clients, which are determined as a percentage of the transaction volume. These fees are typically accounted for in relation to effecting the transaction and in the current month.

Insurance premiums

The Group mediates insurance services for its clients. The Group passes through premiums collected from clients to the insurance companies. In case these premiums relate to credit products, they are presented net of interest income. Premiums not related to credit products are accounted for as commissions. Fees charged for mediating insurance services are also presented gross as fee and commission income for agency services.

As these services are provided continuously, the fees are typically accounted for monthly.

Fee and commission income from fund management activity

The investment fund management fees and commissions and income from portfolio management activity provided for funds and insurers are presented under the Group's investment service-related income. These activities qualify for continuously provided services, the fees of which are typically accounted for monthly, the amount depending on the size of the managed portfolio.

Other fee income, not explained before

The financial commissions not previously mentioned are presented among custodian, corporate finance, asset management and other fee income.

In cases when services are provided continuously (e.g., custody fees, fees for protecting credit collateral, safe fees) the practice is also to account for the fees over the reference period, typically monthly in arrears. The one-off fees and commissions are accounted for in the given period, typically at the time of provision of the service (e.g., advisory for corporate clients, providing information, other financial services related activities).

All significant services of the Group generating fee and commission income are detailed in note (8) Net fee and commission income.

Fee and commission income related to non-credit institution services

Items of fee income accounted for under IFRS 15 are also presented under 'Other operating income' of the Group, however these are not connected to the Groups services as a credit institution, and as such are not part of the classical fee and commission income. Such can be typically: fees for expert and accounting services provided to subsidiaries, proceedings fees recovered, income from selling inventories, which are accounted for by the Group monthly in case of services provided continuously and in other cases at the time of occurrence of the economic event.

The Group does not disclose the value of the outstanding performance obligations as at 31 December 2024 because the contracts with clients are fixed term contracts for less than one year, indefinite term contracts with a cancellation period of less than one year or have terms that allow the Group to recognise revenue in the amount it is entitled to invoice.

Amounts of fees are disclosed in note (12) Other operating income and expenses.

(4.15) Net trading income and fair value result

The line item 'Net trading income and fair value result' comprises gains and losses on assets and liabilities held for trading and for risk management purposes without hedge accounting and includes all realized and unrealized fair value changes, interest, dividends and exchange rate differences.

(4.16) Other operating income and expenses

Other operating income and expense comprises realised gains/losses on disposal of inventory, intangible assets, and property and equipment and all other gains/losses arising on sundry items that cannot be classified elsewhere.

(4.17) Dividend income

Dividend income is recognised when the right to receive the dividend is established. This is usually the date of the approval of the dividend in case of equity instruments.

(4.18) Employee benefits

The Group applies the requirements of the IAS 19 Employee benefits standard. Employee benefits are considerations given in exchange for service rendered by employees.

Short-term employee benefits comprise of wages, salaries and social security contributions, short-term compensated absences, rewards, bonuses and non-monetary benefits that are due to be settled within twelve months.

Long-term employee benefits comprise other bonuses and benefits payable more than twelve months after the reporting period.

Post-employment benefits include defined pension contributions that result from state plan funded on a pay-as-you-go basis.

The Group only recognises liabilities or benefits relating to termination benefits if it is demonstrably committed to terminate the employment.

Employee benefits are reported as 'Staff expenses' and the significant items related to the standard are included in note (15) Staff expenses.

(4.19) Income tax

Income tax for the period comprises current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. The Group considers the business tax and the innovation contribution as part of income tax.

Current tax is the calculated tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date as well as any adjustments to tax payable in respect of previous years.

The Group considers as income tax the corporate income tax, the local business tax and the innovation contribution as defined by Hungarian tax laws.

Deferred tax is calculated using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

The Group has applied the temporarily applicable, mandatory exemption, which was published by the IASB in May 2023 related to the international tax reform. This exemption applies to accounting requirements for deferred taxes according to IAS 12. Respectively, the Group does not consider taxes related to the OECD pillar 2 model rules for the calculation and presentation of deferred tax assets and liabilities. The OECD pillar 2 model rules require a global minimum tax rate of 15 per cent on profits of multinational corporations. This minimum tax regime was enacted as EU directive in December 2022 and had been translated to Hungarian national law by 31 December 2023.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when they arise in the same tax reporting group and relate to income taxes levied by the same taxation authority, and when a legal right to offset exists.

Deferred tax relating to fair value re-measurement of financial assets which are charged or credited directly to other comprehensive income, is also credited or charged directly to other comprehensive income and is subsequently recognised in profit or loss when the accumulated fair value gain or loss is recognised in profit or loss.

(4.20) Share capital

Share capital is the sum of amounts paid by the owners for ordinary shares and preference shares at foundation or at the time of any capital increase. Share capital is initially recognised at the time of registration by the court of registry in the amount registered and set out in the deed of foundation. Share capital is measured at historical exchange rates, at carrying amount.

(4.21) Additional tier 1 capital

The Group presents bonds (additional tier 1 capital) issued that – in accordance with IAS 32.16 – do not represent contractual right to receive or obligation to deliver a fixed or determinable number of currency units as equity instruments in its financial statements.

In the case such bonds are denominated in foreign currency, as non-monetary items, they are translated into the functional currency, in accordance with IAS 21.23 b), at the exchange rate prevailing at the date of the transaction (historical exchange rate).

(4.22) Government grants

Government grants are specific resources that relate to operating activities of the Group and are transferred by the state (government and its agencies) in return for compliance with certain conditions. These can be in several forms, such as grants related to assets, grants related to income, forgivable loans, and low-interest loans.

The government grants are recognised by the Group only when there is reasonable assurance that the Group will comply with the conditions attaching to them, and that the grants will be received.

The government grants are initially recognised at fair value according to IAS 20 standard. According to the income approach the Group records these grants in profit or loss over the period when the costs/expenses which are intended to be compensated by the grant are recognised.

The government grants related to assets are presented, applying the method of gross presentation, as deferred income and is proportionately recognised to profit or loss over the life of the asset thereby reducing depreciation charge for the period.

(5) Events in the reporting period

(5.1) New standards and interpretations

Initial application of new standards and amendments to existing standards issued by IASB and adopted by the EU, effective for the current reporting period

The following amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

- Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants
- Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

Modifications of the above standards had no significant impact on the Group's financial statements.

New standards and amendments to the existing standards issued by IASB and adopted by the EU but not yet effective

On the date of authorisation of these financial statements for issue, the following amendments to the existing standards were issued by IASB and adopted by the EU but were not yet effective:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective date: 1 January 2025)

New standards and amendments to the existing standards issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards and new interpretations, which were not endorsed for use in the EU on the date of the publication of these financial statements:

- Amendments to IFRS 14 Regulatory Deferral Accounts (IASB effective date: 1 January 2026)
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Effective date delayed by IASB but earlier application permitted.)
- Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments (IASB effective date: 1 January 2026)
- Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity (IASB effective date: 1 January 2026)
- Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 - Annual Improvements to IFRS Accounting Standards - Volume 11 (IASB effective date: 1 January 2026)
- IFRS 18 - Presentation and Disclosures in Financial Statements (IASB effective date: 1 January 2027)
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures (IASB effective date: 1 January 2027)

The Group considers that the endorsement of the new standards and amendments of existing standards will not have a significant impact on its financial statements in the period of initial application.

(5.2) Significant events in the reporting period

Measures of the NBH

Base rate and interest rate corridor

The base rate reduction continued in 2024, reducing it from 10.75% to 6.5% in several steps

Assets absorbing liquidity

The NBH applied its tools – including the transformed mandatory reserving system, the one-week discount bond and the long term deposit tender – introduced in autumn 2022 and aiming at long-term absorbing of interbank liquidity frequently also in 2024, it held discount bond auctions weekly and continued to apply one-day deposit quick tenders and currency swaps.

Reserving system

For credit institutions subject to reserve requirements, the NBH imposes a 10 percent obligation for the liability categories specified in the Reserve Regulation starting from 1 January 2024, instead of the 10, 11, 12, 13, 14 or 15 percent obligation that could be chosen in 2023. The basis for calculating reserves has changed from end-of-month stock to monthly average.

Government measures

Retail benchmark interest rate stop (from 01.01.2022 to 30.06.2025)

On 24 December 2021, the Government Decree nr. 782/2021. (24.XII.) that fixed the interest of retail loans (interest cap) was published.

The decree is applicable to retail mortgage loans with floating interest tied to benchmark interest rates (BUBOR), having an interest period less than 3 year, typically 3 or 6-months interest periods. If such loan is under the repayment moratorium, the interest maximization still applies for it.

According to the government decree, apart from the Section 1 17/D of the Act 2009 CLXII on loans to consumers, in case of mortgage loans tied to benchmark interest rate, in the period from 1 January 2022 to 30 June 2022 the contractual benchmark interest rate effective from the contractual repricing date after the entry into force of the decree, and the contractual benchmark interest rate effective from the contractual repricing date preceding the entry into force of the Decree cannot be higher than the contractual benchmark interest rate effective on 27 October 2021.

The Group cannot add the sum of the forgiven interest either to the outstanding capital or to the outstanding interest due from the affected debtors. On 1 January 2022 (or in case the benchmark interest rate for the current interest period is more favourable than the above benchmark interest maximum, on the next repricing date), considering benchmark interest rate fixed in the decree and applying unchanged contractual interest rate spread, the Group sets the maximum applicable interest determined by regulation for the affected loan contracts.

The Government extended the interest cap until 31.12.2022 by Government Decree 215/2022 (17.VI.) and later until 30.06.2023 by Government Decree 390/2022 (14.X.), as well as extended it from 1 November 2022 to non-interest subsidised mortgage loan contracts with interest rates fixed in interest periods up to 5 years.

In May 2023 the government decided on the prolongation of the interest cap until 31.12.2023, then in November 2023 set the expiry date of retail interest cap as 1 July 2024

In June 2024, the government extended the measure until the end of 2024, and then in December for another six months, until the end of June 2025.

Measures completed in 2024:

- SME interest rate stop
- Deposit interest rate cap
- Voluntary retail and SME APRI cap
- Restriction on transferability of central bank bonds.

Loan programs

For the loan programs introduced due to the pandemic please see the section about the loan portfolio in the note (6.2) Credit risk.

NBH Circulars

During 2021, the NBH modified multiple times its already published management Circular about the use of macroeconomic information and factors triggering significant increase in credit risk under IFRS 9. In 2022, 2023 and 2024, this Circular has only been amended with regards to updating of the macro parameters that guide the forward-looking information. In 2022, the Circular on the assessment of loans in the payment moratorium was updated by the NBH to include expectations for the treatment of loans in moratorium 4 and the agricultural moratorium.

The Group assesses its compliance with management circular as follows.

Corporate segment

The Group transfers clients in corporate segment who opted-in for the repayment moratorium 2 (launched in 2021) or for the agricultural moratorium (2022) to stage 2 based on risk monitoring – individual assessment of the potential deterioration of the financial situation – in accordance with the guidelines of the NBH's management circular. However, those clients are excluded who participated altogether less than 9 months – in compliance with the EBA's report about the moratoria updated in December – in the first and second moratoria. If any single transaction of a client participated altogether more than 9 months in the first and second moratoria, then the Group performed the risk monitoring assessment in case the client was opting-in to moratoria 2 launched in 2021.

The transactions of client already classified as stage 2 or stage 3 on participating at the start in moratorium 2 (launched in 2021) or agricultural moratorium (launched in 2022 and lasted until the end of 2023) were automatically flagged as restructured.

Considering the fact that clients participating in the repayment moratorium 1 (launched in 2020) with their last due repayment in 2020 were automatically transferred to repayment moratoria 2 (launched in 2021) , those client who notified the Bank during their risk monitoring that they do not intend to participate in the repayment moratorium 2 with any of their transactions and opted-out from the repayment moratorium 2 by declaration, the Group did not establish financial difficulty and did not flag the transaction as restructured. In respect of newly opted-in clients the Group performed every single time the necessary risk monitoring assessment and based on that transferred the clients to stage 2 in case of financial difficulty.

In case of financial difficulty identified as above and participation in repayment moratorium 2 the Group also performs an impairment test (impairment test considering the credit impaired triggers according to IFRS 9) for the purpose of identifying potential non-performance.

When opting-in to the repayment moratorium 3 (launched in 2021) and moratorium 4 (launched in 2022) the Group considered the affected transactions as restructured and transferred them to stage 2 in every case. In case of these clients the default assessment was completed through preforming the impairment test.

At the launch of the moratorium 4, which started in 2022, the remaining performing transactions – which were at that time already classified as stage 2, flagged as restructured with an increased stage 2 allowance level – were repaid. The remaining participating counterparties were classified as stage 3 and designated as restructured-non-performing. The stage 3 impairment was calculated using an individual assessment (net present value calculation of expected cash flow recoveries in multiple scenarios), using a conservative ('banker's case') approach.

Regardless of participation in the above programs, to cover risks for which there is no sufficient information to assess increase in credit risk or to recalibrate models, but for which a significant increase in credit risk is likely, the Group's management has recognised an overlay impairment for the first time in 2020, with quarterly review and value adjustments since then continuously, considering the whole portfolio.

During 2024, the previous extraordinary impact of the moratorium programs on the customer- and deal classification was negligible. The repayment of the transactions affected by the moratorium is problem-free and the Bank will classifies them in the course of its usual monitoring activities.

Retail segment

In accordance with the NBH's management circular published on 21 January 2021, the Group assumes that its clients participating for more than 9 months in the repayment moratoria have or are expected to have financial difficulties, therefore they were transferred to stage 2. Customers no longer eligible for moratorium 3 and moratorium 4 are still classified as stage 2 for a further 6 months after opting out from the moratorium. Moreover, at the beginning of moratorium 3 and moratorium 4 the Group assessed for the clients opted in to these moratoria the need to classify the related balances as non-performing based on triggers other than days past due, due to the occurrence of 'unlikely to pay' conditions according to point a) of Section 1 of CRR Article 178, with particular attention to the situation, when the client is in a difficult financial situation due to unemployment. In cases where the Group did not have sufficient information to assess the increase in credit risk, the Group's management recognised an overlay impairment for both transactions participating in moratorium 3 and in moratorium 4 to cover the risks, followed by regular quarterly reviews.The Group" evaluates the affected exposures as part of its normal monitoring processes, but in the current economic environment, it continues to maintain management adjustments to cover risks not captured by the models.

(6) Financial risk management

(6.1) Introduction and overview

The Group's principles of managing interest rate risk, foreign currency risk, credit risk and liquidity risk are subject to regular review performed by management and by the Board of Directors.

Risk management is operated completely independently from business areas. Credit risk management is operated by the Credit Risk Management Department (CRM) in case of clients with non-standard products and services, and by Retail Risk Management Department (RMM), in case of clients with standard products.

Individual credit risk analysis, credit rating, credit assessment and credit monitoring is performed by the Credit Risk Management Department; portfolio level credit risk measurement and analysis of market (interest rate, foreign currency, liquidity) risks and operational risks is performed by the Integrated Risk Assessment Department (IRD).

The Group is exposed to the following risks:

- credit risk;
- market risk;
- liquidity risk;
- operational risk;
- environmental, social and governance risks.

This explanatory note describes the Group's exposure to the above risks, its objectives, policies and processes for measuring and managing those risks and its capital management.

(6.2) Credit risk

Credit risk is a risk of financial loss arising from a customer's or client's non-performance of its contractual obligations. It primarily arises from the Group's lending, commercial financing and leasing activities; however, it also might arise from specific off-balance sheet products (e.g., guarantees) or from investment debt securities.

Credit risk management

Limits to lending activities are defined by the desired balance of business and risk considerations which are established by Group's management, within the frame of the Act on Credit Institutions, other laws and regulations and the Group's Credit Policies.

The Group's lending activity is primarily cash flow based, where the cash flows expected from the client's core business activity serve as the basis of repaying the loan. In certain cases, more emphasis is put on collateral value, expected future income from the financed project, recovery rate of a portfolio or the combination of those. Accordingly, lending decisions are made based on the amount of the loan requested, its term, the type of the product, financial situation, non-financial characteristics and prospects of the client and on the collaterals.

Credit risk arises primarily from the non-performance risk related to banking activities involving retail and corporate clients, banks and municipalities as borrowers. Non-performance risk is the risk that a client will not be able to fulfil its contractual financial obligations. However, credit risk might also arise from migration risk, from the concentration of lenders, credit risk mitigation techniques and from country risk.

Credit risk is the main risk factor within the Group, which is also indicated by the internal and regulatory capital requirements. Thus, the Group assesses and monitors credit risk both on individual and on portfolio level. Credit risk management and lending decisions are based on the corresponding credit policies, credit risk handbooks and on the tools and processes developed specifically for this purpose.

Internal credit risk controlling system involves various types of monitoring measures which are closely integrated in the process starting with the client's application for a loan, continuing through Group's approval and ending with the repayment of the loan.

Losses arising from credit risk are accounted for by recognising impairment on individual and on portfolio level. In the latter case, impairment is recognised for portfolios consisting of loans which have the same risk profile. In retail business unit, impairment is recognised on the level of product portfolios.

Impairment associated with the credit risk of loans and advances to clients and banks is recognised in the amount of expected credit loss and is based on group level standards. Impairment loss is recognised, if the present value of the principal and interest amounts expected to be repaid – taken any collateral into account – is lower than the carrying amount of the respective loan. Impairment on the portfolio level is calculated based on a valuation model that estimates future cash flows expected from the loans in the portfolio based on historical loss experience, taking the economic environment and forecasts of future economic conditions into account.

The Group prepares integrated forecasts for provisions, impairment, capital requirement and profit and loss after tax and performs stress testing. Based on expectations about the macroeconomic environment, the Group estimates default rates and their impact on the above amounts using statistical models. The period of the forecasts and stress scenarios is 3 years and the Group analyses Pillar I and Pillar II capital adequacy in case of both expected and pessimistic scenarios.

The Group reacted to the financial difficulties of its clients caused by the financial and real economic crisis with restructuring measures, introduction of early warning processes and strengthening of collection and debt management procedures.

The impact of the COVID-19 pandemic and increased geopolitical, energy market, inflation and property market risks on the practices of recognising restructuring and default

The events that are under actions of the government decided until 31.03.2021 in order to mitigate the effects of the economic crisis, according to the guidelines of EBA[1] should be considered as follows in relation to default:

- The exercise of a guarantee provided by the state or state organisation for mitigating the economic effects of the crisis is not considered as a default event.
- The public repayment moratoria ('public moratoria') introduced in order to mitigate the economic effects of the crisis, or the general moratoria introduced by the Group ('private moratoria') is not considered as a financial difficulty as long as the participation in such program does not last longer than 9 months. In this relation the general

[1] https://eba.europa.eu/eba-provides-clarity-banks-consumers-application-prudential-framework-light-covid-19-measures

moratoria introduced by the Group is defined as a program, which is available for a clearly identifiable group of clients and in this group the client's financial and economic difficulties are not investigated individually.

- Under the repayment moratoria in the above point, the payment delay is not applicable, neither is the default upon 90+ past due status. The payment delay should be interpreted based on the new payment schedules after the end the moratoria.

- Rescheduling of payments according to the above should not on their own be considered when assessing forced restructuring.

- It does not automatically qualify for a bad financial situation, when the Group introduces special attention and monitoring for the closer tracking of some clients, therefore it does not indicate an automatic trigger for impairment testing.

- The Group still has to investigate individually the financial difficulties of these clients and whether other default trigger exists, furthermore for contracts or modifications of contract not in the scope of the actions detailed above, the general rules. This is disclosed in note (4.9) Financial instruments.

Government actions with condition other than described above, especially the repayment moratoria programs (moratorium 2, 3, 4 ang agricultural financing moratorium) and the benchmark interest rate stop launched in 2021 and 2022, are no exception to the standard assessment obligation for restructuring and non-performance, therefore the Group applies the standard identification processes in these cases, in compliance with regulations of the CRR, EBA, RBI Bank, the NBH Decree Nr. 39/2016 and the NBH's management circulars.

In 2024, the above described special classification rules related to the coronavirus crisis were not relevant anymore, given the closure of the programs. The bank considers transactions previously classified as restructured or non-performing as potentially cured under the normal recovery rules.

Compliance with prescriptions relating to sanctions

The Group applies policies and procedures which ensure compliance with financial sanctions and embargoes its activities. Furthermore, the Group introduced appropriate monitoring and screening tools to ensure compliance with all regulations related to sanctions, including but not limited to the sanctions imposed by the UN, the EU and the USA.

Credit risk management in the retail segment

Lending framework and risk policy in the retail segment

From the second half of 2022, the impact of inflation led to a decline in interest in personal loans and, within them, in housing loans, which are the main volume drivers, compared to the lending performance of previous years. Then, in 2023, in line with the consolidation of the interest rate environment, a gradual recovery in market demand for household loans could be observed. Great attention is paid to strengthening online lending channels and automating loan approval steps and processes. In line with the launch of the CSOK Plus program and the changes in the MNB's regulations, in 2024 housing loans up to 90% LTV became available for first-time home buyers. At the end of the year, preparations for the introduction of the Workers' Loan started, which will also be available to the customers from January 2025.

Micro and small enterprise segment

In 2024, new lending in the micro and small enterprise segment continued to be dominated by Széchenyi products. Taking into account the impact of macroeconomic developments, the Group fine-tuned its sector-specific risk appetite for new lending during the year. The expected portfolio deterioration did not materialize, although there were differences at the industry level. For the weaker performing client base as a result of macroeconomic developments, funding was restructured to maintain solvency. The Group further strengthened its analytical process control and risk framework in the micro and small enterprise segment. The Group regularly collects information from its clients and monitors the impact of macroeconomic developments to maintain portfolio quality.

Impairment in the retail segment

In November 2020, the Group - considering the 'Management Circular about the use of macroeconomic information and factors triggering significant increase in credit risk under IFRS 9' published by NBH - decided to apply a portfolio level management overlay, the so-called Post Model Adjustment. The underlying assumption for this was that the days-past-due (DPD) numbers frozen due to the repayment moratoria did not reflect the real expected credit losses for the period after the moratoria.

At the end of June 2023, the management corrections relating to the moratoria were derecognised in the sixth month following the cessation of the general payment moratorium, as the clients affected are thereafter assessed in course of the normal monitoring processes and fall under past due days calculation thus not associated with excess risk.

However, due to the impact of energy market risks and increasing liquidity and profitability difficulties, the Group again introduced portfolio level management corrections in the micro and small enterprise segment in 2022.The Group kept the affected clients under close monitoring during 2023, but as a result of persistent inflationary pressures and the economic downturn, the Group did not see any reason to withdraw the corrections. As a result of the monitoring, the scope of the affected transactions was redefined and expanded to include individual entrepreneurial clients financed in the retail segment and employees of companies considered to be in a risky industry. In view of the slow but rising unemployment rate and the much slower than expected recovery of the Hungarian economy, the Group continued to maintain management overlays for the most credit riskiest customer groups in 2024, which were fine-tuned in light of the results of ongoing customer monitoring due to the risks not covered by the model.

Due to increasingly occurring extreme weather events, the problem of climate change became the focus of also the Group's attention. The Group worked out the practice to identify, quantify and manage such type of risks and implemented it into its risk processes. The physical risk associated with ESG relates to the occurrence of extreme climate events and their impact on the Group's assets. Physical risks are not directly captured in the current IFRS 9 provisioning framework. If a physical risk event occurs in a region, property in that region could be damaged or, in the worst case, completely destroyed. The physical risks of the Group's mortgage portfolio are assessed twice a year by an external data provider. When assessing physical risk, the Group assesses the probability of occurrence for each property in its mortgage portfolio. The assessment is performed using climate models developed by the data provider. The ESG physical risk methodology for mortgage loans focuses on the damage caused by potential physical risk events and the reduced market value of the property, resulting in an adjusted market value. The adjusted market value has 3 components:

- The probability of a physical risk event occurring
- The percentage of loss, expressed as a percentage of the loss rate, if a physical risk event were to occur.
- The market value (MV) of the property.

The Group has incorporated the results obtained in this way into the impairment calculation for residential mortgages through the LGD parameter.

Credit risk management in the corporate segment

Lending framework and risk policy in the corporate segment

In case of the corporate segment, the Group is regularly monitoring and reviewing to what extent its clients are affected by the current macroeconomic and geopolitical risks and is trying to collect more and better information. As a result of the portfolio screening, the Group identified some particularly sensitive industries (e.g.,real estate finance, construction companies, retailers , vehicle production, companies with sensitivity to interest rates or exchange rate changes, companies with elevated refinancing risk and companies exposed to environmental impact changes) where the exposures, industry outlooks and possible scenarios were reviewed in detail and individually as well. The screening has still been running regularly ever since in case of the corporate segment.

The Group's corporate and project finance portfolio has no significant cross-border financing towards Russia and Ukraine. The Group has identified one client group which, in addition to its activities in Hungary, also has some independent activities in Russia, which is not financed by the Group. The exposure to the identified client group does not exceed 1% of the corporate exposure. Indirect risks have not yet been identified also in 2023 and in 2024, but the occurrence of possible spreading effects in 2025 cannot be completely excluded (e.g., future sanctions, disruption of supply chains, see gas, oil).

Furthermore, the RBI group reviewed its current lending policy for 2024 and introduced a limitation on the foreign exchange risk arising during lending for clients without natural hedge, as well as ESG monitoring of the portfolio.

Identification and management of industry risks follows a well-established methodology, considering both short- and long-term perspectives, and is based on a detailed analysis of a single set of criteria. As a result, sectors are classified into high/medium/low risk categories on the basis of the industry risk matrix and the lending policy is accordingly tightened as follows:

- Clients in high-risk industries: new transactions and prolongations with existing clients should be handled with special care and can be approved in special cases, acquisitions of new clients are to be avoided.
- Clients in moderate risk industries: prolongations may be performed, but new transactions shall only be concluded, if based on a sensitivity analysis in case of a decrease in the client's revenue, the Group does not expect any significant decline in the client's rating. The accurate documentation of the sensitivity analysis is crucial to the decision.
- Clients in low-risk industries: continuing of the normal business in line with the lending policy in effect.

Review and adjustment of the general corporate lending framework in effect as well as corporate lending framework specific to the type of financing:

- supplementing general lending policies
  - applying the changes initiated by RBI and presented above,
  - the risk profile of the clients needs to be investigated from the point of view of both the volume of supply/ demand and the potential damage of the supply chain,
  - the flexibility of the cost structure needs to be analysed,
  - when assessing the client's financial situation, its short-term liquidity needs to be analysed (whether it is able to cover its expenditures for the next 6-9 months),
  - the existence and probability of the shareholders financial support should be assessed,
  - further lending, if needed, is only allowed if the increased debt service is still in line with reference debt ratios in the Group's risk policy, and the recovery is expected from primary sources,
  - if debt reference ratios are significantly breached, the client is given PWO status,
  - the elevated refinance risk and compliance with contractual conditions shall be assessed thoroughly, and root cause of breaches shall analysed
- supplementing specific lending policies
  - transactions with leverage: new transactions with the purpose of management-buy-out (MBO) and acquisitions/buy-outs should be financed with particular care,
  - FX, interest and loan derivative limits: the margin-call processes should be adhered to, clients with missing or decreasing revenue easily could by over-hedged, therefore they could become exposed to the changes of the underlying again, this consideration should be an integral part of the limit proposal, the interest rate swaps concluded in relation to clients participating in the repayment moratoria should be modified between the client and the Group based on bilateral agreement,
  - bridging loans related to capital market transactions: the Group does not accept new proposals,
  - non-project-related unsecured finance for property developers: the Group accepts proposals only with particular prudence,
  - real estate financing: the Group accepts proposals only with particular prudence,
  - balloon-bullet transactions shall be approved with particular prudence.

Impairment in the corporate segment

The Group's impairment recognition was influenced in many ways by the current market conditions. Stage 1 and stage 2 impairment was directly affected by the changing macroeconomic forecasts (mainly GDP, unemployment rates, inflation, government bond yields, short-term interest rates, changes in commercial real estate prices) provided by the RBI's analytical department which were updated a number of times during the year.

In 2022, the Group re-modelled the impact of macroeconomic data on impairment, transitioning to a new model which, by fitting to the current economic environment, results in a more prudent level of provisioning. In parallel, since 2020 the Group has applied the option of management overlay, post model adjustment in impairment recognition.

The post model adjustment model allocates impairment in addition to the model to industries identified along various factors depending on how much they are exposed to these factors (e.g. real estate market repricing, rising interest rates, refinancing risks, inflationary environment, supply chain difficulties, labour market shortages, changing environmental factors). The model dynamically estimates deal-by-deal, based on the risk factors identified in the given period a ceteris paribus expected probability of rating worsening and a corresponding expected probability of default and an expected increase in credit loss.

In 2024, the most important risk factors affecting the corporate portfolio playing a role in PMA calculation were the increased increased interest rate environment, real estate market depreciation, inflation, labour market conditions, supply chain vulnerabilities, refinancing risks and exposure to environmental factors. The industries identified as most risky were office real estate, residential and commercial property development and constructions industry.

The (stage 2) indicators used in identifying increased credit risk profile were also supplemented by an indicator to take non-modelled risks into account. Based on the post model adjustment using industry classification, clients for which the model expects a significant rating deterioration were transferred to stage 2, thus impairment recognised for them covers the lifetime expected credit loss.

Process of credit rating

Risk assessment and rating of corporate clients, project companies, companies acting in commodity and commerce financing and municipality clients is based on individual assessment and rating, with regular financial monitoring and annual renewal of limits. Financing is based on credit limits, at the transaction level only with simple approval method used.

In case of credit products for individuals, private banking clients and small and medium enterprises, an automated scorecard-based assessment is in place.

Internal credit rating categories are as follows:

- Minimal risk:
  - Non-retail portfolio: This rating category is reserved for corporates with the highest external credit ratings (AAA) and for other special cases that are deemed to bear minimal risk (e.g., companies related to the government, OECD countries rated AAA by an external credit rating agency).
  - Retail portfolio: This rating category is reserved for the clients with the best credit ratings.
- Excellent credit standing:
  - Non-retail portfolio: For all other clients this is the highest available rating category. Based on the excellent profitability, financial obligations can be fulfilled at any time. Companies in this rating category have a strong equity position and a sound financing structure.
  - Retail portfolio: On the basis of an excellent income, financial obligations can be fulfilled at any time.
- Very good credit standing:
  - Non-retail portfolio: On the basis of a very strong profitability the probability is very high that the client can fulfil all payment obligations – both principal and interest – also in the long term. Companies in this rating category also have a strong equity position and a sound financing structure and market position.
  - Retail portfolio: On the basis of a high income the probability is very high that the client can fulfil all payment obligations – both principal and interest – also on the long run. Clients in this category have a comfortable financial situation.
- Good credit standing:
  - Non-retail portfolio: On the basis of a strong profitability, it is expected that the client can fulfil all financial obligations in the medium term. Good capital situation and sound financing structure.
  - Retail portfolio: Based on a high income and sociodemographic position it is expected that the client can fulfil all financial obligations in the medium term.
- Average credit standing:
  - Non-retail portfolio: Based on a strong profitability, continuous principal repayments and interest payments are expected. A reasonable balance sheet structure with a satisfactory equity base.
  - Retail portfolio: Based on its sufficient credit capacity and sociodemographic position continuous principal repayments and interest payments are expected.
- Acceptable credit standing:
  - Non-retail portfolio: Based on satisfactory profitability, continuous principal repayments and interest payments are expected. Increased sensitivity towards serious deterioration of economic environment. Limited flexibility in financing.
  - Retail portfolio: Based on satisfactory income and sociodemographic position, continuous principal repayments and interest payments are expected. Increased sensitivity towards serious deterioration of economic environment.
- Low credit standing:
  - Non-retail portfolio: Clients in this rating category have a low profitability and their financial flexibility is limited. Significant deterioration of economic parameters might have a negative impact on the timeliness of principal repayments and interest payments. Their business fundamentals are below average and show weaknesses in certain areas.

  - Retail portfolio: Clients in this category have a lower income and a more limited credit capacity. Significant deterioration of economic parameters might have a negative impact on the timeliness of principal repayments and interest payments.
- Weak credit standing/below average:
  - Non-retail portfolio: Companies with weak profitability and weak financing structure. Yet a lower magnitude negative change in the economic environment can prevent the complete and timely fulfilment of the financial obligations.
  - Retail portfolio: Has a low income and an unfavourable sociodemographic position. Yet a lower magnitude negative change in the economic environment can prevent the complete and timely fulfilment of the financial obligations.
- Doubtful / high default risk:
  - Non-retail portfolio: Companies with a very weak profitability and a problematic financing structure. Partial losses on the principal or on interest should be envisaged.
  - Retail portfolio: Has a very low income and an unfavourable sociodemographic position. Partial losses on the principal or on interest are envisaged.
- Default:
  - Occurred non-performance. The financial obligations could not or expected not to be fulfilled entirely and timely.
- Unrated:
  - Non-retail portfolio: Unrated exposures in the corporate sector mostly belong to the sub-segment under the standardised approach (Article 150 of 575/2013 EU Regulation) and thus they, by definition, do not have an internal credit rating (e.g., liabilities under litigation, settlement accounts with foreign exchange brokers presented under other receivables).
  - Retail portfolio: Unrated exposures in the retail sector mainly consist of negative account balances (based on a special rule the Group recognises 100% impairment on them), uncoded transactions, transactions unrated due to data failure in a negligible number, subsidized or private loans under the standardised approach, and certain loans provided to micro enterprises.

The following table reconciles relevant balance sheet line items with the financial asset classes determined for disclosure purposes and with the loan commitments and financial guarantees financial instrument classes. '

Provisions' balance sheet line item contains expected credit losses for loan commitments and financial guarantee contracts.

31.12.2024 (HUF million)	Cash, cash balances at central banks and other demand deposits	Financial assets held for trading	Non-trading financial assets mandatorily at fair value through profit or loss	Financial assets designated at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	Provisions	Total
Cash	58,272	0	0	0	0	0	0	58,272
Placements with banks and central bank	472,629	0	0	0	0	283,643	0	756,272
Loans and advances to clients	0	0	185,043	0	0	1,686,985	0	1,872,028
Debt securities	0	1,645	891	0	550,235	1,137,806	0	1,690,577
Equity instruments	0	6,841	0	0	104	0	0	6,945
Loan commitments and financial guarantees given	0	0	0	0	0	0	9,573	9,573
Derivative assets	0	73,920	0	0	0	0	0	73,920
Total	**530,901**	**82,406**	**185,934**	**0**	**550,339**	**3,108,434**	**9,573**	**4,467,587**

31.12.2023 (HUF million)	Cash, cash balances at central banks and other demand deposits	Financial assets held for trading	Non-trading financial assets mandatorily at fair value through profit or loss	Financial assets designated at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	Provisions	Total
Cash	39,642	0	0	0	0	0	0	39,642
Placements with banks and central bank	888,203	0	0	0	0	348,237	0	1,236,440
Loans and advances to clients	0	0	164,050	0	0	1,599,486	0	1,763,536
Debt securities	0	1,834	420	0	365,819	745,761	0	1,113,834
Equity instruments	0	1,011	571	0	65	0	0	1,647
Loan commitments and financial guarantees given	0	0	0	0	0	0	9,612	9,612
Derivative assets	0	94,964	0	0	0	0	0	94,964
Total	**927,845**	**97,809**	**165,041**	**0**	**365,884**	**2,693,484**	**9,612**	**4,259,675**

The 'Cash, cash balances at central banks and other demand deposits' balance sheet line item contains receivables due from NBH amounting to HUF 445,269 million (2023: HUF 863,023 million), which is not included in the table (21) Placements with banks.
Line 'Equity instruments' is included only for the purposes of reconciliation to the balance sheet and is not included in the tables detailing credit risk exposures.
Column 'Provisions' only contains provisions set up in accordance with IFRS 9. Provisions set up in accordance with IAS 37 are detailed in the table (33) Provisions.
'Placements with banks and central bank' and 'Loans and advances to clients' are presented hereinafter together as 'Loans and advances'.

Credit quality of the Group's exposures

The following tables contain information about the credit quality of financial assets, undrawn loan commitments and financial guarantees by asset classes. For financial assets measured at amortised cost or at fair value through other comprehensive income, gross carrying amounts are presented in the credit rating category lines of the tables. For financial instruments measured at fair value through profit or loss, the carrying amounts are presented in the lines. For financial guarantees and undrawn loan commitments, the credit rating category lines contain the guaranteed amounts and the amounts that can be drawn down under of the loan commitment, respectively.

31.12.2024	Financial assets measured at amortised cost				Financial assets measured at fair value through other comprehensive income				Non-trading financial assets mandatorily at fair value through profit or loss	Total
(HUF million)	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**		
Placements with banks and central bank										
Minimal risk	0	0	0	0	0	0	0	0	0	0
Excellent credit standing	4,587	0	0	0	0	0	0	0	0	4,587
Very good credit standing	536,277	0	0	0	0	0	0	0	0	536,277
Good credit standing	175,077	40,243	0	0	0	0	0	0	0	215,320
Average credit standing	0	0	0	0	0	0	0	0	0	0
Acceptable credit standing	0	14	0	0	0	0	0	0	0	14
Marginal credit standing	0	0	0	0	0	0	0	0	0	0
Weak credit standing	0	0	0	0	0	0	0	0	0	0
Doubtful/high default risk	225	0	0	0	0	0	0	0	0	225
Default	0	0	0	0	0	0	0	0	0	0
Unrated	63	0	0	0	0	0	0	0	0	63
Gross amount	**716,229**	**40,257**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**756,486**
Loss allowance	-131	-83	0	0	0	0	0	0	0	-214
Carrying amount	**716,098**	**40,174**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**756,272**
Loans and advances to clients										
Minimal risk	4,894	0	0	0	0	0	0	0	1,822	6,716
Excellent credit standing	37,751	31	0	0	0	0	0	0	1,187	38,969
Very good credit standing	309,379	1,231	0	0	0	0	0	0	17,367	327,977
Good credit standing	248,192	17,676	0	102	0	0	0	0	12,112	278,082
Average credit standing	313,280	188,758	0	424	0	0	0	0	5,893	508,355
Acceptable credit standing	170,842	115,657	0	655	0	0	0	0	3,182	290,336
Marginal credit standing	86,494	40,192	0	508	0	0	0	0	1,297	128,491
Weak credit standing	12,991	18,929	0	540	0	0	0	0	256	32,716
Doubtful/high default risk	2,814	86,103	0	576	0	0	0	0	4,430	93,923
Default	0	0	52,510	1,422	0	0	0	0	109	54,041
Unrated	28,059	3,158	0	0	0	0	0	0	137,388	168,605
Gross amount	**1,214,696**	**471,735**	**52,510**	**4,227**	**0**	**0**	**0**	**0**	**185,043**	**1,928,211**
Loss allowance	-9,545	-25,368	-19,644	-1,626	0	0	0	0	0	-56,183
Carrying amount	**1,205,151**	**446,367**	**32,866**	**2,601**	**0**	**0**	**0**	**0**	**185,043**	**1,872,028**
Debt securities										
Minimal risk	112,812	0	0	0	17,109	0	0	0	0	129,921
Excellent credit standing	71,264	0	0	0	6,489	0	0	0	132	77,885
Very good credit standing	197,892	0	0	0	208,126	0	0	0	584	406,602
Good credit standing	736,045	5,922	0	0	276,005	34,164	0	0	824	1,052,960
Average credit standing	6,050	0	0	0	6,654	0	0	0	36	12,740

31.12.2024	Financial assets measured at amortised cost				Financial assets measured at fair value through other comprehensive income				Non-trading financial assets mandatorily at fair value through profit or loss	Total
(HUF million)	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**		
Acceptable credit standing	5,335	2,014	0	0	1,144	0	0	0	396	8,889
Marginal credit standing	758	136	0	0	0	0	0	0	-1	893
Weak credit standing	0	0	0	0	0	0	0	0	0	0
Doubtful/high default risk	0	0	0	0	0	0	0	0	0	0
Default	0	0	1,068	0	0	0	2,309	0	49	3,426
Unrated	0	0	0	0	0	0	0	0	516	516
Gross amount	**1,130,156**	**8,072**	**1,068**	**0**	**515,527**	**34,164**	**2,309**	**0**	**2,536**	**1,693,832**
Loss allowance	-753	-209	-528	0	-262	-198	-1,305	0	0	-3,255
Carrying amount	**1,129,403**	**7,863**	**540**	**0**	**515,265**	**33,966**	**1,004**	**0**	**2,536**	**1,690,577**
Loan commitments and financial guarantees given										
Minimal risk	9,935	0	0	0						9,935
Excellent credit standing	11,359	0	0	0						11,359
Very good credit standing	185,404	809	0	0						186,213
Good credit standing	288,431	8,350	0	0						296,781
Average credit standing	209,821	32,212	0	0						242,033
Acceptable credit standing	153,887	35,827	0	0						189,714
Marginal credit standing	21,724	7,990	0	0						29,714
Weak credit standing	6,413	5,862	0	0						12,275
Doubtful/high default risk	255	7,701	0	0						7,956
Default	0	0	18,472	0						18,472
Unrated	2,202	537	0	0						2,739
Gross amount	**889,431**	**99,288**	**18,472**	**0**						**1,007,191**
Carrying amount (provisions)	**-2,011**	**-1,398**	**-6,164**	**0**						**-9,573**
Derivative assets										
Minimal risk									0	0
Excellent credit standing									336	336
Very good credit standing									62,863	62,863
Good credit standing									2,563	2,563
Average credit standing									5,989	5,989
Acceptable credit standing									1,113	1,113
Marginal credit standing									172	172
Weak credit standing									0	0
Doubtful/high default risk									0	0
Default									856	856

31.12.2024	Financial assets measured at amortised cost				Financial assets measured at fair value through other comprehensive income				Non-trading financial assets mandatorily at fair value through profit or loss	
(HUF million)	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI		Total
Unrated									28	28
Carrying amount									**73,920**	**73,920**

31.12.2023	Financial assets measured at amortised cost				Financial assets measured at fair value through other comprehensive income				Non-trading financial assets mandatorily at fair value through profit or loss	
(HUF million)	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI		Total
Placements with banks and central bank										
Minimal risk	80	0	0	0	0	0	0	0	0	80
Excellent credit standing	1,811	0	0	0	0	0	0	0	0	1,811
Very good credit standing	1,019,956	86	0	0	0	0	0	0	0	1,020,042
Good credit standing	97,799	116,364	0	0	0	0	0	0	0	214,163
Average credit standing	547	0	0	0	0	0	0	0	0	547
Acceptable credit standing	0	48	0	0	0	0	0	0	0	48
Marginal credit standing	0	0	0	0	0	0	0	0	0	0
Weak credit standing	0	0	0	0	0	0	0	0	0	0
Doubtful/high default risk	0	0	0	0	0	0	0	0	0	0
Default	0	0	0	0	0	0	0	0	0	0
Unrated	0	0	0	0	0	0	0	0	0	0
Gross amount	**1,120,193**	**116,498**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,236,691**
Loss allowance	-55	-196	0	0	0	0	0	0	0	-251
Carrying amount	**1,120,138**	**116,302**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,236,440**
Loans and advances to clients										
Minimal risk	3,437	1,030	0	0	0	0	0	0	1,831	6,298
Excellent credit standing	8,026	1,695	0	0	0	0	0	0	1,657	11,378
Very good credit standing	254,641	28,522	0	0	0	0	0	0	12,924	296,087
Good credit standing	319,946	81,144	0	51	0	0	0	0	11,231	412,372
Average credit standing	300,117	154,056	0	272	0	0	0	0	5,933	460,378
Acceptable credit standing	166,439	84,320	0	829	0	0	0	0	2,895	254,483
Marginal credit standing	71,672	53,656	0	626	0	0	0	0	575	126,529
Weak credit standing	10,611	18,197	0	446	0	0	0	0	117	29,371
Doubtful/high default risk	1,056	16,207	0	259	0	0	0	0	111	17,633
Default	0	9	51,989	2,663	0	0	0	0	126	54,787

31.12.2023 (HUF million)	Financial assets measured at amortised cost Stage 1	Stage 2	Stage 3	POCI	Financial assets measured at fair value through other comprehensive income Stage 1	Stage 2	Stage 3	POCI	Non-trading financial assets mandatorily at fair value through profit or loss	Total
Unrated	29,035	5,002	0	49	0	0	0	0	126,650	160,736
Gross amount	**1,164,980**	**443,838**	**51,989**	**5,195**	**0**	**0**	**0**	**0**	**164,050**	**1,830,052**
Loss allowance	-10,578	-30,276	-23,617	-2,045	0	0	0	0	0	-66,516
Carrying amount	**1,154,402**	**413,562**	**28,372**	**3,150**	**0**	**0**	**0**	**0**	**164,050**	**1,763,536**
Debt securities										
Minimal risk	0	0	0	0	16,584	0	0	0	0	16,584
Excellent credit standing	37,323	6,085	0	0	47,592	0	0	0	131	91,131
Very good credit standing	98,050	7,571	0	0	44,734	0	0	0	635	150,990
Good credit standing	521,066	59,339	0	0	186,710	60,363	0	0	957	828,435
Average credit standing	8,150	0	0	0	4,994	2,636	0	0	75	15,855
Acceptable credit standing	6,869	564	0	0	844	0	0	0	375	8,652
Marginal credit standing	0	1,880	0	0	0	1,625	0	0	81	3,586
Weak credit standing	0	0	0	0	0	0	0	0	0	0
Doubtful/high default risk	0	0	0	0	0	0	0	0	0	0
Default	0	0	0	0	0	0	1,076	0	0	1,076
Unrated	0	0	0	0	0	0	0	0	0	0
Gross amount	**671,458**	**75,439**	**0**	**0**	**301,458**	**64,624**	**1,076**	**0**	**2,254**	**1,116,309**
Loss allowance	-498	-638	0	0	-203	-486	-650	0	0	-2,475
Carrying amount	**670,960**	**74,801**	**0**	**0**	**301,255**	**64,138**	**426**	**0**	**2,254**	**1,113,834**
Loan commitments and financial guarantees given										
Minimal risk	1,039	0	0	0						1,039
Excellent credit standing	19,870	21	0	0						19,891
Very good credit standing	137,457	939	0	0						138,396
Good credit standing	222,078	21,391	0	0						243,469
Average credit standing	214,113	59,371	0	0						273,484
Acceptable credit standing	78,956	25,223	0	0						104,179
Marginal credit standing	18,327	23,814	0	0						42,141
Weak credit standing	1,642	12,322	0	0						13,964
Doubtful/high default risk	313	1,226	0	0						1,539
Default	0	0	13,728	0						13,728
Unrated	3,650	1,603	0	0						5,253
Gross amount	**697,445**	**145,910**	**13,728**	**0**						**857,083**
Carrying amount (provisions)	**-1,863**	**-3,833**	**-3,916**	**0**						**-9,612**
Derivative assets										
Minimal risk									0	0

31.12.2023 (HUF million)	Financial assets measured at amortised cost				Financial assets measured at fair value through other comprehensive income				Non-trading financial assets mandatorily at fair value through profit or loss	Total
	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI		
Excellent credit standing									223	223
Very good credit standing									87,098	87,098
Good credit standing									3,255	3,255
Average credit standing									1,925	1,925
Acceptable credit standing									1,253	1,253
Marginal credit standing									1,075	1,075
Weak credit standing									0	0
Doubtful/high default risk									0	0
Default									0	0
Unrated									135	135
Carrying amount									**94,964**	**94,964**

The following table shows the credit quality of the Group''s exposures according to sectors:

31.12.2024	Financial assets measured at amortised cost								
	Gross amount				Loss allowance				
(HUF million)	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances to banks, central banks and customers									
Non-retail									
Central bank	446,160	0	0	0	-27	0	0	0	446,133
Sovereign	4,682	1,066	0	0	-6	-10	0	0	5,732
Credit institutions	265,549	40,258	0	0	-105	-82	0	0	305,620
Financial corporations	21,100	343	0	0	-4	0	0	0	21,439
Large corporates	814,074	307,793	40,587	0	-7,007	-9,116	-12,374	0	1,133,957
Small and medium enterprises	51,384	31,607	1,359	8	-195	-615	-512	-5	83,031
Retail									
Private individuals	306,171	118,067	8,563	4,187	-2,201	-15,010	-5,184	-1,623	412,970
hereof: mortgage	231,167	95,664	4,672	4,059	-745	-9,851	-2,978	-1,536	320,452
Micro enterprises	21,805	12,858	2,001	32	-131	-618	-1,574	2	34,375
Total	**1,930,925**	**511,992**	**52,510**	**4,227**	**-9,676**	**-25,451**	**-19,644**	**-1,626**	**2,443,257**

31.12.2023	Financial assets measured at amortised cost								
	Gross amount				Loss allowance				
(HUF million)	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances to banks, central banks and customers									
Non-retail									
Central bank	916,015	0	0	0	-3	0	0	0	916,012
Sovereign	8,614	1,262	0	0	-8	-8	0	0	9,860
Credit institutions	199,500	116,498	0	0	-51	-196	0	0	315,751
Financial corporations	20,488	594	0	0	-4	-12	0	0	21,066
Large corporates	820,213	241,205	33,966	576	-5,259	-6,009	-13,549	-106	1,071,037
Small and medium enterprises	57,013	27,046	1,588	4	-171	-402	-436	-2	84,640
Retail									
Private individuals	246,616	154,334	13,591	4,599	-4,817	-21,242	-7,755	-1,937	383,389
hereof: mortgage	181,395	127,595	8,454	4,408	-1,731	-13,429	-4,585	-1,827	300,280
Micro enterprises	16,714	19,397	2,844	16	-320	-2,603	-1,877	0	34,171
Total	**2,285,173**	**560,336**	**51,989**	**5,195**	**-10,633**	**-30,472**	**-23,617**	**-2,045**	**2,835,926**

Information about the Group's loan portfolio

NBH schemes in the loan portfolio

- Funding for Growth Scheme Phase 1
- Funding for Growth Scheme Phase 2
- Funding for Growth Scheme Phase 3
- Funding for Growth Scheme Fix
- Funding for Growth Scheme Go

The refinancing received and the loans granted under Funding Growth Schemes (FGS) are transactions concluded at off-market terms. In these cases, in accordance with IFRS 9.5.1.1A and B5.1.2A, theGroup quantifies the fair value difference which is amortised to net interest income over the term of the loans.

At the end of 2024 the net balances relating to the FGS Schemes described above amounted to HUF 80,524 million (2023: the Group had an FGS refinancing balance of HUF 88,655 million).

Subsidized schemes in the loan portfolio:

- Garantiqa Crisis Guarantee Scheme

- Garantiqa Crisis 2 Guarantee Scheme
- Széchenyi Card Plus Scheme
  - Széchenyi Investment Loan Plus
- Széchenyi Card Restart Program (GO)
  - Széchenyi Liquidity Loan (GO)
  - Széchenyi Investment Loan (GO)
  - Agricultural Széchenyi Investment Loan (GO)
- Széchenyi Card Restart Program (MAX)
  - Széchenyi Card Overdraft MAX
  - Széchenyi Liquidity Loan MAX
  - Széchenyi Investment Loan MAX –including the Energy Efficiency subconstruction
  - Agricultural Széchenyi Investment Loan MAX
- Széchenyi Card Restart Program (MAX+)
  - Széchenyi Card Overdraft MAX+
  - Széchenyi Liquidity Loan MAX+
  - Széchenyi Investment Loan MAX+ – including the Energy Efficiency, Green and GEKKO subconstructions
  - Agricultural Széchenyi Investment Loan MAX+ including the Energy Efficiency subconstruction
  - Agricultural Széchenyi Card Overdraft
- Rural Credit Guarantee Foundation (RCGF) Crisis Agricultural Guarantee Program
- Rural Credit Guarantee Foundation (RCGF) Crisis Agricultural Guarantee Program II
- EXIM Compensation Program
  - EXIM Compensation Loan Program
  - EXIM Compensation Loan Protection Program
  - EXIM Compensation Credit Insurance Program
- EXIM Spin up SME Investment Loan Program
- EXIM Gábor Baross Loan Scheme
- MFB Agricultural Working Capital Loan Program 2020
- MFB Food Industry Working Capital Loan Program 2020

Retail products

With its 2024 December decision, the government favourably modified the basic eligibility criteria of the childbirth incentive loans (raising the application age from 30 to 35 years). In addition, the interest-subsidized housing loan product (CSOK Plusz) is still available.

A new interest-subsidized and interest-free financing structure called 'Munkáshitel' (Worker's loan) was launched at the beginning of 2025. 'Munkáshitel' (Worker's Loan) is an unpurposed cash loan with state guarantee available for young people aged 17-25 who do not have a higher education degree and are not enrolled in a higher education institution as a student Similar to competitors, the product was rolled out in the first half of January 2025.

Purchased or originated credit-impaired (POCI) financial instruments

The predominant part of the Group's POCI portfolio was recognised in the books of the Bank through the mandatory conversion of foreign currency denominated loan receivables to Hungarian Forint at fixed exchange rates in accordance with Act XXXVIII of 2014 ('Curia Act'), Act XL of 2014 ('Settlement Act'), Act LXXVII of 2014 ('Hungarian Forint Conversion Act') and Act CXLV of 2015 on questions relating to Hungarian Forint conversion of certain consumer loan contracts.

Changes to the portfolio

Net exposure towards credit institutions decreased significantly compared to the previous year (2024: HUF 756 billion; 2023: HUF 1,236 billion), attributable to significant decrease in the balance of the Group's current account at the National Bank.

In 2024, the volume of non-performing loans in the corporate segment increased by HUF 8.2 billion (2024: HUF 45.4 billion, 2023: HUF 37.2 billion) along with a smaller increase of the portfolio (2024: HUF 1,376 billion; 2023: 1,364 billion).

The increase in the non-performing portfolio was caused as a result of the following opposite effects:

- besides the decreasing effect of recoveries of approximately HUF 9.9 billion resulting from workout activities;
- the Group identified approximately HUF 17.1 billion new non-performing loans in course of its standard identification procedures;
- HUF 0.07 billion was affected by write-off and loan sale;
- foreign currency revaluation difference on the non-performing portfolio caused by the weakening of the forint increased the outstanding amount by approximately HUF 1.8 billion.

The level of new non-performing balances was dominated by three individual transactions (in aggregate HUF 14.6 billion, 85% of the total new non-performing volume) where the Group decided to apply non-performing status due to uncertainties of future cash-flows. The events are isolated, no systematic deterioration or the indicators thereof can be seen in the non-performing portfolio.

The ratio of non-performing loans in the corporate segment is 2.9%, slightly elevated compared to previous year.

There was an increase in retail and small enterprise portfolio in 2023 as well (2024: HUF 654.9 billion, 2023: HUF 618.2 billion). In the retail sector, there was an increase in both mortgage loans and uncollateralised product groups, out of uncollateralised products, childbirth incentive loans are mandatorily measured at fair value though profit or loss. Non-performing portfolio decreased (2024. HUF 12 billion, 2023: HUF 18.6 billion). In the retail segment, unrated portfolio remained at the same level (2024: HUF 159 billion, 2023: HUF 159 billion) the largest part of which is made up by childbirth incentive loans.

Expected credit losses

Quantification of expected credit losses for financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income is performed in accordance with the respective accounting policies, see explanatory note (4.9) Financial instruments.

The determination of the exposure necessary for credit risk management is a complex exercise and requires the application of models as exposure changes depend on market conditions, expected cash flows and the passage of time. The assessment of credit risk of the portfolio contains further estimations regarding the probability of default, the loss given default and the correlations between different clients' non-performance. The Group measures credit risk using the probability of default (PD), the risk exposure (EAD) and the expected loss due to default (LGD). This is the primary approach in measuring expected credit losses under IFRS 9.

Expected credit losses are calculated by workout experts for stage 3 exposures towards sovereign and corporate clients, from project financing, towards credit institutions, local and regional municipalities, insurance companies and collective investment companies by discounting the expected recoveries from the cash flows using the effective interest rates. Expected recoveries for multiple scenarios are given on the deal-level by the experts and probability-weighted average of the cash flows for each return scenario is considered when calculating the present value of recoveries.

Measuring expected credit losses of financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income is an area requiring the use of complex models and making significant assumptions regarding future economic conditions and the behaviour of the loans. Significant estimates made in applying the accounting requirements for expected credit losses are as follows:

- determining the criteria for significant increase in credit risk;
- selecting appropriate models for the purpose of measuring expected credit losses;

- determining the appropriate number of scenarios and the appropriate weighting of them for the product types, markets and the expected credit losses associated with them;
- grouping similar financial assets into portfolios for the purpose of measuring expected credit losses.

PDs in retail portfolios (individuals and micro-enterprises) are estimated across homogenous segments and product portfolios, while LGD estimation is typically more granular (portfolios with homogenous collaterals).

In case of non-retail portfolio, PDs are estimated at the segment level while LGD estimation involves more parameters (segment, product, fact and level of collateralization).

Probability of default (PD)

Probability of default means the probability that the borrower will not fulfil its financial obligations in the following 12 months or in the remaining lifetime of the financial instrument. In general, in case of non-retail segments the calculation of lifetime probability of default uses 12 months expected probability of default in accordance with Article 178 CRR, cleared from the conservative margin as a starting point. (In line with the definition of default in Article 178 CRR every financial asset that is credit-impaired under IFRS 9 is considered to be in default, and every defaulted financial asset is considered credit-impaired).

In retail segments probability of default is calculated over the lifetime of the instrument, with modelling the probability of monthly marginal default and repayments. In case of negative account balances the Group records impairment for the total receivable, therefore both the PD and LGD is 100%.

Following this, various statistical methods are used to determine how certain characteristics (amongst others rating, days past due) evolve from initial recognition over the entire lifetime of the loan portfolio. The typical risk profile is based on historical data and parameters.

The Group uses statistical models to incorporate forward-looking information into PDs in case of the following segments:

- sovereigns, local and regional municipalities, insurance companies and collective investment companies;
- corporate clients, project financing and financial institutions;
- retail (individuals and micro-enterprises).

When certain input parameters are not available entirely, grouping, averaging and benchmarking is used for the purpose of the calculations.

The following table presents the average PDs. When determining the average PDs, the Group did not take into consideration the effect of the portfolio level management overlay:

31.12.2024	Average PD	
Credit quality	**Non-retail**	**Retail**
Minimal risk	0.01 %	0.19 %
Excellent credit standing	0.04 %	0.26 %
Very good credit standing	0.12 %	0.41 %
Good credit standing	0.21 %	0.91 %
Average credit standing	1.15 %	2.13 %
Acceptable credit standing	2.11 %	4.03 %
Marginal credit standing	5.50 %	7.49 %
Weak credit standing	15.22 %	14.85 %
Doubtful/high default risk	26.81 %	34.95 %
Unrated	7.57 %	1.91 %

Loss given default (LGD)

The loss given default is the Group's expectation about the magnitude of the loss. The loss rate expected at default is different depending on the type of counterparty and product.

For non-retail segments, given the amount of data available and the weight of non-retail segments in the portfolio, modelling is performed by Raiffeisen Bank International:

- in case of corporate clients, project financing, credit institutions, insurance companies and local and regional municipalities, the Group uses its own LGD estimations taking loss rate experience into account;
- loss given default for sovereign debts is estimated using market information sources;

- in case of investment funds, given the lack of loss experience, as expert estimation, the collateralised LGD considered in capital adequacy calculations, is used.

In order to determine the LGD parameters the RBI modelling collects data from the group members, which is sent individually to the central database by the entities. Thereafter, the central modelling calculates the LGD based on the data received and country-specific information so, that it matches the lending information of the various entities.

Macroeconomic forecasts were also incorporated into LGDs that are based on own estimations. The Group uses a weighted average LGD over three scenarios when quantifying expected credit loss.

In the retail segment, the LGD estimate is based on the yield data collected by the Group. Modelling is performed by the Group on its own based on the methodology approved by RBI. The model is validated by the IRB. Generally, for the purpose of calculating impairment the Group uses loss given default determined in accordance with CRR, cleared from conservative factors. In cases of negative account balances the LGD is 100%.

Exposure at default (EAD)

Exposure at default is measured considering all amounts regarded by the Group as receivable at an expected date of default within the next 12 months or over the entire lifetime of the instrument. 12 month and lifetime EAD is determined taking the expected repayment characteristics into account, which varies across product types. For amortising products and bullet-type loans, EAD is based on contractual repayment obligations over the next 12 months or the lifetime of the instrument. Where relevant, assumptions about prepayments and refinancing are considered while calculating EAD.

In case of non-retail segments, the Group makes own estimations in order to quantify exposures at default of off-balance sheet items for corporate and SMB portfolios that have so-called high probabilities of default. The credit conversion factors applied are quantified using different methodologies for revolving and non-revolving exposures. Related modelling is performed by RBI. This process is the same as the process described at the modelling of LGD parameters, i.e., various entities send data to the central database, afterwards the central modelling calculates the EAD using this and other country-specific information so that it matches the lending information of the various entities.

In case of retail portfolios, exposure at default is determined monthly taking the future expected principal repayments into account. In case of revolving transactions, exposure at default is determined taking a credit conversion factor (CCF) into account as follows: EAD = used facility + unused facility * CCF. The expected lifetime of revolving transactions is estimated using statistical methods, which allows us to calculate lifetime expected credit losses also for such product types.

Forward-looking information

Assessment of whether credit risk has increased significantly since initial recognition and the measurement of expected credit losses are estimations incorporating also forward-looking information. The Group performed a chronological analysis and determined the most significant economic variables influencing credit risk and expected credit losses in case of each portfolio.

These economic variables and their impact on the probability of default, loss given default and exposure at default can vary across types of categories. While making this analysis expert estimations were also used. The forecasts of the above economic variables ('base case economic scenario') is provided by Raiffeisen Research quarterly, giving the best estimates of those economic indicators for the following three years. The impact of those economic variables on the probability of default, loss given default and exposure at default is determined by using statistical regressions in order to make the impact of historical development of such variables on default rates, non-performing exposures and expected losses understandable.

The most important macroeconomic variables affecting expected credit losses are as follows:

- Non-retail portfolios: gross domestic product, unemployment rate, long-term (10 years) government bond yields, change in real estate prices, 3-month benchmark interest rate.
- Retail portfolios: gross domestic product, housing price index, benchmark interest rate, inflation rate.

Besides the base economic scenario, a best case (optimistic) and a worst case (pessimistic) scenario is also provided by Raiffeisen Research, together with their weighting (the weighting of the three scenarios: 25% optimistic, 50% base, 25% pessimistic scenario), in order to grab expected variances. The weighting of the scenarios is determined by the combination of statistical analysis and expert credit rating taken the outcomes of the selected individual scenarios into account. The probability-weighted expected credit losses are determined by running the appropriate expected credit loss model to the respective scenarios and weighting the results, the weights being the probabilities of the scenarios. The weights of the scenarios (probability of the scenarios: 50% base, 25% optimistic, 25% pessimistic) remained the same in 2024.

Gross domestic product	Scenario	2025	2026	2027
	Optimistic	3.7%	3.7%	3.7%
	Base	2.5%	3.0%	3.0%
	Pessimistic	0.5%	1.9%	1.9%
Unemployment rate	**Scenario**	**2025**	**2026**	**2027**
	Optimistic	4.2%	4.5%	4.5%
	Base	4.7%	4.8%	4.8%
	Pessimistic	6.0%	5.5%	5.5%
Long term (10-year) government bond	**Scenario**	**2025**	**2026**	**2027**
	Optimistic	4.8%	5.3%	4.9%
	Base	6.3%	6.1%	5.7%
	Pessimistic	7.7%	6.9%	6.4%
Reference Rate	**Scenario**	**2025**	**2026**	**2027**
	Optimistic	3.3%	3.6%	2.9%
	Base	6.0%	5.1%	4.4%
	Pessimistic	8.2%	6.4%	5.6%
Consumer price index	**Scenario**	**2025**	**2026**	**2027**
	Optimistic	2.5%	2.5%	2.5%
	Base	3.6%	3.0%	3.0%
	Pessimistic	5.3%	3.9%	4.0%
Retail real estate price index	**Scenario**	**2025**	**2026**	**2027**
	Optimistic	14.1%	9.4%	7.9%
	Base	8.0%	6.0%	4.5%
	Pessimistic	5.3%	4.5%	3.0%
Commercial real estate price index	**Scenario**	**2025**	**2026**	**2027**
	Optimistic	9.4%	8.1%	8.1%
	Base	3.0%	4.5%	4.5%
	Pessimistic	0.8%	3.3%	3.3%

As all economic forecasts, these estimates and their probabilities of occurrence are prone to significant uncertainties and thus actual outcomes might significantly differ from forecasts. It is the Group's view that these forecasts represent the best estimate of the possible results and cover eventual differences and asymmetries concerning the various portfolios of the Group.

Post model adjustment and other specific risk factors

In situations where the existing input parameters, assumptions and modelling do not cover all relevant risk factors, post-model adjustments (PMA) and specific risk factors are the most important types of overlays. This is generally the case if there are temporary circumstances, time restrictions to adequately incorporate relevant new information into the rating and if individual loans within a loan portfolio develop differently than originally expected. All these adjustments are approved locally and centrally by the Group Risk Committee (GRC).

Generally, post-model adjustments are only a temporary solution to cover risks that are yet not captured by the existing model. They are temporary and typically not valid for more than one to two years. Unlike the post-model adjustments, the other specific risk factor model has a somewhat longer time horizon, as certain macroeconomic risks may persist for a longer period without the models being able to adequately reflect their risks. The overlays are shown in the table below and split according to the relevant categories.

31.12.2024		Other special risk factors	Post model adjustments	
(HUF million)	Modelled ECL*	Macroeconomic risk	Macroeconomic risk	Total
Non-retail				
Central Bank	27	0	0	27
Sovereign	527	0	0	527
Banks	597	0	0	597
Financial corporations	9	1	0	10
Non-financial corporations	6,799	13,443	0	20,242
Retail				
Micro enterprises	602	0	283	885
Private individuals	8,017	0	10,185	18,202
Total	**16,578**	**13,444**	**10,468**	**40,490**

31.12.2023		Other special risk factors	Post model adjustments	
(HUF million)	Modelled ECL*	Macroeconomic risk	Macroeconomic risk	Total
Non-retail				
Central Bank	3	0	0	3
Sovereign	629	4	0	633
Banks	684	0	0	684
Financial corporations	28	0	0	28
Non-financial corporations	6,866	9,661	0	16,527
Retail				
Micro enterprises	18,816	0	8,644	27,460
Private individuals	1,879	0	1,865	3,744
Total	**28,905**	**9,665**	**10,509**	**49,079**

*ECL: expected credit losses

Other special risk factors in the corporate segment

For the corporate segment, the additional risk was considered using the Special Risk Factors (SRF) framework, primarily accounting for unmodelled macroeconomic effects but also covering environmental risks as well as temporary compensations of model weaknesses. The SRF model is based on expected downgrades of corporate clients due to the mentioned circumstances.

At the end of 2024, the macroeconomic effects taken into account in special risk factors were high interest rate environment, inflation, real estate revaluation risks, supply chain disruptions, labour market disruptions, increased refinancing risk and the effects of changing environmental factors. Compared to the end of 2023, the Group has discontinued the creation of overlays covering for spill-over effect of energy price increases and has increased the focus on real estate market trends as well as risks stemming from repricing in the elevated interest rate environment, elevated refinancing risk and environmental impact changes. New elements were introduced in 2024: environmental risks were also incorporated in the SRF model and modelled ECL was complemented in 2024 by additional impairment in form of an add-on overlay for expected life-time correction in case of revolving and prolonged deals.

For corporate customers, in 2024 additional stage 1 and 2 impairments were recognized for macroeconomic risks in the amount of HUF 13,447 million (compared to HUF 9,665 million in 2023), thereof HUF 10,054 million attributed to the economic environment characterized by high inflation, increased interest rates, and uncertainties in the labour and real estate markets, HUF 1,634.7 million for ESG risks and HUF 1,758.7 million for expected life-time add-on. At the core of the SRF model for macroeconomic risks lies the identification of relationship between industries and the currently existing risk triggers as well as evaluation of the severity of the connection resulting in an industry-level risk score. The additional impairment need is driven by the scoring of the industries as well as the composition of the portfolio. In 2024, the portfolio-slice mostly targeted by SRF addition was the real estate and other specialized lending project portfolio, but significant overlay was created for construction, chemicals, automotive and agriculture segments as well.

Post model adjustments in the retail segment

The Group consistently applies post-model adjustments to address credit risks in its retail and small business portfolios that are not covered by the quantitative and qualitative stage criteria and models used for impairment calculations, thereby avoiding under-provisioning in these segments. In case of post-model adjustments, the affected deals are placed under a lifetime impairment calculation, into stage 2, and are assigned a higher probability of default (PD) parameter. The Hungarian economy has faced significant challenges in recent years, resulting in a decline in consumer spending, demand for goods and services, and a general economic downturn. Last year, the Group continued to identify the riskiest industries and to apply stricter lending standards to companies operating in these industries. In addition, the retail lending policy has also followed the tightening of lending rules in the small business segment. The Group has regularly reviewed the post-model adjustment introduced for these portfolios in its monitoring processes, but has not yet seen sufficient justification for its full phase-out in 2024 due to the slow economic recovery.

Sensitivity analysis

The table below presents the expected credit loss (impairment and provisions) for stage 1 and stage 2 exposures, amounts weighted across scenarios (25/50/25%) and the total amounts for each scenario:

31.12.2024	Weighted	100 %	100 %	100 %
(HUF million)	25/50/25%	Optimistic	Base	Pessimistic
Impairment on debt instruments and provisions for loan commitments and financial guarantee contracts given, total	40,490	34,218	40,004	47,735

31.12.2023	Weighted	100 %	100 %	100 %
(HUF million)	25/50/25%	Optimistic	Base	Pessimistic
Impairment on debt instruments and provisions for loan commitments and financial guarantee contracts given, total	49,079	42,264	48,180	57,700

The table below presents an analysis of the performing exposures - if all exposures were classified to stage 1 (12-months default rate calculated), by how much the expected credit loss (impairment and provisions) calculated for performing exposures would change:

31.12.2024	Weighted	100% of performing	
(HUF million)	25/50/25%	exposures in stage 1	Staging effect
Impairment on debt instruments and provisions for loan commitments and financial guarantee contracts given, total	40,490	32,302	-8,190

31.12.2023	Weighted	100% of performing	
(HUF million)	25/50/25%	exposures in stage 1	Staging effect
Impairment on debt instruments and provisions for loan commitments and financial guarantee contracts given, total	49,079	38,285	-10,794

The table below presents an analysis of the performing exposures - if all exposures were classified to stage 2 (lifetime default rate calculated), by how much the expected credit loss (impairment and provisions) calculated for performing exposures would change:

31.12.2024	Weighted	100% of performing	
(HUF million)	25/50/25%	exposures in stage 2	Staging effect
Impairment on debt instruments and provisions for loan commitments and financial guarantee contracts given, total	40,490	50,137	28,732

31.12.2023	Weighted	100% of performing	
(HUF million)	25/50/25%	exposures in stage 2	Staging effect
Impairment on debt instruments and provisions for loan commitments and financial guarantee contracts given, total	49,079	63,695	14,616

Development of loss allowances and provisions

The following table presents the development of loss allowances and provisions for expected credit losses (through reconciling the opening and the closing balance of loss allowances and provisions by classes of financial instruments):

31.12.2024 (HUF million)	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Changes due to change in credit risk, net	Changes due to modifications without derecognition, net	Changes due to update in the methodology for estimation, net	Decrease due to write-offs	Other adjustments	Closing balance	Recoveries of previously written-off amounts recognised in profit or loss *
Debt instruments										
Placements with banks	55	11	-4	68	0	0	0	1	131	0
Loans and advances to clients	10,578	4,688	-1,583	-4,514	0	0	-11	387	9,545	0
Debt securities	701	343	-241	204	0	0	0	8	1,015	0
hereof: collectively assessed impairment	11,334	5,042	-1,828	-4,242	0	0	-11	396	10,691	0
hereof: individually assessed impairment	0	0	0	0	0	0	0	0	0	0
Stage 1 total	**11,334**	**5,042**	**-1,828**	**-4,242**	**0**	**0**	**-11**	**396**	**10,691**	**0**
Placements with banks	196	5	-21	-99	0	0	0	2	83	0
Loans and advances to clients	30,276	4,590	-3,181	-6,513	0	0	-7	203	25,368	0
Debt securities	1,125	0	0	-719	0	0	0	1	407	0
hereof: collectively assessed impairment	31,597	4,595	-3,202	-7,331	0	0	-7	206	25,858	0
hereof: individually assessed impairment	0	0	0	0	0	0	0	0	0	0
hereof: non-performing	0	0	0	0	0	0	0	0	0	0
Stage 2 total	**31,597**	**4,595**	**-3,202**	**-7,331**	**0**	**0**	**-7**	**206**	**25,858**	**0**
Loans and advances to clients	23,617	2,805	-7,428	-175	0	0	-229	1,054	19,644	0
Debt securities	650	0	0	1,183	0	0	0	0	1,833	0
hereof: collectively assessed impairment	9,607	330	-3,551	399	0	0	-170	170	6,785	0
hereof: individually assessed impairment	14,660	2,475	-3,877	609	0	0	-59	884	14,692	0
Stage 3 total	**24,267**	**2,805**	**-7,428**	**1,008**	**0**	**0**	**-229**	**1,054**	**21,477**	**0**
Loans and advances to clients	2,045	0	-1,489	1,060	0	0	-2	12	1,626	0
hereof: collectively assessed impairment	1,937	0	-1,284	959	0	0	-2	11	1,621	0
hereof: individually assessed impairment	108	0	-205	101	0	0	0	1	5	0
POCI total	**2,045**	**0**	**-1,489**	**1,060**	**0**	**0**	**-2**	**12**	**1,626**	**0**
Allowance for debt instruments total	**69,243**	**12,442**	**-13,947**	**-9,505**	**0**	**0**	**-249**	**1,668**	**59,652**	**0**
Loan commitments and financial guarantees given										
Stage 1	1,863	1,796	-2,249	519	0	0	0	82	2,011	0
Stage 2	3,833	129	-1,676	-947	0	0	0	59	1,398	0
Stage 3	3,916	858	-1,068	2,428	0	0	0	30	6,164	0
Provisions on loan commitments and financial guarantees given total	**9,612**	**2,783**	**-4,993**	**2,000**	**0**	**0**	**0**	**171**	**9,573**	**0**

*Recoveries of previously written off amounts are reported under 'Impairment losses on financial assets' in the statement of profit or loss

31.12.2023 (HUF million)	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Changes due to change in credit risk, net	Changes due to modifications without derecognition, net	Changes due to update in the methodology for estimation, net	Decrease due to write-offs	Other adjustments	Closing balance	Recoveries of previously written-off amounts recognised in profit or loss *
Debt instruments										
Placements with banks	**48**	**44**	**-29**	**-7**	**0**	**0**	**0**	**-1**	**55**	**0**
Loans and advances to clients	11,266	7,230	-2,541	-5,368	0	0	-2	-7	10,578	9
Debt securities	554	247	-119	-92	0	0	0	111	701	0
hereof: collectively assessed impairment	11,868	7,521	-2,688	-5,468	0	0	-2	103	11,334	9
hereof: individually assessed impairment	0	0	0	0	0	0	0	0	0	0
Stage 1 total	**11,868**	**7,521**	**-2,689**	**-5,467**	**0**	**0**	**-2**	**103**	**11,334**	**9**
Placements with banks	21	5	-5	173	0	0	0	2	196	0
Loans and advances to clients	31,416	3,359	-3,229	-809	0	0	-5	-456	30,276	0
Debt securities	228	0	-6	1,015	0	0	0	-113	1,124	0
hereof: collectively assessed impairment	31,665	3,364	-3,240	380	0	0	-5	-568	31,596	0
hereof: individually assessed impairment	0	0	0	0	0	0	0	0	0	0
hereof: non-performing	0	0	0	0	0	0	0	0	0	0
Stage 2 total	**31,665**	**3,364**	**-3,240**	**379**	**0**	**0**	**-5**	**-567**	**31,596**	**0**
Loans and advances to clients	25,725	2,396	-6,148	3,253	0	0	-835	-774	23,617	0
Debt securities	345	0	-7	312	0	0	0	0	650	0
hereof: collectively assessed impairment	11,490	442	-3,143	928	0	0	-98	-13	9,606	0
hereof: individually assessed impairment	14,580	1,954	-3,012	2,637	0	0	-736	-762	14,661	0
Stage 3 total	**26,070**	**2,396**	**-6,155**	**3,565**	**0**	**0**	**-835**	**-774**	**24,267**	**0**
Loans and advances to clients	2,358	0	-2,014	1,539	0	0	-2	164	2,045	0
hereof: collectively assessed impairment	2,358	0	-1,849	1,430	0	0	-2	-1	1,936	0
hereof: individually assessed impairment	0	0	-165	109	0	0	0	165	109	0
POCI total	**2,358**	**0**	**-2,014**	**1,539**	**0**	**0**	**-2**	**164**	**2,045**	**0**
Allowance for debt instruments total	**71,961**	**13,281**	**-14,098**	**16**	**0**	**0**	**-844**	**-1,074**	**69,242**	**9**
Loan commitments and financial guarantees given										
Stage 1	1,731	1,676	-1,627	103	0	0	0	-20	1,863	0
Stage 2	2,405	1,415	-2,035	2,055	0	0	0	-7	3,833	0
Stage 3	2,101	572	-1,316	2,580	0	0	0	-21	3,916	0
Provisions on loan commitments and financial guarantees given total	**6,237**	**3,663**	**-4,978**	**4,738**	**0**	**0**	**0**	**-48**	**9,612**	**0**

*Recoveries of previously written off amounts are reported under 'Impairment losses on financial assets' in the statement of profit or loss

In 2024 and 2023, the effect of the changes in some of the estimation methodologies in the retails segments to the expected credit loss allowance is presented in the column 'Changes due to update in the methodology for estimation, net'. For the details about the changes in the methodology please see the note 'Effect of the COVID-19 on the credit risk management'.

The total of this year's movements in expected credit losses include – within changes due to change in credit risk – in addition to impairment presented in the line item 'Impairment losses on financial assets' the adjustments to the net exposure of credit-impaired (Stage 3) financial assets arising from the net interest calculation, which is presented in the line item 'Interest income calculated with the effective interest method' in profit or loss (2024: HUF 4,242 million, 2023: HUF 2,872 million) as well as decrease in loss allowances due to sale of exposures presented in profit or loss line item 'Net gains/losses from derecognition of financial assets and liabilities not measured at fair value through profit or loss' (2024: HUF 2,604 million, 2023: HUF 2,679 million).

Besides the above, the profit or loss line item 'Impairment losses on financial assets' includes amounts derecognised due to write-offs (2024: HUF 892 million, 2023: HUF 1,426 million) as well as the increase in profit from recoveries on purchased or originated credit-impaired financial assets (2024: HUF 1,088 million, 2023: HUF 1,419 million). The Group continues to perform collection activities in relation to its certain written-off financial assets. The contractual receivable amount from such financial assets amounts to HUF 2,891 million (2023: HUF 2,726 million).

Contract modifications and expected credit losses

Also in 2024, there were contract modifications which did not lead to the derecognition of the financial asset. The pre-modification amortised cost of financial assets so modified and for which lifetime expected credit loss was recognised, amounted to HUF 140,569 million (2023: HUF 136,619 million), the associated net modification loss amounted to HUF 2,019 million (2023: HUF 5,045 million) the largest portion of which was the loss arising from changes in present value of cash-flows of transactions affected by the interest cap (2024: HUF 2,052 million, 2023: HUF 5,246 million).

Loans with renegotiated terms

Loans with renegotiated terms are loans which were restructured due to the deterioration of the financial situation of the borrower. In such cases original contractual terms are modified to help the borrower overcome financial difficulties.

The definition of renegotiation (forborne) used by the Group is based on EBA (EU) regulation 227/2015.

Non-retail: all types of receivables due from corporate and municipality clients and fiscal institutions may be subject to renegotiations (loans, current account facilities, bonds, guarantees, factoring facilities and other financial assets).

The Group regards its non-retail contracts to be restructured, where a forced renegotiation of the contractual terms occurs due to financial difficulties, where concessions are granted by the Group to the borrower under the modified contract which it would not grant to other borrowers in the normal course of the business, with regards to the financial difficulties of the borrower, in order to achieve full recovery.

Typical concession measures: extending the term, converting a revolving loan into an amortising loan, granting concession period, standstill agreement, capitalisation of interests, favourable pricing, exempting from financial covenants, forgiveness of principal or interest, conversion of the old transaction. In practice, similarly to the previous years, the most common concession measures were the restructuring of terms and repayment amounts and conversion into an amortising loan.

The Group will restructure clients entering moratorium 2 launched in 2021 and the agricultural moratorium launched in 2022, as set out in the NBH's Management Circular, on the basis of individual risk monitoring on the corporate side, based on a specific assessment of the potential deterioration of the financial situation. Exceptions include transactions that participated in the first and second moratorium for less than 9 months in total, according to the EBA's updated report on the moratorium in December. If a client has ever had even a single transaction that has spent more than 9 months in the first and second moratorium in total, the Group carried out a risk monitoring assessment for it in case of entering into moratorium 2 launched in 2021.

Customers participating in moratorium 2 in 2021 or in the agricultural moratorium in 2022 were already classified as stage 2 or stage 3 and were automatically marked as restructured. Considering that the transactions that were included in moratorium 1 (launched in 2020) with a final expiration date in 2020 were automatically included in moratorium 2 (launched in 2021), for those clients that indicated during the risk monitoring process that they did not exercise the option of moratorium 2 for any of their transactions and that declared their withdrawal from moratorium 2, the Group did not identify any financial difficulties and did not mark the transaction as restructured. For all new entrants, the Group carried out a risk monitoring assessment and on the basis of that assessment, the Bank reclassified the client as a restructured client in case of financial difficulties.

During moratorium 3 launched in 2021 and moratorium 4 launched in 2022, the Group identified all transactions as restructured and classified them at least to stage 2. At the start of moratorium 4 in 2022, the performing exposures – which were at that time classified to stage 2 and identified as restructured – were repaid. The remaining clients participating in the moratoria were classified to stage 3 and designated as non-performing restructured.

In 2023, no changes occurred in the assessment of clients affected by the moratoria. By the reporting date in 2023 all payment moratoria expired.

All types of retail loans (personal loans, credit cards, current account facilities, mortgages) might be subject to renegotiations. The two main types of renegotiations:

- variations of renegotiations determined by the Group;
- government programs.

The contract shall be regarded as associated with a concession, i.e., forborne based on the above, if

- the borrower is in financial difficulty and
- the terms and conditions of the contract were modified to grant a concession to the borrower (in the form of conversion or modification) that the Group would not grant to borrowers in normal financial situations.

A contract can be regarded as forborne – regardless of the modified conditions or actual past due status – if in course of the contract modification the Group is granting a concession and the borrower had at least once during the 3 months prior to the contract modification contractual payments more than 30 days past due or the borrower was in a more than 30 days delinquency at the date of contract modification or other factors are present evidencing the client's financial difficulties.

Exposures associated with concessions (forborne exposures) are regarded by the Group as restructured in accordance with the Decree 39/2016 of NBH.

Restructured loan exposures of the Group as at the reporting date are presented in the following tables:

31.12.2024	Gross carrying amount/nominal value of restructured assets			Accumulated impairment, total amount of negative fair value change due to change in credit risk and provisions			
(HUF million)	Performing assets	Non-performing assets	Total	Performing assets	Non-performing assets	Total	Collaterals and financial guarantees received
Loans and advances to clients	45,264	39,047	84,311	-2,258	-13,742	-16,000	40,189
Financial assets measured at amortised cost total	**45,264**	**39,047**	**84,311**	**-2,258**	**-13,742**	**-16,000**	**40,189**
Loans and advances to clients	290	12	302	0	0	0	270
Financial assets measured at fair value through profit and loss total	**290**	**12**	**302**	**0**	**0**	**0**	**270**
Loan commitments and financial guarantees given (stage 3)	3,808	9,950	13,758	-8	-2,631	-2,639	2,408
Total	**49,362**	**49,009**	**98,371**	**-2,266**	**-16,373**	**-18,639**	**42,867**

31.12.2023	Gross carrying amount/nominal value of restructured assets			Accumulated impairment, total amount of negative fair value change due to change in credit risk and provisions			
(HUF million)	Performing assets	Non-performing assets	Total	Performing assets	Non-performing assets	Total	Collaterals and financial guarantees received
Loans and advances to clients	67,005	38,015	105,020	-2,654	-17,395	-20,049	58,836
Financial assets measured at amortised cost total	**67,005**	**38,015**	**105,020**	**-2,654**	**-17,395**	**-20,049**	**58,836**
Loans and advances to clients	190	79	269	0	0	0	252
Financial assets measured at fair value through profit and loss total	**190**	**79**	**269**	**0**	**0**	**0**	**252**
Loan commitments and financial guarantees given (stage 3)	7,581	11,133	18,714	-105	-2,724	-2,829	8,640
Total	**74,776**	**49,227**	**124,003**	**-2,759**	**-20,119**	**-22,878**	**67,728**

Write-off of loans

Loans (and related loss allowances) are typically written off partially or in full when there are no realistic prospects of recovering principal amount and, in case of collateralised loans, when cash inflows from foreclosure of the collateral were received and further recovery from the loan is realistically no longer expected.

Collaterals

According to the credit policy of the Group, the repayment capabilities of the borrower are considered in the course of lending instead of excessively relying on collaterals. Depending on the credit standing of the customer and on product type, certain facilities may be uncollateralised. Nevertheless, collaterals are important factors in credit risk mitigation.

As a general principle, when calculating collateral coverage, the Group only considers collateral which is defined in the Raiffeisen Bank International Group Collateral Evaluation and Management (Functional regulations) and complies with all of the following requirements:

- legal enforceability;
- sustainable intrinsic value;
- realisable and willingness to realise;
- little or no correlation between the credit standing of the borrower and the value of the collateral.

The allocated Weighted Collateral Value (WCV) is the discounted fair value of the collaterals, reduced by prior ranking liens, capped at the contractually pledged amount, applying a discount for currency mismatch (Hfx), and limited by the amount of the covered contractual exposure.

The major types of collaterals accepted are as follows: mortgage on property, cash deposits, securities, pledge on machinery, pledge on inventories, commodities, sureties and guarantees and other comfort factors.

Collateral and Risk Process Management Division of Credit Risk Management Department is responsible for the processes related to collaterals (valuation and regular revaluation, real estate on-site visits, checking physical existence, monitoring of coverage requirements, etc.).

The values of collaterals by type – represented by WCV capped at the value of the receivables – are presented in the following tables:

31.12.2024 (HUF million)	Placements with banks	Loans and advances to clients	Debt securities	Loan commitments and financial guarantees given	Derivative assets	Total
Cash deposit	**0**	**19,184**	**0**	**27,475**	**8,573**	**55,232**
Debt securities	**0**	**3,269**	**0**	**2,956**	**98**	**6,323**
Government bonds	0	326	0	1,919	98	2,343
Corporate bonds	0	219	0	91	0	310
Other bonds	0	2,724	0	946	0	3,670
Shares	**0**	**22,399**	**0**	**838**	**204**	**23,441**
Mortgage	**0**	**629,068**	**0**	**50,518**	**0**	**679,586**
Residential real estate	0	344,154	0	3,602	0	347,756
Commercial real estate	0	236,567	0	33,027	0	269,594
Other mortgages	0	48,347	0	13,889	0	62,236
Guarantees	**208,756**	**302,899**	**261,277**	**128,256**	**0**	**901,188**
State guarantee	208,756	185,465	172,851	32,260	0	599,332
Bank guarantee	0	117,434	88,426	95,996	0	301,856
Other collateral	**0**	**148,489**	**0**	**56,476**	**0**	**204,965**
Total	**208,756**	**1,125,308**	**261,277**	**266,519**	**8,875**	**1,870,735**

31.12.2023 (HUF million)	Loans and advances to clients	Debt securities	Loan commitments and financial guarantees given	Derivative assets	Total
Cash deposit	**16,843**	**0**	**26,752**	**11,223**	**54,818**
Debt securities	**57,613**	**0**	**423**	**174**	**58,210**
Government bonds	16,082	0	153	174	16,409
Corporate bonds	37,748	0	10	0	37,758
Other bonds	3,783	0	260	0	4,043
Shares	**23,388**	**0**	**888**	**1,079**	**25,355**
Mortgage	**597,032**	**0**	**55,075**	**0**	**652,107**
Residential real estate	324,095	0	3,042	0	327,137
Commercial real estate	222,372	0	37,736	0	260,108
Other mortgages	50,565	0	14,297	0	64,862
Guarantees	**459,347**	**14,554**	**94,293**	**0**	**568,194**
State guarantee	362,091	13,865	2,123	0	378,079
Bank guarantee	97,256	689	92,170	0	190,115
Other collateral	**156,126**	**0**	**51,698**	**0**	**207,824**
Total	**1,310,349**	**14,554**	**229,129**	**12,476**	**1,566,508**

The values of collaterals at the reporting dates by categories of exposures are presented in the tables below:

31.12.2024	Financial assets measured at amortised cost				Financial assets measured at fair value through other comprehensive income				Financial assets designate d at	
(HUF million)	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI	FVTPL*	Total
Loans and advances to clients	602,392	331,128	24,146	2,282	0	0	0	0	165,360	1,125,308
Debt securities	223,111	5,857	0	0	32,092	0	217	0	0	261,277
Loan commitments and financial guarantees given	238,015	25,610	2,894	0	0	0	0	0	0	266,519
Derivative assets	0	0	0	0	0	0	0	0	8,875	8,875
Total	**1,232,274**	**402,595**	**27,040**	**2,282**	**32,092**	**0**	**217**	**0**	**174,235**	**1,870,735**

*FVTPL: fair value through profit and loss

31.12.2023	Financial assets measured at amortised cost				Financial assets measured at fair value through other comprehensive income				Financial assets designate d at	
(HUF million)	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI	FVTPL*	Total
Loans and advances to clients	737,391	402,969	18,737	2,793	0	0	0	0	148,459	1,310,349
Debt securities	9,323	4,909	0	0	263	0	59	0	0	14,554
Loan commitments and financial guarantees given	186,589	37,158	5,382	0	0	0	0	0	0	229,129
Derivative assets	0	0	0	0	0	0	0	0	12,476	12,476
Total	**933,303**	**445,036**	**24,119**	**2,793**	**263**	**0**	**59**	**0**	**160,935**	**1,566,508**

*FVTPL: fair value through profit and loss

Assets obtained by taking possession of collateral

The following table shows the carrying amounts of assets obtained by the Group by taking possession of collaterals or by other foreclosure measures:

(HUF million)	31.12.2024	31.12.2023
Tangible fixed assets	786	1,211
Other	4	4
Total	**790**	**1,215**

Concentrations

The Group monitors concentrations of credit risk by sector. An analysis of credit risk concentration by sector in gross value at the reporting dates is shown below:

31.12.2024 (HUF million)	Placements with banks and central bank	Loans and advances to clients	Debt securities	Derivative assets	Loan commitments and financial guarantees given
Real estate	0	218,089	4,004	1,140	12,416
Domestic trade	0	182,653	4,286	140	180,736
Other, mainly service industries	0	230,813	12,821	323	106,944
Finance	310,102	128,016	604,897	48,447	206,974
Central Bank	446,159	0	159,927	9,759	0
Public administration	0	4,376	822,604	0	226
Mining	0	5,981	0	0	1,321
Manufacturing	0	334,235	69,342	13,427	221,416
Agriculture	225	36,119	13,661	10	8,567
Transportation, communication	0	82,703	0	156	28,398
Construction	0	24,263	696	143	194,618
Energy	0	59,116	1,594	366	19,022
Infrastructure	0	3,661	0	0	3,555
Private individuals	0	618,186	0	9	22,998
Total	**756,486**	**1,928,211**	**1,693,832**	**73,920**	**1,007,191**

31.12.2023 (HUF million)	Placements with banks and central bank	Loans and advances to clients	Debt securities	Derivative assets	Loan commitments and financial guarantees given
Real estate	0	197,085	4,136	1,008	34,816
Domestic trade	0	190,916	4,307	62	191,831
Other, mainly service industries	495	241,791	12,727	316	99,997
Finance	320,182	137,144	390,265	69,995	114,795
Central Bank	916,014	0	0	11,516	0
Public administration	0	5,825	597,192	0	15
Mining	0	7,317	0	0	7,669
Manufacturing	0	304,317	69,810	11,618	165,836
Agriculture	0	41,997	35,382	8	9,090
Transportation, communication	0	75,556	0	50	28,800
Construction	0	25,728	751	131	169,552
Energy	0	14,489	1,739	167	12,331
Infrastructure	0	3,951	0	0	2,328
Private individuals	0	583,937	0	93	20,023
Total	**1,236,691**	**1,830,053**	**1,116,309**	**94,964**	**857,083**

Securitization

Securitization represents a particular form of refinancing and credit risk enhancement under which risks from loan agreements are packaged into portfolios and placed with capital market investors. The objective of the Group's securitization transactions is to relieve Group's regulatory total capital and to use additional refinancing sources.

No transfer of asset happens under synthetic securitization, no asset, only the risk is transferred from the initiator's balance sheet. The risk transfer is carried out by credit derivatives or guarantees.

The Group signed a portfolio guarantee agreement commencing on 23 December 2022. The synthetic transaction is split into a senior, a mezzanine and a junior tranche. The credit risk of the mezzanine tranche is guaranteed by institutional investors, while the credit risk of the junior and senior tranches is retained by the Group. In 2023 and in 2024, no new transactions occurred.

31.12.2023 (HUF million)	Contract date	Maturity date	Maximum securitized portfolio	Securitized portfolio	Outstanding portfolio*	Portfolio	Externally placed tranche	Amount of externally placed tranche
Synthetic transaction	23.12.2022	31.03.2035	228,014	227,978	239,977	Morgage loans	Mezzanine	28,869
Total			**228,014**	**227,978**	**239,977**			**28,869**

*Securitized and non-securitized part

31.12.2023 (HUF million)	Contract date	Maturity date	Maximum securitized portfolio	Securitized portfolio	Outstanding portfolio*	Portfolio	Externally placed tranche	Amount of externally placed tranche
Synthetic transaction	23.12.2022	31.03.2035	228,014	227,973	239,972	Morgage loans	Mezzanine	28,958
Total			**228,014**	**227,973**	**239,972**			**28,958**

*Securitized and non-securitized part

(6.3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Management of market risk

The objective of market risk management is to control market risk exposures within acceptable parameters, while optimizing the return.

VaR (Value at Risk) limit system is operated by RBI where separate VaR limits are assigned to the different risk types: interest rate risk of the trading book, interest rate risk of the banking book, equity price risk of the trading book, volatility risk and the risk relating to the Group's aggregate foreign currency open position. Additionally, credit spread risk between bonds and money market products is indicated as an individual risk factor in the reports as well.

During the past couple of years audit and control functions within the Group became much stricter than before. New reports were implemented for market risk related risk types. The Group is carrying out daily market conformity monitoring activity, and the results are presented on a regular basis to the Management.

The Group developed various stress tests the results of which are also regularly presented to the Management.

The Group manages its market risk exposure separately within trading and non-trading portfolios.

Trading portfolio includes positions arising from market-making, proprietary position-taking and other positions so designated by the Group that are valued based on mark-to-market pricing method. Trading activities include transactions with debt and equity securities, foreign currencies and derivative financial instruments.

Non-trading portfolio (banking book) includes positions that arise from the interest rate management of the Group's retail and commercial banking assets and liabilities. The Group's non-trading activities encompass all activities other than accounted for as trading transactions, including lending, accepting deposits, and issuing debt instruments.

A special interest rate model was introduced for the products in the banking book with no maturity, which was integrated also into the risk reports.

Exposure to interest rate risk – trading and banking book

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is measured by the sensitivity analysis of the banking book's net interest income and of the mark-to-market value of the trading book to the volatility of interest rates.

Interest rate exposure is the most significant risk factor in the banking and trading book portfolios. On Group level, strict Basis Point Value limits and Value-at-risk (VaR) limits are defined, which are monitored on a daily basis.

The Group's interest-bearing financial instruments per interest type at the reporting dates are as follows:

Interest bearing financial instruments

The below tables include interest bearing non-derivative financial assets and liabilities measured at amortized cost and at fair value. The amounts are net carrying amounts.

Financial instruments with fixed interest rates

(HUF million)	31.12.2024	31.12.2023
Financial assets	1,896,018	1,409,951
Financial liabilities	970,787	883,829
Total	**925,231**	**526,122**

Financial instruments with variable interest rates

	31.12.2024		31.12.2023	
(HUF million)	Financial assets	Financial liabilities	Financial assets	Financial liabilities
HUF	1,710,527	1,779,750	2,096,766	1,589,402
CHF	522	18,049	909	18,523
EUR	681,380	916,813	536,298	951,599
USD	3,852	117,892	7,145	159,260
Other currencies	5,780	24,377	6,236	24,001
Total	**2,402,061**	**2,856,881**	**2,647,354**	**2,742,785**

Changes are explained as follows:

- Fixed interest rate assets increased by HUF 498 billion (receivables due from NBH decreased by HUF 43 billion, loans to customers decreased by HUF 2 billion and receivables from credit institutions decreased by HUF 28 billion, whereas the amount of fixed interest rate securities increased by HUF 537 billion).
- In case of fixed interest rate liabilities, an increase of HUF 87 billion was observed (borrowings from NBH decreased by HUF 6 billion, interbank borrowings banks decreased by HUF 30 billion, while customer deposits increased by HUF 102 billion and MREL bonds increased by HUF 19 billion).
- The balance of variable interest rate assets decreased by HUF 261 billion (the most significant changes were: the nostro account balance at NBH decreased by HUF 418 billion, and EUR denominated loans to customers increased by HUF 122 billion.
- The balance of variable interest rate liabilities increased by HUF 115 billion (of which the most significant change was observed in case of client deposits: HUF deposits increased by HUF 183 billion, EUR deposits decreased by HUF 30 billion and USD deposits decreased by HUF 41 billion).

In order to ensure that interest rate risk exposures are maintained within acceptable limits, the Group uses interest rate swaps and other interest rate derivative agreements as primary risk management techniques.

The Group uses derivatives designated in qualifying hedge relationships to hedge the fair value of certain fixed interest rate loans, fixed interest rate deposits and fixed interest rate issued and purchased bonds. The Group also has contracts to manage its exposure to interest rate risk which are not designated in qualifying hedge relationships. The Group presents interests on derivative financial instruments – regardless of whether they are used for trading or for risk management purposes – in 'Net interest income'. The Group presents gains/losses on fair valuation (excluding accrued interest) in case of derivatives not involved in hedge accounting in the profit or loss line item 'Net trading income and fair value result' and in case of derivatives involved in hedge accounting in the profit or loss line item 'Net gains/losses from hedge accounting'.

For risk management purposes, the Group uses interest rate swaps involved in portfolio cash flow hedge accounting, where the hedged portfolio is a group of foreign and local currency assets and liabilities, and the purpose of the hedge is to eliminate the fluctuation of the interest income and expense that arises from changes in the base rates and the fluctuation of the Hungarian forint exchange rate.

Information about the cash flow hedging instruments is included in note (10) Net gains/losses from hedge accounting.

Exposure to currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. When calculating exposures to currency risk, the Group takes the entire open position into account.

The Group's financial position in foreign currencies at the reporting dates is presented in the tables below:

31.12.2024 (HUF million)	HUF	CHF	EUR	USD	Other	Total
Cash, cash balances at central banks and other demand deposits	490,701	1,620	23,413	6,701	8,466	530,901
Financial assets held for trading except for derivative instruments	8,332	0	155	0	0	8,487
Non-trading financial assets mandatorily at fair value through profit or loss	185,641	0	0	293	0	185,934
Financial assets measured at fair value through other comprehensive income	495,683	0	52,683	1,973	0	550,339
Financial assets measured at amortised cost	1,757,703	352	1,322,718	27,369	292	3,108,434
Financial assets except for derivative instruments	**2,938,060**	**1,972**	**1,398,969**	**36,336**	**8,758**	**4,384,095**
Financial liabilities held for trading except for derivative instruments	1,507	0	0	0	0	1,507
Financial liabilities measured at amortised cost	2,330,627	18,934	1,400,111	195,615	27,535	3,972,822
Financial liabilities except for derivative instruments	**2,332,134**	**18,934**	**1,400,111**	**195,615**	**27,535**	**3,974,329**
Net open position on balance sheet	**605,926**	**-16,962**	**-1,142**	**-159,279**	**-18,777**	**409,766**
Net derivative and spot position	**-196,344**	**17,774**	**2,879**	**161,050**	**19,266**	**4,625**
Net open foreign currency position total	**409,582**	**812**	**1,737**	**1,771**	**489**	**414,391**

31.12.2023 (HUF million)	HUF	CHF	EUR	USD	Other	Total
Cash, cash balances at central banks and other demand deposits	894,225	2,001	13,952	9,644	8,023	927,845
Financial assets held for trading except for derivative instruments	2,645	0	158	43	0	2,846
Non-trading financial assets mandatorily at fair value through profit or loss	164,621	0	0	420	0	165,041
Financial assets measured at fair value through other comprehensive income	289,229	0	52,959	1,680	22,016	365,884
Financial assets measured at amortised cost	1,682,733	433	980,690	29,188	440	2,693,484
Financial assets except for derivative instruments	**3,033,453**	**2,434**	**1,047,759**	**40,975**	**30,479**	**4,155,100**
Financia liabilities held for trading except for derivatives	4,262	0	0	0	0	4,262
Financial liabilities measured at amortised cost	2,145,615	19,111	1,350,775	237,874	27,997	3,781,372
Financial liabilities except for derivative instruments	**2,149,877**	**19,111**	**1,350,775**	**237,874**	**27,997**	**3,785,634**
Net open position on balance sheet	**883,576**	**-16,677**	**-303,016**	**-196,899**	**2,482**	**369,466**
Net derivative and spot position	**-508,679**	**17,183**	**297,471**	**197,818**	**-3,262**	**531**
Net open foreign currency position total	**374,897**	**506**	**-5,545**	**919**	**-780**	**369,997**

Net open position on balance sheet includes fair valuation adjustments due to interest rate risk on hedged items designated in hedging relationships, whereas only notionals of derivatives are presented in the line 'Net derivative and spot position'. During 2024, a total fair value adjustment of net HUF 9 billion was recognised in the carrying amounts of hedged bonds, accounted for in EUR.

The Group defines strict limits for the open positions and uses VaR indicators as well. These limits are monitored on a daily basis.

Risk factors related to the foreign currency options are reflected in FX VaR figures. For derivatives related to options (gamma and vega), additional limits are defined and monitored by the Group on a daily basis.

Exposure to other price risk – trading book

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group's exposure to other price risk only arises from exposures to exchange traded equity instruments. The Group defines strict limits for open equity exposures and uses price risk VaR as well. These limits are monitored on a daily basis.

Tools for managing market risk – trading book and banking book

Value at risk

The principal tool used to measure and control market risk exposure within the Group's trading and banking portfolio is Value at Risk (VaR). A VaR indicator shows the maximum loss of a financial instrument under a given period and confidence level, within normal course of business. The VaR model used by the Group is based upon a 99 percent confidence level and assumes a 10-days holding period in case of trading book and a 250-days holding period in case of banking book. The VaR is a risk indicator which must be assigned to the distribution of possible losses of the financial instrument. The Group applies Monte Carlo VaR calculation. Considering the trading book products, they can be divided into three risk factors – foreign currency, interest and equity price – and risks are grouped according to this categorization.

VaR is not the sum of every single component (foreign currency risk, interest rate risk and equity price risk) as there is a correlation between the components (diversification effect). Diversification effect results in a reduction of the overall risk of a portfolio given that the individual risk components do not move together. Foreign currency risk, other price risk and interest rate risk do not correlate with each other perfectly, thus diversification effect exists. The VaR figure is calculated on a daily basis on the fundamental factors separately and on the entire group of factors as well. Diversification effect is not taken into consideration by the Group in case of capital requirement calculations.

A summary of the VaR positions representing the market risk exposure of the Group's trading and banking book is presented in the tables below:

	31.12.2024				31.12.2023			
(HUF million)	**VaR at year end**	**Average VaR**	**Minimum VaR**	**Maximum VaR**	**VaR at year end**	**Average VaR**	**Minimum VaR**	**Maximum VaR**
Trading book								
Foreign currency risk	5	6	0	38	2	10	0	119
Interest rate risk	7	34	7	175	43	75	36	170
Total risk	**10**	**57**	**10**	**272**	**57**	**113**	**35**	**1,499**
Banking book								
Interest rate risk	18,829	14,467	8,429	22,345	15,518	13,848	10,922	16,987
Total risk	**18,829**	**14,467**	**8,429**	**22,345**	**15,518**	**13,848**	**10,922**	**16,987**

The reason of the increase of the banking book's VaR position is that the Group established a significant strategic interest position that resulted in openness at the end of the year as well.

Gap and BPV report

Besides measuring VaR, interest rate risk is also estimated by using classical means of principal and interest maturity analysis. In the gap report, the assets and liabilities are shown in different repricing categories according to the expected repricing dates.

Repricing of assets or liabilities occurs when:

- they fall due;
- part of the principal is repaid according to the contract;
- the interest is repriced in accordance with the contract, based on a reference rate;
- the assets or liabilities are repaid before maturity.

The interest-bearing off-balance sheet items are managed as nominal deposits and loans.

The difference between assets and liabilities in the same repricing category is called a 'gap'. The gap in a particular category is positive when interest rate risk of assets exceeds that of liabilities, and negative in the opposite case. For the different repricing categories, interest rate sensitivities, i.e., basis point values (BPV) are assigned. BPV shows the changes in the present value of a certain repricing category's position due to a 1 basis point parallel shift of the yield curve. BPV limits which were approved by the parent bank are assigned for the repricing categories by currency.

BPV reports are presented in the below tables:

(HUF million)	31.12.2024 HUF*	HUF	EUR	CHF	USD	31.12.2023 HUF*	HUF	EUR	CHF	USD
Trading book										
0 - 3 months		-233	135	3	14		-356	36	-10	258
3 - 6 months		-147	-192	0	491		70	-101	-1	206
6 months to 1 year		157	-145	0	-58		-246	204	0	44
1 - 2 years		35	-43	0	-110		-98	21	0	-1
2 - 3 years		-8	-4	0	0		-41	-8	0	-2
3 - 5 years		440	0	0	0		-19	-3	0	-42
5 - 7 years		-363	-12	0	0		564	-14	0	0
7 - 10 years		-12	-6	0	0		-188	-47	0	0
10 - 15 years		-53	0	0	0		-199	0	0	0
15 - 20 years		0	0	0	0		0	0	0	0
More than 20 years		0	0	0	0		0	0	0	0
Banking book										
0 - 3 months	-2,787	-4,625	-816	-29	422	3,205	787	-2,599	-31	709
3 - 6 months	-4,818	-2,688	-3,236	9	166	-4,534	-3,024	-2,292	9	211
6 months to 1 year	-8,606	-1,364	88	56	35	-4,873	-1,265	695	43	86
1 - 2 years	-25,703	2,869	-1,575	0	10	-14,495	843	105	20	132
2 - 3 years	-22,579	513	-407	0	50	-12,565	5,751	534	0	107
3 - 5 years	-23,097	-736	1,402	0	-34	-41,287	-3,142	569	0	670
5 - 7 years	-13,592	2,994	23	0	4	-13,299	3,471	5,101	0	2
7 - 10 years	-23,909	-3,139	-4,411	0	0	-17,357	3,376	841	0	0
10 - 15 years	-108	-108	31	0	0	192	192	-246	0	0
15 - 20 years	372	372	0	0	0	431	431	-15	0	0
More than 20 years	4	4	0	0	0	2	2	0	0	0

*With strategic interest rate hedge position and position used to hedge equity

Netting arrangement related to derivative instruments

Derivative instruments are classified as assets if their fair values are positive and as liabilities if their fair values are negative. According to IAS 32.42 derivative assets and liabilities arising from different transactions could only be presented net in the statement of financial position, if the transactions are concluded with the same counterparty, an enforceable right exits to offset the amounts presented and the parties intend to settle the cash-flows net. The netting arrangement concluded by the Group are enforceable only in certain circumstances and as a result financial assets and liabilities are presented gross in the statement of financial position.

31.12.2024 (HUF million)	Gross amount: Financial assets	Gross amount: Financial liabilities set off	Net amount of recognised financial assets	Amounts from global netting agreements: Financial instruments	Amounts from global netting agreements: Cash collateral received	Net amount
Derivative assets	166,068	0	166,068	130,922	0	35,146

31.12.2024 (HUF million)	Gross amount: Financial liabilities	Gross amount: Financial assets set off	Net amount of recognised financial liabilities	Amounts from global netting agreements: Financial instruments	Amounts from global netting agreements: Cash collateral pledged	Net amount
Derivative liabilities	180,130	0	180,130	130,922	34,407	14,801

31.12.2023 (HUF million)	Gross amount: Financial assets	Gross amount: Financial liabilities set off	Net amount of recognised financial assets	Amounts from global netting agreements: Financial instruments	Amounts from global netting agreements: Cash collateral received	Net amount
Derivative assets	214,586	0	214,586	183,005	0	31,581

31.12.2023 (HUF million)	Gross amount: Financial liabilities	Gross amount: Financial assets set off	Net amount of recognised financial liabilities	Amounts from global netting agreements: Financial instruments	Amounts from global netting agreements: Cash collateral pledged	Net amount
Derivative liabilities	216,211	0	216,211	183,005	4,856	28,350

(6.4) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities.

Managing liquidity risk

The objective of liquidity management is to provide the necessary liquidity for the Group to meet its liabilities when due at all times, under both normal and stressed conditions.

Liquidity risk management is a key priority in RBI Group as well as in Raiffeisen Bank Zrt., thereby the Group has a comprehensive set of group-standards of the Group and local internal rules, regulations and practices beside the legal regulations regarding liquidity requirements. Liquidity management procedures, tasks, responsibilities, reports and instructions for the limit systems are all governed in Management directives of the Group.

Liquidity management is one of the main tasks of the Asset Liability Committee (ALCO). ALCO is responsible for asset and liability management, liquidity risk management and setting local limit system according to (or sometimes stricter than) the limits determined by RBI Liquidity Risk Management. The ALCO meets monthly and has extraordinary meetings if necessary.

Besides internal liquidity risk reporting, RBI prepares a liquidity report based on data provided by the Group on a daily basis in order to monitor group wide liquidity risk.

The Group's liquidity policy which includes the liquidity contingency plan is reviewed annually. The Group's liquidity position is stable, its liquidity risk exposure is low. The Group does not use stand-by loan commitments for liquidity management purposes, sufficient level of liquidity reserve is available without such commitments.

The following table shows the undiscounted cash flows from the Group's non-derivative financial liabilities, loan commitments and issued financial guarantee contracts on the basis of their earliest possible maturity. The table also shows a maturity analysis for derivative financial liabilities including the remaining contractual maturities for those derivatives for which contractual maturities are essential for the understanding of the timing of the cash flows. The gross nominal outflow disclosed in the following tables is the remaining contractual, undiscounted cash flow from the Group's non-derivative financial liabilities, loan commitments and the issued financial guarantees. The disclosure for derivatives shows a gross inflow and outflow amount for derivatives.

31.12.2024			Timing of contractual cash flows			
(HUF million)	Carrying amount	Contractual cash flows	0 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Non-derivative financial assets	**4,377,149**	**4,725,627**	**1,111,446**	**388,808**	**2,133,653**	**1,091,720**
Cash	58,272	58,272	58,272	0	0	0
Placements with banks	472,629	473,016	473,016	0	0	0
Loans and advances	2,155,671	2,501,594	395,080	324,629	1,100,918	680,967
Debt securities	1,690,577	1,692,745	185,078	64,179	1,032,735	410,753
Derivative assets		**166,428**	**33,597**	**14,631**	**70,208**	**47,992**
Derivative instruments - held for trading		**73,538**	**17,575**	**7,361**	**31,782**	**16,820**
Outflow		-135,601	-6,790	-65,331	-12,568	-50,912
Inflow		209,139	24,365	72,692	44,350	67,732
Derivative instruments - hedge accounting		**92,890**	**16,022**	**7,270**	**38,426**	**31,172**
Outflow		-13,729	-13,729	0	0	0
Inflow		106,619	29,751	7,270	38,426	31,172

31.12.2024 (HUF million)	Carrying amount	Contractual cash flows	Timing of contractual cash flows: 3 months or less	3-12 months	1-5 years	more than 5 years
Non-derivative financial liabilities	**4,748,478**	**4,933,852**	**4,016,382**	**176,172**	**395,675**	**345,623**
Deposits	3,716,173	3,853,147	3,222,311	132,298	297,222	201,316
Short positions	1,507	1,507	1,507	0	0	0
Debt securities issued	211,806	257,195	27	40,608	84,039	132,521
Other financial liabilities	44,843	47,854	18,388	3,266	14,414	11,786
Financial guarantees given	215,352	215,352	215,352	0	0	0
Loan commitments given	558,797	558,797	558,797	0	0	0
Derivative liabilities		**-180,894**	**-37,632**	**-11,898**	**-71,784**	**-59,580**
Derivative instruments - held for trading		**-74,650**	**-21,655**	**-6,827**	**-21,701**	**-24,467**
Outflow		-178,842	-27,012	-48,952	-72,180	-30,698
Inflow		104,192	5,357	42,125	50,479	6,231
Derivative instruments - hedge accounting		**-106,244**	**-15,977**	**-5,071**	**-50,083**	**-35,113**
Outflow		-208,084	-36,370	-14,246	-101,753	-55,715
Inflow		101,840	20,393	9,175	51,670	20,602

31.12.2024 (HUF million)	Contractual cash flows	Timing of contractual cash flows: 3 months or less	3-12 months	1-5 years	more than 5 years
Total net liquidity position (future inflows minus outflows)	**-222,691**	-2,908,971	215,369	1,736,402	734,509

31.12.2023 (HUF million)	Carrying amount	Contractual cash flows	Timing of contractual cash flows: 0 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Non-derivative financial assets	**4,153,453**	**4,708,878**	**1,435,577**	**371,353**	**1,753,695**	**1,148,253**
Cash	39,642	39,642	39,642	0	0	0
Placements with banks	888,203	888,453	888,453	0	0	0
Loans and advances	2,111,773	2,488,095	488,512	328,813	1,042,565	628,205
Debt securities	1,113,835	1,292,688	18,970	42,540	711,130	520,048
Derivative assets		**216,984**	**44,915**	**24,591**	**87,395**	**60,083**
Derivative instruments - held for trading		**96,576**	**25,637**	**16,732**	**35,057**	**19,150**
Outflow		-168,531	-23,741	-41,712	-50,131	-52,947
Inflow		265,107	49,378	58,444	85,188	72,097
Derivative instruments - hedge accounting		**120,408**	**19,278**	**7,859**	**52,338**	**40,933**
Outflow		-13,000	-13,000	0	0	0
Inflow		133,408	32,278	7,859	52,338	40,933

31.12.2023 (HUF million)	Carrying amount	Contractual cash flows	Timing of contractual cash flows: 3 months or less	3-12 months	1-5 years	more than 5 years
Non-derivative financial liabilities	**4,411,990**	**4,629,188**	**3,659,737**	**261,822**	**471,013**	**236,616**
Deposits	3,551,018	3,741,077	3,018,090	110,270	388,761	223,956
Short positions	4,261	4,261	4,261	0	0	0
Debt securities issued	192,646	216,326	362	148,217	67,747	0
Other financial liabilities	37,708	41,167	10,667	3,335	14,505	12,660
Financial guarantees given	192,706	192,706	192,706	0	0	0
Loan commitments given	433,651	433,651	433,651	0	0	0
Derivative liabilities		**-215,906**	**-40,029**	**-16,835**	**-88,018**	**-71,024**
Derivative instruments - held for trading		**-89,057**	**-27,572**	**-10,365**	**-25,559**	**-25,561**
Outflow		-272,030	-113,670	-91,743	-34,242	-32,375
Inflow		182,973	86,098	81,378	8,683	6,814
Derivative instruments - hedge accounting		**-126,849**	**-12,457**	**-6,470**	**-62,459**	**-45,463**
Outflow		-220,451	-28,293	-28,798	-114,855	-48,505
Inflow		93,602	15,836	22,328	52,396	3,042

31.12.2023		Timing of contractual cash flows			
	Contractual	3 months			more than
(HUF million)	cash flows	or less	3-12 months	1-5 years	5 years
Total net liquidity position (future inflows minus outflows)	**80,768**	-2,219,274	117,287	1,282,059	900,696

The following table sets out the carrying amounts of assets and liabilities that are expected to be recovered or settled within one year or over one year.

31.12.2024 (HUF million)	Carrying amount	Less than 1 year	More than 1 year
Assets			
Financial assets held for trading	82,406	24,132	58,274
Non-trading financial assets mandatorily at fair value through profit or loss	185,934	1,479	184,455
Financial assets measured at fair value through other comprehensive income	550,339	212,128	338,211
Financial assets measured at amortised cost	3,108,434	532,163	2,576,271
Derivative instruments designated as hedging instruments	92,149	12,250	79,899
Deferred tax assets	1,341	0	1,341
Other assets	9,611	9,611	0
Total assets	**4,030,214**	**791,763**	**3,238,451**
Liabilities			
Financial liabilities held for trading	76,471	19,343	57,128
Financial liabilities measured at amortised cost	3,972,822	3,254,282	718,540
Derivative instruments designated as hedging instruments	105,166	8,779	96,387
Provisions	16,993	16,827	166
Deferred tax liabilities	17	3	14
Other liabilities	14,898	14,898	0
Total liabilities	**4,186,367**	**3,314,132**	**872,235**

31.12.2023 (HUF million)	Carrying amount	Less than 1 year	More than 1 year
Assets			
Financial assets held for trading	97,809	31,425	66,384
Non-trading financial assets mandatorily at fair value through profit or loss	165,041	544	164,497
Financial assets measured at fair value through other comprehensive income	365,884	15,759	350,125
Financial assets measured at amortised cost	2,693,484	609,632	2,083,852
Derivative instruments designated as hedging instruments	119,623	15,877	103,746
Deferred tax assets	1,841	0	1,841
Other assets	9,355	9,355	0
Total assets	**3,453,037**	**682,592**	**2,770,445**
Liabilities			
Financial liabilities held for trading	93,665	30,173	63,492
Financial liabilities measured at amortised cost	3,781,372	3,024,811	756,561
Derivative instruments designated as hedging instruments	126,808	7,971	118,837
Provisions	16,831	16,831	0
Deferred tax liabilities	11	0	11
Other liabilities	11,814	11,814	0
Total liabilities	**4,030,501**	**3,091,600**	**938,901**

(6.5) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology, and infrastructure, and from external factors other than pure credit, market and liquidity risks. Operational risk also includes risks arising from non-compliance with legal and regulatory requirements and generally accepted standards of corporate behaviour. These risk types are inherent in each of the Group's business and internal supporting activities.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The Group has an Operational Risk Management network consisting of a separate Operational Risk Controlling Group and a centralised Fraud Risk Controlling Group and approximately 100 dedicated Operational Risk Specialists located in business units, support departments, regions and at subsidiaries.

Operational Risk Controlling applies different tools to identify risks across all departments: key risk indicators; scenarios; control and risk self-assessment; loss data collection and external databases.

The processes above are used to help identify risks early and are needed to reduce the occurrence of future loss events. The loss events are uploaded by the dedicated operational risk specialists into a loss database and based on this and other supplementary information (e.g., key risk indicators, status of risk mitigation plans), quarterly reports are created by Operational and Fraud Risk Controlling.

Operational and Fraud Risk Controlling gets strong management support. Operational risk issues and possible mitigation measures are discussed quarterly at the Operational Risk and Fraud Committee meetings where the Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer, the Chief Operations Officer, the Retail Banking Board member, the Corporate Banking Board member and other members of the Committee (mainly heads of departments) are attended and decide on the priority of risk mitigation plans. RBI CRO receives information about the most relevant Operational Risk issues through the CRO meeting.

(6.6) Environmental, social and governance risks

Our planet, the biodiversity and the quality of our life is largely impacted by the natural factors making up the biological system. The business activity of the financial sector has a significant impact on the environment and on society. However, this is a two-way relationship, the finance sector itself is also affected by environmental and social factors. The two most significant environmental effects of these times are climate change and biodiversity loss.

In terms of defining environmental, social and governance (ESG) risks, the Group follows EBA's position and take on a prudential view when it comes to ESG, elaborating on the risks related to it, i.e. 'ESG risks materialize when the ESG factors affecting institutions' counterparties have a negative impact on the financial performance or solvency of such market players'. As ESG refers to environmental, social and governance aspects, the Group identifies the following risks from these aspects. The detailed information about ESG related topics is disclosed in the separate and consolidated non-financial statement.

Key considerations of ESG risks

Environmental risks

Environmental risks are driven by environmental factors. They should be understood as the financial risks posed by the institutions' exposures to counterparties that may both potentially contribute to or be affected by climate change and other forms of environmental degradation (such as air pollution, water pollution, scarcity of fresh water, land contamination, biodiversity loss and deforestation).

The Group identifies environmental risks as a result of the following factors:

- Transition-related risks: regulatory, technological and market changes that generate changes in the lending and other risks arising in the course of banking activities related to climate change, environmental pollution and water ecological processes.
- Physical risks: acute or chronic environmental events related to climate change, environmental pollution and aquatic ecological processes that directly endanger the physical integrity and security of assets and/or customers financed in the course of banking activities, thereby affecting their operability, income-generating capacity and value, as well as the security of supply chains. Acute physical risks include: floods, storms, droughts, forest fires. Chronic physical risks include: desertification, sea level rise, air and water quality, permanent deterioration of water volumes, and persistent increase in temperature.

Social risks

Social risks arise from financial impact generated by misuse of human capital such the rights, well-being and interests of people and communities.

Governance risks

Governance risks refer to the governance practice of the institutions' counterparties, including the inclusion of ESG factors in policies and procedures under the governance of the counterparties.

These risks affect:

- the value of the companies' assets, business model, income-generating capacity, supply chains, investable resources, regulatory environment;
- household income, expenditure, and the value of their assets;
- and at the macroeconomic level, the value of capital assets, investment needs, productivity and competitiveness levels, consumer preferences, and the related operation of public finances, interest rates and exchange rates.

These changes may be reflected in the Group's operations as follows:

- credit risk: increased defaults, depreciation of collateral;
- market risk: unexpected changes in asset price movements that are difficult to predict;
- operational risk: vulnerabilities in supply chains, physical operational risks;
- liquidity risk: increased liquidity needs, refinancing risk;
- reputational risks: reputational damage due to inadequate management of the above, risks of being painted 'green'.

Risk framework

The Group takes these risks into account in its risk frameworks over different time horizons as follows:

Short term

Individual risks

The Group implicitly takes into account the mentioned risks in the corporate customer base during the annual review and credit approval process. In 2023, a modification of the lending process was introduced, in the course of which the Group

explicitly analyses the environmental assessment of the customer and the loan objective on the business side ('ESG expert opinion') and presents the identifiable environmental risk profile ('ESG risk assessment') as a separate part of the risk manager's position on the risk side.

The Group conducts an increasing number of surveys to its customers in order to obtain access to their sustainability data (in the form of an electronic questionnaire). In the survey, in addition to estimated and factual data related to GHG emissions, the Group collects data on water and land use; waste production and environmental pollution characteristics. In addition to short-term consideration, these data also serve as input for the assessment of medium-term (ESG score) and long-term (climate scenarios). The Group has taken note of the National Bank of Hungary's recommendation for a customer questionnaire in this regard and will supplement its own questions with the minimum set of questions recommended, in the future, keeping in mind the deadlines set.

The Group is making efforts to obtain energy performance data for collaterals. Where the legal environment allows, it is a mandatory condition to provide the related certificates in the case of new funding, and in the case of existing funding and/or in the absence of a legal obligation, data collection is carried out on a 'best effort' basis within targeted campaigns.

The Group has implemented sector-wide lending policies to define sustainability financing conditions. By the end of 2024, it has established clear lending policies in the following sectors: tobacco, coal, renewable energy, oil and gas; steel, nuclear energy, real estate and construction and related raw materials.

Portfolio risks

With the help of scientific methodologies (PCAFs) and estimates, measurements were made regarding the financed GHG intensity of the corporate customer base, which is published in the separate and consolidated non-financial statement for 2024 as the first time, section 'E1-6: Gross scopes 1, 2, 3 and total GHG emissions'.

For the corporate segment the additional risk arising from ESG factors was considered using the Special Risk Factors (SRF) Framework, primarily to account for unmodelled macroeconomic effects but also to cover environmental risks as a temporary compensations of the model weaknesses. More details are disclosed under note (6.2) Credit risk.

Mid-term

Individual risks

In 2022, the Group introduced an ESG scoring system to assess customers in a standardized way from the environmental perspective. The model was developed by the parent company (RBI), and its use is uniform for the medium-sized and large corporate customers. The ESG score has no direct impact on the client's credit rating. The ESG model is based on an industry base score, supplemented by an additional carbon dioxide emission factor. It is possible to deviate the industry average score in this way in a positive or negative direction along individual customer specifics. During scoring, the risk analyst evaluates a number of aspects based on the client's report, data reporting and disclosures, which, supplemented with the data of the above-mentioned electronic questionnaire (where available), determines a final client score within the industry score limits. The ESG score can provide guidance on the calibration of customers' expected environmental risks in the medium term, and as such, it serves as input information for the above-mentioned sustainability assessments related to the lending process.

Portfolio risks

Based on the ESG Score mentioned above, the Group plans to introduce portfolio management tools in the future (sub-portfolio level measurements, targets and limits), which will be broken down to a local level based on the parent company's group-level limit management. In 2025, it is expected to introduce a monitoring process for the change in the average ESG Score of the portfolio above 10%, as well as for the maximum amount of the part of the portfolio with the worst ESG Score.

Regarding the Group's ambitions towards the 2015 Paris Agreement climate targets, the Group committed to reducing its financed GHG emissions by 17% by the end of 2030, based on the level measured at the end of 2023. The objective for the corporate client portfolio has been formulated as an overarching target and was approved by the Board of Directors. In the coming years, this effort is expected to be further developed and detailed sector-specific goals may be developed.

Long-term

Portfolio risks

A long-term Climate Stress Test has been prepared at the level of the RBI Group and its subsidiaries, taking into account the above-mentioned customer and collateral sustainability data, along the scenarios defined by the EBA. The Group's results have been completed by the end of 2024, which examined the long-term impact of climate risks on the Group's profitability and capital adequacy in each scenario. The results show that the Group is not exposed to significant risk overall over the 2030-40-50 time horizon, but there are portfolios that are more vulnerable under certain scenarios.

Reference to the non-financial disclosure

During the reporting period, it was determined that there are no financially material risks from climate change to the regular risk parameters (market risk, credit risk, operational risk, and liquidity risk). The effects of climate change are only observed through scenario analyses over longer periods. The effects from climate risks are incorporated into risk measurement and limitation. Further information on the nature, extent and mitigation of climate change risk are available in the separate and consolidated non-financial statement's chapter IRO-1: 'Process to identify and assess material impacts, risks and opportunities'.

Key sources of estimation uncertainty and critical accounting judgments

In the double materiality analysis for the separate and consolidated non-financial statement in 2024, the financial materiality of sustainability matters was considered in the short, medium, and long-term. In the short term, defined as the reporting period of the consolidated financial statements, it was assessed that there were no financially material risks from sustainability matters. As a result, the consolidated financial statements do not include any separate disclosure on sustainability related uncertainties that materially affect the estimation assumptions. In the long term, which is considered as ten years onwards, there is also a low chance of a material impact on the credit risk of our customer portfolio due to climate change transition risk. For more details, please see the separate and consolidated non-financial statement's chapter IRO-1: 'Process to identify and assess material impacts, risks and opportunities'.

(6.7) Capital management

The Group's local regulator (National Bank of Hungary (NBH)) sets and monitors capital requirements for the Group.

With effect from 1 January 2008, the Group is required to comply with the provisions of the Basel II framework in respect of regulatory capital. The same stands for the Basel III requirements with effect from 30th June 2014.

The Group as a member of Raiffeisen Bank International has been granted a joint approval in December 2008 by the Austrian Financial Market Authority (home regulator) and the eight-member countries' host authorities to adopt the use of Internal Rating Based approach to credit risk management, except in respect of some credit portfolios which remain under standard approach according to the accepted implementation plan.

Principal changes arising from the introduction of Basel III advanced approach were as follows:

- reduction of own funds with the negative difference between loss allowances and provisions for credit losses and expected loss;
- addition of the positive difference between loss allowances and provisions for credit losses and expected loss up to 0.6% of the amount of risk-weighted exposure (under IRB approach) to tier 2 capital;
- own funds should cover the capital requirement of credit, market and operational risk.

A Group's own funds can be split into two tiers:

- Tier 1 capital (T1),
  - common tier 1 capital (CET1) which includes common tier 1 capital instruments (share capital, share premium, retained earnings, accumulated other comprehensive income, other reserves) and the related deductions, namely deductions related to intangible assets, goodwill, deferred tax assets, IRB shortfall of credit risk adjustment to expected loss, deductions due to securitization positions, and other deduction due to exceeding limits,
  - additional tier 1 capital (AT1): which includes capital instruments eligible as additional tier1 capital.
- Tier 2 capital (T-2), which includes subordinated loans and the excess of loss allowances and provisions for credit losses over expected losses in case of loan portfolios for which the Basel III IRB method is applied.

There are also restrictions as to whether the amount of surplus of loss allowances and provisions for credit losses over expected losses that may be included as part of tier 2 capital. Other deductions from own funds include the book value of qualifying interests in other financial institutions.

Banking operations are categorised as either trading book or banking book transactions. Risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures. As noted above, the Basel II/III capital requirement also introduced a new requirement in respect of operational risk.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also important. The Bank recognises the need to maintain a balance between the higher returns that might be possible with higher gearing and the advantages and security from a sound capital position.

The Group has complied with all regulatory capital requirements throughout the year of 2024. The capital position of the Group remained at a sound level throughout the year, aligned with its' risk appetite.

Regulatory capital requirement

The Group's policy is to maintain the capital adequacy continuously above the required level and take any necessary actions on time. The Group applies regulatory capital (Basel III Pillar 1) as well as economic capital (Basel III Pillar 2, ICAAP) for calculating capital adequacy. The Group started a gradual transition to calculating capital requirements for credit risk via the Internal Rating Based (IRB) approach, first introducing the Foundation Internal Ratings Based (F-IRB) approach for its non-retail portfolio on 1st December 2008. Starting from July 2010 and April 2012, capital requirement for exposures to individuals and Micro-SME customers respectively are measured by advanced IRB (A-IRB) method. Above the regulatory minimum capital requirement, the Group needs to keep additional capital for the following capital buffers: systemic risk buffer, capital conservation buffer, systemically important institution buffer.

Systemically important institution buffer

The National Bank Hungary (NBH) reassessed in 2024 as well the importance of the domestic credit institutions based on 2023 year end data, and according to the assessment 7 Banking Group have been flagged as Other Systemically Important Institutions (O-SII), including Raiffeisen Group.

Already from 2022, the NBH has been expected a gradual rebuilding of the buffers required for systemically important institutions – which were released due to the extraordinary economical conditions caused by the coronavirus pandemic – until 2024. The capital positions of the systemically important banks are still adequate for the NBH to determine the buffers prescribed from 2022 in line with the previously determined increasing pattern. Accordingly, the temporary buffer rates increased also in 2024 by half of the planned final level and reached their target level in 2024. Accordingly, the planned final amount will remain in force in 2025.

O-SII buffer rates						
	Actual					Provided
	2020	from 01.17.2020	2022	2023	2024	2025
Raiffeisen Bank Zrt.	0.500 %	0.000 %	0.125 %	0.250 %	0.500 %	0.500 %

Anti-cyclical capital buffer

On 30 June 2022 the NBH activated the anti-cyclical buffer in their communication, in order to mitigate the systematic risks in the lending and housing market. The NBH has been measuring a significant overpricing in the real estate market for the quarters before June 2022, coupled with an increase of risks in the banking sector related to lending activities. Even though the uncertainties in the past few months related to the war situation, these risks still did not moderate, so it became justified to support the resistance of the banks with regulatory actions. Therefore, NBH's Financial Stability Council increased the capital requirements for banks and from 1 July 2024 it increased the ratio of the anti-cyclical buffer – for the first time since its introduction 6 years ago – to 0.5%.

Capital adequacy

(HUF million)	31.12.2024	31.12.2023
Share capital	50,000	50,000
Share premium	113,445	113,445
Retained earnings	215,909	118,168
Accumulated other comprehensive income	13,101	22,193
Funds for general banking risk	43,594	32,143
Adjustments to CET1 due to prudential filters	-11,722	-23,031
(-) Goodwill	-1,035	-1,035
(-) Intangible assets	-18,011	-16,674
(-) Deductions due to deferred tax	-1,341	-1,839
(-) Deductions due to securitization positions	0	0
(–) Additional capital requirement of non-performing exposures	-14,561	-2,007
Common equity tier 1 capital	**389,379**	**291,363**
Capital instruments eligible as additional tier 1 capital	46,979	46,979
Additional tier 1 capital (AT1)	**46,979**	**46,979**
IRB Excess of loss allowances and provisions over expected losses	7,160	6,844
Equity instruments classified as subordinated loans	63,564	59,331
Tier 2 Capital	**70,724**	**66,175**
Total regulatory capital	**507,082**	**404,517**
Capital requirement	**138,167**	**139,728**
Solvency ratio (%)	**29.36%**	**23.16%**

The regulatory capital as at31 December 2024 31 December 2023 includes the deduction of the dividend paid for 2023; the regulatory capital as at 31 December 2024 does not include the deduction of planned dividend for 2024, see (49) Events after the reporting date

Capital allocation

The allocation of capital between specific operations and activities is primarily driven by the aim to ensure sufficient capital to cover possible risks in order to guarantee continuous safe banking operation (going concern principle) as well as to cover occasionally high losses eventually to be incurred in extreme market circumstances, and secondarily, to optimise return on equity of the Group.

In order to quantify the risks, the Group calculates capital both required by regulation and required economically, and optimization is based on economic capital requirements.

The process of allocating capital to specific operations and activities is undertaken by Credit Risk Reporting and ICAAP Unit of IRD, which is subject to review by the Group's Management. An additional tool for optimal capital allocation is the application of risk and equity cost-based pricing.

The Group's principles in respect of capital management and allocation are regularly reviewed by the Board of Directors.

(7) Interest income calculated with the effective interest method, other interest income and interest expenses

(HUF million)	2024	2023
Interest income calculated with the effective interest method	**216,776**	**358,864**
Other interest income	**170,925**	**244,368**
Financial assets held for trading	49,268	98,072
Debt securities	34	533
Derivative instruments - held for trading	12,338	22,431
Derivative instruments – held for risk management (not in hedge accounting)	36,896	75,108
Non-trading financial assets mandatorily at fair value through profit or loss	12,010	9,530
Loans and advances	12,010	9,530
Derivative instruments - hedge accounting, interest rate risk	42,909	76,939
Other	66,738	59,827
Interest income total	**387,701**	**603,232**
Interest expense calculated with the effective interest method	**-101,753**	**-167,446**
Other interest expense	**-98,967**	**-235,130**
Financial liabilities held for trading	-49,542	-127,288
Derivative instruments - held for trading	-12,022	-22,160
Derivative instruments – held for risk management (not in hedge accounting)	-37,520	-105,128
Derivative instruments - hedge accounting, interest rate risk	-49,418	-107,837
Other	-7	-5
Interest expense total	**-200,720**	**-402,576**
Net interest income	**186,981**	**200,656**

Net interest income of the Group decreased by HUF 13,675 million compared to the previous year. Both interest income and interest expenses decreased, but the decrease in interest income was more significant.

There was a significant decline in interest income calculated with the effective interest method (a decrease of HUF 142,088 million), due to the lower interest rate environment and the Group reducing its interbank placements with the MNB.

The primary reason for the HUF 65,693 million decrease in interest expense calculated with the effective interest method was the lower interest paid on customer deposits and interbank repo transactions.

Interest on securities measured at fair value through other comprehensive income improved interest income to a lesser extent, with an increase of HUF 5,688 million.

Net interest income was significantly boosted by the interest income from derivatives (an improvement of HUF 29,441 million in trading interest income), while the interest result on debt securities held for trading slightly reduced it (a decrease of HUF 499 million).

There was an increase of HUF 2,480 million in interest income from loans mandatorily measured at fair value through profit or loss, thanks to the childbirth incentive loans.

Net interest income on derivative instruments designated in cash-flow and fair value hedging relationships also contributed to the increase in interest income, with an increase of HUF 24,389 million.

(HUF million)	2024	2023
Interest income calculated with the effective interest method	**216,776**	**358,864**
Financial assets designated at fair value through profit or loss	**35,538**	**29,850**
Debt securities	35,538	29,850
hereof: interest income on impaired financial assets	0	0
Financial assets measured at amortised cost	**181,238**	**329,014**
Debt securities	55,426	57,703
Loans and advances	121,158	266,830
Lease receivables	4,554	4,416
Other assets	100	65
hereof: interest income on impaired financial assets	1,746	0
Interest expense calculated with the effective interest method	**-101,753**	**-167,446**
Financial liabilities measured at amortised cost	**-101,753**	**-167,446**
Deposits	-80,823	-146,400
Subordinated liabilities	-4,174	-3,686
Debt securities issued	-16,006	-16,610
Lease liabilities	-750	-750
Net interest income calculated with the effective interest method	**115,023**	**191,418**

(8) Net fee and commission income

The following table presents the net fee and commission income on financial instruments of the Group not measured at fair value through profit or loss:

(HUF million)	2024	2023
Fee and commission income		
IFRS 15 revenues		
Payment services and bank cards	61,663	51,279
Fees included in foreign exchange conversions and other transactions	24,042	23,530
Outsourced currency exchange activity	16,213	16,712
Security issuance fees and transfer commissions	6,980	5,565
Services as an agent	2,228	1,768
Custody	1,474	1,090
Corporate finance	85	316
Asset management	7,597	6,571
Clearing and settlement	9	16
Other	2,508	2,160
IFRS 15 revenues total	**122,799**	**109,007**
IFRS 9 revenues		
Loan servicing activities	261	368
Loan commitments given	4	4
Financial guarantees given	4,671	4,527
Loans granted	398	287
IFRS 9 revenues total	**5,334**	**5,186**
Fee and commission income total	**128,133**	**114,193**
Fee and commission expenses		
Payment services and bank cards	-8,063	-7,064
Fees included in foreign exchange conversions and other transactions	-268	-239
Outsourced currency exchange activity	-15,828	-16,318
Security issuance fees and transfer commissions	-429	-510
Services as an agent	-254	-252
Custody	-1,272	-936
Clearing and settlement	-59	-88
Loan servicing activities	-300	-350
Financial guarantees received	-4,006	-3,966
Asset management	-112	0
Other	-3,158	-2,950
Fee and commission expenses total	**-33,749**	**-32,673**
Net income from commissions and fees	**94,384**	**81,520**

(HUF million)	2024	2023
Fee and commission income over time		
Payment services and bank cards	37,332	30,255
Outsourced currency exchange activity	15,828	16,318
Security issuance fees and transfer commissions	1,517	1,209
Services as an agent	2,223	1,763
Custody	1,474	1,090
Asset management	7,592	6,567
Other	2,685	2,271
Total fee and commission income over time	**68,651**	**59,473**
Fee and commission income at a point in time		
Payment services and bank cards	24,331	21,024
Fees included in foreign exchange conversions and other transactions	24,170	23,649
Outsourced currency exchange activity	256	275
Security issuance fees and transfer commissions	4,699	3,689
Services as an agent	5	5
Corporate finance	85	316
Asset management	5	4
Clearing and settlement	9	16
Other	588	556
Total fee and commission income at a point in time	**54,148**	**49,534**
IFRS 15 revenues	**122,799**	**109,007**

Net fee and commission income of the Group increased by HUF 12,864 million compared to last year and this was primarily due to increase in payment service fees (HUF 9,385 million).

Within payment service fees, commissions relating to transfers and other settlement transactions that increased extraordinarily but the increase in bank card fees and in fees related to account maintenance was also outstanding.

Although to a lower extent, fees relating to distribution of securities (investment funds) and stock exchange orders, asset management fees, fees included in foreign exchange conversions and other transactions and agent fees (fees for mediating insurance services) also positively impacted net commission income.

The net fee and commission income decreased somewhat due to the Group receiving fewer corporate financial advisory fees during 2024.

(9) Net trading income and fair value result

Gains/losses from financial assets and liabilities held for trading

(HUF million)	2024	2023
Derivative instruments	37,299	-56,278
Derivative instruments - held for trading	11,247	-21,426
Derivative instruments – held for risk management (not in hedge accounting)	26,052	-34,852
Equity instruments	83	89
Debt securities	88	651
Other financial liabilities	-227	1,053
Total	**37,243**	**-54,485**

The result on derivatives held for trading increased by HUF 33,691 million. This was mainly due to an increase of HUF 33,156 million in realised and unrealised gains and losses on FX swaps, forwards and futures.

The result of the line ‘Derivative instruments – held for risk management (not in hedge accounting)’ increased by HUF 60,904 million, partly due to an increase of HUF 44,074 million in FX swaps, forwards and futures and an increase of HUF 16,830 million in the result on interest rate derivatives.

The result of the ‘Debt securities’ line decreased by HUF 563 million compared to last year. In total: government bonds reduced the result by HUF 450 million, other bonds by HUF 286 million and treasury bills improved the result by HUF 148 million.

The change in 'Other financial liabilities' was made based on consultation with the MNB, according to which the foreign exchange result items related to spot conversion were reclassified under derivative transactions.

Gains/losses on non-trading financial assets mandatorily at fair value through profit or loss

(HUF million)	2024	2023
Equity instruments	0	85
Debt securities	151	73
Loans and advances	3,697	24,483
Total	**3,848**	**24,641**

'Equity instruments' includes gains or losses recognised on units of Raiffeisen Befektetési Alapkezelő Zrt.

The 'Debt securities' line shows the revaluation result of Visa C shares.

In 2024, gains/losses on non-trading loans and advances mandatorily at fair value through profit or loss decreased by HUF 20,746 million, due to a decrease in the revaluation result on childbirth incentive loans.

(10) Net gains/losses from hedge accounting

The following table presents the net fair valuation gains or losses arising from derivatives involved in hedge accounting and the related hedged items:

(HUF million)	2024	2023
Fair value changes of the hedging instrument (including effects of discontinuation) in fair value hedges	14,590	38,328
Fair value changes of the hedged item attributable to the hedged risk in fair value hedges	-11,348	-39,754
Ineffectiveness in profit or loss from cash flow hedges	236	-82
hereof: existing hedges	-2,368	-326
hereof: discontinued hedges	2,604	244
Total	**3,478**	**-1,508**

Net gain arising from fair valuation of interest rate swaps and cross-currency interest rate swaps hedging purchased bonds amounted to HUF 6,519 million in 2024 (in 2023 HUF 63,917 million loss). Gain from fair valuation of interest rate swaps hedging received deposits amounted to HUF 1,951 million in 2024 (in 2023 HUF 8,050 million gain). On interest rate swaps, hedging received deposit portfolios, a fair valuation gain of HUF 8,510 million was recognised in 2024 (in 2023 HUF 110,588 million gain). In 2024 net fair valuation loss on interest rate swaps, hedging loans advanced, amounted to HUF 3,033 (in 2023 HUF 8,591 million loss). In 2024, gain on fair valuation of interest rate swaps, hedging issued bonds involved in hedge accounting, amounted to HUF 2,116 million (in 2023 HUF 6,125 million gain), out of which HUF 2,111 million gain (in 2023 HUF 6,071 million gain) relates to MREL bond issue. In relation to interest rate swaps, hedging loan portfolio, in 2024 a loss of HUF 1,473 million (in 2023 a loss of 13,927 million) was recognised in 'Net gains/losses from hedge accounting'.

In 2024, a fair valuation result of HUF -6,560 million (in 2023 HUF 63,912 million) was recognised on purchased bond, HUF -1,946 million (in 2023 HUF -8,014 million) on hedged received deposits, HUF 3,059 million (in 2023 HUF 8,641 million) on hedged loans, HUF -2,008 million (in 2023 HUF -6,129 million) on hedged own issued bonds thereof HUF 2,004 million (in 2023 HUF -6,070 million) relates to MREL bonds. On hedged received deposit portfolio a fair valuation result of HUF -5,430 million (in 2023 HUF -111,174 million), in relation to hedged loan portfolio HUF 1,537 million (in 2023 HUF 13,010 million) was recognised.

During 2024, the forint interest rate swap curve steepened with significant intra-year volatility. The NBH cut the base rate from 10.75% to 6.5%, which brought the short end of the curve lower. However, long-term interest rate expectations increased, so the 10-year swap rate increased from 5.78% to 6.84%. The net gain from hedge accounting in 2024 was primarily generated on portfolio fair value hedges hedging the modelled current account balance. This was primarily due to maturity mismatches between the modelled portfolios and the hedging interest rate swap portfolios.

Cash flow hedges

The Group has applied cash flow hedge accounting since December 2012, using interest rate swaps and cross currency interest rate swaps to hedge interest rate risk and foreign currency risk arising from loan portfolio denominated in foreign currency and received deposit portfolio denominated in HUF.

The following table presents the main characteristics of derivative financial instruments for which the Group applies cash flow hedge accounting:

31.12.2024	Maturity			
(HUF million)	0 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Interest rate risk				
Interest rate swaps (IRS)				
Nominal value	66,277	174,439	489,693	169,009
Average fixed interest rate	4.61%	8.17%	5.99%	6.24%
Interest rate risk/currency risk				
HUF/EUR cross currency interest rate swaps (CCIRS)				
Nominal value	0	19,349	38,409	14,322
Average HUF/EUR exchange rate	–	400.59	406.68	400.87

31.12.2023	Maturity			
(HUF million)	0 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Interest rate risk				
Interest rate swaps (IRS)				
Nominal value	8,602	213,958	424,273	123,514
Average fixed interest rate	3.35%	9.07%	6.53%	6.26%
Interest rate risk/currency risk				
HUF/EUR cross currency interest rate swaps (CCIRS)				
Nominal value	0	19,343	57,047	13,965
Average HUF/EUR exchange rate	–	386.86	384.97	383.74

In case of CCIRS contracts, the Group exchanges floating interest cash flows linked to BUBOR fixing to floating interest cash flows linked to EURIBOR fixing both repricing with a frequency of less than one year.

The following table presents amounts related to hedging instruments and hedge ineffectiveness in designated cash flow hedge relationships:

31.12.2024		Carrying amount					
(HUF million)	Nominal value	Assets	Liabilities	Fair value changes during the year used for calculating hedge ineffectiveness	Change in the value of the hedging instrument recognised in OCI*	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from the cash flow hedge reserve to profit or loss
Portfolio cash flow hedges							
Interest rate risk							
Interest rate swaps (IRS)	899,418	30,856	17,552	-10,847	-8,293	-2,414	-2,690
Interest rate risk hedge total	**899,418**	**30,856**	**17,552**	**-10,847**	**-8,293**	**-2,414**	**-2,690**
Interest rate risk/currency risk							
HUF/EUR cross currency interest rate swaps (CCIRS)	72,080	384	581	-78	-117	40	95
Interest rate risk/currency risk hedge total	**72,080**	**384**	**581**	**-78**	**-117**	**40**	**95**
Total	**971,498**	**31,240**	**18,133**	**-10,925**	**-8,410**	**-2,374**	**-2,595**

31.12.2023		Carrying amount					
(HUF million)	Nominal value	Assets	Liabilities	Fair value changes during the year used for calculating hedge ineffectiveness	Change in the value of the hedging instrument recognised in OCI*	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from the cash flow hedge reserve to profit or loss
Portfolio cash flow hedges							
Interest rate risk							
Interest rate swaps (IRS)	770,347	49,508	17,944	10,263	10,635	-370	-239
Interest rate risk hedge total	**770,347**	**49,508**	**17,944**	**10,263**	**10,635**	**-370**	**-239**
Interest rate risk/currency risk							
HUF/EUR cross currency interest rate swaps (CCIRS)	90,355	1,170	1,328	195	157	37	-4
Interest rate risk/currency risk hedge total	**90,355**	**1,170**	**1,328**	**195**	**157**	**37**	**-4**
Total	**860,702**	**50,678**	**19,272**	**10,458**	**10,792**	**-333**	**-243**

*Other comprehensive income

Derivatives designated as hedging instruments in cash flow hedge relationships are presented in the statement of financial position line item 'Derivative instruments designated as hedging instruments' amongst assets if their fair value is positive and in line item 'Derivative instruments designated as hedging instruments' amongst liabilities if their fair value is negative.

Both hedge ineffectiveness recognised in profit or loss during the existence of the designated hedge relationships and amounts recycled from other comprehensive income to profit or loss upon or after discontinuation of the hedge relationship are presented in the statement of comprehensive income line item 'Net gains/losses from hedge accounting'.

Amounts in the current period related to hedged items designated in cash flow hedge relationships are presented below:

2024	Fair value changes during the year used for calculating hedge ineffectiveness	Cash flow hedge reserve at the end of the year	
(HUF million)		Existing hedges	Discontinued hedges
Interest rate risk			
Loans	-16,350	6,688	0
Deposits	5,191	3,559	-3
Interest rate risk hedge total	**-11,159**	**10,247**	**-3**
Interest rate risk/currency risk			
Loans	269	62	0
Deposits	-291	34	0
Interest rate risk/currency risk hedge total	**-22**	**96**	**0**
Total	**-11,181**	**10,343**	**-3**

2023	Fair value changes during the year used for calculating hedge ineffectiveness	Cash flow hedge reserve at the end of the year	
(HUF million)		Existing hedges	Discontinued hedges
Interest rate risk			
Loans	44,870	21,556	0
Deposits	-34,523	-1,314	-4
Interest rate risk hedge total	**10,347**	**20,242**	**-4**
Interest rate risk/currency risk			
Loans	-236	-183	0
Deposits	394	298	0
Interest rate risk/currency risk hedge total	**158**	**115**	**0**
Total	**10,505**	**20,357**	**-4**

'Discontinued hedges' column: Amounts presented here arise from discontinued hedge relationships where the hedged cash flows are expected to occur. These amounts are recognised to profit or loss as the hedged cash flows affect profit or loss or when it becomes known that the hedged cash flows are no longer expected to occur (when the Group reclassifies the entire amount from equity to profit or loss).

The Group designates loan receivables and deposits received, denominated in HUF or in EUR, bearing variable interest rate, having yearly or less than yearly payment frequencies as hedged items. Loan receivables designated as hedged items in cash flow hedge relationships are presented in the statement of financial position line item 'Financial assets measured at amortised cost' and received deposits so designated are presented in the statement of financial position line item 'Financial liabilities measured at amortised cost'.

In 2024, HUF 11,005 million loss (2023: HUF 10,550 million gain) was recognised in other comprehensive income relating to the effective portion of fair value changes of hedging instruments designated in cash flow hedging relationships existing at 31.12.2024 or discontinued earlier. These amounts include reclassifications between other comprehensive income and profit or loss arising from the systematic amortisation of hedge reserves to profit or loss, relating to cash flow hedging relationships discontinued before 2024 or 2023. In 2024, HUF 2,604 million gain (2023: HUF 244 million gain) was reclassified to profit or loss relating to discontinued cash flow hedging relationships and the Group presented these amounts within 'Net gains/losses from hedge accounting'. During 2024, HUF 2,368 million loss (2023: HUF 326 million loss) was recognised in the same line relating to the ineffectiveness of hedging instruments designated in cash flow hedging relationships existing at 31.12.2024.

Fair value hedges

The following table presents the main characteristics of derivative financial instruments for which the B applies fair value hedge accounting:

31.12.2024	Maturity			
(HUF million)	0 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Interest rate risk				
Interest rate swaps (IRS) hedging purchased HTCS bonds				
Nominal value	1,968	46,783	176,292	37,987
Average fixed interest rate	1.47%	0.46%	4.79%	2.14%
Interest rate swaps (IRS) hedging purchased HTC bonds				
Nominal value	0	14,353	471,514	289,712
Average fixed interest rate	—%	0.06%	5.43%	3.70%
Interest rate swaps (IRS) hedging loans				
Nominal value	463	6,982	113,586	32,319
Average fixed interest rate	0.64%	1.97%	2.64%	3.44%
Interest rate swaps (IRS) hedging deposits				
Nominal value	0	27,859	18,229	0
Average fixed interest rate	—%	1.15%	1.69%	—%
Interest rate swaps (IRS) hedging issued bonds				
Nominal value	0	27,968	171,947	0
Average fixed interest rate	—%	2.76%	4.33%	—%
Interest rate swaps (IRS) hedging deposit portfolios				
Nominal value	55,825	276,295	598,995	395,744
Average fixed interest rate	1.80%	2.51%	3.10%	3.75%
Interest rate swaps (IRS) hedging loan portfolios				
Nominal value	685	10,974	34,287	21,088
Average fixed interest rate	0.62%	1.23%	1.46%	1.46%
Interest rate risk/currency risk				
CZK/EUR Cross currency interest rate swaps (CCIRS) hedging purchased HTCS bonds				
Nominal value	0	0	0	0
Average CZK/EUR exchange rate	0.00	0.00	0.00	0.00
USD/EUR Cross currency interest rate swaps (CCIRS) hedging issued bonds				
Nominal value	0	19,584	0	0
Average USD/EUR exchange rate	—	0.96	—	—

31.12.2023	Maturity			
(HUF million)	0 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Interest rate risk				
Interest rate swaps (IRS) hedging purchased HTCS bonds				
Nominal value	0	16,000	148,911	79,702
Average fixed interest rate	—%	1.60%	4.40%	1.54%
Interest rate swaps (IRS) hedging purchased HTC bonds				
Nominal value	0	18,502	234,223	154,380
Average fixed interest rate	—%	5.16%	5.59%	2.90%
Interest rate swaps (IRS) hedging loans				
Nominal value	18	1,214	105,011	41,612
Average fixed interest rate	-0.33%	0.38%	2.67%	2.48%
Interest rate swaps (IRS) hedging deposits				
Nominal value	0	2,000	46,088	0
Average fixed interest rate	—%	8.19%	1.46%	—%
Interest rate swaps (IRS) hedging issued bonds				
Nominal value	345	131,842	52,558	0
Average fixed interest rate	6.04%	10.55%	4.23%	—%
Interest rate swaps (IRS) hedging deposit portfolios				
Nominal value	40,886	136,692	522,069	339,651
Average fixed interest rate	2.01%	1.52%	2.11%	2.72%
Interest rate swaps (IRS) hedging loan portfolios				
Nominal value	421	15,806	27,837	39,197
Average fixed interest rate	0.50%	1.11%	1.35%	1.50%
Interest rate risk/currency risk				
CZK/EUR Cross currency interest rate swaps (CCIRS) hedging purchased HTCS bonds				
Nominal value	0	0	3,482	19,343
Average CZK/EUR exchange rate	0.00	0.00	24.55	24.58
USD/EUR Cross currency interest rate swaps (CCIRS) hedging issued bonds				
Nominal value	0	0	18,280	0
Average USD/EUR exchange rate	—	—	0.96	—

In case of CZK/EUR cross currency interest rate of CCIRS, the Group exchanges floating interest cash flows linked to PRIBOR fixing to floating interest cash flows linked to EURIBOR fixing both repricing with a frequency of less than one year.

In case of USD/EUR cross-currency interest rate swap (CCIRS) contracts, the Group exchanges floating interest cash flows linked to €STR overnight interest rate to floating interest cash flows linked to SOFR overnight interest rate both repricing with a daily frequency.

The following table presents amounts related to hedging instruments and hedge ineffectiveness in fair value hedges:

31.12.2024		Carrying amount		Fair value changes during the year used for calculating hedge ineffectiveness	Hedge ineffectiveness recognised in profit or loss
(HUF million)	**Nominal value**	**Assets**	**Liabilities**		
Micro fair value hedges					
Interest rate risk					
Interest rate swaps (IRS) hedging purchased HTCS bonds	263,030	11,023	2,951	-181	91
Interest rate swaps (IRS) hedging purchased HTC bonds	775,579	18,481	11,516	6,804	-56
Interest rate swaps (IRS) hedging loans	153,350	5,116	562	-3,033	26
Interest rate swaps (IRS) hedging deposits	46,088	0	2,315	1,951	5
Interest rate swaps (IRS) hedging issued bonds	199,915	7,068	415	2,139	103
Interest rate risk hedge total	**1,437,962**	**41,688**	**17,759**	**7,680**	**169**
Interest rate risk/currency risk					
CZK/EUR Cross currency interest rate swaps (CCIRS) hedging purchased HTCS bonds	0	0	0	-66	-38
USD/EUR Cross currency interest rate swaps (CCIRS) hedging issued bonds	19,584	216	0	-26	1
Interest rate risk/currency risk hedge total	**19,584**	**216**	**0**	**-92**	**-37**
Hedging instruments in micro fair value hedges total	**1,457,546**	**41,904**	**17,759**	**7,588**	**132**
Portfolio fair value hedges					
Interest rate risk					
Interest rate swaps (IRS) hedging deposit portfolios	1,326,859	9,603	68,363	8,491	3,061
Interest rate swaps (IRS) hedging loan portfolios	67,034	9,402	911	-1,471	67
Interest rate risk hedge total	**1,393,893**	**19,005**	**69,274**	**7,020**	**3,128**
Portfolio fair value hedges	**1,393,893**	**19,005**	**69,274**	**7,020**	**3,128**
Hedging instruments in fair value hedges total	**2,851,439**	**60,909**	**87,033**	**14,608**	**3,260**

31.12.2023		Carrying amount		Fair value changes during the year used for calculating hedge ineffectiveness	Hedge ineffectiveness recognised in profit or loss
(HUF million)	**Nominal value**	**Assets**	**Liabilities**		
Micro fair value hedges					
Interest rate risk					
Interest rate swaps (IRS) hedging purchased HTCS bonds	244,613	17,286	5,399	-24,886	-165
Interest rate swaps (IRS) hedging purchased HTC bonds	407,105	17,530	11,704	-39,140	211
Interest rate swaps (IRS) hedging loans	147,855	8,098	631	-8,587	53
Interest rate swaps (IRS) hedging deposits	48,088	4	4,616	8,048	34
Interest rate swaps (IRS) hedging issued bonds	184,745	3,352	1,453	6,187	-7
Interest rate risk hedge total	**1,032,406**	**46,270**	**23,803**	**-58,378**	**126**
Interest rate risk/currency risk					
CZK/EUR Cross currency interest rate swaps (CCIRS) hedging purchased HTCS bonds	22,825	91	3	141	-19
USD/EUR Cross currency interest rate swaps (CCIRS) hedging issued bonds	18,280	0	840	-64	1
Interest rate risk/currency risk hedge total	**41,105**	**91**	**843**	**77**	**-18**
Hedging instruments in micro fair value hedges total	**1,073,511**	**46,361**	**24,646**	**-58,301**	**108**
Portfolio fair value hedges					
Interest rate risk					
Interest rate swaps (IRS) hedging deposit portfolios	1,039,298	11,286	82,010	110,525	-649
Interest rate swaps (IRS) hedging loan portfolios	83,261	11,298	880	-13,919	-908
Interest rate risk hedge total	**1,122,559**	**22,584**	**82,890**	**96,606**	**-1,557**
Portfolio fair value hedges	**1,122,559**	**22,584**	**82,890**	**96,606**	**-1,557**
Hedging instruments in fair value hedges total	**2,196,070**	**68,945**	**107,536**	**38,305**	**-1,449**

Derivatives designated as hedging instruments in fair value hedge relationships are presented in the statement of financial position line item 'Derivative instruments designated as hedging instruments' amongst assets if their fair value is positive and in line item' Derivative instruments designated as hedging instruments' amongst liabilities if their fair value is negative.

Ineffectiveness recognised in profit or loss during the existence of the designated hedge relationships is presented in the statement of comprehensive income line item 'Net gains/losses from hedge accounting'.

Amounts in the current period related to hedged items designated in fair value hedge relationships are presented below:

31.12.2024	Carrying amount		Fair value hedge adjustments on the hedged item included in the carrying amount				Fair value changes during the year used for calculating hedge ineffectiveness
			Assets		Liabilities		
(HUF million)	Assets	Liabilities	Existing hedges	Discontinued hedges	Existing hedges	Discontinued hedges	
Purchased HTCS bonds	247,742	0	-6,907	-157	0	0	300
Purchased HTC bonds	770,526	0	-12,320	0	0	0	-6,860
Loans	145,313	0	-4,351	15	0	0	3,059
Deposits	0	43,950	0	0	-2,156	0	-1,946
Issued bonds	0	208,363	0	0	3,963	0	-2,008
Deposit portfolio	0	912,454	0	0	-60,617	0	-5,430
Loan portfolio	45,130	0	-9,752	0	0	0	1,537
Total	**1,208,711**	**1,164,767**	**-33,330**	**-142**	**-58,810**	**0**	**-11,348**

31.12.2023	Carrying amount		Fair value hedge adjustments on the hedged item included in the carrying amount				Fair value changes during the year used for calculating hedge ineffectiveness
			Assets		Liabilities		
(HUF million)	Assets	Liabilities	Existing hedges	Discontinued hedges	Existing hedges	Discontinued hedges	
Purchased HTCS bonds	222,953	0	-10,628	-183	0	0	24,560
Purchased HTC bonds	400,108	0	-5,565	0	0	0	39,352
Loans	137,414	0	-7,027	37	0	0	8,641
Deposits	0	44,011	0	0	-4,103	0	-8,014
Issued bonds	0	189,165	0	0	1,502	0	-6,129
Deposit portfolio	0	804,362	0	0	-64,919	0	-111,174
Loan portfolio	55,974	0	-11,289	0	0	0	13,010
Total	**816,449**	**1,037,538**	**-34,509**	**-146**	**-67,520**	**0**	**-39,754**

'Discontinued hedges' column: The Group begins to amortise fair value adjustments to the carrying amounts of hedged items to profit or loss from the date when the hedged items cease to be adjusted for changes in their fair values attributable to the risk being hedged, i.e., from the date when the hedge relationship is discontinued.

Carrying amounts of purchased bonds designated as hedged items in fair value hedge relationships are included in the statement of financial position line item 'Financial assets measured at fair value through other comprehensive income' and 'Financial assets measured at amortised cost', carrying amounts of loan receivables so designated are included in the statement of financial position line item 'Financial assets measured at amortised cost', whereas carrying amounts of deposits and bonds issued so designated are included in the statement of financial position line item 'Financial liabilities measured at amortised cost'. Adjustments to the carrying amount of hedged loan and deposit portfolios for changes in their fair values attributable to the hedged risk – excluding accrued interests – are presented separately in the statement of financial position, in line item 'Fair value changes of the hedged items in portfolio hedge of interest rate risk', regardless of their sign, the loan portfolio related items are always on the asset side while the fair value of the deposit portfolio are always on the liability side.

In 2024, result from fair value changes of hedged items in designated fair value hedging relationships attributable to the hedged risk amounted to HUF 11,348 million loss (in 2023: HUF 39,754 million loss) which is presented by the Group in the statement of profit or loss line item 'Net gains/losses from hedge accounting'.

The Group recognised a gain of HUF 14,590 million in 2024 in relation to derivatives designated as hedging instruments in fair value hedges (in 2023 a gain of HUF 38,328 million), presented in the statement of profit or loss line item 'Net gains/losses from hedge accounting'.

(11) Net gains/losses on financial instruments

The following table summarises the net gains/losses on financial instruments presented in previous notes.

(HUF million)	2024	2023
Financial instruments held for trading	**37,005**	**-83,690**
Net interest income	-274	-29,216
Realised and unrealised gains/ losses	37,243	-54,485
Dividend income	36	11
Net gains/losses from hedge accounting	**-3,031**	**-32,406**
Net interest income	-6,509	-30,898
Realized and unrealized gains and losses	3,478	-1,508
Non-trading financial instruments mandatorily at fair value through profit or loss	**15,860**	**34,174**
Net interest income	12,010	9,530
Realised and unrealised gains/ losses	3,848	24,641
Dividend income	2	3
Financial instruments designated at fair value through profit or loss	**0**	**0**
Net interest income	0	0
Realised and unrealised gains/ losses	0	0
Financial instruments measured at fair value through other comprehensive income	**35,766**	**28,793**
Net interest income	35,538	29,850
Impairment losses	-370	-600
Net gains/losses from derecognition	584	-459
Dividend income	14	2
Financial instruments measured at amortised cost	**88,628**	**158,049**
Net interest income	79,592	160,818
Impairment losses	13,176	4,707
Net gains/losses from derecognition	-2,121	-2,422
Modification gains/losses	-2,019	-5,054
Loan commitments and financial guarantees given	**472**	**-3,120**
Provisions	472	-3,120
Total	**174,700**	**101,800**

(12) Other operating income and expenses

(HUF million)	2024	2023
Gains/losses on disposal of tangible fixed assets	-27	19
Gains/losses on disposal of inventory	363	121
Operational fees	109	120
Income related to damages	207	23
Rental income from investment property	73	138
Income from professional fees	292	193
Income from accounting services	86	54
Income from other non-banking activities	175	329
Other income	840	970
Other operating income total	**2,118**	**1,967**
Transaction fee and other taxes	-36,467	-27,418
Expenses related to damages	-127	-514
Professional fees	-211	-117
Other provisions	76	-663
Expenses from other non-banking activities	-166	-173
Other expenses	-208	-532
Other operating expenses total	**-37,103**	**-29,417**

'Other operating income' increased by HUF 151 million, mainly due to the increase in income from obtained assets. 'Other operating expenses' also increased by HUF 7,686 million. The increase in 'Other operating expenses' is due to increase in transaction fees by HUF 9,050 million.

The Group recognized in other operating income HUF 603 million revenue from contracts with its customers (IFRS 15) in 2024 (2023: HUF 483 million).

(13) Impairment of non-financial assets

Development of impairment of non-financial assets:

31.12.2024 (HUF million)	Opening balance	Additions	Usage/Reversal	Closing balance
Other non-financial assets	-54	-30	48	-36
Total	**-54**	**-30**	**48**	**-36**

31.12.2023 (HUF million)	Opening balance	Additions	Usage/Reversal	Closing balance
Other non-financial assets	-22	-37	5	-54
Total	**-22**	**-37**	**5**	**-54**

The 'Impairment on non-financial assets' line shows the impairment on properties obtained against receivables.

(14) Other result

(HUF million)	2024	2023
Modification gains/losses, net	-2,018	-5,055
Impairment on non-financial assets	-21	-32
Total	**-2,039**	**-5,087**

The line 'Modification gains/losses, net" includes profit or loss effect of contract modifications which did not result in derecognition of the modified financial assets. In case of these non-substantial contract modifications the Group recognizes a one-time change in gross carrying amount through profit or loss of which HUF 2,052 million (2023: HUF 5,249 million) was attributable to the interest cap.

(15) Staff expenses

The Group presents the personnel-related expenses and headcount data for the years 2023 and 2024 in the tables below.

(HUF million)	2024	2023
Salaries	-37,578	-34,811
Social security contributions	-5,882	-5,492
Other personnel benefits	-2,298	-2,396
Total	**-45,758**	**-42,699**

	31.12.2024		31.12.2023	
(HUF million)	Headcount (person)	Salaries	Headcount (person)	Salaries
Full time	2,776	-33,762	2,809	-33,091
Part time	254	-3,110	221	-1,502
Pensioners	54	-706	16	-218
Total	**3,084**	**-37,578**	**3,046**	**-34,811**

(16) Other administrative expenses

(HUF million)	2024	2023
Office space expenses: rental, maintenance, other	-4,179	-5,159
IT cost	-9,211	-6,565
Expert fees	-4,412	-4,358
Advertising, PR and promotional expenses	-4,275	-3,253
Deposit insurance fees	-1,293	-1,376
Communication expenses	-2,326	-1,890
Office supplies	-294	-273
Car expenses	-509	-444
Security expenses	-515	-420
Travelling expenses	-164	-131
Training expenses for staff	-231	-443
Expenses for leases	-383	-236
Other	-2,117	-1,365
Total	**-29,909**	**-25,913**

Other administrative expenses increased by HUF 3,999 million. Among IT costs, the costs of cloud services increased the most.

(17) Bank tax and other special levies

(HUF million)	2024	2023
Surtax of financial institutions	-25,172	-35,017
Resolution Fund	-697	-939
Total	**-25,869**	**-35,956**

Surtax of financial institutions is levied on the modified total assets as at the end of the second preceding tax year. Tax rate is 0.15% for the portion of tax base not exceeding HUF 50 billion and 0.20% for the exceeding portion. While calculating the modified total assets, certain inter-bank loans and deposits and certain debt instruments issued by financial institutions are deductible. The surtax amounted to HUF 7,956 million in 2024 (2023: HUF 7,056 million).

In 2024, the Group paid extra profit tax based on its modified profit before tax for the year 2022. The basis for the special tax is the profit before tax for the year 2022, reduced by dividends received, the profit generated outside the scope of regular activities, and increased by the surtax for financial organizations, the extra profit tax, and the transaction fee for the year 2022. The extra-profit tax rate in 2024 is 13% on the portion of the tax base not exceeding HUF 20 billion, and 30% on the portion exceeding this amount. The extra-profit surtax amounted to HUF 17,216 million in 2024

In the first half of 2023, the tax base was 50% of the adjusted value of the 2022 revenue according to the local business tax, with a tax rate of 8%. For the second half of 2023, the tax base was 50% of the adjusted value of the 2022 pre-tax profit, with a tax rate of 13% on the portion of the tax base below HUF 10 billion and 30% on the portion above this amount. The extra profit tax calculated in this manner amounted to HUF 27,960 million in 2023.

In accordance with the Act on Resolution, the Group pays a yearly membership fee to the Resolution Fund, the calculation methodology of which is transparent and uniform across the European Union and is established by European Commission Regulation. According to the regulation, yearly membership fees payable by the institutions are calculated by NBH acting in its resolution capacity. NBH notifies the institutions of the fee payable until 1 May of each year. Yearly fees payable by the institutions shall be determined so that the value of Resolution Fund's assets until 31 December 2024 – spread evenly over that period – reaches at least 1% of the portion of insured deposits not exceeding the EUR 100,000 indemnification threshold, placed with credit institutions licensed in Hungary (target level). The Group qualifies as an institution obliged to pay a risk-based fee. Risk-based fees are calculated so that the yearly target value, reduced by the fixed fees payable by limited activity investment undertakings and by the progressive fixed fees, is allocated amongst the institutions obliged to pay a risk-based fee in proportion of their fee base adjusted by a risk adjustment multiplier.

The Group recognized the payable extra surtax due to the pandemic as a liability in its entire amount, and paid that amount in 2020, so this liability is not presented in the financial statement at year end. Since the Group is entitled to a tax retention related to the normal surtax until 2025, the Group did not present an expense against the liability for the extra surtax due to the pandemic, but an asset (please see note (26) Other assets). Considering the right for the tax retention, the payment embodies an advance payment for the normal surtax.

(18) Income tax

Income tax expense recognised in profit or loss

(HUF million)	2024	2023
Current tax expense	**17,613**	**11,113**
Corporate income tax	10,171	5,116
Local business tax	6,469	5,214
Innovation contribution	973	783
Deferred tax expense	**1,405**	**1,944**
Origination and reversal of temporary differences	-22	-30
Changes in the tax effect of tax losses	1,427	1,974
Income tax expense	**19,018**	**13,057**

Corporate income tax is 9% of the tax base, local business tax is 2% of the tax base and innovation contribution is 0.3% of the tax base in both 2024 and 2023. The tax base of corporate income tax differs from the tax base of local business tax and innovation contribution, the latter two having the same tax base.

Reconciliation of the effective tax rate

	31.12.2024		31.12.2023	
	%	(HUF million)	%	(HUF million)
Profit or loss before tax		134,970		116,316
Expected tax calculated with Group's applicable tax rate	9.00%	12,147	9.00%	10,468
Tax effect of tax base adjusting items	-0.42%	-571	-2.93%	-3,408
Tax effects related to tax losses:				
Usage of previously not recognised tax losses	-1.06%	-1,428	-4.04%	-4,696
Change in previously unrecognised tax losses	1.06%	1,428	1.70%	1,974
Other	-0.42%	-571	-0.59%	-686
Other income taxes: local business tax, innovation contribution	5.51%	7,442	5.16%	5,997
Effective tax rate	**14.09%**	**19,018**	**11.23%**	**13,057**

Reconciliation of the global minimum tax

(HUF million)	31.12.2023
Profit or loss before tax	**115,952**
Income tax	19,018
Dividend income	-3,662
Interest expense from AT1 instruments	-6,854
Other	**-74**
GLoBE income	**124,380**
Current tax expense	17,613
Deferred tax expense (+)/income (-)	1,405
Deferred tax asset from utilization of loss carry forward remeasured at 15%	952
Other	-113
Adjusted covered income tax	**19,857**
Effective tax rate of the global minimum tax (%)	**15.96 %**

The Group used the detailed calculation method to determine its global minimum tax liability. In 2024, the Group did not incur any additional tax liability in relation to the global minimum tax, as the effective tax rate under the global minimum tax exceeded 15%.

Income taxes recognised in other comprehensive income

(HUF million)	31.12.2024 Before tax	Tax expense/ benefit	After tax	31.12.2023 Before tax	Tax expense/ benefit	After tax
Items that will not be reclassified to profit or loss						
Changes in fair value reserve (equity instruments)	8	-1	7	4	0	4
Items that will not be reclassified to profit or loss, total	**8**	**-1**	**7**	**4**	**0**	**4**
Items that were reclassified or will be reclassified to profit or loss						
Changes in hedge reserve						
Effective portion of fair value changes	-8,410	757	-7,653	10,792	-971	9,821
Net amount reclassified to profit or loss	-2,595	233	-2,362	-243	22	-221
Change in fair value reserve (debt instruments)						
Changes in fair value	534	-48	486	2,072	-187	1,885
Net amount reclassified to profit or loss	472	-42	430	2,034	-183	1,851
Items that were reclassified or will be reclassified to profit or loss, total	**-9,999**	**900**	**-9,099**	**14,655**	**-1,319**	**13,336**
Total	**-9,991**	**899**	**-9,092**	**14,659**	**-1,319**	**13,340**

Movements in deferred tax balances

2024 (HUF million)	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance Net	Deferred tax assets	Deferred tax liabilities
Tangible and intangible fixed assets	46	46	0	92	92	0
Non-trading financial assets mandatorily at fair value through profit or loss	-11	-3	0	-14	0	-14
Investment securities – at fair value through other comprehensive income	-181	0	-91	-272	0	-272
Derivative instruments	-2,013	0	990	-1,023	0	-1,023
Loss allowances for expected credit losses	193	-16	0	177	177	0
Tax losses carried forward	3,794	-1,427	0	2,367	2,367	0
Loss allowances for trade receivables	2	-4	0	-2	0	-2
Net deferred tax asset/liability before offsetting				**1,324**	**2,636**	**-1,312**
Offsetting of financial assets and liabilities					-1,295	1,295
Net deferred tax asset/liability	**1,830**	**-1,405**	**899**	**1,324**	**1,341**	**-17**

2023 (HUF million)	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance Net	Deferred tax assets	Deferred tax liabilities
Tangible and intangible fixed assets	-15	61	0	46	46	0
Non-trading financial assets mandatorily at fair value through profit or loss	-7	-4	0	-11	0	-11
Investment securities – at fair value through other comprehensive income	189	0	-370	-181	0	-181
Derivative instruments	-1,064	0	-949	-2,013	0	-2,013
Loss allowances for expected credit losses	219	-26	0	193	193	0
Tax losses carried forward	5,768	-1,974	0	3,794	3,794	0
Loss allowances for trade receivables	3	-1	0	2	2	0
Net deferred tax asset/liability before offsetting				**1,830**	**4,035**	**-2,205**
Offsetting of financial assets and liabilities					-2,194	2,194
Net deferred tax asset/liability	**5,093**	**-1,944**	**-1,319**	**1,830**	**1,841**	**-11**

In the above tables, the 'Derivative instruments" line item is presented net'

In 2024, HUF 1,341 million (2023: HUF 1,841 million) deferred tax asset was recognised which comprises of the following items:

- HUF 267 million (2023: HUF 241 million) was recognised due to temporary differences which modify the tax base and are expected to reverse in the future;

- HUF 2,367 million (2023: HUF 3,794 million) was recognised for the balances of tax losses carried forward from previous years which are expected to be utilised by the Group;
- HUF -1295 million (2023: HUF -2194 million) was recognised due to fair values of financial assets measured at fair value through other comprehensive income and cash flow hedging instruments recognised in other comprehensive income income.

In 2024, HUF 17 million (2023: HUF 11 million) deferred tax liability was recognised for fair values of financial assets measured at fair value through other comprehensive income recognised in other comprehensive income.

Tax loss carry-forward for which no deferred tax asset has been recognised by maturity breakdown

The Group has no unused tax losses as of 31 December 2024 or 31 December 2023 that are expected to remain unused in the future, which could be utilized in the tax year containing 31 December 2030 at the latest.

Tax losses carried forward from previous years can be utilised as tax base decreasing items up to 50 percent of the tax base calculated before such utilisation. Tax losses carried forward are utilized based on the performance of the Group.

The Group currently prepares business plans for 3 years, based on which HUF 1,341 million deferred tax asset is recognised in respect of 2025, 2026 and 2027.

(19) Cash, cash balances at central banks and other demand deposits

	31.12.2024			31.12.2023		
(HUF million)	HUF	Foreign currency	Total	HUF	Foreign currency	Total
Cash and cheques	42,675	15,597	58,272	27,034	12,608	39,642
National Bank of Hungary	445,269	0	445,269	863,023	0	863,023
Other banks	2,757	24,603	27,360	4,169	21,011	25,180
Total	**490,701**	**40,200**	**530,901**	**894,226**	**33,619**	**927,845**

Current account with National Bank of Hungary (NBH) contains the minimum mandatory reserves. The average balance of prescribed minimum reserve was HUF 317,518 million (2023: HUF 309,156 million). The amount of mandatory reserve is the liabilities subject to reserving obligation multiplied by the minimum reserve rate.

Required reserves shall be kept in respect of the following liability categories:

- deposits and loans received with an original maturity within two years,
- debt securities with an original maturity within two years,
- repurchase agreements.

No required reserves shall be kept after liabilities owed to other credit institutions that are obliged to keep mandatory reserves and after loans received from the NBH.

The Group can use its minimum reserve in its daily operation, as long as the daily balance and the monthly average balance of the reserve is more than or equal to the legislative limit. Based on this reasoning the Group presents the minimum reserves as cash in the cash-flow statement.

(20) Financial assets measured at fair value through profit and loss

Financial assets held for trading

31.12.2024 (HUF million)	Nominal value of derivative instruments	Carrying amount
Derivative instruments	**1,665,773**	**73,919**
hereof: economic hedge	399,352	29,902
Interest rate	596,600	56,951
Equity	0	1
Currency	1,069,173	16,967
Equity instruments		**6,841**
Debt securities		**1,646**
Government bonds and treasury bills		664
Corporate and other bonds		947
Bank bonds		35
Total	**1,665,773**	**82,406**

31.12.2023 (HUF million)	Nominal value of derivative instruments	Carrying amount
Derivative instruments	**2,023,484**	**94,963**
hereof: economic hedge	517,359	44,256
Interest rate	668,415	70,789
Equity	0	30
Currency	1,355,069	24,144
Equity instruments		**1,011**
Debt securities		**1,835**
Government bonds and treasury bills		757
Corporate and other bonds		1,041
Bank bonds		37
Total	**2,023,484**	**97,809**

The Monetary Council decided on 21 November 2017 to introduce further non-conventional vehicles from January 2018. One of these vehicles is the general, unconditional monetary policy interest rate swap (MIRS). The aim of introducing that vehicle was that the loose monetary conditions also prevail on the longer-term section of the yield curve and to increase the proportion of loans with longer fixed interest periods.

Banks could apply for 5 and 10-year MIRSs introduced as general monetary policy vehicle, at tenders written by NBH, in proportion of their total assets. A difference compared to previous IRS programs of the central bank was that MIRS is unconditional. The Group utilised the amount allocated. The application of the vehicle made it possible for the Group to strengthen its fixed interest rate lending.

MIRS was concluded with the banks on terms announced by NBH which were more favourable than current market conditions. Initial fair values of those derivatives were estimated using discounting based on yield curves built from quoted market prices of IRS transactions with various terms, available at the date of announcement of the tenders. On initial recognition, the Group recognised the difference between the fair value and the transaction price in profit or loss.

During 2018, the Group concluded MIRS interest rate swaps in a nominal amount of HUF 95,136 million, there were no new transactions since that. As at 31.12.2024, the carrying amount of these swaps was HUF 9,600 million asset (HUF 11,116 million asset as at 31.12.2023). Fair valuation loss recognised in relation to MIRS's, amounting to HUF 805 million (HUF 14,178 million loss in 2023) was presented in the statement of profit or loss line item Net trading income and fair value result.

Non-trading financial assets mandatorily at fair value through profit or loss

31.12.2024 (HUF million)	Cost	Accrued interest	Unrealised gains/ losses	Carrying amount	Negative fair value changes due to changes in credit risk – non performing exposures
Equity instruments	**0**	**0**	**0**	**0**	**0**
Debt securities	**1,761**	**0**	**-870**	**891**	**0**
Bank bonds	1,761	0	-870	891	0
Loans and advances	**170,477**	**164**	**14,402**	**185,043**	**-275**
Total	**172,238**	**164**	**13,532**	**185,934**	**-275**

31.12.2023 (HUF million)	Cost	Accrued interest	Unrealised gains/ losses	Carrying amount	Negative fair value changes due to changes in credit risk – non performing exposures
Equity instruments	**452**	**0**	**119**	**571**	**0**
Debt securities	**1,161**	**0**	**-741**	**420**	**0**
Bank bonds	1,161	0	-741	420	0
Loans and advances	**153,051**	**282**	**10,717**	**164,050**	**-302**
Total	**154,664**	**282**	**10,095**	**165,041**	**-302**

The Group presents loans under non-trading loans and advances mandatorily measured at fair value through profit or loss, the contractual cash flows of which are not solely payments of principal and interest on the principal amount outstanding.

In the retail segment exposures in the uncollateralised product group increased significantly, childbirth incentive loans mandatorily measured at fair value through profit or loss reached HUF 136 billion by year-end (2023: HUF 126 billion).

Financial assets designated at fair value through profit or loss

The Group had no financial assets designated at fair value through profit or loss either on 31 December 2024 or on 31 December 2023.

(21) Placements with banks

	31.12.2024					31.12.2023				
	Less than 1 year		More than 1 year			Less than 1 year		More than 1 year		
(HUF million)	HUF	Foreign currency	HUF	Foreign currency	Total	HUF	Foreign currency	HUF	Foreign currency	Total
National Bank of Hungary	864	0	0	0	864	52,988	0	0	0	52,988
Other banks	20,720	16,334	0	0	37,054	10,777	8,588	0	0	19,365
Impairment losses	0	0	0	0	0	-1	0	0	0	-1
Total	**21,584**	**16,334**	**0**	**0**	**37,918**	**63,764**	**8,588**	**0**	**0**	**72,352**

Placements with banks are included in the statement of financial position line item 'Financial assets measured at amortised cost'.

Receivables due from National Bank of Hungary contains placements maturing less than 1 year with a balance of HUF 864 million (2023: HUF 52,988 million). Other placements with banks increased by HUF 17,689 million during 2024 compared to the prior year.

(22) Investment securities not measured at fair value through profit or loss

This note presents securities listed on stock markets and not measured at fair value through profit or loss. Securities measured at fair value through profit or loss (FVTPL) are detailed in note (20) Financial assets measured at fair value through profit and loss, while unlisted securities are detailed under note (23) Investments in unlisted securities.

HUF 1,138 million from securities listed on stock markets and not measured at fair value through profit or loss is included in the statement of financial position line item 'Financial assets measured at amortised cost', and HUF 550 million from them is included in the statement of financial position line item 'Financial assets measured at fair value through other comprehensive income'.

The Group pledged securities amounting to HUF 137 billion as collateral for its liabilities in 2024 (2023: HUF 130 billion).

In 2024, the Group recognised HUF 542 million income in other comprehensive income in relation to securities measured at fair value through other comprehensive income (2023: HUF 2,076 income) and reclassified HUF 472 million gain from other comprehensive income to profit or loss (2023: HUF 2,034 million gain).

National Bank Hungary (NBH) launched the NKP (Bond Funding for Growth Scheme, FGS) program in March 2019, to support the financing needs of companies and to help by building financing channels other than bank lending. Within the program, the NBH can purchase securities in a budget amount of HUF 1,550 billion. The program ended in December 2021. FGS bonds were purchased by the Group in 2022 and after which no such bonds were purchased .

Investment securities measured at amortised cost

31.12.2024 (HUF million)	Cost	Accrued interest	Unrealised gains/losses	Discount/ premium	Impairment losses	Carrying amount
Debt securities						
Government bonds and treasury bills	636,977	9,238	-1,043	9,352	-382	654,142
Corporate and other bonds	82,726	936	-11,132	2,859	-949	74,440
Bank bonds	397,534	8,923	-145	3,070	-158	409,224
Total	**1,117,237**	**19,097**	**-12,320**	**15,281**	**-1,489**	**1,137,806**

31.12.2023 (HUF million)	Cost	Accrued interest	Unrealised gains/losses*	Discount/ premium	Impairment losses	Carrying amount
Debt securities						
Government bonds and treasury bills	444,229	6,430	3,519	3,753	-508	457,423
Corporate and other bonds	82,867	935	-8,977	1,860	-455	76,230
Bank bonds	203,422	8,023	-106	942	-173	212,108
Total	**730,518**	**15,388**	**-5,564**	**6,555**	**-1,136**	**745,761**

'Unrealised gains/losses' column: The amounts indicated here are from hedge accounting

Investment securities measured at fair value through other comprehensive income

31.12.2024 (HUF million)	Cost	Accrued interest	Unrealised gains/losses	Discount/ premium	Impairment losses	Carrying amount
Equity instruments total	**64**	**0**	**40**	**0**	**0**	**104**
Shares	64	0	40	0	0	104
Debt securities total	**549,596**	**3,918**	**-4,077**	**2,564**	**-1,766**	**550,235**
Government bonds and treasury bills	358,625	3,185	2,592	1,753	-128	366,027
Corporate and other bonds	36,151	230	-5,411	848	-1,401	30,417
Bank bonds	154,820	503	-1,258	-37	-237	153,791
Total	**549,660**	**3,918**	**-4,037**	**2,564**	**-1,766**	**550,339**

31.12.2023 (HUF million)	Cost	Accrued interest	Unrealised gains/losses	Discount/ premium	Impairment losses	Carrying amount
Equity instruments total	**31**	**0**	**34**	**0**	**0**	**65**
Shares	31	0	34	0	0	65
Debt securities total	**372,258**	**3,345**	**-8,829**	**384**	**-1,339**	**365,819**
Government bonds and treasury bills	171,766	2,410	411	-224	-107	174,256
Corporate and other bonds	36,553	231	-5,460	637	-969	30,992
Bank bonds	163,939	704	-3,780	-29	-263	160,571
Total	**372,289**	**3,345**	**-8,795**	**384**	**-1,339**	**365,884**

The Group elected to measure its other equity instruments that it does not control at fair value through other comprehensive income and as a consequence it never recognises changes in their fair values in profit or loss. The reason for this election is that these interests do not serve the Group's profit generation but facilitate the performance of various banking services (e.g., credit card business, payment transaction services, etc.).

(23) Investments in unlisted securities

	Ownership interest %		Net carrying amount	
(HUF million)	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Garantiqa Hitelgarancia Zrt.	0.16 %	0.16 %	15	15
SWIFT	0.01 %	0.01 %	89	50
Total			**104**	**65**

Unlisted investment securities are included in the statement of financial position line item 'Financial assets measured at fair value through other comprehensive income'. In 2024, changes in book values were due partly to changes in fair values and partly to an increase in SWIFT through the reallocation of shares. In 2023, in addition to changes in fair values, there was also a sale:, the investment in RC Gazdasági és Adótanácsadó Zrt was sold and with the sale HUF 21 million was reclassified from other comprehensive income to retained earnings. The Group did not recognise dividend related to the above equity instruments.

(24) Tangible and intangible fixed assets

2024	Gross carrying amount					Accumulated depreciation/amortisation					Carrying amount
(HUF million)	**Opening balance**	**Additions**	**Disposals**	**Reclassifications**	**Closing balance**	**Opening balance**	**Additions**	**Disposals**	**Reclassifications**	**Closing balance**	**Closing balance**
Tangible fixed assets											
Property	51,572	4,605	-978	-118	55,081	-21,185	-4,977	663	0	-25,499	29,582
Equipment	23,196	15,773	-13,761	16	25,224	-14,876	-2,528	1,270	0	-16,134	9,090
Tangible fixed assets total	**74,768**	**20,378**	**-14,739**	**-102**	**80,305**	**-36,061**	**-7,505**	**1,933**	**0**	**-41,633**	**38,672**
Intangible fixed assets											
Software	77,055	7,529	-1,758	2	82,828	-54,466	-5,935	1,645	0	-58,756	24,072
Other intangible assets	1,740	0	-19	100	1,821	-690	-16	18	0	-688	1,133
Intangible fixed assets total	**78,795**	**7,529**	**-1,777**	**102**	**84,649**	**-55,156**	**-5,951**	**1,663**	**0**	**-59,444**	**25,205**

2023	Gross carrying amount					Accumulated depreciation/amortisation					Carrying amount
(HUF million)	Opening balance	Additions	Disposals	Reclassifications	Closing balance	Opening balance	Additions	Disposals	Reclassifications	Closing balance	Closing balance
Tangible fixed assets											
Property	46,319	7,159	-1,896	-10	51,572	-18,162	-4,690	1,667	0	-21,185	30,387
Equipment	21,988	4,458	-3,306	56	23,196	-14,194	-2,410	1,728	0	-14,876	8,320
Tangible fixed assets total	**68,307**	**11,617**	**-5,202**	**46**	**74,768**	**-32,356**	**-7,100**	**3,395**	**0**	**-36,061**	**38,707**
Intangible fixed assets											
Software	70,625	6,821	-345	-46	77,055	-49,085	-5,726	345	0	-54,466	22,589
Other intangible assets	1,740	0	0	0	1,740	-673	-17	0	0	-690	1,050
Intangible fixed assets total	**72,365**	**6,821**	**-345**	**-46**	**78,795**	**-49,758**	**-5,743**	**345**	**0**	**-55,156**	**23,639**

In the book value of 'Intangible assets', the Group recorded expenses of HUF 2,950 million in 2024 (2023: HUF 1,956 million). In the book value of "Intangible assets", the Bank recorded expenses of HUF 2,950 million in 2024 (2023: HUF 1,956 million). As of 31 December 2024, 'Property' includes HUF 22,321 million (2023: HUF 24,437 million) and 'Equipment' includes HUF 1 million (2023: HUF 0 million) right-of-use assets.

The Group recognised expenses amounting to HUF 2,950 million in the carrying amount of intangible assets, in course of developing intangible assets (2023: HUF 1,956 million). Hereof HUF 1,023 million is the goodwill on Raiffeisen Befektetési Alapkezelő Zrt and HUF 12 million on SCT Kárász utca Kft. No impairment was recognised for goodwill.

(25) Leases

The Group acting as a lessee (IFRS 16)

The Group leases properties, typically office premises and branches and vehicles. Property lease contracts usually have a 3- or 5-year rental term, in respect of which 3- or 5-year extension options were agreed. In case of contracts with shorter term, 1- or 2-year extension options were agreed. The contracts with indefinite term have a one-year notice period.

The Group moved into a new head office in 2020. The contract for new head office was recognised in June 2020 with an original term of 10 years considering a 5-year extension option, in the total amount of HUF 15,295 million. The present value was calculated with an incremental borrowing rate of 2.28%.

The vehicles have 6 years of rental term in all cases, with no extension options.

Furthermore, the Group leases IT equipment, however they either qualify as short-term leases or the underlying asset is a low-value asset, thus the Bank – based on its election – does not recognise right-of-use assets and lease liabilities for them.

The Group has no sale and leaseback arrangements.

Right-of-use assets

Right-of-use assets related to leased properties and vehicles are presented within property and equipment (see note (24) Tangible and intangible fixed assets).

2024	Gross carrying amount					Accumulated depreciation/amortisation					Carrying amount
(HUF million)	Opening balance	Additions	Disposals	Reclassifications	Closing balance	Opening balance	Additions	Disposals	Reclassifications	Closing balance	Closing balance
Right-of-use asset											
Property	37,134	1,597	-356	0	38,375	-12,697	-3,707	350	0	-16,054	22,321
Vehicles	222	25	-88	0	159	-222	-21	85	0	-158	1
Total	**37,356**	**1,622**	**-444**	**0**	**38,534**	**-12,919**	**-3,728**	**435**	**0**	**-16,212**	**22,322**

(HUF million)	Gross carrying amount					Accumulated depreciation/amortisation					Carrying amount
2023	Opening balance	Additions	Disposals	Reclassifications	Closing balance	Opening balance	Additions	Disposals	Reclassifications	Closing balance	Closing balance
Right-of-use asset											
Property	32,659	4,975	-500	0	37,134	-9,496	-3,472	271	0	-12,697	24,437
Vehicles	318	-6	-90	0	222	-250	-50	78	0	-222	0
Total	**32,977**	**4,969**	**-590**	**0**	**37,356**	**-9,746**	**-3,522**	**349**	**0**	**-12,919**	**24,437**

Lease liabilities

The Group presents lease liabilities within 'Financial liabilities measured at amortised cost'. The maturity analysis for lease liabilities at 31 December 2024 and 31 December 2023 is as follows (undiscounted cash flows):

(HUF million)	31.12.2024	31.12.2023
Less than 1 year	4,507	4,428
1 - 5 years	14,430	16,717
More than 5 years	12,071	10,789
Total	**31,008**	**31,934**

Amounts presented in the statement of cash flows

In 2024, the total cash outflows related to lease contracts amounted to HUF 4,702 million (2023: HUF 4,423 million), that are presented within 'Payment of lease liabilities' and 'Interest paid'.

Amounts recognised in profit or loss

Amounts recognised in profit or loss according to IFRS 16:

(HUF million)	31.12.2024	31.12.2023
Interest expense on lease liabilities	750	750
Expenses relating to short-term leases	272	225
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	51	38
Total	**1,073**	**1,013**

In 2024, the Group recognised expenses in profit or loss related to leases in the amount of HUF 1,073 million (2023: HUF 1,013 million).

The Group as a lessor

The main activity of the leasing company is financial leasing under which vehicles, real estates and equipments are leased.

The leasing company continued its previously initiated strategy in 2024, in which, in addition to leasing financing of vehicle and/or asset investments of medium and large corporate customers, increasing emphasis is placed on boosting leasing services for the micro and small enterprise segment. In addition to its own sales channels, special emphasis is placed on mobilizing the bank's medium and large corporate sales network and exploiting sales synergies related to common customers. Due to the new sales channels the new business volume increased significantly.

The net investment in the lease according to the type of leasing activity is presented in the table below:

(HUF million)	31.12.2024	31.12.2023
Vehicles leasing	63,670	49,593
Real estate leasing	704	828
Equipment leasing	11,259	10,727
Finance leases per balance sheet	**75,633**	**61,148**

In 2024, HUF 4,419 million (2023: HUF 4,107 million) was reported in the income statement under the line "Other interest income". There was no income related to floating lease payments during the financial year that was not included in the measurement of the net investment.

The receivables from finance leases (IFRS 9) are presented in the table below:

31.12.2024 (HUF million)	Less than 1 year	1 - 2 years	2 - 3 years	3-4 years	4-5 years	More than 5 years	Total
Gross investment leases	26,366	20,673	18,302	12,016	6,713	1,478	85,548
Unearned finance income	3,970	2,726	1,639	771	252	77	9,435
Net present value of minimum lease payments	**22,396**	**17,947**	**16,663**	**11,245**	**6,461**	**1,401**	**76,113**
Accumulated allowance for uncollectible minimum lease payments	140	113	106	71	41	9	480
Finance leases per balance sheet	**22,256**	**17,834**	**16,557**	**11,174**	**6,420**	**1,392**	**75,633**

31.12.2023 (HUF million)	Less than 1 year	1 - 2 years	2 - 3 years	3-4 years	4-5 years	More than 5 years	Total
Gross investment leases	22,735	17,749	13,232	10,516	4,684	1,101	70,017
Unearned finance income	3,615	2,397	1,467	708	182	45	8,414
Net present value of minimum lease payments	**19,120**	**15,352**	**11,765**	**9,808**	**4,502**	**1,056**	**61,603**
Accumulated allowance for uncollectible minimum lease payments	137	114	88	74	34	8	455
Finance leases per balance sheet	**18,983**	**15,238**	**11,677**	**9,734**	**4,468**	**1,048**	**61,148**

The risk associated with the rights retained in the underlying assets is managed by the Group, including the registration of assets financed in the Credit Collateral Register, required collateral for the assets, residual value guarantee and redemption agreement.

(26) Other assets

(HUF million)	31.12.2024	31.12.2023
Prepayments and accrued income	6,365	5,703
Lease receivables	0	0
Materials and inventories	284	379
Inventories and properties obtained by taking possession of collaterals	790	1,211
Tax receivables	1,923	1,774
Sundry assets	249	288
Total	**9,611**	**9,355**
hereof: impairment losses	-36	-54

In 2024 the balance of other assets increased by HUF 256 million, mainly due to the increase of prepayments and accrued income (HUF 662 million) and decrease in properties repossessed against receivables (HUF 421 million).

Within accruals, the active accrual of fees increased significantly (HUF 1,389 million), while the accrual of costs and expenses decreased slightly (HUF 446 million). Additionally, the interest accruals related to securities received under reverse repurchase agreements also decreased compared to the previous year (HUF 448 million).

The balance of other assets in 2024 increased slightly due to tax receivables. In 2020, due to the pandemic situation, the government introduced a special surtax on credit institutions, which was paid in three equal instalments at that time. Originally, the Group could have reduced the amount of the 'normal' surtax payable, as determined by the surtax law, by the amount shown as receivables in the form of tax withholding over the next five years. However, due to an amendment to the law, this reduction cannot be applied for the 2024 tax year and will instead be realized in the 6th tax year.

From its revenue under IFRS 15 the Group includes in its statement of financial position as accrued assets HUF 1,075 million (2023: HUF 825 million).

(27) Financial liabilities measured at fair value through profit or loss

31.12.2024 (HUF million)	Nominal value of derivative instruments	Carrying amount
Derivative instruments - held for trading	**2,008,175**	**74,964**
hereof: economic hedge	585,497	29,409
Interest rate	584,827	56,600
Equity	6,906	160
Currency	1,416,442	18,204
Debt securities issued total	**2,008,175**	**74,964**
Short positions	0	1,507
Short positions total	**0**	**1,507**
Total	**2,008,175**	**76,471**

31.12.2023 (HUF million)	Nominal value of derivative instruments	Carrying amount
Derivative instruments - held for trading	**1,987,197**	**89,404**
hereof: economic hedge	784,800	40,333
Interest rate	588,349	66,602
Equity	1,808	130
Currency	1,397,040	22,672
Debt securities issued total	**1,987,197**	**89,404**
Short positions	0	4,261
Short positions total	**0**	**4,261**
Total	**1,987,197**	**93,665**

The Group uses other derivatives not designated in qualifying hedge relationships to manage its foreign currency, interest rate and equity price risk exposures. The instruments applied are interest rate swaps, cross-currency interest rate swaps, forwards, futures and options. The fair value of these instruments is shown in the table above. Derivatives held for trading purposes are also included in the table above.

The Group presents the above financial liabilities measured at fair value through profit or loss in the statement of financial position line item 'Financial liabilities held for trading'.

(28) Reconciliation between classes of financial liabilities and statement of financial position line items

The following table reconciles classes of financial liabilities defined for disclosure purposes with the statement of financial position line items:

31.12.2024 (HUF million)	Financial liabilities held for trading	Financial liabilities measured at amortised cost	Total
Deposits from banks	0	468,698	468,698
Deposits from customers	0	3,183,599	3,183,599
Increase of subordinated liabilities	0	63,876	63,876
Debt securities issued	0	211,806	211,806
Derivative liabilities	74,964	0	74,964
Short positions	1,507	0	1,507
Other financial liabilities	0	44,843	44,843
Total	**76,471**	**3,972,822**	**4,049,293**

31.12.2023 (HUF million)	Financial liabilities held for trading	Financial liabilities measured at amortised cost	Total
Deposits from banks	0	504,981	504,981
Deposits from customers	0	2,986,372	2,986,372
Increase of subordinated liabilities	0	59,665	59,665
Debt securities issued	0	192,646	192,646
Derivative liabilities	89,404	0	89,404
Short positions	4,261	0	4,261
Other financial liabilities	0	37,708	37,708
Total	**93,665**	**3,781,372**	**3,875,037**

(29) Deposits from banks and deposits from customers

Deposits from banks

	31.12.2024					31.12.2023				
	Less than 1 year		More than 1 year			Less than 1 year		More than 1 year		
(HUF million)	HUF	Foreign currency	HUF	Foreign currency	Total	HUF	Foreign currency	HUF	Foreign currency	Total
Resident	62,343	23,033	229,461	137,456	452,293	25,240	30,083	290,228	135,263	480,814
Non resident	13,715	2,690	0	0	16,405	14,950	9,217	0	0	24,167
Total	**76,058**	**25,723**	**229,461**	**137,456**	**468,698**	**40,190**	**39,300**	**290,228**	**135,263**	**504,981**

Deposits from customers

	31.12.2024					31.12.2023				
	Less than 1 year		More than 1 year			Less than 1 year		More than 1 year		
(HUF million)	HUF	Foreign currency	HUF	Foreign currency	Total	HUF	Foreign currency	HUF	Foreign currency	Total
Resident	1,952,685	1,158,449	2,650	845	3,114,629	1,718,099	1,151,499	6,496	673	2,876,767
Non resident	31,810	37,157	0	3	68,970	39,596	70,000	0	9	109,605
Total	**1,984,495**	**1,195,606**	**2,650**	**848**	**3,183,599**	**1,757,695**	**1,221,499**	**6,496**	**682**	**2,986,372**

Deposits from customers and deposits from banks are included in the statement of financial position line item 'Financial liabilities measured at amortised cost'.

In case of deposits from customers a significant increase in deposits was experienced in both corporate and retail segment.

Deposits insured by National Deposit Insurance Fund (indemnified amount) was HUF 1,197 billion at the end of 2024 (2023: HUF 1,069 billion).

(30) Debt securities issued

	31.12.2024		31.12.2023	
(HUF million)	Nominal value	Carrying amount	Nominal value	Carrying amount
At amortised cost	**202,580**	**211,806**	**188,071**	**192,646**
Senior preferred	**172,707**	**181,850**	175,258	179,764
fix	172,707	181,850	175,258	179,764
Senior non-preferred	**29,873**	**29,956**	**12,813**	**12,882**
fix	29,873	29,956	12,813	12,882
Total	**202,580**	**211,806**	**188,071**	**192,646**

Debt securities issued are included in the statement of financial position line item 'Financial liabilities measured at amortised cost'.

As of 31 December 2024, MREL bonds with a nominal value of HUF 203 billion (31.12.2023: 188 billion) were among the debt securities issued. The purpose of the MREL (Minimum Requirement for Own Funds and Eligible Liabilities) issue was that the Group, in line with the bank resolution directives of the European Union can hold funds of appropriate quality and in sufficient amount. The bonds are callable at the optional call date, one year before maturity, their interest rate is fixed at inception, becoming variable in later periods. During October-November 2024, the Group called back its MREL bonds maturing in 2025 and issued new MREL bonds with a nominal value of HUF 144 billion at a lower interest rate instead of the called bonds.

Debt securities insured by National Deposit Insurance Fund (indemnified amount) was HUF 0 million at the end of 2024 (2023: HUF 361 million).

(31) Subordinated liabilities

31.12.2024 Lender	Borrowed on	Amount in original currency (million)	Currency	Interest rate (%)	Maturity	Carrying amount (HUF million)
Raiffeisen Bank International AG	28.02.2020	40	EUR	6.04	27.02.2032	16,494
Raiffeisen Bank International AG	28.02.2020	50	EUR	5.79	28.02.2031	20,613
Raiffeisen Bank International AG	28.02.2020	50	EUR	5.91	28.02.2030	20,617
Raiffeisen Bank International AG	27.03.2020	15	EUR	5.81	31.03.2032	6,152
Total		**155**				**63,876**

31.12.2023 Lender	Borrowed on	Amount in original currency (million)	Currency	Interest rate (%)	Maturity	Carrying amount (HUF million)
Raiffeisen Bank International AG	28.02.2020	40	EUR	7.08	27.02.2032	15,408
Raiffeisen Bank International AG	28.02.2020	50	EUR	6.96	28.02.2031	19,257
Raiffeisen Bank International AG	28.02.2020	50	EUR	6.83	28.02.2030	19,255
Raiffeisen Bank International AG	27.03.2020	15	EUR	7.05	31.03.2032	5,745
Total		**155**				**59,665**

Subordinated liabilities are included in the statement of financial position line item 'Financial liabilities measured at amortised cost'. These borrowings are direct, unconditional and unsecured liabilities of the Group which are subordinated to liabilities due to other depositors or lenders of the Group.

(32) Other liabilities

(HUF million)	31.12.2024	31.12.2023
Prepayments and accrued income	7,841	6,846
Tax liabilities	6,711	4,648
Other liabilities	346	320
Total	**14,898**	**11,814**

Other liabilities increased by HUF 3,084 million. Accruals increased by HUF 995 million, mainly caused by the increase in IRS upfront fee income. The accruals of costs and unrealized foreign exchange gains from spot transactions were slightly higher than the previous year.

Tax liabilities increased by HUF 2,063 million compared to 2023, thanks to the significant increase in transaction tax resulting from legislative changes.

Revenue deferred under IFRS 15, presented within accruals amounted to HUF 1,406 million (2023: HUF 1,286 million). During 2024, 87 million HUF of revenue was realized from the IFRS 15 deferred income at the end of 2023.

(33) Provisions

The following table details provisions other than those set up for expected credit losses:

2024 (HUF million)	Restructuring	Pending legal issues and tax litigation	Other provisions	Total
Opening balance	**220**	**1,517**	**5,482**	**7,219**
Additions, including increases in existing provisions	0	2	5,527	5,529
(-) Amounts used	-110	-30	-5,161	-5,301
(-) Unused amounts reversed during the period	-110	0	0	-110
Other movements	0	83	0	83
Closing balance	**0**	**1,572**	**5,848**	**7,420**

2023 (HUF million)	Restructuring	Pending legal issues and tax litigation	Other provisions	Total
Opening balance	**120**	**661**	**4,509**	**5,290**
Additions, including increases in existing provisions	220	853	4,896	5,969
(-) Amounts used	-120	0	-4,053	-4,173
(-) Unused amounts reversed during the period	0	3	0	3
Other movements	0	0	130	130
Closing balance	**220**	**1,517**	**5,482**	**7,219**

The provision for litigation increased by HUF 55 million.

The amount of provisions set aside for the restructuring was fully utilized or reversed, which represents a HUF 220 million decrease in the amount of provisions .

Significant part of the increase in other provisions was due to the increase in bonus accruals

(34) Assets and liabilities held for sale and discontinued operations

Assets and liabilities held for sale

The Group had no assets and liabilities held for sale as of as at 31 December 2024 and 31 December 2023.

Profit or loss from discontinued operations

Discontinued operation is a part of the Group either sold or classified as held for sale. The Group did not have significant discontinued operation in 2024 and in 2023.

(35) Share capital

Shareholder structure of the Group was as follows as at 31 December 2024 and 31 December 2023:

	31.12.2024			
Shareholder	**Type of share**	**Number of shares**	**Par value**	**Total**
Raiffeisen-RBHU Holding GmbH	Ordinary share	5,000,009	10,000	50,000
Raiffeisen-RBHU Holding GmbH	Preference share	0	0	0
Total		**5,000,009**		**50,000**

		31.12.2023		
Shareholder	Type of share	Number of shares	Par value	Total
Raiffeisen-RBHU Holding GmbH	Ordinary share	5,000,009	10,000	50,000
Raiffeisen-RBHU Holding GmbH	Preference share	0	0	0
Total		**5,000,009**		**50,000**

The authorised, issued and paid share capital of the Group consists of ordinary shares with a par value of HUF 10,000. Share capital did not change in the periods presented in these financial statements.

The Group had no treasury shares as at 31 December 2024 and 31 December 2023.

(36) Share premium

Amounts contributed to the Group by the shareholder, after deduction of transaction costs, increases share premium. In 2017, share capital in an amount of HUF 176,649 million was transferred to retained earnings. There has been no change in share premium after that re-appropriation.

(37) Equity instruments issued, other than share capital

31.12.2024 Lender	Borrowed on	Amount in original currency (million)	Currency	Interest rate (%)	Maturity	Carrying amount (HUF million)
Raiffeisen Bank International AG	13.03.2019	100	EUR	12.720 %	without maturity	31,445
Raiffeisen Bank International AG	25.01.2023	40	EUR	11.600 %	without maturity	15,534
Total		**140**				**46,979**

31.12.2023 Lender	Borrowed on	Amount in original currency (million)	Currency	Interest rate (%)	Maturity	Carrying amount (HUF million)
Raiffeisen Bank International AG	13.03.2019	100	EUR	12.96 %	without maturity	31,445
Raiffeisen Bank International AG	25.01.2023	40	EUR	11.60 %	without maturity	15,534
Total		**140**				**46,979**

The Management Board of the Group decided on 4 March 2019 to privately issue bonds qualifying for subordinated additional tier 1 capital instrument (AT1 capital) according to Article 52 of Regulation (EU) No. 575/2013 (CRR) in the amount EUR 100 million.

The consideration for the 500 pieces of dematerialised bonds with a nominal value of EUR 200,000 each was paid on 13 March 2019. The bonds are perpetual, carry variable interest, the amount of which is 12-month EURIBOR plus 9%. The interest shall be paid in the currency of the bond on 30 May each year. Considering that the issued bond is perpetual and the bondholder is not entitled to redeem it, and the fact that any payments to be effected under the terms and conditions of the bonds, including any interests and any payments arising from any redemption or recall events specified in the contract are at the sole discretion of the Group i.e., the Group has no contractual obligation to effect those payments, the amount received from the issue is considered as equity and the interest paid on it is considered as dividend. The equity item is recognised in HUF in the books. The Group is entitled to recall or repay in the events specified in the terms and conditions.

The Group issued a nominal value bond in amount of EUR 40,000,000 (200 pieces with a nominal value of EUR 200,000) named as Raiffeisen EUR AT1 with value date of 25 January 2023. The bonds are additional basic capital instruments marketed privately without maturity. The interest rate is fixed at 11.597% for the first year, followed by the 1-year mid-swap rate plus 9%.

In 2024, the Group paid HUF 6,855 million (2023: HUF 4,081 million) dividend on the AT1 capital.

(38) Accumulated other comprehensive income

Accumulated other comprehensive income includes accumulated net fair value changes of investments measured at fair value through other comprehensive income.

In case of debt securities, unrealised fair value is included in this statement of financial position line item until derecognition of the debt securities or until they become impaired; after that gain or loss on derecognition is recognised to profit or loss.

In case of equity instruments measured at fair value through other comprehensive income any gain or loss on derecognition is directly recognised to equity, on line item 'Retained earnings' (a reclassification between accumulated other comprehensive income and retained earnings).

In addition to the above, accumulated other comprehensive income also contains the effective portion of fair value changes of hedging instruments designated in cash flow hedges and deferred tax related to the above items.

(39) Other reserves

General reserve is included under 'Other reserves', in accordance with Act CCXXXVII of 2013, chapter 38 section 83. According to these prescriptions, a credit institution shall transfer 10% of its net profit for the period to general reserve. As a re-appropriation within equity the Group set up general reserve amounting to HUF 11,451 million in 2024 (2023: HUF 9,928 million).

(40) Retained earnings

The line item 'Retained earnings' includes undistributed profit or loss of the current and previous periods.

(41) Contingent liabilities and commitments

The Group has commitments to grant loans as it provides current account facilities and other loan facilities for its client.

The Group also provides guarantees and accreditives to its clients whereby it guarantees that clients fulfil their obligations towards third parties.

The following table contains the contractual amounts of contingent liabilities and commitments per categories. The amounts presented in the table below show the total amount committed in case of loan commitments. In case of guarantees and other commitments, the amounts show the maximum amount of loss that would be recognised by the Group on the reporting date when the parties did not fulfil contractual obligations.

31.12.2024	**Off-balance sheet commitments and financial guarantees under IFRS 9 impairment model**					
	Nominal value			**Provisions**		
(HUF million)	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Loan commitments given	502,428	54,380	1,989	1,734	945	469
Financial guarantees given	185,574	20,920	8,858	180	417	2,854
Other contingencies given	201,429	23,988	7,625	97	36	2,841
Total	**889,431**	**99,288**	**18,472**	**2,011**	**1,398**	**6,164**

31.12.2023	**Off-balance sheet commitments and financial guarantees under IFRS 9 impairment model**					
	Nominal value			**Provisions**		
(HUF million)	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Loan commitments given	360,351	72,323	977	1,726	3,006	277
Financial guarantees given	152,731	33,593	6,382	54	722	1,704
Other contingencies given	184,363	39,994	6,369	83	105	1,935
Total	**697,445**	**145,910**	**13,728**	**1,863**	**3,833**	**3,916**

Provisions' columns: Accumulated negative fair value changes attributable to changes in credit risk in case of non-performing commitments

Contingent liabilities and commitments bear off-balance sheet credit risk as only the related fees, commissions and provisions for future expected losses are included in the statement of financial position until fulfilment or expiry of such obligations. A significant number of such off-balance sheet items expire without utilising them fully or partially. Consequently, the above amounts do not represent future expected cash flows.

(42) Determination of fair value

In order to determine fair values of financial assets and liabilities for which no observable market prices are available, it is necessary to apply valuation techniques in accordance with the accounting policies. In case of financial instruments traded less frequently and whose prices are less transparent, fair value is less objective and determining it requires judgement to various extents depending on liquidity, concentration, uncertainties in market variables, pricing assumptions and other risks relating to the specific instrument. Please see the below section 'Valuation of financial instruments, fair value hierarchy'.

Critical judgements in applying the Group's accounting policies

The following are critical judgements made in applying the Group's accounting policies:

Valuation of financial instruments, fair value hierarchy

The Group's accounting policy on fair value measurements is discussed in note (4.8) Determination of fair value.

The Group measures fair value using the following hierarchy of methods:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs are based on directly or indirectly observable information, however, the relation of them to the market pricing of the financial asset or liability is more indirect. These may be the following:

- quoted prices for similar assets or liabilities in active market;
- quoted prices for identical or similar assets or liabilities in markets that are not active and this does not represent reliably the assessment of market participant at the valuation date;
- inputs other than quoted prices (e.g., yield curves observable at commonly quoted intervals, interest rates, credit spreads, implied volatilities, etc.) that are observable for the asset or liability;
- indirectly observable inputs which can be derived from and corroborated by the observable inputs.

Level 3: Inputs for the financial asset or liability that are not based on observable market data (unobservable inputs).

The Group records the transfers (if any) between the levels in the fair value hierarchy at the end of the reporting period.

The following table analyses financial instruments measured at fair value on the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised based on the inputs used in the valuation. If fair values are determined with valuation techniques using unobservable inputs, the fair values include any deferred differences between the transaction price and fair value on initial recognition.

Fair value hierarchy: financial instruments measured at fair value

31.12.2024	Fair value hierarchy			Fair value change during the period		Accumulated fair value change before tax		
(HUF million)	Level 1	Level 2	Level 3	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value								
Financial assets held for trading total	**7,541**	**74,816**	**49**	**-17,316**	**-44**	**646**	**66,324**	**-44**
Derivative instruments	1	73918	0	-17312	0	1	66410	0
Equity instruments	6841	0	0	0	0	645	0	0
Debt securities	699	898	49	-4	-44	0	-86	-44
Non-trading financial assets mandatorily at fair value through profit or loss total	**0**	**891**	**185,043**	**-130**	**3,687**	**0**	**-870**	**14,397**
Equity instruments	0	0	0	0	0	0	0	0
Debt securities	0	891	0	-130	0	0	-870	0
Loans and advances	0	0	185043	0	3687	0	0	14397
Financial assets measured at fair value through other comprehensive income total	**478,649**	**70,582**	**1,108**	**2,316**	**-169**	**2,831**	**-6,669**	**-199**
Equity instruments	0	0	104	0	6	0	0	40
Debt securities	478649	70582	1004	2316	-175	2831	-6669	-239
Derivative instruments designated as hedging instruments	**0**	**92,149**	**0**	**-23,604**	**0**	**0**	**75,263**	**0**
Financial liabilities at fair value total	**486,190**	**238,438**	**186,200**	**-38,734**	**3,474**	**3,477**	**134,048**	**14,154**
Financial liabilities measured at fair value								
Financial liabilities held for trading total	**160**	**76,311**	**0**	**-12,905**	**0**	**160**	**63,184**	**0**
Derivative instruments	160	74804	0	-12905	0	160	63184	0
Short positions	0	1507	0	0	0	0	0	0
Derivative instruments designated as hedging instruments	**0**	**105,166**	**0**	**-24,903**	**0**	**0**	**88,893**	**0**
Financial liabilities measured at fair value total	**160**	**181,477**	**0**	**-37,808**	**0**	**160**	**152,077**	**0**

31.12.2023	Fair value hierarchy			Fair value change during the period		Accumulated fair value change before tax		
(HUF million)	Level 1	Level 2	Level 3	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value								
Financial assets held for trading total	**1,836**	**95,973**	**0**	**-62,763**	**0**	**109**	**83,640**	**0**
Derivative instruments	30	94932	0	-62992	0	30	83722	0
Equity instruments	1011	0	0	0	0	77	0	0
Debt securities	795	1041	0	229	0	2	-82	0
Non-trading financial assets mandatorily at fair value through profit or loss total	**0**	**991**	**164,050**	**165**	**24,530**	**0**	**-622**	**10,710**
Equity instruments	0	571	0	34	0	0	119	0
Debt securities	0	420	0	131	0	0	-741	0
Loans and advances	0	0	164050	0	24530	0	0	10710
Financial assets measured at fair value through other comprehensive income total	**279,610**	**85,783**	**491**	**10,402**	**-59**	**219**	**-8,985**	**-29**
Equity instruments	0	0	65	0	5	0	0	35
Debt securities	279610	85783	426	10402	-64	219	-8985	-64
Derivative instruments designated as hedging instruments	**0**	**119,623**	**0**	**-82,057**	**0**	**0**	**98,867**	**0**
Financial liabilities at fair value total	**281,446**	**302,370**	**164,541**	**-134,253**	**24,471**	**328**	**172,900**	**10,681**
Financial liabilities measured at fair value								
Financial liabilities held for trading total	**130**	**93,535**	**0**	**-57,337**	**0**	**130**	**76,089**	**0**
Derivative instruments	130	89274	0	-57337	0	130	76089	0
Short positions	0	4261	0	0	0	0	0	0
Derivative instruments designated as hedging instruments	**0**	**126,808**	**0**	**-121,116**	**0**	**0**	**113,796**	**0**
Financial liabilities measured at fair value total	**130**	**220,343**	**0**	**-178,453**	**0**	**130**	**189,885**	**0**

Fair value hierarchy: financial instruments measured at amortised cost

31.12.2024			Fair value hierarchy		
(HUF million)	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets measured at amortised cost					
Debt securities	1,137,806	1,152,448	1,076,052	75,733	663
Loans and advances	1,970,628	1,947,930	0	0	1,947,930
Financial assets measured at amortised cost total	**3,108,434**	**3,100,378**	**1,076,052**	**75,733**	**1,948,593**
Financial liabilities measured at amortised cost					
Deposits	3,716,173	3,736,530	0	0	3,736,530
Debt securities issued	211,806	223,740	0	223,740	0
Other financial liabilities	17,687	17,687	0	0	17,687
Financial liabilities measured at amortised cost total	**3,945,666**	**3,977,957**	**0**	**223,740**	**3,754,217**

31.12.2023			Fair value hierarchy		
(HUF million)	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets measured at amortised cost					
Debt securities	745,761	757,422	679,714	77,708	0
Loans and advances to banks, central banks and customers	1,886,033	1,898,770	0	0	1,898,770
Financial assets measured at amortised cost total	**2,631,794**	**2,656,192**	**679,714**	**77,708**	**1,898,770**
Financial liabilities measured at amortised cost					
Deposits	3,551,018	3,560,911	0	0	3,560,911
Debt securities issued	192,646	199,065	0	199,065	0
Other financial liabilities	9,803	9,803	0	0	9,803
Financial liabilities measured at amortised cost total	**3,753,467**	**3,769,779**	**0**	**199,065**	**3,570,714**

Assumptions made in estimating the fair value of financial instruments

A number of financial instruments are not traded on active markets and thus fair values are based on estimations made using net present value calculations of other valuation techniques which are significantly influenced by assumptions made regarding estimated future cash flows and discount rates. In many cases it would not be possible to immediately realise the fair value due to the size of the portfolio.

Methodologies, valuation techniques used and assumptions made in determining the fair values of financial instruments are as follows:

Cash, cash balances at central banks and other demand deposits (level 1)

Due to their short-term nature, the carrying amounts of Cash, cash balances at central banks and other demand deposits are a reasonable approximation of their fair value.

Loans and advances to customers (level 3)

For determining the fair value of these assets, future expected cash flows are discounted to their present value using current market interest rates.

Fair values of loans and advances in stage 1 and stage 2 credit risk categories are calculated centrally by the parent company using discounted cash flow method and, if relevant, taking behavioural option models and financial option pricing models into account.

The Group uses discounted cash flow method also for calculating fair values of stage 3 (credit-impaired) loans and advances. For these transactions fair value is calculated as the present value of the expected recoveries (distressed cash flows) estimated by the expected loss/provisions modelling system, discounted with risk free rates adjusted with liquidity and credit risk premium.

These items are included in lines 'Loans and advances' in the tables presenting fair value hierarchy.

Investments in securities (level 1, level 2 and level 3)

Quoted market prices are used for exchange-traded securities and listed debt instruments. The fair values of Hungarian government bonds and corporate bonds classified as held for trading, designated at fair value through profit and loss and measured at fair value through other comprehensive income are measured based on market prices available in the Bloomberg Front-End System. The fair value of the securities is the market price quoted on the stock exchange (if such price exists). If no quoted price exists, price available from OTC markets is used; otherwise, the fair value is the present value of the discounted contractual cash flows at the valuation date.

These items are included in lines 'Equity instruments' and 'Debt securities' in the tables presenting fair value hierarchy.

Investments in unlisted securities (level 2 and level 3)

These instruments are not quoted on markets. Besides market information, the Group uses other assumptions to value those instruments.

For instruments valued at level 3 of the fair value hierarchy, fair values are calculated using dividend discount models.

These items are included in lines 'Equity instruments' in the tables presenting fair value hierarchy.

Derivative instruments (level 1 and level 2)

Fair value of exchange-traded derivatives is the quoted price.

Fair value of interest rate swaps and forward rate agreements is determined by discounting the forecasted future cash flows. In doing so, the Group applies the market rates applicable for the remaining maturity of the financial instruments.

The Group determines fair values of cross currency swaps using discounted cash flow method (calculated by front-office system). Basis swap spreads representative to the markets of those instruments and also including country risk premiums are incorporated into yield curves used for the purpose of the valuation.

The fair values of forward exchange transactions are computed on the basis of current forward rates. Fair values of plain vanilla and exotic currency options are calculated with modified Black-Scholes model. In case of exotic options, the fair value of which cannot be estimated with a closed formula, fair values are calculated using iteration techniques.

For hedging the exposures to changes in fair value of some loans, deposits or plain vanilla bonds (both purchased and issued), the Group has entered into interest rate swap transactions. The fair value of these hedged loans, deposits and bonds is the discounted present value of the future cash flows at balance sheet date. These loans, deposits and bonds are measured at amortised cost or at fair value in the statement of financial position.

The aim of calculating CVA/DVA (Credit Value Adjustment/Debit Value Adjustment) according to IFRS 13 is to quantify the risk of possible losses arising from counterparty defaults in case of the Group's derivative exposures. The varying parameter in the model is the possible future change in the counterparty's probability of default and not the changes in market variables. The calculation process is as follows: expected future exposures are estimated on mark-to-market basis for specific future dates, these are multiplied with default probabilities and then aggregated, and finally the result is adjusted with a recovery rate.

Bank deposits, deposits from customers (level 3)

Fair value of deposits from banks and deposits from customers are determined using discounted cash flows, applying current rates offered for deposits of similar remaining maturities. The fair value of a deposit repayable on demand is assumed to be the amount payable on demand at the balance sheet date.

According to IFRS 13 standard the Group takes its own credit risk into account as follows: the Group discounts future cash flows of the deposits by using discount factors that are shifted by the liquidity premium applicable for the dates of cash flows determined for each currency. The level of liquidity premiums is based on market information, for instance: BUBOR/LIBOR reference rates, interest rates of Interest Rate Swaps and Forward Rate Agreements, ASW spreads (Asset Swap Spreads).

These items are included in lines 'Deposits' in the tables presenting fair value hierarchy.

Debt securities issued, subordinated liabilities (level 2 and level 3)

Fair value of debt securities issued is determined by the Group using quoted market prices at the balance sheet date if available, or by reference to quoted market prices for similar instruments. Fair value of subordinated liabilities is calculated by discounting the future cash flows.

Fair values of fixed rate debt securities issued and designated in hedge relationships are calculated as the present value of future cash flows.

According to IFRS 13 standard, own credit risk is quantified as follows: depending on the currency, the cash flows of the bond are discounted using a HUF, EUR or USD zero-coupon IRS curve shifted by the amount of the liquidity premium.

Non-structured debt instruments issued are measured at amortised cost and thus they are not revalued except for cases when they are designated as hedged items in fair value hedges. In these cases, only interest rate risk and not the credit risk is hedged.

Fair value – Level 3 disclosures

The following table reconciles opening and closing balances of fair values calculated based on level 3 inputs in case of relevant financial instruments, i.e., for those measured at fair value:

2024 (HUF million)	Opening balance	Exchange differences	Purchases	Payments	Sales	Repayments	Gains/losses in profit and loss	hereof: unrealized gains/losses	Gains/losses in other comprehensive income	Reclassifications to level 3	Reclassifications from level 3	Closing balance
Financial assets held for trading												
Debt securities	0	0	0	0	0	0	-31	-31	0	80	0	49
Financial assets held for trading total	**0**	**0**	**0**	**0**	**0**	**0**	**-31**	**-31**	**0**	**80**	**0**	**49**
Non-trading financial assets mandatorily at fair value through profit or loss total												
Loans and advances	164,050	0	0	29,387	0	-11,961	3,567	4,124	0	0	0	185,043
Non-trading financial assets mandatorily at fair value through profit or loss total	**164,050**	**0**	**0**	**29,387**	**0**	**-11,961**	**3,567**	**4,124**	**0**	**0**	**0**	**185,043**
Financial assets measured at fair value through other comprehensive income												
Equity instruments	65	2	0	0	31	0	0	0	6	0	0	104
Debt securities	426	0	0	0	0	-290	-454	31	-227	1,549	0	1,004
Financial assets measured at fair value through other comprehensive income total	**491**	**2**	**0**	**0**	**31**	**-290**	**-454**	**31**	**-221**	**1,549**	**0**	**1,108**

2023 (HUF million)	Opening balance	Exchange differences	Purchases	Payments	Sales	Repayments	Gains/losses in profit and loss	hereof: unrealized gains/losses	Gains/losses in other comprehensive income	Reclassifications to level 3	Reclassifications from level 3	Closing balance
Financial assets held for trading												
Debt securities	0	0	0	0	0	0	0	0	0	0	0	0
Financial assets held for trading total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Non-trading financial assets mandatorily at fair value through profit or loss total												
Loans and advances	125,450	0	0	24,136	0	-10,108	24,572	22,248	0	0	0	164,050
Non-trading financial assets mandatorily at fair value through profit or loss total	**125,450**	**0**	**0**	**24,136**	**0**	**-10,108**	**24,572**	**22,248**	**0**	**0**	**0**	**164,050**
Financial assets measured at fair value through other comprehensive income												
Equity instruments	65	-1	0	0	-4	0	0	0	5	0	0	65
Debt securities	0	0	0	0	0	0	-185	29	137	474	0	426
Financial assets measured at fair value through other comprehensive income total	**65**	**-1**	**0**	**0**	**-4**	**0**	**-185**	**29**	**142**	**474**	**0**	**491**

Total gains/losses presented in the table above were recognised in profit or loss and in other comprehensive income as follows:

31.12.2024	Financial assets held for trading	Non-trading financial assets mandatorily at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income
(HUF million)	Debt securities	Loans and advances	Debt securities
Total gains/losses in the profit and loss statement	**-31**	**15,707**	**-454**
Net trading income and fair value result	0	3,697	0
Other comprehensive income - net fair value change from financial assets at fair value through other comprehensive income	**0**	**0**	**-227**
Profit or loss - unrealized profit or loss from assets and liabilities held at the end of the year	**-31**	**4,024**	**31**
Net trading income and fair value result	-31	4,124	0
Other interest income	0	-100	31

31.12.2023	Financial assets held for trading	Non-trading financial assets mandatorily at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income
(HUF million)	Debt securities	Loans and advances	Debt securities
Total gains/losses in the profit and loss statement	**0**	**34,085**	**-185**
Net trading income and fair value result	0	24,556	0
Other comprehensive income - net fair value change from financial assets at fair value through other comprehensive income	**0**	**0**	**119**
Profit or loss - unrealized profit or loss from assets and liabilities held at the end of the year	**0**	**31,777**	**12**
Net trading income and fair value result	0	22,248	0
Other interest income	0	9,529	12

The following tables summarise significant inputs used in level 3 fair valuations in case of financial instruments measured at fair value and in case of financial instruments which are measured by the Group at amortised cost but for which fair values are disclosed:

Financial instruments measured at fair value:

31.12.2024 (HUF million)	Fair value at the reporting date	Valuation technique	Significant unobservable inputs	Range of unobservable inputs (weighted average)	Sensitivity of the fair value evaluation for the unobservable inputs
Financial assets held for trading					
Equity instruments	0				
Debt securities	49	m)	n)	o)	p)
Loans and advances	0				
Financial assets held for trading total	**49**				
Non-trading financial assets mandatorily at fair value through profit or loss					
Loans and advances	185,043	a)	b)	c)	d)
Non-trading financial assets mandatorily at fair value through profit or loss total	**185,043**				
Financial assets measured at fair value through other comprehensive income					
Equity instruments	104	e)	f)	g)	h)
Debt securities	1,004	i)	j)	k)	l)
Financial assets measured at fair value through other comprehensive income total	**1,108**				

31.12.2023 (HUF million)	Fair value at the reporting date	Valuation technique	Significant unobservable inputs	Range of unobservable inputs (weighted average)	Sensitivity of the fair value evaluation for the unobservable inputs
Financial assets held for trading					
Equity instruments	0				
Debt securities	0				
Loans and advances	0				
Financial assets held for trading total	**0**				
Non-trading financial assets mandatorily at fair value through profit or loss					
Loans and advances	164,050	a)	b)	c)	d)
Non-trading financial assets mandatorily at fair value through profit or loss total	**164,050**				
Financial assets measured at fair value through other comprehensive income					
Equity instruments	65	e)	f)	g)	h)
Debt securities	426	i)	j)	k)	l)
Financial assets measured at fair value through other comprehensive income total	**491**				

Identifier	Description 31.12.2024	31.12.2023
a)	Performing loans Discounted cash flows, behavioral option modelling if applies, financial option pricing: Black-Scholes (shifted) if applies Non-performing loans loans: Discounted cash flows	Performing loans Discounted cash flows, behavioral option modelling if applies, financial option pricing: Black-Scholes (shifted) if applies Non-performing loans loans: Discounted cash flows
b)	Performing loans loans: Retail: estimated cash flows in case of childbirth incentive loans Non-retail: funding curves (for liquidity costs) Non-performing loans: Retail: distressed cash flows (based on customer-specific BEEL) estimated by workout/retail risk management Non-retail: recovery estimated by workout	Performing loans loans: Retail: estimated cash flows in case of childbirth incentive loans Non-retail: funding curves (for liquidity costs) Non-performing loans: Retail: distressed cash flows (based on customer-specific BEEL) estimated by workout/retail risk management Non-retail: recovery estimated by workout
c)	Performing loans: Retail: estimated average monthly instalment between HUF 2,083-455,563 (grace period vs. prepayment by the state) Non-retail: funding curves (for liquidity costs): -0.05%-+0.23% for HUF funding costs at valuation; -0.05%-+0.87% for HUF funding costs at origination Non-performing loans: Retail: distressed CF (based on customer-specific BEEL) estimated by workout/retail risk: 10%-100% Non-retail: recovery estimated by workout: 10%-100 %	Performing loans: Retail: estimated average monthly instalment between HUF 2,001-783,742 (modeled cash flow taking into account government guarantee and modelled prepayment) Non-retail: funding curves (for liquidity costs): -0.88%-+0.60% for HUF funding costs at valuation; 0.17%-+3.7% for HUF funding costs at origination Non-performing loans: Retail: distressed cash flow (based on customer-specific BEEL) estimated by workout/retail risk management: 10%-100% Non-retail: recovery estimated by workout: 10%-100 %
d)	If the duration of the estimated cash flows decreases fair value might decrease. Increase in risk-free curve, funding curve and credit spreads cause a decrease in fair value. If distressed cash flow or recovery rate increase, fair value also increases.	If the duration of the estimated cash flows decreases fair value might decrease. Increase in risk-free curve, funding curve and credit spreads cause a decrease in fair value. If distressed cash flow or recovery rate increase, fair value also increases.
e)	Dividend discount model	Dividend discount model
f)	Length of high-growth period Growth rate in stable growth period Beta* for stable growth period	Length of high-growth period Growth rate in stable growth period Beta* for stable growth period
g)	Length of high-growth period: 1-15 years Growth rate in stable growth period: 0-5% Beta* for stable growth period: 0.8-1.2	Length of high-growth period: 1-15 years Growth rate in stable growth period: 0-5% Beta* for stable growth period: 0.8-1.2
h)	Increasing high-growth period affects the fair value negatively. If growth rate increases, so does the fair value. Fair value increases with a decreasing beta*.	Increasing high-growth period affects the fair value negatively. If growth rate increases, so does the fair value. Fair value increases with a decreasing beta*.
i)	Discounted cash flow adjusted with impairment	Discounted cash flow adjusted with impairment
j)	Distressed cash flows	Distressed cash flows
k)	Impairment amount: HUF 1,214 million	Impairment amount: HUF 613 million
l)	Increase in default probability affects fair value negatively.	Increase in default probability affects fair value negatively.
m)	Discounted cash flows adjusted with impairment	
n)	Distressed cash flows	
o)	In case of different scenarios 2.7%-58.19%, weighted average 36.45%	
p)	Increase in impairment has a negative effect on the fair value	

Beta: a sensitivity indicator to the market used in calculating the expected return on equity (cost of equity)

Financial instruments at amortised cost:

31.12.2024 (HUF million)	Fair value at the reporting date	Valuation technique	Significant unobservable inputs
Financial assets measured at amortised cost			
Loans and advances	1,947,930	Discounted cash flow adjusted with impairment	Discount curve
Financial assets measured at amortised cost total	**1,948,593**		
Financial liabilities measured at amortised cost			
Deposits	3,736,530	Discounted cash flow adjusted with impairment	Discount curve
Other financial liabilities	17,687	No valuation	Not applicable
Financial liabilities measured at amortised cost total	**3,754,217**		

31.12.2023 (HUF million)	Fair value at the reporting date	Valuation technique	Significant unobservable inputs
Financial assets measured at amortised cost			
Loans and advances	1,898,770	Discounted cash flows	Discount curve
Financial assets measured at amortised cost total	**1,898,770**		
Financial liabilities measured at amortised cost			
Deposits	3,560,911	Discounted cash flows	Discount curve
Other financial liabilities	9,803	No valuation	Not applicable
Financial liabilities measured at amortised cost total	**3,570,714**		

(43) Related parties

The Group determines in accordance with IAS 24 whether a party qualifies as a party related to the Group. The Group's related parties include amongst others the parent company, associates, joint ventures, key management personnel and their close family members and entities which are controlled, jointly controlled or significantly influenced, or for which significant voting power is held by key management personnel or their close family members.

During the period, related parties had the following transactions with the Group:

Assets and liabilities against related parties

31.12.2024 (HUF million)	Entities having joint or significant influence over the Bank or its parent	Subsidiaries and other entities belonging to the same group	Key management personnel of the Bank or its parent
Financial assets			
Loans and advances	45,503	372	31
hereof: non-performing	0	0	0
Financial assets total	**45,503**	**372**	**31**
Financial liabilities			
Deposits	70,300	312	141
Financial liabilities total	**70,300**	**312**	**141**
Other items			
Nominal value of loan commitments, financial guarantees and other contingencies given	4,161	1,250	7
hereof: non-performing	0	0	0
Nominal value of loan commitments, financial guarantees and other contingencies received	3,884	0	3
Nominal value of derivatives	5,902,250	0	0

31.12.2023 (HUF million)	Entities having joint or significant influence over the Bank or its parent	Subsidiaries and other entities belonging to the same group	Key management personnel of the Bank or its parent
Financial assets			
Loans and advances	56,853	371	30
hereof: non-performing	0	0	0
Financial assets total	**56,853**	**371**	**30**
Financial liabilities			
Deposits	70,034	374	423
Financial liabilities total	**70,034**	**374**	**423**
Other items			
Nominal value of loan commitments, financial guarantees and other contingencies given	3,627	1,750	5
hereof: non-performing	0	0	0
Nominal value of loan commitments, financial guarantees and other contingencies received	3,381	0	3
Nominal value of derivatives	5,437,936	0	0

The above transactions were conducted in the ordinary course of business and on substantially the same terms and conditions, including interest rates and collaterals, as for third parties.

Main changes in the column 'Entities having joint or significant influence over the Bank or its parent':

- The change in the 'Loans and advances' line was caused by an increase of HUF 20,890 million in other receivables (current account credit, financial interbank deposit), an increase in the stock of active repo (HUF 518 million), and a decrease of HUF 495 million recorded as trade receivables in 2023, as well as a decrease in the dividend advance (HUF 32,293 million).
- Under the line 'Nominal value of loan commitments, financial guarantees and other contingencies given', the stock of guarantees issued with other collateral increased by HUF 534 million for 2024.
- A change in the composition of the 'Deposits' line can be observed: in addition to a decrease of HUF 8,551 million in demand deposits, the stock of subordinated loan capital (HUF 4,210 million) increased, as did the stock of loro account (HUF 2,455 million) and funds obtained from repurchase agreements (HUF 2,141 million).
- In 2024, the value of 'Nominal value of loan commitments, financial guarantees and other contingencies received' increased by HUF 503 million in relation to the parent company.
- Exposures to subsidiaries include the holdings of Raiffeisen Ingatlan Üzemeltető és Szolgáltató Kft. due to consolidation.

Income and expenses from transactions with related parties

2024 (HUF million)	Entities having joint or significant influence over the Bank or its parent	Subsidiaries and other entities belonging to the same group	Key management personnel of the Bank or its parent
Interest income	85,322	0	3
Interest expense	-99,355	-1	0
Dividend income	0	100	0
Fee and commission income	2,308	15	3
Fee and commission expenses	-803	0	0
Total	**-12,528**	**114**	**6**

2023 (HUF million)	Entities having joint or significant influence over the Bank or its parent	Subsidiaries and other entities belonging to the same group	Key management personnel of the Bank or its parent
Interest income	157,702	10	3
Interest expense	-230,782	-1	-3
Dividend income	0	450	0
Fee and commission income	2,240	13	5
Fee and commission expenses	-548	0	0
Total	**-71,388**	**472**	**5**

The above transactions were conducted in the ordinary course of business and on substantially the same terms and conditions, including interest rates and collaterals, as for third parties.

'Dividend income' includes the dividend received from Raiffeisen Biztosításközvetítő Kft (HUF 100 million).

The remuneration of key management personnel amounted to HUF 1,180 million in 2024 (2023: HUF 1,083 million) which were short-term employee benefits.

(44) Investments in subsidiaries

The subsidiaries of the Bank and their activities are summarised in the following table:

Subsidiaries	Ownership interest % 31.12.2024	Ownership interest % 31.12.2023	Residence of the company	Activities
Raiffeisen Corporate Lízing Zrt.	100 %	100 %	1133 Budapest, Váci út 116-118.	Finance leasing
Raiffeisen Biztosításközvetítő Kft.	— %	100 %	1133 Budapest, Váci út 116-118.	Activities of insurance agents and brokers
SCT Kárász utca Ingatlankezelő Kft.	100 %	100 %	1133 Budapest, Váci út 116-118.	Management of real estate on a fee or contract basis
Raiffeisen Befektetési Alapkezelő Zrt.	100 %	100 %	1133 Budapest, Váci út 116-118.	Fund management activities
RB Szolgáltató Központ Kft.	100 %	100 %	4400 Nyíregyháza, Sóstói út 31/b	Other financial auxiliary activities
Raiffeisen Autó Lízing Kft.	100 %	100 %	1133 Budapest, Váci út 116-118.	Leasing of cars and light motor vehicles
Raiffeisen Ingatlan Üzemeltető és Szolgáltató Kft.	100 %	100 %	1133 Budapest, Váci út 116-118.	Real estate development

The following table presents changes in the investments in unconsolidated related parties:

2024	Cost				Fair value correction				Carrying amount
(HUF million)	Opening balance	Increase	Decrease	Closing balance	Opening balance	Increase	Decrease	Closing balance	Closing balance
Raiffeisen Biztosításközvetítő Kft.	5	0	-5	0	0	0	0	0	0
Raiffeisen Ingatlan Üzemeltető és Szolgáltató Kft.	3	0	0	3	0	0	0	0	3
Total	**8**	**0**	**-5**	**3**	**0**	**0**	**0**	**0**	**3**

2023	Cost				Fair value correction				Carrying amount
(HUF million)	Opening balance	Increase	Decrease	Closing balance	Opening balance	Increase	Decrease	Closing balance	Closing balance
Raiffeisen Biztosításközvetítő Kft.	5	0	0	5	0	0	0	0	5
Raiffeisen Ingatlan Üzemeltető és Szolgáltató Kft.	3	0	0	3	0	0	0	0	3
Total	**8**	**0**	**0**	**8**	**0**	**0**	**0**	**0**	**8**

There is no significant difference between the accounting and prudential consolidation of the Group, that is why the Group decided to harmonise those scopes of consolidation. The exclusion of the deconsolidated companies, which was made during the mentioned harmonisation, has no material effect on the reliability and accuracy of the financial statement. By the end of 2024, the Bank has only one subsidiary that is not fully consolidated. Additionally, the non-consolidated subsidiaries have been merged into other consolidated subsidiaries, and in one case, the MNB decided on the full consolidation of a subsidiary in 2022.

(45) Fund management activity

The Group manages zero closed-end (2023: 0) and 16 open-end (2023: 16) investment funds via Raiffeisen Befektetési Alapkezelő Zrt, a fully owned and consolidated subsidiary. As the funds are not controlled by the Group, they are not consolidated. For fund management services provided by the Group, funds pay certain fees and commissions that are reported as 'Net fee and commission income', see Note (8) Net fee and commission income.

The value and transactions with funds are detailed in the following table:

(HUF million)	31.12.2024	31.12.2023
Managed funds	**655,679**	**543,903**
hereof: open-end funds	655,679	543,903
Net fee and commission income from funds	8,030	6,921
Deposits from funds	27,665	22,348
Interest income/expense on deposits from funds	-1,935	-2,974

There were no fixed-term funds among open-end funds in the last two years. The volume of managed funds increased significantly, by more than 20%, in 2024. The balance of deposits accepted from the funds, including both term deposits and demand deposits, grew at a rate slightly exceeding the growth of managed assets. Despite the increase in volume, the amount of interest paid by the Group to the funds decreased compared to 2023, due to the significantly lower interest rate environment. Meanwhile, the commission income collected from the funds also showed strong growth in 2024.

(46) Changes in the financing activities

The reconciliation between the changes in liabilities and the cash flows arising from financing activities is detailed in the following table:

31.12.2024	Liabilities			Equity					
(HUF million)	Debt securities issued	Subordinated liabilities	Lease liabilities	Ordinary shares	Share premium	AT1 instruments	Retained earnings	Reserves	Total
Opening balance	**192,646**	**59,665**	**28,381**	**50,000**	**113,445**	**46,979**	**197,969**	**54,337**	**743,422**
Changes from financing cash flows									
Issuance of issued debt securities	136,476	0	0	0	0	0	0	0	136,476
Expiry of debt securities issued	-136,286	0	0	0	0	0	0	0	-136,286
Issuance of other equity instruments	0	0	0	0	0	0	0	0	0
Payment of lease liabilities	0	0	-4,702	0	0	0	0	0	-4,702
Dividend paid	0	0	0	0	0	0	-86,655	0	-86,655
Changes from financing cash flows total	**190**	**0**	**-4,702**	**0**	**0**	**0**	**-86,655**	**0**	**-91,167**
Effect of changes in foreign exchange rates	**14,830**	**4,233**	**1,723**	**0**	**0**	**0**	**0**	**0**	**20,786**
Changes in fair value	**2,410**	**0**	**0**	**0**	**0**	**0**	**0**	**-9,992**	**-7,582**
Other changes	**-383**	**0**	**2,392**	**0**	**0**	**0**	**0**	**899**	**2,908**
Liability-related other changes									
Interest expense	16,006	4,174	750	0	0	0	0	0	20,930
Interest paid	-13,893	-4,196	-751	0	0	0	0	0	-18,840
Liability-related other changes total	**2,113**	**-22**	**-1**	**0**	**0**	**0**	**0**	**0**	**2,090**
Equity-related other changes total	**0**	**0**	**0**	**0**	**0**	**0**	**104,595**	**11,451**	**116,046**
Closing balance	**211,806**	**63,876**	**27,793**	**50,000**	**113,445**	**46,979**	**215,909**	**56,695**	**786,503**

31.12.2023	Liabilities			Equity					
(HUF million)	Debt securities issued	Subordinated liabilities	Lease liabilities	Ordinary shares	Share premium	AT1 instruments	Retained earnings	Reserves	Total
Opening balance	**192,646**	**59,665**	**28,381**	**50,000**	**113,445**	**46,979**	**197,969**	**54,337**	**743,422**
Changes from financing cash flows									
Issuance of issued debt securities	196	0	0	0	0	0	0	0	196
Expiry of debt securities issued	-142	0	0	0	0	0	0	0	-142
Issuance of other equity instruments	0	0	0	0	0	15,534	0	0	15,534
Payment of lease liabilities	0	0	-4,423	0	0	0	0	0	-4,423
Dividend paid	0	0	0	0	0	0	-24,213	0	-24,213
Changes from financing cash flows total	**54**	**0**	**-4,423**	**0**	**0**	**15,534**	**-24,213**	**0**	**-13,048**
Effect of changes in foreign exchange rates	**-7,647**	**-2,708**	**-1,277**	**0**	**0**	**0**	**0**	**0**	**-11,632**
Changes in fair value	**6,198**	**0**	**0**	**0**	**0**	**0**	**0**	**14,660**	**20,858**
Other changes	**92**	**0**	**5,436**	**0**	**0**	**0**	**0**	**-1,319**	**4,209**
Liability-related other changes									
Interest expense	16,611	3,686	750	0	0	0	0	0	21,047
Interest paid	-16,762	-3,600	-742	0	0	0	0	0	-21,104
Liability-related other changes total	**-151**	**86**	**8**	**0**	**0**	**0**	**0**	**0**	**-57**
Equity-related other changes total	**0**	**0**	**0**	**0**	**0**	**0**	**93,353**	**9,928**	**103,281**
Closing balance	**192,646**	**59,665**	**28,381**	**50,000**	**113,445**	**46,979**	**197,969**	**54,337**	**743,422**

The sole shareholder of the Group decided to pay a dividend of HUF 79.800 million for the 2023 financial year, which was paid out in 2024.

In 2024, the Group paid an additional HUF 6,855 million (2023: HUF 4,081 million) as dividends from the retained earnings on the additional tier 1 capital (AT 1).

(47) Disclosures according to the Hungarian Accounting Law

Head of Accounting, Tibor Gáspár is responsible for the coordination and management of bookkeeping services and he is also entitled to perform bookkeeping services (registration number: 168480, availability: 1133 Budapest, Váci Street 116-118).

Zeljko Obradovic, Chief Financial Officer (availability: 1133 Budapest, Váci Street 116-118.) and Tibor Gáspár, Head of Accounting are obliged to sign these consolidated financial statements.

Auditor

The Bank, as a financial institution, is obliged by regulation to have its financial statements audited according to the Act C of 2000 on Accounting and the auditor is Deloitte Könyvvizsgáló és Tanácsadó Kft. (registration number: 000083), the auditor in charge is Attila Molnár (registration number: 007379). The audited consolidated annual financial statements of the Group are published by the Court of registration and also available at the website of the Bank at www. raiffeisen.hu.

The following net amounts of services were charged by Deloitte Könyvvizsgáló és Tanácsadó Kft. and Deloitte Üzletviteli és Vezetési Tanácsadó Zrt. in 2024 and 2023:

(HUF million)	2024	2023
Audit of financial statements	230	236
Other assurance services	68	50
Total	**298**	**286**

Equity correlation table in accordance with section 114/B of Act C of 2000 on Accounting:

31.12.2024	Elements of correlation table in accordance with section 114/B of Act C of 2000 on Accounting						
(HUF million)	Share capital under EU IFRS	Share premium	Retained earnings	Profit after tax	Valuation reserve	Tied-up reserves	Total
Equity under EU IFRS allocated to the elements based on the correlation table in accordance with section 114/B of Act C 2000 on Accounting							
Share capital	50,000	0	0	0	0	0	50,000
Share premium	0	113,445	0	0	0	0	113,445
Equity instruments issued other than share capital	0	46,979	0	0	0	0	46,979
Accumulated other comprehensive income	0	0	0	0	13,101	0	13,101
Retained earnings	0	0	99,957	0	0	0	99,957
Other reserves	0	0	0	0	0	43,594	43,594
Profit for the year	0	0	0	115,952	0	0	115,952
Total	**50,000**	**160,424**	**99,957**	**115,952**	**13,101**	**43,594**	**483,028**

31.12.2023	Elements of correlation table in accordance with section 114/B of Act C of 2000 on Accounting						
(HUF million)	Share capital under EU IFRS	Share premium	Retained earnings	Profit after tax	Valuation reserve	Tied-up reserves	Total
Equity under EU IFRS allocated to the elements based on the correlation table in accordance with section 114/B of Act C 2000 on Accounting							
Share capital	50,000	0	0	0	0	0	50,000
Share premium	0	113,445	0	0	0	0	113,445
Equity instruments issued other than share capital	0	46,979	0	0	0	0	46,979
Accumulated other comprehensive income	0	0	0	0	22,193	0	22,193
Retained earnings	0	0	94,709	0	0	0	94,709
Other reserves	0	0	0	0	0	32,143	32,143
Profit for the year	0	0	0	103,259	0	0	103,259
Total	**50,000**	**160,424**	**94,709**	**103,259**	**22,193**	**32,143**	**462,728**

Apart from the allocation of equity elements according to IFRS to equity elements described in Section 114/B of the Hungarian Accounting Act, no other reconciling items described in Section 114/B of the Hungarian Accounting Act arose in either 2024 or in 2023.

(48) Reports by segments

The following segment information is presented in accordance with IFRS 8 Operating segments, which requires disclosures of financial information about an entity's operating segments. It follows the 'management approach', which requires operating segments to be identified on the basis of internal reports on the components of the entity that are regularly reviewed by the chief operating decision maker to allocate resources among the segments and assess the performance of each segment. The Group's exposure to risk and the level of return achieved depends primarily on the diversity of products and services offered, and therefore segment information is presented in respect of the Group's business segments. The business segments defined by the Group are aligned with the organisational structure, which presents the profitability and operations of the group's business along the main business areas.

Both revenues and assets are geographically linked to domestic activity.

The following summary describes the operations of the Group's segments included in this report:

- Retail, private and SME: the Group offers a wide range of financial services to retail and private customers. The main services are lending and deposit-taking. The retail segment also offers credit card and investment services.
- Corporate, subsidiaries segment: the Group offers a wide range of financial products and services to companies and institutions, including project and structured finance products and syndicated loans, in addition to its traditional lending and deposit-taking activities.
- Banking and treasury segment: the Group offers a wide range of financial products and services to banks, as well as lending and deposit-taking. For this segment, the Group also provides a wide range of investment activities (investment advisory, brokerage, derivatives trading and other investment services).
- Other segments: includes various financial services for government, municipalities, social organisations, and also includes items that cannot be directly allocated to a specific segment (mainly general administrative expenses, taxes).

31.12.2024 (HUF million)	Corporate/ subsidiaries	Retail/private/ SME	Bank/treasury	Other	Total
Assets					
Cash, cash balances at central banks and other demand deposits	2	0	479,324	51,575	530,901
Financial assets held for trading	0	0	82,406	0	82,406
Non-trading financial assets mandatorily at fair value through profit or loss	4,144	167,019	14,441	330	185,934
Financial assets measured at fair value through other comprehensive income	35,775	97,200	417,364	0	550,339
Financial assets measured at amortised cost	1,219,702	527,679	1,347,570	13,483	3,108,434
Derivative instruments designated as hedging instruments	0	0	92,149	0	92,149
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	0	-9,752	0	-9,752
Current tax assets	0	0	0	13	13
Investments in subsidiaries	3	0	0	0	3
Tangible fixed assets	0	0	9	38,663	38,672
Intangible fixed assets	0	0	0	25,205	25,205
Deferred tax assets	0	0	0	1,341	1,341
Other assets	0	0	0	9,611	9,611
Total assets	**1,259,626**	**791,898**	**2,423,511**	**140,221**	**4,615,256**
Liabilities					
Financial liabilities held for trading	0	0	76,471	0	76,471
Financial liabilities measured at amortised cost	1,250,681	1,831,603	599,923	290,615	3,972,822
Derivative instruments designated as hedging instruments	0	0	105,166	0	105,166
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	0	-60,617	0	-60,617
Current tax liabilities	0	0	0	6,478	6,478
Provisions	0	0	0	16,993	16,993
Deferred tax liabilities	0	0	0	17	17
Other liabilities	0	0	6	14,892	14,898
Total liabilities	**1,250,681**	**1,831,603**	**720,949**	**328,995**	**4,132,228**
Equity	**0**	**0**	**0**	**483,028**	**483,028**
Total liabilities and total equity	**1,250,681**	**1,831,603**	**720,949**	**812,023**	**4,615,256**

31.12.2023 (HUF million)	Corporate/ subsidiaries	Retail/private/ SME	Bank/treasury	Other	Total
Assets					
Cash, cash balances at central banks and other demand deposits	3	0	895,901	31,941	927,845
Financial assets held for trading	0	0	97,809	0	97,809
Non-trading financial assets mandatorily at fair value through profit or loss	4,354	149,386	10,730	571	165,041
Financial assets measured at fair value through other comprehensive income	36,334	91,463	238,087	0	365,884
Financial assets measured at amortised cost	1,159,260	497,591	1,020,205	16,428	2,693,484
Derivative instruments designated as hedging instruments	0	0	119,623	0	119,623
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	0	-11,289	0	-11,289
Current tax assets	0	0	0	108	108
Investments in subsidiaries	8	0	0	0	8
Tangible fixed assets	0	0	17	38,690	38,707
Intangible fixed assets	0	0	4	23,635	23,639
Deferred tax assets	0	0	0	1,841	1,841
Other assets	0	0	0	9,355	9,355
Total assets	**1,199,959**	**738,440**	**2,371,087**	**122,569**	**4,432,055**
Liabilities					
Financial liabilities held for trading	0	0	93,665	0	93,665
Financial liabilities measured at amortised cost	1,223,751	1,682,281	613,749	261,591	3,781,372
Derivative instruments designated as hedging instruments	0	0	126,808	0	126,808
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	0	-64,919	0	-64,919
Current tax liabilities	0	0	0	3,745	3,745
Provisions	0	0	0	16,831	16,831
Deferred tax liabilities	0	0	0	11	11
Other liabilities	0	0	19	11,795	11,814
Total liabilities	**1,223,751**	**1,682,281**	**769,322**	**293,973**	**3,969,327**
Equity	**0**	**0**	**0**	**462,728**	**462,728**
Total liabilities and total equity	**1,223,751**	**1,682,281**	**769,322**	**756,701**	**4,432,055**

2024 (HUF million)	Corporate/ subsidiaries	Retail/private/ SME	Bank/treasury	Other	Total
Net interest income	50,973	68,011	20,382	47,615	186,981
Dividend income	16	100	0	36	152
Net fee and commission income	26,338	56,618	7,020	4,408	94,384
Net trading income and fair value result	1,994	0	-668	-11,076	-9,750
Net gains/losses from hedge accounting	25	0	3,361	92	3,478
Total income	**79,346**	**124,729**	**30,095**	**41,075**	**275,245**
Impairment losses on financial assets	-2,647	15,755	191	-22	13,277
Net gains/losses from derecognition of financial assets and liabilities not measured at fair value through profit or loss	30	135	527	-2,228	-1,536
Other income and expenses, administrative expenses	-30,237	-79,701	-5,376	-8,794	-124,108
Other result	135	-2,153	0	-21	-2,039
Bank tax and other special levies	-10,637	-7,825	-3,562	-3,845	-25,869
Profit before tax	**35,990**	**50,940**	**21,875**	**26,165**	**134,970**
Tax expense	0	0	0	-19,018	-19,018
Profit for the year	**35,990**	**50,940**	**21,875**	**7,147**	**115,952**

2023 (HUF million)	Corporate/ subsidiaries	Retail/private/ SME	Bank/treasury	Other	Total
Net interest income	58,877	62,878	25,038	53,863	200,656
Dividend income	4	450	0	11	465
Net fee and commission income	23,420	48,442	5,843	3,815	81,520
Net trading income and fair value result	-1,565	0	225	-11,635	-12,975
Net gains/losses from hedge accounting	-21	0	-1,516	29	-1,508
Total income	**80,715**	**111,770**	**29,590**	**46,083**	**268,158**
Impairment losses on financial assets	-2,182	3,828	-669	9	986
Net gains/losses from derecognition of financial assets and liabilities not measured at fair value through profit or loss	319	-160	-3,127	87	-2,881
Other income and expenses, administrative expenses	-24,368	-70,959	-4,819	-8,758	-108,904
Other result	-223	-4,796	-36	-32	-5,087
Bank tax and other special levies	-14,077	-13,944	-5,868	-2,067	-35,956
Profit before tax	**40,184**	**25,739**	**15,071**	**35,322**	**116,316**
Tax expense	0	0	0	-13,057	-13,057
Profit for the year	**40,184**	**25,739**	**15,071**	**22,265**	**103,259**

(49) Events after the reporting date

The sole shareholder decided to pay a dividend of HUF 114,505 million aligned with the approval of the financial statements and after the general reserve allocation. This amount consists of HUF 80,153 million forints to be paid out from current year's after-tax profit and HUF 34,352 million to be distributed from retained earnings.

The below table details the sources for dividend payment:

(HUF million)	31.12.2024	31.12.2023
Retained earnings + profit and loss after tax	215,909	197,968
Eligible dividend income	0	100
Sources for dividend payment	**215,909**	**198,068**

No dividend claims were accounted for in 2024 before the approval of the current financial statements for publication. However, in 2023, the Group recognised a received dividend of HUF 100 million based on the resolution of profit distribution of Raiffeisen Biztosításközvetítő Kft. before the date the financial statements were authorised for issue and which, in accordance with section 114/A, paragraph 17 and section 39, paragraph 3a of Act C on Accounting, is eligible to increase the sources available for dividend payment. 2024: HUF 0 million).

The final capital adequacy ratios considering the inclusion of current year’s profit and dividends are CET1 15.92%, TIER1 18.64%, total capital adequacy ratio 22.73%.

(50) Abbreviations and terms used in the financial statements

AAC: At amortised cost

ALCO: Asset and Liability Committee

APRI: Annual Percentage Rate Indicator, a special index calculated in accordance with Government Decree No. 83/2010 (III. 25.) on the Definition, Calculation and Announcement of the Annual Percentage Rate Indicator; an index that aims to provide information in the form of an annual percentage on the total costs and fees of a loan or finance lease.

AT1: Additional tier 1 capital

BEEL: Best estimate of expected loss

Beta: a flexibility measure compared to the market, used for calculating cost of equity

BMT: Benchmark test

BPV: Basis point values

CCIRS: Cross currency interest rate swap

CET1: Common tier 1 capital

CF: Cash flow

CIRS: Cross currency interest rate swap

COVID-PWO: clients, that either are already showing, or based on the Bank's expectation are about to show in a short period the first signs to decline in the credit rating due to effect of the virus on their business operation

CRM: Credit Risk Management Department

CRO: Chief Risk Officer

CRR: Capital Requirements Regulation

CVA: Credit value adjustment

Default: non-performing

EAD: Exposure at default

EBA: European Banking Authority

€STR: Euro Short Term Rate

EURIBOR: Euro Interbank Offered Rate

DVA: Debit value adjustment

FGS: Funding for Growth Scheme

Forborne: renegotiated

FRA: Forward rate agreement

FV: Fair value

FVOCI: at fair value through other comprehensive income

FVTPL: at fair value through profit and loss

Gap: the difference between assets and liabilities in the same repricing category

GDMA: Government Debt Management Agency

HAL: Hungarian Accounting Law

Hold-and-sell: the model's objective is both collecting contractual cash flows and selling financial assets in the portfolio

Hold-to-collect: the model's objective is to hold financial assets to collect contractual cash flows

IAS: International Accounting Standards

IASB: International Accounting Standards Board

ICCAP: Internal Capital Adequacy Assessment Process

IFRS: International Financial Reporting Standards

IFRIC: International Financial Reporting Interpretations Committee

Interest stop: retail loan's interest fixing based on the Gov. Decree nr. 782/2021. (XII. 24.) on the application of the Act CLXII/2009 on the loans to customers in the crisis, which was further extended to the real estate leases by Gov. Decree nr. 49/2022. (II. 18.)

IRB: Internal rating based approach

IRD: Integrated Risk Assessment Department

IRS: Interest rate swap

LIBOR: London Interbank Offered Rate

LGD: Loss given default

L&R: Loans and receivables

Management overlay: portfolio-level management correction used in the loss allowance calculation (post model adjustment)

MIRS: Monetary policy interest rate swap

NBH: National Bank of Hungary

OCI: Other comprehensive income

PD: Probability of default

PL: Profit and loss

POCI: Purchased or originated credit impaired

Post model adjustment: portfolio-level management correction used in the loss allowance calculation (management overlay)

PRIBOR: Prague Interbank Offered Rate

PWO: Pre-workout

Repayment Moratorium 1: The first repayment moratorium (repayment suspension), which was introduced by the Act LVIII/2020 on the temporary rules related to the termination of the emergency and on the pandemical preparedness, furthermore by the Gov. Decree nr. 47/2020. (III. 18.) along with decree on the detailed rules about the defined actions in this, the Gov. Decree nr. 62/2020. (III. 24.). The repayment moratorium provided since 19. March 2020 expired on 31 December 2020.

Repayment Moratorium II: The second repayment moratoria (repayment suspension), which was introduced by the Act CVII/2020 on the temporary actions in order to stabilize the situation for particular society groups and enterprises with financial difficulties along with the Gov. Decree nr. 637/2020. (XII.22.) on the special rules related to the repayment moratoria in connection with the emergency.

Repayment Moratorium 2: section from 01.01.2021 to 31.10.2021 of Moratorium II

Repayment Moratorium 3: section from 01.11.2021 to 31.07.2022 of Moratorium II

Repayment Moratorium 4: section from 01.08.2022 to 31.12.2022 of Moratorium II

RRM: Retail Risk Management Department

SOFR: Secured Overnight Financing Rate

SME: Small and medium enterprises

SPPI: Solely payment of principal and interest

Stage 1: performing financial instruments where the credit risk has not increased significantly since initial recognition

Stage 2: performing financial instruments with a deteriorating credit risk profile, where the credit risk has increased significantly since initial recognition

Stage 3: credit-impaired financial instruments

Tier 1: common tier 1 capital (CET1) plus additional tier 1 capital (AT1)

Trading: primary objective is to realise short-term profits

VaR: Value at risk

WCV: Weighted collateral value

Responsible corporate governance statement

2024

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(1) Introduction

Raiffeisen Bank Zártkörűen Működő Részvénytársaság (registered office: 1133 Budapest, Váci út 116-118.; company registration number: 01-10-041042, hereinafter 'Raiffeisen Bank' or the 'Bank', together with its consolidated subsidiaries the 'Group') was established in 1986 as a subsidiary of Raiffeisen Zentralbank Österreich Aktiengesellschaft ('RZB', legal predecessor of Raiffeisen Bank International AG – 'RBI'; RBI and its fully consolidated subsidiaries together the 'RBI Group').

The Bank is licensed by the National Bank of Hungary (MNB) to provide a number of financial services and ancillary financial services listed in Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (the 'Banking Act') as well as certain investment services under Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Rules Governing Their Activities (the 'Investment Services Act'). It operates as a universal bank, providing service(s) to corporate clients (large, medium and small enterprises) and municipalities, as well as to individuals, micro enterprises and entrepreneurs.

Raiffeisen Bank pays particular attention to the development and maintenance of a high level of corporate governance in line with the Hungarian and international legal requirements. A sound management system and organisational structure, accurate financial planning, responsible management and comprehensive control mechanisms provide a solid foundation/framework for prudent, transparent, efficient and effective operations, in order to maintain good governance the Bank continuously reviews and improves its corporate governance practices.

Like all organisations providing financial and investment services, the Bank's activities are subject to significant regulation by legal provisions and supervisory requirements and guidelines. As a result, all its operations are regulated in detail and constantly monitored by the authorities. Each internal control function (risk management, compliance activities, internal control system) must meet strict requirements and demonstrate its effectiveness not only in the internal corporate governance system but also to external public authorities. All this ensures a conscious, all-inclusive and controlled risk management activity, and reliable, accurate and monitored data reporting. Financial and investment activities therefore require complex and effective corporate governance practices that ensure responsible behaviour towards both clients and the owner (Sole Shareholder), as well as reliable and predictable operations and long-term profitability.

(2) Regulatory framework

The Bank's corporate governance framework is defined primarily by the laws and regulations detailed in this chapter:

- Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (the 'Banking Act')
- Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing Their Activities (the 'Investment Services Act')
- Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse ('MAR')
- Decree 24/2008 (VIII.15.) of the Minister of Finance on the detailed rules of the disclosure obligations relating to publicly traded securities (the 'PM Decree')
- Act V of 2013 on the Civil Code (the 'Civil Code')
- Act C of 2000 on Accounting (the 'Accounting Act')
- Act CXX of 2001 on the Capital Market (the 'Capital Market Act')
- The Bank's Articles of Association as amended from time to time (available: registered office)
- The Bank Remuneration Policy as amended from time to time (available: https://www.raiffeisen.hu/raiffeisen-csoport/sajtoszoba/javadalmazasi-politika)

(3) Organisational framework for governance, supervision and decision-making

The Bank is governed by a two-tier system consisting of the Board of Directors and the Audit Committee. The two-tier governance system allows the separation of the directing functions of the Bank's Board of Directors from the control/supervisory functions of the Audit Committee (governance structure).

The working organisation of the Bank is directed and controlled by the Chief Executive Officer and the Deputy Chief Executive Officers, in order to ensure that everything is done within the framework of the law and the Bank's Articles of Association, and in accordance with the decisions of the Sole Shareholder and the Board of Directors. Under the direction of the Chief Executive Officer, the members of the Management manage each of the central departments and functions, taking into account their logical and professional coherence (operational structure).

Ownership rights over the Bank is exercised by the Sole Shareholder as the ultimate decision-maker.

The Board of Directors, the Audit Committee and the Sole Shareholder are assisted by standing and ad hoc committees.

(3.1) Primary decision-making bodies

(3.1.1) Owner

Owner (Sole Shareholder) of the Bank on the reporting date:

Shareholder	Share capital	Ownership share
Raiffeisen CEE Region Holding GmbH	HUF 50,000,090,000 (fifty billion and ninety thousand Hungarian forints)	100%

Shares

The share capital of the Bank consists of 5,000,009 (five million and nine) common shares of series 'T' with a face value of HUF 10,000 (ten thousand) each. The Bank's share capital is the sum of the face value of all its shares.

The Bank's shares are registered, dematerialised shares. Common shares issued by the Bank carry the full rights of shareholders granted by law and the Articles of Association.

The transfer of the dematerialised shares of the Bank shall be governed by the provisions of the Civil Code, the Capital Market Act and the Articles of Association. Dematerialised shares may be acquired or transferred only and exclusively by way of the debiting or crediting of the relevant securities account.

The transfer of any registered shares of the Bank shall be subject to the approval of the Board of Directors. Consent to the transfer of shares may be refused if the shares in question are to be acquired by a competitor of the Bank. The intention to transfer must be notified in writing. In the absence of a statement from the Board of Directors within thirty days of receipt of the written notification, consent shall be deemed to have been given.

Dividend

The Sole Shareholder may decide on the payment of dividends based on the proposal of the Board of Directors approved by the Audit Committee.

- The Sole Shareholder of the Bank may decide on the payment of interim dividend between the approval of two consecutive annual accounts prepared according to the Accounting Act if:
- it may be ascertained on the basis of the interim balance sheet that the Bank has the funds required for dividend payment;
- such payment does not exceed the amount of the financial results after deduction of tax generated since the closing of the books concerning the business year covered by the latest accounts, plus any established and disposable profit reserve; and
- the adjusted equity of the Bank will not fall below the amount of its share capital as a result of the payment.

Interim dividend may only be paid if the Sole Shareholder undertakes to repay the interim dividend at the Bank's request in the event it is determined subsequently that, according to the accounts under the Accounting Act, no dividend payment would be legally possible.

Supreme decision-making body

The powers of the supreme decision-making body are exercised by the Sole Shareholder. In matters falling within the competence of the supreme decision-making body, the Sole Shareholder shall decide in writing and the decision shall take effect upon communication to the Board of Directors.

The functions, powers and other rules applicable to the supreme decision-making body are laid down in the Articles of Association and applicable law.

(3.1.2) The Board of Directors

The Board of Directors is responsible for the Bank's overall operations, with its main tasks including approving the Bank's strategy, annual accounts, major organisational changes and regulations. Its key objectives and activities include increasing effectiveness and efficiency, managing risks, operating in full compliance with external regulations in every respect, i.e. ensuring the most effective application of business, ethical and internal control policies.

Members of the Board of Directors

The Bank's Board of Directors is composed of three to eleven members appointed by the Sole Shareholder for a fixed term of office of up to five (5) years (re-election for additional terms is permitted).

At least two members of the Board of Directors shall be employed by the Bank (executive members). The number of the Board of Directors who are not employed by the Bank (non-executive members) must exceed the number of executive members. The Board of Directors may not take any valid decision if the non-executive members attending the meeting and entitled to vote are outnumbered by the executive members.

The Sole Shareholder can instruct the Board of Directors, and the members of the Board of Directors shall carry out such instructions.

The members of the Board of Directors must be natural persons, shall perform their duties in person, and may not be represented by proxy. The members of the Board of Directors run the Bank either on a mandate basis or in an employment relationship.

Members of the Board of Directors on the reporting date:

Members of the Board of Directors	Start of mandate	End of mandate	Executive/non-executive member
Andreas Gschwenter	05.01.2024	30/04/2029	non-executive, non-independent
György István Zolnai	05.01.2024	30/04/2029	executive, non-independent
Ferenc Kementzey	04.01.2024	31/03/2029	executive, non-independent
Danial Rath	04.01.2024	31/03/2029	non-executive, non-independent
Elena Valeria Filipidescu	05.01.2024	30/04/2029	non-executive, non-independent
Petro Merkulov	04.01.2024	31/03/2029	non-executive, non-independent
Harald Kröger	19/07/2024	31/03/2029	non-executive, non-independent
Sabine Abfalter	19/07/2024	30/04/2029	non-executive, non-independent

Chairman of the Board of Directors

The Board of Directors shall elect its Chairman and, if necessary, a Vice-Chairman from among its members for a maximum term of five years. Such mandate may be revoked by the Board of Directors at any time.

Chief Executive Officer and Deputy Chief Executive Officer(s)

The working organisation of the Bank is directed and controlled by the Chief Executive Officer and the Deputy Chief Executive Officer(s), appointed by the Board of Directors for any term and subject to any conditions, within the limits of the law and the Articles of Association, and in accordance with the decisions of the Sole Shareholder and the Board of Directors. The Board of Directors is also entitled to recall the Chief Executive Officer and Deputy Chief Executive Officer(s).

The Chief Executive Officer and the Deputy Chief Executive Officer(s) are employees of the Bank, and employer's rights are exercised over them by the Board of Directors. The Chief Executive Officer is responsible for deciding all matters that are not the exclusive responsibility of the Sole Shareholder or the Board of Directors, as well as any matters that the Board of Directors has delegated to him.

The appointment of the Chief Executive Officer and the Deputy Chief Executive Officer(s), their number and the professional requirements imposed on them shall be governed by Articles 155-156 of the Banking Act.

Functioning of the Board of Directors, rights and obligations of its members

The Board of Directors is responsible for the management of the Bank, conducts the Bank's affairs, represents the Bank before courts and other authorities and in dealings with third parties, and is composed of the Bank's executive officers. The powers and duties of the Board of Directors and its operating procedures are set out in the Articles of Association of the Bank and the Rules of Procedure of the Board of Directors.

The Board of Directors shall ensure that the Bank's accounts are properly kept. The Board of Directors is responsible for presenting the Bank's annual accounts under the Accounting Act and the proposal for the appropriation of profit after tax. The executive member are liable for the preparation of the annual accounts and the non-executive members of the Board of Directors are liable for the review of the annual accounts.

The members of the Board of Directors shall perform their duties in the best interests of the Bank and in that capacity shall be subject to the law, the Articles of Association and the decisions of the Sole Shareholder.

Rules of Procedure and meetings of the Board of Directors

The Board of Directors meets as necessary, but at least once a quarter. Meetings of the Board of Directors shall be convened and prepared by the Chairman or the Vice-Chairman. The meeting must be convened in writing at least 15 days before the date set for the meeting, specifying the agenda, place and time.

The Chairman of the Board of Directors is obliged to convene a meeting of the Board of Directors if the Chief Executive Officer or one of the Deputy Chief Executive Officers or two members of the Board of Directors so request. The Chairman of the Board shall have the discretion to determine the place, date and agenda of the meeting, of which he shall notify the stakeholders at least 15 days before the date set for the meeting.

Meetings of the Board of Directors shall be conducted by the Chairman of the Board of Directors or, in his absence, by the Vice-Chairman. If neither the Chairman nor the Vice-Chairman is present at a meeting of the Board of Directors, the members of the Board of Directors present shall elect a Chairman from among their number.

The quorum for a meeting of the Board of Directors shall be at least two members of the Board of Directors less than the total number of members of the Board of Directors. If a quorum is not reached, a quorum shall consist of a majority of the members of the Board of Directors in office at a new meeting of the Board of Directors convened more than 24 hours after but within the tenth day of the original date.

Decisions of the Board of Directors shall be taken by a majority of the votes of those present, unless a stricter majority is required by law or by the Articles of Association. The Board may as well take decisions by written vote without holding a meeting.

Minutes shall be taken of the meetings of the Board of Directors.

Conflicts of interest

With the exception of shares in a public limited company, a member of the Board of Directors may not acquire shares in or hold a management position in a company which carries on the same main business as the company, unless the Sole Shareholder has given its consent.

A member of the Board of Directors and his or her relatives may not, except in the ordinary course of everyday business, conclude contracts relating to the Bank's activities in his or her own name or for his or her own account, unless the Sole Shareholder has given its prior written consent.

Members of the Board of Directors and their relatives may not be elected to the Audit Committee of the Bank.

(3.1.3) Remuneration Committee

The Remuneration Committee is a committee set up by the Board of Directors in order to help to develop remuneration principles, propose a remuneration system, and monitor the same.

Members of the Remuneration Committee:

- Andreas Gschwenter (chairman; non-executive member);
- Petro Merkulov (non-executive member); and
- Daniel Rath (non-executive member).

(3.1.4) Risk Committee

The Risk Committee is a committee set up by the Board of Directors to support the Bank's decision making, provide opinion on the Bank's risk strategy and risk appetite, and support the monitoring of the implementation of the risk strategy.

Members of the Risk Committee:

- Elena Valeria Filipidescu (chairman; non-executive member);
- Harald Kröger (non-executive member); and
- Daniel Rath (non-executive member).

(3.2) Secondary decision-making bodies

Secondary decision-making power is a power delegated by the primary decision-making bodies. The Bank's operational secondary decision-making body is the Management Meeting, which acts as an executive body. Acting as an executive body the Management decide on the cases presented to it and manage the daily operation of the Bank. The Management meets every week, also the members of the Management are the chief executive officer and the deputy chief executive officers.

Members of the Management	Position
István György Zolnai	Chief Executive Officer
Ferenc Kementzey	Deputy Chief Executive Officer - Corporate, Markets and Investment Banking
Bálint Kelemen	Deputy Chief Executive Officer - Chief Operating Officer
Radovan Dunajsky	Deputy Chief Executive Officer - Chief Risk Officer
Zeljko Obradovic	Deputy Chief Executive Officer - Chief Financial Officer
Gábor Rajna	Deputy Chief Executive Officer - Retail Banking

The committees and meetings are bodies set up above the Bank's operational departments in accordance with the requirements of external and internal regulations in order to maintain the Bank's proper functioning. Their permanent members and ad hoc invitees work within a predefined framework. The decisions taken are binding for all the areas concerned.

Additional internal decision-making forums may be established with the approval of the relevant Deputy Chief Executive Officer or Head of Department. The functioning of these decision-making bodies and the implementation of the decisions taken shall be the responsibility of the head of the relevant area.

(3.3) Supervisory bodies

(3.3.1) Audit Committee

The Audit Committee is a supervisory body performing the functions of the supervisory board and the audit committee under the Civil Code.

The Audit Committee, elected by the Bank's Sole Shareholder, supervises the management of the Bank with a view to safeguarding the Bank's interests (functions of the supervisory board under the Civil Code), and also performs the functions of audit committee (as stipulated under the Civil Code)d, monitoring the operation of the organisation's internal control system. The powers and duties of the Audit Committee are set out in the Civil Code, the sectoral legislation, the Bank's Articles of Association and the Rules of Procedure of the Audit Committee.

Members of the Audit Committee

The Audit Committee continuously monitors the management activities of the Bank's Board of Directors. The Audit Committee consists of at least three but no more than fifteen members appointed by the Sole Shareholder for a fixed term of up to five (5) years (re-election for additional terms is permitted/possible).

The Audit Committee acts as a body. The Audit Committee shall elect a Chairman and, if necessary, a Vice-Chairman or Vice-Chairmen from among its members.

Only natural persons may be members of the Audit Committee, who must act in a personal capacity, and may not be represented by proxy. The members of the Audit Committee shall be independent of the Board of Directors and may not be instructed in that capacity. The members of the Audit Committee, with the exception of the employee delegate, perform this activity on a mandate basis.

Members of the Audit Committee on the reporting date:

Members of the Audit Committee	Start of mandate	End of mandate	Executive/non-executive member
Alda Shehu	2024.02.09	31/03/2029	non-executive, non-independent
Katalin Igaz	2024.01.05	30/04/2029	non-executive, independent
dr. Mercedes Tóth-Szabó	2024.01.05	30/04/2029	non-executive, employee delegate (non-independent)

Chairman of the Audit Committee

All meetings of the Audit Committee shall be convened and conducted by the Chairman.

Within ten days of the meeting of the Audit Committee, the Chairman of the Audit Committee shall send to the National Bank of Hungary the minutes, submissions and reports relating to the agenda items discussed by the Audit Committee which concern serious violations of the Bank's internal regulations or serious irregularities in management and leadership.

Employee representation

The Bank has a Works Council and one of its members is also a member of the Audit Committee (employee delegate).

The employee delegate on the Audit Committee has the same rights and obligations as the other members. If the opinion of the employee delegate differs from the majority position of the Audit Committee, the minority position of the employees shall be made known to the Sole Shareholder.

Functioning of the Audit Committee

The Audit Committee is responsible for monitoring the Board of Directors with a view to safeguarding the Bank's interests.

The Audit Committee may request information from members of the Board of Directors or employees of the Bank, inspect the Bank's books, documents and accounting records, examine the Bank's payment accounts, cash, securities and contracts and have them examined by an expert.

The Audit Committee must examine all relevant business policy reports.

The Sole Shareholder may only decide on the annual accounts under the Accounting Act and the appropriation of after-tax profit after receiving a written report from the Audit Committee.

Rules of Procedure of the Audit Committee

The Audit Committee shall have a quorum if two-thirds of its members, but at least three members, are present, and its decisions are taken by a majority of votes cast.

The Audit Committee sets its own Rules of Procedure, which are approved by the Sole Shareholder.

The Audit Committee meets as necessary, but at least twice a year. If the number of members of the Audit Committee falls below three or if there is no one to convene a meeting, the Board of Directors shall notify the Sole Shareholder and initiate a resolution to restore the proper functioning of the Audit Committee.

The main task of the Audit Committee is to ensure that the Bank has a comprehensive and effective control system, and to manage the internal audit organisation. It also has the task of auditing the Bank's annual and interim financial reports, making proposals for the supreme decision-making body to adopt the documents, reports and annual accounts audited by it, and the proposal for the appropriation of after-tax profit, and making proposals for the appointment and remuneration of the auditor to be elected.

(3.3.2) Nomination Committee

The Nomination Committee is a committee established by the Audit Committee to formulate the principles for the selection of members of the Bank's management bodies and to nominate candidates accordingly, as well as propose principles and framework for assessing compliance with the requirements set for the Bank's and the Group's management body members, executive officers and key personnel.

Members of the Nomination Committee:

- Alda Shehu (non-executive member);

- Katalin Igaz (non-executive member);; and
- dr. Mercedes Tóth-Szabó (non-executive member);.

(3.3.3) Statutory auditor

The powers and duties of the auditor elected by the Sole Shareholder and mandated by the Board of Directors are governed by the Civil Code, the Banking Act, the Act on the Chamber of Hungarian Auditors, the Activities of Auditors, and on the Public Oversight of Auditors, and the Bank's Articles of Association.

The Bank's Sole Shareholder, members of the Board of Directors, members of the Audit Committee, or their relatives, may not be the Bank's statutory auditor. An employee of the Bank may not be the Bank's auditor during the term of his/her employment and for three years after the termination of his/her employment. The person responsible for the audit may not perform any other work for the Bank on the basis of another mandate, and the audit firm may only perform other work if the subject of the mandate does not affect the auditor's duties.

The Bank's statutory auditor:

- Deloitte Könyvvizsgáló és Tanácsadó Kft. (registered office: 1068 Budapest, Dózsa György út 84/C; company registration number: 01-09-071057)
- start of mandate: 15 May 2021
- end of mandate: 31 May 2025

Natural person auditor:

- name: Attila Molnár
- address: 1161 Budapest, Nyitra street 31. 2/1.
- mother's name: Olga Wüncs
- certificate number: 007379
- start of mandate: 15 May 2021
- end of mandate: 31 May 2025

Substitute natural person auditor:

- name: Gábor Molnár
- address: 1031 Budapest, Muzsla street 8.
- mother's name: Ildikó Szendrői
- certificate number: 007239
- start of mandate: 15 May 2021
- end of mandate: 31 May 2025

(3.4) Corporate governance practices in relation to conflicts of interest

The Bank is not aware of any undisclosed, unmanaged conflicts of interest between the duties of the members of the Audit Committee and/or the Board of Directors of the Bank and their private or other interests.

In addition, the Bank has internal provisions on prudential requirements and compliance rules concerning credit institutions under Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (CRR) (taking into account the relevant Hungarian provisions under Act V of 2013 on the Civil Code and the Banking Act) and the Joint Guidelines of ESMA and EBA on the assessment of the suitability of directors and key management personnel.

The Bank aims to prevent conflicts of interest that could adversely affect the interests of the clients or the Bank. If a conflict of interest is identified in relation to members of the Board of Directors and/or the Audit Committee, appropriate procedures shall be applied to manage and disclose such conflict of interest. The guidelines and rules also cover actual or potential conflicts of interest that may affect the Bank, the employees themselves (including management), the employees' spouses/

domestic partners, children or other family members living in the same household, if these persons have close links with the Bank or with other customers or contractual partners (in particular suppliers) or with issuers of financial instruments.

Each member of the Board of Directors undertakes to avoid any personal conflict of interest and undertakes to inform the other members of the Board of Directors if he/she identifies a conflict of interest in relation to himself/herself. For the avoidance of doubt, holding different positions in companies belonging to the RBI Group does not create a conflict of interest.

No member of the Board of Directors or the Audit Committee has any actual or potential conflict of interest between his or her duties with the Bank and his or her private or other interests or duties. The members of the Board of Directors or the Audit Committee may, in the ordinary course of business, enter into arm's length transactions with the Group.

As of the date of the 2023 Annual Report, the Bank is not aware of any conflict of interest between the duties of the Bank's administrative, management and supervisory bodies (including the Bank's Board of Directors and Audit Committee) and the members' private interests and/or other duties.

(3.5) System of internal controls

The internal control system, alongside responsible governance, is a key pillar of the internal lines of defence, which helps to ensure prudent, reliable and efficient operations in compliance with the law and internal regulations, to protect the economic interests and social objectives of customers and the Sole Shareholder, and to maintain confidence in the Bank.

Internal control functions are independent of each other and of the areas they supervise and control. Internal control functions are expected to operate in a way that supports senior management in making informed decisions.

The Bank identifies three broad areas as the pillars of internal control: audit; risk management and compliance.

(3.5.1) Audit

The internal control system covers all processes, organisational units, business areas and activities, including outsourced activities. The Bank's control system is implemented at several interdependent control levels.

Internal Audit Department monitors the Bank's activities by carrying out reviews approved by the Audit Committee and included in its annual and medium-term risk-based internal audit work plan. In addition to the approved annual plan, only the Audit Committee and the Head of Internal Audit may set mandatory tasks for the internal audit staff, including the case where the Audit Committee proceed based on the recommendations of at least two members of the Board of Directors or the Management Board. Internal Audit regularly reports the results of its audits to Management and the Audit Committee. The department communicates and cooperates as necessary with external audit bodies, authorities and professional associations.

The main areas of activity of the Internal Audit Department include among others: (a) reviewing the Bank's activities to ensure that the results are consistent with the organisational and business objectives; (b) regularly assessing the effectiveness, consistency with the objectives and suitability of the Bank's risk management, governance and control processes; and (c) providing objective information to the audited area, Management and the Sole Shareholder on weaknesses in the internal control system and the resulting risks, and making recommendations for improvements to the internal control system.

The Bank's Management shall ensure the full investigative powers and independence of the internal audit function. Internal Audit and its members have no authority to take action in the area investigated by them or responsibility for the facts they uncover, but they have unlimited powers of investigation in the areas they investigate. Internal Audit materials and documents are classified as confidential or secret. Except for external audit bodies, only members of the Audit Committee, members of Management, and RBI Group Internal Audit have access to Internal Audit materials.

(3.5.2) Risk management

The Bank has detailed risk management policies covering all types of risk (credit, country, counterparty, market, liquidity, operational, compliance), in line with the legislation governing prudent banking operation. Information on risk management practices, the limits applied and compliance with those limits is disclosed in the annual report and in the information required to be published under the CRR. The Group's risk management strategy and the risk policies required by the Banking Act are approved by the Bank's Board of Directors.

There are five major risk management departments operating at the Bank: (i) Credit Risk Management; (ii) Retail and SME Risk Management; (iii) Integrated Risk Department; (iv) Collection Department; and (v) Special Exposure Management Department.

Credit Risk Management Department

The Bank's non-retail risk analysis, risk management, credit product related contract management, portfolio management and collateral management functions are completely separate and independent from the business areas. Individual credit risk in non-retail segment is analysed, rated, assessed and monitored by Credit Risk Management (CRM). Measuring non-retail credit risk at portfolio level is a shared competence and responsibility between Credit Risk Management and Integrated Risk Department (IRD). Market risks (interest rate, exchange rate, liquidity risks) and operational risks are also analysed by Integrated Risk Department.[1]

Retail and SME Risk Management Department

The department is responsible for the credit risk management of four business lines (retail, private banking, micro and small businesses) for both banking and leasing products. It participates in the related product, process and system development activities, performs portfolio analysis, manages provisioning and develops and maintains score models.

Integrated Risk Department

The Integrated Risk Management and Data Science Department is responsible for the management of market, liquidity, balance-sheet risk, operational and fraud Risk, capital adequacy calculation and ICAAP, model validation, data science and risk data related activities.

Collection Department

The primary task of Collection Department is to manage the Bank's delinquent retail (PI), private and SME customers, to recover overdue receivables and thereby to maintain at the planned level and minimise the impairment allocated on expected losses, to develop recovery strategies, to estimate recovery data for the planning, to develop and monitor collection KPIs, and to plan capacities.

Special Exposure Management Department

The Department is responsible for the management of the Bank's restructuring, distressed and non-performing clients belonging to the medium-sized and large corporate and municipal segments, as well as those of its leasing and other subsidiaries and the department also sets and monitors the risk status of the problematic non-retail customers via operating the early warning system (EWS). The two primary objectives of the department are: a) to proactively ensure the highest possible recovery on the cases it handles, where possible, taking into account the reasonable interests of the debtors and b) to ensure the appropriate risk status setting for the problematic non-retail segment by running the EWS that includes daily/weekly/monthly and ad hoc screening tasks.

(3.5.3) Compliance

In accordance with the relevant EU and Hungarian legal requirements and supervisory recommendations, the Bank has an independent organisational unit (Compliance Department) for the identification and management of compliance risks. The function has the appropriate regulatory documents in place: compliance strategy, compliance policy, regulations for the management of specific compliance risks, and work plan.

The core purpose of the Compliance Department is to identify, prevent and manage compliance risks. The department is an integral part of the internal lines of defence within the RBI Group. Its scope covers all subsidiaries of the Group, their employees, and it is responsible for all compliance-related issues affecting the Group. The department reports directly to the Chief Executive Officer.

The Compliance Department's main areas of activity include (a) ensuring the functioning of the internal control framework and the preparation and maintenance of the related policies; (b) implementing and operating the compliance strategy of the RBI Group; (c) establishing, operating and monitoring the Bank's and its subsidiaries' anti-money laundering and financial sanctions programmes; (d) operating a local whistle-blowing system; (e) establishing policies for the prevention of conflict of interest situations; (f) implementing and enforcing policies on the prohibition of insider trading and market manipulation and on the limitation of information flow, and operating a monitoring system; (g) fulfilling reporting obligations; and (h) communication with supervisory bodies.

(4) The Bank's information management and disclosure policy

Having regular, reliable and comparable information is essential for the other participants of the money and capital markets to assess the Bank's performance. When disclosing information, the Bank shall ensure that the information is clear, understandable, correct and accurate.

[1]The credit assessment and rating of standard product-based financing is not the responsibility of Credit Risk Management.

The basic principle followed by the Bank in its disclosures is to comply with all its disclosure obligations in the form and within the time limits prescribed by law. As an issuer of publicly traded debt securities, the Bank is subject to the provisions set out in Chapter V of the Capital Market Act, in the PM Decree containing detailed rules on extraordinary information, in the relevant rules of the Budapest Stock Exchange, in the MAR, in the Investment Services Act and in the Banking Act.

The Bank has formulated its principles for the transactions and tradings of persons regarded as insiders in relation to securities (bonds) issued by the Bank and admitted to trading on a regulated market, taking into account the relevant legal provisions. The Bank will act in accordance with MAR and its policy on the handling of inside information in relation to the identification, handling and disclosure of information.

(5) Remuneration policy

The Bank operates an objective, transparent and and legally compliant remuneration structure. The Bank's remuneration system is consistent with and promotes sound risk management, and shall not encourage the taking of risks beyond the risk tolerance of the credit institution.

The Bank aims to attract and retain a motivated, quality workforce and to reward employees in a way that enables the Bank and the RBI Group to meet future challenges in line with the principles of sound risk management.

The remuneration policy ensures the local implementation of the remuneration framework of the RBI Group for all categories of employees at the Bank, including the members of Management. In implementing its remuneration policy, the Bank distinguishes between the following categories of employees:

- Management;
- Employees eligible to an annual bonus; and
- Employees eligible for risk mitigation incentives.

(6) Diversity policy

The RBI Group has introduced the group-level diversity policy. The Bank will consider the local implementation in the course of 2025.

Consolidated statement of the issuer

We, the undersigned, Zeljko Obradovic as Chief Financial Officer and Tibor Gáspár as Head of Accounting Department, representing Raiffeisen Bank Zrt. (address: HU-1133 Budapest, Váci út 116-118., hereinafter referred to as: 'Bank') hereby declare that the annual report of 2024 stipulated in Section 54. § of Act CXX of 2001 on the Capital Market was prepared in accordance with the provisions of Act C of 2000 on Accounting and International Financial Reporting Standards and to our best knowledge.

The consolidated financial statements give a true and fair view of the assets, liabilities, financial status and profit of the Bank and the consolidated subsidiaries (hereinafter: the 'Group'), furthermore the consolidated business report gives a true and fair view of the status, improvement and performance of the Bank and the consolidated subsidiaries including the main risks and uncertainty factors.

This also applies (where applicable) to the consolidated non-financial statement, which has been prepared to the best of our knowledge in accordance with the regulations of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) and, in particular, contains the information necessary to understand the impact of the Group's activities on sustainability aspects as well as the impact of sustainability aspects on the Group's business development, business results and situation and reports on how this information was determined. Furthermore, we confirm that the information according to Article 8 Taxonomy Regulation (EU) 2020/852, in conjunction with Delegated Regulation (EU) 2021/2178, has been determined to the best of our knowledge.

Budapest, 27 March 2025

Zeljko Obradovic	Tibor Gáspár
Chief Financial Officer	Head of Accounting Department

Separate business report

2024

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(1) Macroeconomic environment

After inflation, during 2023 interest rates also peaked, so 2024 was a year of consolidation in the broad interest rate environment. The ECB cut its benchmark deposit rate from 4% to 3% with a 4X25 bps cut, while euro area inflation eased from 2.8% at the start of the year to 1.7% in September, but rose again to 2.4% by the end of Q4 2024, mainly for technical reasons that could temporarily keep the indicator above the 2% target in H1 2025. The growth outlook for the euro area is subdued, with GDP growing by 0.7% overall in 2024 (above the 0.4% rate in 2023, but still reflecting weakness in domestic and external demand). The Fed started cutting rates later, only in September, from 5.5%, but in line with the ECB, also lowering policy rates by a total of 100 basis points until end-2024, while inflation followed a similar path, falling from 3.1% to 2.9% in a year. With consumption in the US under stronger price pressure, the Fed may be more cautious in 2025. Economic performance is far outperforming that of the EU. Available estimates suggest that US economic output could grow by at least 2.3% in 2024. The ECB's monetary policy will necessarily turn more accommodative in the coming quarters, presumably widening the spread between dollar and euro interest rates in the interbank market. Labour markets in both economies remain extremely tight, with unemployment at or very close to record low levels and employment at or close to record highs, resulting in strong wage competition in both Western European economies and the US, which is only slowly moderating. Last year, consumption was the main driver of economic growth in both regions, but external demand and investment could pick up from 2025. However, there is a significant risk of increased protectionism and possible mutual imposition of trade tariffs, which could permanently reduce the external growth contribution of the EU, the euro area and all EU countries. The recent weakening of EUR/USD mainly reflects this risk, alongside widening interest rate differentials.

(1.1) Hungarian economy

Hungary's economic performance has been very subdued during 2024. According to first estimates (which include GDP data for 2024 Q4), output for the year as a whole grew by 0.5% in raw terms and by 0.6% in adjusted terms compared to 2023. Growth expectations gradually declined over the year, but the Q4 2024 GDP data beat analysts' consensus, with GDP volume rising by 0.5% on a quarterly and 0.2% on an annual basis. On the contribution side, services activity was mainly supportive, while a decline in industrial, agricultural and construction output tended to dampen the recovery. On the consumption side, private consumption showed a mixed picture, with some growth in household final consumption but a sharp fall in investment (both in the private and public sectors) as market funding remains expensive and the lack of subsidies and EU funds is difficult to replace. In addition, external demand has been very subdued in Europe and in other major export markets. This could turn positively from 2025 onwards. After a high inflation period, consumption could continue to pick up on the back of falling savings rates, and, assuming external demand strengthens, demand for capital investment could also start to rise, with all sectors contributing positively to GDP growth alongside export demand from industry, which is still suffering from low capacity utilisation. In addition, the base effect could be supportive in 2025, with upside risks to the expected GDP growth of 2.5% for the year as a whole. The unemployment rate has been mixed over 2024, but has remained below its multi-year average and below trend over the long term, with a 3-month moving average of 4.7% in December 2023 and 4.4% in December 2024. The labour market remains tight, hence the pace of wage outflows is only moderating slowly (in November 2024 the annual growth rate of average gross wages was 11.9%, which means a 13.5% increase for January-November). In 2025, it is expected to be somewhere between 9-10%, rather than double digits. Inflation stood at 4.6% at the end of the year, while it was 3.7% for 2024 as a whole. The headline CPI is expected to decline further over 2025 and in the longer term, along which core inflation is also expected to catch up to the 3% medium-term target within a few quarters. Against this backdrop, some technical factors and stronger-than-expected food and fuel inflation have pushed up near-term inflation risks. Inflation is likely to average 4% in 2025, which means that monthly figures around the upper end of the central bank's 2-4% tolerance band could characterise the coming quarters in particular. Regarding interest rate policy, in 2024 the effective interest rate declined further from 10.75% to 6.5%, but in Q4 2024 the easing cycle stopped as the HUF showed greater vulnerability than before, and expectations of an expected decline in developed market interest rates were reassessed. Interest rate cuts may continue in 2025: no rate cuts are expected until mid-year, with three 25 bp cuts in late Q2 2025, i.e. in June, followed by September and December. The risk premia that the market anticipates for HUF assets have widened somewhat over the past year, while the risk-free developed market rate itself may be on a higher forward trajectory than previously thought. Against this backdrop, the EUR/HUF exchange rate, which has risen from around 380 in the first half of last year to close to 410 by the end of the year, could continue to move north in the short to medium term, with a trading range of 405-420 emerging in 2025.

(1.2) The banking sector

In the first three quarters of 2024, according to data of the National Bank of Hungary (NBH) the banking sector recorded a HUF 1,567 billion profit after taxation on consolidated level. The net interest income was 4% higher than in 2023, while fee and commission income increased to a higher extent, by 15%.

Operating expenses increased by 4% compared to the same period of last year. In the first three quarters of 2024, net loss allowance and risk provision decreased further (by 17%), contributing to the banking sector's results.

The sector’s net assets were HUF 94,458 billion, which represents an 6% increase compared to the same period of 2023. Corporate loans decreased by 1%, while retail loans increased by 11% compared to last year. The balance of deposits from customers also increased, the total balance of deposits from retail and non-financial companies increased by 7% compared to the same period of last year.

The ratio of non-performing loans decreased slightly from 2.7% to 2.4% compared to the same period of last year.

The cost-to-income ratio (CIR) was 50.9% in the first three quarters of 2024, which is slightly better than the last year's 52.4%. The RoE and RoA ratios have also changed, decreasing to 19.5% (from 22.7%) and 2.2% (from 2.4%), respectively. The liquidity status and capital adequacy of the sector are appropriate.

(*For the source of data please see https://statisztika.mnb.hu/publikacios-temak/felugyeleti-statisztikak/penz--es-hitelpiaci-szervezetek/hitelintezeti-aktualis-publikaciok page published by the NBH.)

(2) Non-financial statement

For the short presentation of the company's business model please see Section (4) Presentation of the business segment's performance .

The key non-financial performance indicators, which are important for the given business segments are included in Section (4) Presentation of the business segment's performance as well.

The descriptions of the company's policies followed in respect of environmental protection, social and employment matters, respecting the human rights, fighting against corruption and bribery, with references to the implemented control procedures, the results of them, along with the risks in the listed areas that might have disadvantageous effects are included in the following sections:

- (7.4) Fraud Risk Management
- (8) Environmental protection
- (9) Sustainability
- (10) Employment policy
- (11) Compliance activity

The services authorized beyond the regulatory audit that are to be disclosed in the business report and were provided by the auditor to the entity and the companies controlled by it are included in section (13) Fees charged by the auditor

(3) Business activity

(3.1) Balance sheet

The Bank's total assets increased by 4.15% (HUF 183 billion) in 2024, and its market share has decreased during the year, from 6.00% at 2023 year-end to 5.86%. The outstanding growth in volumes of recent years continued during 2024, following the slowdown observed in 2023, so there was an increase in both customer liabilities and customer assets.

(HUF million)	31.12.2024	31.12.2023	Change
Total assets	4,597,277	4,414,197	4.15%
Loans and advances to clients	1,852,972	1,747,248	6.05%
Deposits from customers	3,188,059	2,989,666	6.64%

Compared to 2023, the Bank's gross loan balance increased by 3.07% in the retail segment and by 5.41% in the corporate segment. The quality of the loan portfolio deteriorated somewhat this year, the NPE ratio is 2.78% higher compared to the previous year.

The Bank's loan/deposit ratio remained almost unchanged (59.87%), due to the nearly same increase in customer assets and liabilities. This is in line with the current investment climate influenced by inflation and interest rates, a trend across the sector.

The Bank's own funds increased by 4.46% in 2024, primarily driven by outstanding profit after tax. The Group's capital level remains stable, with a solvency ratio that climbed to 30.22%, thanks to a profitable period in recent years and additional core and additional capital items provided by the owner

(HUF million)	31.12.2024	31.12.2023	Change
Own funds	499,998	478,655	4.46%
Solvency ratio	30.22 %	28.48%	6.11%

In 2022, the Bank launched the Euro Medium Term Note Programme (EMTN) with an envelope of EUR 2 billion and its local Bond Programme with an envelope of HUF 100 billion, which were updated in the course of 2024. Under the programmes, the Bank issued (partly green) MREL-eligible bonds to institutional and retail investors. Further emissions followed in 2024, under more favourable macroeconomic conditions, totalling EUR 350.39 million. Thus, MREL closing stock increased by EUR 7.48 million from 2023 to 2024.

(3.2) Profit or loss

Profit or loss item	2024	2023	Change	
			(HUF million)	%
Net interest and dividend income	188,856	200,867	-12,011	-5.98%
Net income from commissions and fees	88,786	77,113	11,673	15.14%
Operating expenses	-86,525	-78,702	-7,823	9.94%
Risk cost	13,573	-1,175	14,748	-1255.15%
Other result	-71,946	-86,394	14,448	-16.72%
Profit before tax	132,744	111,709	21,035	18.83%
Tax expense	-18,239	-12,429	-5,810	46.75%
Profit for the year	**114,505**	**99,280**	**15,225**	**15.34%**

Operating expenses include personnel expenses, other administrative expenses and depreciation and amortisation, the fees paid to OBA and BEVA are presented in other result.
In addition to impairment of financial assets, Risk cost also includes the amount of other provisions.

The Bank recognised HUF 114,505 million for the business year, which was 15.34% higher than the result of the previous year.

The main components of profit are the following:

- The most significant contribution to the profit increase was the release of risk costs.
- The other significant profit increasing component was the 15.14% increase in net fee income, due to the increase in fee income from payment services and fees related to the distribution of securities.
- The decline in net interest income can be attributed to the declining forint market yield environment.
- The increase in the Bank's operating costs was primarily caused by the increase in wage costs compensating for the exceptionally high inflationary environment of 2023 and the resources devoted to digital developments supporting the Bank's strategic objectives.
- In the other result category, the loss was lower than last year due to the Bank's share from the extraordinary surtax charged on the banking sector and a lower revaluation loss contributed to a smaller loss compared to the previous year.
- In 2024, the Bank's tax liability increased by HUF 5,810 million compared to the previous year. This is primarily due to higher business and corporate tax induced by higher sales and profit before tax.

Since the Bank's profit increased by HUF 15,225 million, it significantly increased the return on equity, which changed to 24.61%. The improving trend experienced in recent years has somewhat stalled in terms of the cost/income ratio, which thus changed from 30.78% to 31.96%.

(3.3) Events after the reporting date

The sole shareholder decided to pay a dividend of HUF 114,505 million aligned with the approval of the financial statements and after the general reserve allocation. This amount consists of HUF 80,153 million to be paid out from current year's profit after tax and HUF 34,352 million to be distributed from retained earnings.

The final capital adequacy ratios considering the inclusion of current year's profit and dividends are CET1 16.18%, TIER1 19.02%, total capital adequacy ratio 23.30%.

(4) Presentation of the business segment’s performance

(4.1) Corporate and Investment Banking business segment

The Bank’s corporate and investment banking business segment maintained its dominant role in the commercial banking market in 2024, further increased its loan portfolio, and, with its 8-10% market share, is one of the leading market players in the mid and large corporate segment, and it belongs to the leading banks in export finance and treasury services as well.

The largest portion of the Bank’s green assets arise from its project financing and syndication activity, which is an important pillar of the ESG strategy of the entire banking group. In line with this, in 2024 the majority of newly disbursed project loans are green loans, both in the property and non-property categories.

The expansion of the loan portfolio was achieved with a conservative business policy and risk-taking. Overall, the loan portfolio remained of excellent quality.

The Bank's trade and export financing area tried to maintain its previous business activity despite a significant reduction in the range of supported programs in 2024. In the case of the Széchenyi program, the elimination of crisis support titles and the reduction of the maximum available limits negatively impacted lending. For Exim, the only available supported and refinanced program was the HUF 200 billion BGH Plus program, announced in the first quarter of 2024 and fully utilized within the same quarter. Although Raiffeisen Bank Zrt. managed to participate in both supported programs at a rate exceeding its market share, this could not compensate for the amortization of the previous supported loan portfolio in 2024.

The agriculture sector faced several adverse effects in 2024. Firstly, for the second time in three years, significant drought affected key crop-producing areas in the country, causing substantial yield losses and severely impacting crop quality (high toxin levels). In livestock farming, avian influenza has been a persistent issue for years, and spring frosts continue to decimate fruit yields annually. The only positive news in the agricultural sector was the launch of the "CAP ST. II. Pillar" grant system in the second half of 2024, which generated significant demand due to its highly favourable conditions (non-repayable grants, interest subsidies, and guarantee fee subsidies). However, the evaluation of these applications is expected in the second and third quarters of 2025, with financing opportunities becoming available during that period.

In 2024, the Bank's documentary services area continued its successful operations, achieving a year-over-year revenue increase of over 10%. This was accomplished despite the significant decline in the construction industry, which constitutes the majority of documentary transactions. The decline was due to both a reduction in government orders and a noticeable decrease in demand in the housing and office rental markets.

Important part of the Bank's client service model is the financing of municipalities, entities owned by municipalities, non-profit companies, associations, condominiums and other communities. It provides a full range of advanced financial services to its clients and securely handles deposits placed with the Bank. Services focus on managing clients' investments and providing investment, development and project loans to municipalities, associations and condominiums. In the latter activities, ESG aspects and sustainable financing come to the fore, so the Bank strives to ensure that as much of the newly disbursed loans as possible are green loans.

The Bank supports the use of banking services for corporate and municipal clients through the continuous development of digital channels. The role of the branch network and personal interactions has evolved, merging into a new "phygital" format. In addition to the instant payment system, the Bank supports clients with "QR code" and "Payment request" based payments, as well as card acceptance solutions (POS and VPOS). The digital developments ensure efficient customer service and also facilitate the use of ASP services by municipalities.

The financial institutions and custody segment had another successful year in 2024, similar to previous years, further increasing its deposit and loan portfolios. Additionally, it was successful in expanding transaction volumes and products, with particular emphasis on innovative cash management services. Despite increasing competition, the intensive growth of assets under custody also continued.

The Bank’s cash, foreign exchange and capital market department – according to the statistics of the National Bank of Hungary – once again made the largest foreign exchange volume among banks in Hungary in 2024 and also was the biggest player in the derivative section of Budapest Stock Exchange. In the first half of 2024, the Raiffeisen Bank Zrt. was the second-largest primary dealer of Hungarian government securities, while it secured the fourth position in the second half of the year. Additionally, the Bank was once again awarded the title of Domestic Equity Trading Platform of the Year for its Raiffeisen Online Broker service in 2024.

(4.2) Retail clients

The Retail Division also had a successful year in 2024: by the end of 2024, the number of retail individual (Mass) and Premium banking customers exceeded the year-end 2023 figures by 2%; revenues increased despite unexpected tax changes, and Raiffeisen Bank Zrt.'s NPS (Net Promoter Score) remained among the best among leading universal banks (annual NPS: 25).

The outstanding results were partly due to the improving economic environment (declining inflation, rising real wages) and partly to the Bank's internal business development activities. 2024 was a year of product innovation and optimization in retail account products: in February, the Bank introduced 2 new premium accounts, and in November, a new retail account (called Active account), while suspending the sale of previous account products. The goal is to make the Bank’s account product portfolio easy to understand and transparent for customers, and to increase synergy and interoperability between segments. In the spirit of optimization, the Bank is also continuing to simplify the bankcard offerings. The Bank’s acquisition goals were greatly supported by the implementation of the online account opening function in the myRaiffeisen mobile application in 2024, which is becoming increasingly popular among the customers.

The Bank also placed great emphasis on marketing activities through various channels to support customer acquisition in 2024. These included constant account opening promotions, customer referral programs, and special promotions for Yelloo accounts aimed at the younger age group (14-25 years). Last year, partner sales became increasingly important within the Bank, with numerous sales points opened in Tesco stores from November 2024. Educational campaigns remain a focus, helping customers to use their accounts and digital services more actively. The Group's Loyalty Program also became increasingly popular, offering existing customers numerous discounts with commercial and service partners.

The Bank continued its digital developments across various platforms to provide customers with a modern, high-quality customer experience in managing their everyday finances. Our digital strategy continues to focus on expanding the functions of the myRaiffeisen mobile application and the range of online products. Thanks to these developments, the number of online account openings and online product applications has significantly increased, and more services are available 24/7 in the application. In 2024, the Bank plays a leading role in introducing innovative payment solutions, such as implementing cash-in ATMs in several branches and being the first in the market to introduce qvik payment acceptance. For sustainable development, the Bank has also made carbon footprint tracking available in the myRaiffeisen application.

Investor activity and appetite remained high among customers in 2024. There was strong interest and demand for investment funds, and demand for government securities remained relatively stable despite changes in the market interest rate environment. Interest in other savings options continued to stagnate among retail customers due to the low-interest environment.

The division also continued its successful business activities in retail lending. Demand for retail mortgage loans increased significantly, especially in the second half of the year. Demand for personal loans also grew significantly, exceeding expectations, while the sale of baby loan remained balanced even after regulatory tightening at the beginning of the year. The stabilization of macroeconomic conditions resulted in an interest rate level supportive of lending, further strengthened by the increase in real wages.

In lending, a key objective is to meet customer needs where security and predictability are the main priorities. Another strategic focus is digitalization, where most customers already used the fully online application process for personal loans, and even more existing customers applied for overdrafts and credit cards online. The Bank aims to make this application option available for more products and a wider range of customers in the near future.

Overall, a key goal remains to continuously improve the customer experience in retail lending, with digitalization playing a crucial role. The Bank is confident that with further improvements in external conditions, lending will remain strong, further supported by the new worker loan scheme starting in January 2025.

The Bank's market share in retail loan portfolios did not change significantly, standing at 5.5% at the end of December 2024.

(4.3) Private Banking clients

The aim of Raiffeisen Private Banking is to preserve, increase and pass on the family wealth of high-net-worth clients from generation to generation. With the expert work of experienced consultants, the Bank provides its key clients with safety, comfort, discretion and customised tailor-made solutions.

Raiffeisen Private Banking had an extremely successful year in 2024. Thanks to the honourable trust of its clients, the assets entrusted to management reached HUF 1,295 billion by the end of the year, which represents an increase of nearly 30% in a single year. In order to ensure effective and efficient service of the increased wealth, and maintain the brand promise, the capacities have also been increased. The visible expansion of Private Banking continuously strengthens the Bank's market position.

Constitute and maintain the satisfaction of key private customers is inconceivable without personalized solutions and the highest level of service. Accordingly, Raiffeisen Private Banking continued to invest significantly in 2024 in introducing new products and services, as well as in developing the knowledge base of IT systems and banking advisors.

Recently, digitalization has received a special focus, as a result of which not only customers can manage their finances smoothly and independently, but employees can also be available at access points far from their workplace. During 2024, there was a strong focus on reducing administrative burdens, resulting in the Bank significantly reduced paper consumption and the number of signatures.

(4.4) Financial institutions

The financial institutions segment is of strategic priority for the Bank, which continues to grow dynamically, thanks to its comprehensive and unique customer service model, a wide range of products and continuous innovation.

The key target group of the business segment remains domestic insurance companies, investment fund managers, funds, as well as domestic and international financial institutions and investment service providers, which are supported by new, innovative solutions and products to serve their clients at a high level, fast and securely. In addition to the above, the domestic and international banking relationships were in focus as well along with – considering the Bank's strategy, furthermore adhering to strict compliance principles – international payment service providers and Raiffeisen Bank Zrt.'s contracted currency exchange brokers. Since 2021, the Bank's financial institutions business segment has successfully effected the professional coordination of payment service providers (PSPs) within the banking group and implemented the strategy for this market segment.

Assets in the financial institutions area continued to increase significantly throughout 2024, building on the high levels achieved in previous years, while maintaining a moderate risk profile and a low capital requirement character. Despite market turbulence and regulatory changes, deposits successfully expanded. In addition to interest income, the increase in fee and commission income also contributed to the significant above-plan results. The business segment continues to be characterised by a stable stock of liabilities and long-term, reliable customer relationships. The risk cost of the area is extremely moderate, and its cost-to-income ratio has stabilized at a very low level.

With the support of strengthened group-wide management at its headquarters in Vienna and through the Vienna parent bank's direct relationships with central securities depositories in Central and Eastern Europe, the Bank provides priority custody services for the management of clients' investments directed to this region. In 2024, the Bank's custody department continued its successful operations, maintaining an intensive growth trend in both the number of domestic clients and the assets under custody, despite the changing market and regulatory environment and increasing competition.

Clear positive feedback from both customers and the profession proves that the Bank is one of the strongest brands in the regional financial and capital markets, as well as in serving financial institutions and product innovations.

(4.5) Subsidiaries

Raiffeisen Corporate Lízing Zrt.

Since 2014, the Company, which is 100% Bank-owned, has been the unified entity within the Raiffeisen Leasing group for providing financial leasing services exclusively to non-consumer clients, as well as special state-supported loan schemes for financing the purchase of assets, vehicles, and equipment.

The Company has been a significant player in the medium and large corporate segment for years, primarily by serving the leasing needs of banking clients. The passenger car and heavy commercial vehicle financing business is a key strategic focus.

The Company continued its previously initiated strategy in 2024, in which, in addition to leasing financing of vehicle and/or asset investments of medium and large corporate customers, increasing emphasis is placed on boosting leasing services for the micro and small enterprise segment. In addition to its own sales channels, special emphasis is placed on mobilizing the Bank's medium and large corporate sales network and exploiting sales synergies related to common customers. The goal remains to maintain the good quality of the portfolio , keep costs low through cost-effective operation, and establish and maintain long-term profitable operation.

Raiffeisen Autó Lízing Kft.

The Company is 100% owned subsidiary of Raiffeisen Corporate Lízing Zrt.. The popularity of operating lease dropped significantly due to the accounting method prescribed by IFRSs and due to the availability of finance leases with preferential interest conditions (NHP, EXIM, KAVOSZ) and as a consequence of that a decrease occurred in the vehicle and asset financing provided without fleet service. The strategy of the Company is the demand-based client servicing and individual management of transactions and it does not put an emphasis on concluding new businesses in operating leasing arrangements.

Raiffeisen Biztosításközvetítő Kft.

The Bank was the sole owner until 30.06.2024, when it was terminated by legal succession following an ownership decision. The Company's main activity was insurance brokerage, primarily for member companies of the Raiffeisen Bank Group.

At the beginning the main source of revenue of the Company stemmed from small and medium enterprise segment but later it began to sell its insurance products also in large enterprise and leasing segment as well.

The Bank has started to operate as a dependent single agent effective from 1 April 2022. From this date, in addition to the products transferred from the Company, the Bank will also manage the portfolio of insurance policies currently actively sold by the Bank, and therefore the Bank will also realise the commission income related to these products.

The 2022 legislative change also allowed dependent single agents to maintaining stocks of competing products. With regards to this, the Company has transferred its entire stock to the Bank with effect from 1 May 2023, from which date the Bank will also realize the related commission income. From autumn 2023, insurance related to leasing products will also be sold through the dependent single agent. These transformations had a significant impact on commission income. Thus, in October 2023, the owner of the Company decided to merge its 100% share in Raiffeisen Biztosításközvetítő Kft. into SCT Kárász utca Kft.

RB Szolgáltató Központ Kft.

The Company was founded by the Bank in order to open and operate a banking operating center in Nyíregyháza. Its activity began as call center and sales activity and that extended to phone collection, credit assessment and banking operation activities.

The Company finances asset purchases necessary to its operation from investment loans, its financial situation and liquidity is stable, its operation is profitable.

The number of the Company’s employees increased to over 400 and remained above that level throughout 2023 and 2024. It operates by improving its processes and further enhancing the quality of its service. In accordance with the Group’s strategy, it moved to a new headquarters in June 2022, allowing colleagues to perform their banking operations tasks in a more modern working environment that better supports the processes.

RB Szolgáltató Központ Kft. ceased its activities on 31.12.2024 based on a decision of the owner. The entire staff and equipment necessary for the performance of the activities were taken over and purchased by the owner Raiffeisen Bank Zrt. The Bank will continue to carry out the previous activities of RB Szolgáltató Központ Kft. at the same level starting on 1 January 2025.

Raiffeisen Befektetési Alapkezelő Zrt.

The Company is a 100% owned subsidiary of the Bank. The Company's assets under management grew at a strong pace in 2024, albeit at a slower pace than in previous years and the market average. In the first quarter of the period, assets under management expanded steadily, but stagnated after March, due to the declining investor interest in short-term bond funds. Investors' focus increasingly shifted to actively managed funds that change their portfolios quickly. June brought new momentum in asset changes, partly as a result of the weakening of the forint, and partly due to the fact that demand for mixed and equity funds, which were less popular in previous years, and for the aforementioned managed funds with an absolute return target, was able to more than compensate for the outflow of assets from bond funds. The summer months brought an even smaller slowdown, but the Company ended the year with an asset growth above the market average. In addition to managed funds with a mixed and absolute return objective, assets managed in ESG funds also benefited from the segment rotation that is otherwise typical at the sector level, while real estate base assets eroded further due to less competitive performance. Another benefit of the year was the increased investor interest in funds and series not denominated in forints.

The Company's operating profit developed favourably, in which, in addition to the rapid growth of revenues, also the controlled costs played a role.

In recent years, the Company has revamped its product set to align with market challenges. The first step in this process was the creation of three funds targeting different risk levels, equipped with active management and stringent risk control, in collaboration with the Austrian asset manager of the Raiffeisen Group. Additionally, in recent years, euro- and dollar-denominated series have been launched for the majority of the managed funds alongside the forint series. As a result of the next step in the product set transformation, the Company now manages five ESG-focused funds, ensuring that clients can choose between traditional and ESG products across all major asset classes. Furthermore, the Company successfully executed a strategic shift in its absolute return funds, significantly increasing their popularity. The success of the Company is signalled by its operations having been awarded with a number of prizes in the past years.

SCT Kárász utca Kft.

It is a 100% owned subsidiary of the Bank. The activity of the Company is facility management.

Its business activities for 2022 and 2023 focused on the management and operation of the properties it owns, which is not expected to change during the 2024 financial year.

Raiffeisen Ingatlan Üzemeltető Kft.

It is a 100% owned subsidiary of Raiffeisen Befektetési Alapkezelő Zrt. The activity of the Company is facility management, such as managing shopping centers, office buildings, industrial and commercial properties, banking branch offices.

It performed also in 2024, in the name of its largest client Raiffeisen Ingatlan Alap, complete financial and technical management and renting-out activity.

(5) Corporate governance statement

Responsible corporate governance is a fundamental tool of the foremost goals of the Bank, the precondition of long-term value creation. The duty of corporate governance is to create an appropriate balance, operating order amongst owners, client, employees, business partners and the wider public. The Raiffeisen Bank Zrt.full complies with relevant legislations and HNB's instructions and recommendations. The Bank's organisational setup and operating conditions are included in Article of Association and in the Organisational and Operational Policy both accepted by the sole shareholder. The Bank continuously revises and improves its corporate governance practice.

(6) Financial instruments

The Bank prepares its financial statements in accordance with the requirements of IFRS.

In accordance with the requirements of IFRSs and Accounting Law the Bank shall from 2018 on – in accordance with IFRS9 – classify its financial assets as measured at amortised cost, measured at fair value through other comprehensive income, or measured at fair value through profit or loss, based on

- the Bank's business model to manage the financial assets; and
- the contractual cash flow characteristics of the financial assets.

A financial asset shall be measured at amortised cost, if both of the below conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive income if both of the below conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through profit or loss, except when in accordance with the above it is measured at amortised cost or at fair value through other comprehensive income.

The Bank can at initial recognition irrevocably elect to present the subsequent changes in the fair value of certain equity instruments, that otherwise would be measured at fair value through profit or loss, in other comprehensive income.

The Bank may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Bank shall classify all financial liabilities as measured at amortised cost, except for those cases described in the standards in detail, in which cases they shall be treated as financial liabilities measured at fair value through profit or loss.

The accounting policy of the Bank and a number of disclosures requires the determination of fair value of financial assets and liabilities. Fair value is determined for measurement and/or disclosure purposes based on the below methods.

All financial instruments are initially recognised at fair value plus directly attributable transaction costs (except for financial instruments measured at fair value through profit or loss in which case transaction costs are charged directly to profit or loss). The fair value is the price that the Bank would receive in case of selling an asset or the Bank would have to pay in case of transferring a liability in an orderly transaction between market participants at the measurement date.

Subsequent to initial recognition the basis of determining fair value of financial instruments quoted in active markets is the bid price in case of assets and the ask price in case of liabilities. If observable price is not available, fair value is determined using valuation techniques that rely on observable market data. The method may be comparison with similar instruments for which there is an observable quoted market price, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. Fair value of financial instruments may be determined using techniques based entirely or partly on assumptions that are not underpinned by actual market transactions or observable market data.

The Bank designed the following methodology to determine fair value:

Derivative transactions:

- Fair value of foreign currency forward and futures transactions is the difference between the forward exchange rate, determined for the maturity of the transaction and prevailing at the valuation date, and the strike price, discounted from date of maturity to valuation date.

- Fair value of cross currency swaps is the difference between the forward exchange rate, determined for the maturity of the transaction and prevailing at the valuation date, and the strike price, discounted from date of maturity to valuation date, calculated for the forward leg. Yield curves used for the purpose of the valuation incorporate current market interest premium.

- Fair value of interest rate swaps and forward rate agreements (FRA) is the net present value of the expected future cash flows discounted to the valuation date.

- Fair value of plain vanilla and exotic foreign currency options is determined using the modified Black-Scholes model. In case of exotic options for which no closed formula exist, values are determined using iterative techniques.

- Fair value of cross currency interest rate swaps is the net present value of the expected future cash flows of the instrument discounted to the valuation date, where we incorporate into the yield curve used for the purpose of the valuation the interest rate premium (basis swap spread) representative to the market of those instruments (also including country risk premium).

- Fair value of stock and index futures is determined based on the difference of the quoted price and the strike price.

Securities:

Fair value of securities measured at fair value through profit or loss or at fair value through other comprehensive income is determined using market prices available in Bloomberg information system. It is the stock exchange closing price in case of securities where it is available. In case of securities where stock exchange price is not available, the fair value is the net present value of the expected future cash flows of the security discounted to the valuation date.

Loans:

Loans are basically measured at amortised cost which equals the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any expected credit loss allowance recorded.

To hedge the fair value changes of certain loans with fixed interest rate the Bank entered into interest rate swaps. Such loans hedged with IRS transactions are measured in the financial statements at amortised cost adjusted for fair value changes attributable to the hedged risk.

Deposits:

The Bank measures its deposits at amortised cost. Certain structured deposits contain embedded derivatives which are separated from the deposits. The Bank measures the embedded derivatives at fair values with its changes recognised in profit or loss.

The Bank involves certain deposits with fixed interest rate in hedge accounting. The fair value of those deposits is determined by calculating the net present value of expected future cash flows discounted to the reporting date.

Bonds issued:

Non-structured self-issued bonds are measured at amortised cost and thus they are not revalued, except for bonds involved in hedge accounting. In such cases only interest rate risk is hedged not credit risk.

Fair value of hedge-accounted issued bonds with fixed interest rate is the present value of future cash flows, whereas in case of structured instruments the Bank values the embedded derivative which is separated from the host contract.

Hedge accounting

The Bank designated certain derivative instruments held for risk management purposes as hedging instruments designated in hedge accounting. At inception of the hedge the Bank formally documents the relationship between the hedging instrument(s) and the hedged item(s), the risk management objectives and hedging strategy followed by entering into the transaction and the method used for measuring hedge effectiveness. The Bank evaluates at inception of the hedging relationship and continuously thereafter whether the hedging instrument will be highly effective in offsetting the fair value changes of the hedged item attributable to the hedged risk over the entire term of the hedging instrument and whether the actual results fall within the 80-125 percent range.

(7) Basic principles of risk management and hedging policy

The Bank operates an independent, from business functions entirely separated risk management under the supervision of deputy CEO responsible for risk management. The credit risk assessment and management of clients is a task assigned to the Credit Risk Department and Retail and SME Risk Management Department, the analysis of market, operational and fraud risks and compliance with Basel III regulations, capital adequacy calculations, developing credit risk models at the portfolio level is the task assigned to Integrated Credit Risk Department.

(7.1) Credit Risk Management

Risk and credit assessment of non-retail clients is based on individual analysis and rating, typically with quarterly financial monitoring and yearly limit review. In retail and micro enterprise financing there is an automated scorecard-based assessment.

Constraints of financing are represented by the desired balance of business and risk factors as determined by the owner and the management of the Bank, the act on financial institutions and other legislations and the framework defined by the Bank's Credit Policy.

The economic crisis due to coronavirus pandemic did not cause in 2021 a systematic and mass increase in the balance of non-performing loans, only a few clients became non-performing, amongst them some with relatively higher exposure. Thus, non-performing rate for corporates was about 2% in 2021, for retail it stabilised at about 5%, remaining below the mid-term strategic plan. This healthy level was also facilitated by measures for clearance of non-performing portfolio continuing in 2021 along with the application of standard workout methods. In 2022, the Bank still did not experience any systematic portfolio deterioration in the corporate segment, the NPE ratio remained at the previous low level, moreover further decreased in the retail segment to a level of around 4%, while in case of the entire banking portfolio, also taking into account credit risk bearing banking book securities, it was only 1.9%.

This stable/slightly positive trend has been maintained in the first half of 2023, with no meaningful inflows into the non-performing portfolio and individual sporadic cases are counterbalanced by recoveries and returns, with the NPE ratio across the entire bank portfolio, taking into account credit risk bearing banking book securities, declining to 1.7% by the end of 2023

In 2024, the Bank's non-performing loan portfolio increased slightly (by approximately HUF 2.4 billion), however, one of the main drivers of this additions was the exchange rate change impact of non-performing corporate loans denominated in foreign currency, in the amount of approximately +HUF 1.8 billion. The change in non-performing loans net of exchange rate changes is negligible overall. In segment view, the decrease of recent years continued in the retail segment, while in the corporate segment the newly recognized non-performing status of three corporate groups caused a noticeable increase. No relevant systematic deterioration is noticeable in any segment. The problematic exposure management and collection efforts also yielded significant results in 2024, significantly offsetting the emergence of new defaults. The ratio of non-performing loans at bank level continued to decrease, to 1.3%.

Nevertheless,, current low default probabilities are expected to rise in the future. This is mainly due to the deterioration of the business environment, supply chain problems, energy crisis, the high inflation environment, the narrowing of the demand and investment side and negative developments in the real estate market, therefore the Bank has carried out strengthened and intensive monitoring activities related to these dimensions since October 2021 supplemented with portfolio stress testing. The Bank pays particular attention to analysing the expected direct and indirect impacts of increased geopolitical risks.

In retail segment, the portfolio remains stable with low default rates, however the Bank is prepared to manage the risks mainly arising from persistent inflation, changes in the interest rate environment and the slow economic recovery.

Payment moratorium: Participation in the payment moratorium, in accordance with the relevant guidance of EBA, did not automatically trigger default and payment difficulty in 2020 and thus the Bank pays particular attention to identifying debtors presumably facing payment difficulties also during the term of the moratorium. In relation to clients opting in to moratorium 2 starting in 2021, then 3 and 4 and in relation to clients opting-in to agricultural moratorium in the second half of 2022, the Bank made in case of corporates an extraordinary individual risk review to recognise worsening risk profiles and to determine defaults and eventually necessary restructuring. As a result of the assessments, it identified a few new restructured portfolios with a relatively low exposure. The small portfolio that still participated in the moratorium 4 will resume its repayments in accordance with the relevant new loan schedule at the end of 2023. The Bank assessed clients entering into moratorium 2 also in the retail segment. Clients in case of whom the Bank identified financial difficulties, were reclassified to non-performing status. If the client had no financial difficulties but has been in moratorium for more than 9 months, was reclassified to Stage 2 and there is a close monitoring in place regarding the problems and financial difficulties of clients opting out of moratorium 2. The Bank repeated the procedures for assessing clients' financial situation at the start of moratorium 3 and 4 and in justified cases, if information about the clients' deteriorated financial situation became known since then, it reclassified them to default, i.e., to Stage 3.

The payment moratorium ended at the end of 2023, but this did not result in a noticeable deterioration in the credit quality of the portfolio either in 2023, nor in 2024. The Group will monitor and cure the transactions identified as forborne or non-performing during the credit moratorium period in accordance with the normal recovery rules, provided that the relevant preconditions are met.

The risk management procedures of the Bank operate in accordance with the requirements of Basel III and IFRS9. Base data necessary to sophisticatedly measure risks are contained in structured form in a modern data warehouse. From 2012 the capital requirement of the whole banking portfolio (corporate, retail and SME) is quantified using the advanced, internal rating based (IRB) methodology. During 2017 the municipality portfolio was returned to the standard methodology. The Bank started the same transformation in 2018 regarding financing the top segment of individuals which was completed in the last quarter of 2019.

Capital requirement of baby loans, private banking and employee loans, as well as in retail segment the capital requirement of products in crisis guarantee schemes related microsegment is calculated using the standard methodology.

Measuring and reporting risks is performed on a monthly and quarterly basis in compliance with the Bank's and regulator's requirements. The Bank uses the results of risk models widely in pricing, in determining credit decisions and strategic directions, thereby ensuring long-term capital adequacy, building up an profitable portfolio that is stable also in respect of risks and the efficient usage of capital available.

The Bank reacted also in its credit policy to the changes caused by coronavirus and the changes caused by the following energy crisis, rising inflation and interest rate environment: in judging riskiness of industries, besides higher granularity, the volume/probability of short-term effects and expected mid-term prospect also plays a particular role. Financing activity targets industries with better conditions and clients with stronger resilience, whereas the more vulnerable part of the portfolio requires a more cautious approach. In respect of the latter the Bank acted with particular care also during determining impairment and besides revisions of parameters and macro variables of the impairment models carried out taking a conservative approach, it recognised additional impairment if necessary. In 2024, the most important risks covered by the additional provisioning model on the corporate side are: real estate market yield risks, refinancing risk induced by the high interest rate environment, inflation, supply chain squeeze, labour market difficulties and, as a new element, changes in environmental impacts as additional risk factors. The Bank continuously revises and if justified adjusts the adequate level of related reserves.

During 2023, the Bank developed its methodology for assessing sustainability-related transition risks, primarily environmental risks, as part of the corporate lending process, which are applied to its corporate portfolio from the first quarter of 2024.

In the retails segment, the measurement of climate change and physical risks related to extreme climate events, as well as the quantification of the negative effects to mortgage collateral exposed to them, have been developed by the Bank and incorporated into the impairment calculation during 2023.

In the retail segment in March 2020 the Bank identified increased risks based on the industry classification of the client's employer, building categories of high/medium/low risk based on expected economic downturn and in November 2020 decided to apply portfolio level management adjustments, so-called overlays to appropriately represent also these risks in impairment calculation. Furthermore, it recognised additional impairment losses on the riskiest clients participating in the moratorium, which was revised at each extension of the moratorium. At the end of June 2023, the management corrections affecting the moratorium were phased out 6 months after the end of the general payment moratorium, as the transactions concerned will be evaluated in normal monitoring processes and are again subject to days past due calculations, thus not carrying additional risks. During 2021 and 2022, the Bank fully examined changes in the income situation of customers in order to anticipate potential problems. Due to the impact of energy market risks and increasing liquidity and profitability difficulties, the Bank made portfolio-level management adjustments in both the micro and small enterprise segments several times during 2022. In 2023 it continued to closely monitor the transactions concerned but did not see any reason to phase out the adjustments as a consequence of persistent inflationary pressures and the economic downturn. As a result of monitoring, the scope of transactions concerned was redefined and expanded with sole entrepreneurs financed in the retail segment and companies operating in risky industries and their employees. In 2024, due to the slow but rising unemployment rate and a significantly slower than expected recovery of economic growth in Hungary, the Bank has maintained management overlays for the most credit risk-sensitive customer groups, which have been fine-tuned to reflect the results of ongoing customer monitoring, due to risks not covered by the model.

(7.2) Operational Risk Management

All organisational units participate actively in managing and as necessary decreasing the level of operational risk (department, region, subsidiary). The Bank makes significant efforts to improve the risk management organisation and increase risk awareness, which includes identifying, collecting, assessing, reporting, monitoring and also managing operational risks threatening to achieve the Bank's business goals. The main tools used to identify risks are collection of loss data, risk indicators, scenario analyses and risk self-assessments. In course of this work the root causes of all identified operational risk events are explored and used up in decisions on process improvements.

In order to further strengthen the operational risk management activity, the Bank implemented those standards that comply with the requirements imposed by the advanced measurement method.

The Bank continues to efficiently operate the operational risk framework AMA (Advanced Measurement Approach) introduced in 2016.

(7.3) Market and Liquidity Risk Management

Market and liquidity risk is managed within the Bank at a number of levels using advanced methods and infrastructure, monitoring is performed independently of business functions. Measuring and reporting risks is done on a daily/weekly/monthly and quarterly basis in compliance with the requirements of the Bank and the regulator. Grouping, measuring, managing of risks and building economic capital is done in the framework of the Group's ICAAP processes.

Measuring and controlling the risks is effected through complex risk, position, stop loss and VaR limit systems, the methodology of which is in accordance with the requirements of the parent bank and the regulator. Management of market and liquidity risks related to banking activity covers the following areas: trading book and banking book interest rate risk; the Bank's liquidity risk also from going concern and stress point of view; the risk arising from illiquidity of market positions; share price risk, foreign currency risk, risk inherent in option trading, counterparty risk of OTC derivative transactions. In addition to that, this function of the Bank ensures the independent pricing of various financial instruments in accordance with regulation required by the parent bank and by IFRS 9. In addition to this, Market Risk function is responsible for controlling the market-conformity of capital and money market transactions.

(7.4) Fraud Risk Management

Fraud risk is a dominant element of operational risks. The areas of the Bank responsible for managing and handling fraud risk pay special attention to all fraud incidents and continuously monitor and evaluate fraud trends. The insights gained from these activities are consistently integrated into the core or monitoring processes. .

(8) Environmental protection

In 2024, the Bank successfully conducted the annual surveillance audit of Raiffeisen Bank Zrt. Environmental Management System operated according to the ISO 14001:2015 standard, as well as the Energy Management System according to the ISO 50001:2018 standard.

As part of the branch network re-design program, the renewal of mechanical and lighting systems to increase energy efficiency (LED implementation) continued throughout 2024, with significant energy investments made at a total of 12 locations.

Following the first full year of operation of the solar power plant (HMKE) at the RBSC building in Nyíregyháza, actual production and usage data show that the system provided 23% of the total electricity demand. This locally generated electricity prevented the emission of approximately 29.29 tons of CO2 equivalent greenhouse gases into the environment in 2024. The implementation of solar systems at branches will continue in 2025.

The "greening" of the Bank's vehicle fleet did not stop in 2024. Utilizing the "RRF-10.10.1-24 Support for the acquisition of road electric vehicles for businesses" grant, Raiffeisen Bank Zrt. commissioned a total of 16 Hyundai Kona EV vehicles. To reduce operating costs, the Bank also ensured the establishment of charging facilities for the cars. A total of 13 AC devices with a maximum charging capacity of 11 kW were installed at eight locations in the country (Debrecen, Gödöllő, Nyíregyháza (2 locations), Kecskemét, Miskolc, Pécs, and Szeged). At the end of January 2025, another 9 EV chargers will be put into operation at the AGORA headquarters.

(9) Sustainability

Our planet, the biodiversity and the quality of our life is largely impacted by the natural factors making up the biological system. The business activity of the financial sector has a significant impact on the environment and on society. However, this is a two-way relationship, the finance sector itself is also affected by environmental and social factors. The two most significant environmental effects of these times are climate change and biodiversity loss.

In terms of defining environmental, social and governance (ESG) risks, the Bank follows EBA's position and take on a prudential view when it comes to ESG, elaborating on the risks related to it, i.e. 'ESG risks materialize when the ESG factors affecting institutions' counterparties have a negative impact on the financial performance or solvency of such market players'. As ESG refers to environmental, social and governance aspects, the Bank identifies the following risks from these aspects. The detailed information about ESG related topics is disclosed in the separate and consolidated non-financial statement.

Key considerations of ESG risks

Environmental risks

Environmental risks are driven by environmental factors. They should be understood as the financial risks posed by the institutions' exposures to counterparties that may both potentially contribute to or be affected by climate change and other forms of environmental degradation (such as air pollution, water pollution, scarcity of fresh water, land contamination, biodiversity loss and deforestation).

The Bank identifies environmental risks as a result of the following factors:

- Transition-related risks: regulatory, technological and market changes that generate changes in the lending and other risks arising in the course of banking activities related to climate change, environmental pollution and water ecological processes.
- Physical risks: acute or chronic environmental events related to climate change, environmental pollution and aquatic ecological processes that directly endanger the physical integrity and security of assets and/or customers financed in the course of banking activities, thereby affecting their operability, income-generating capacity and value, as well as the security of supply chains. Acute physical risks include: floods, storms, droughts, forest fires. Chronic physical risks include: desertification, sea level rise, air and water quality, permanent deterioration of water volumes, and persistent increase in temperature.

Social risks

Social risks arise from financial impact generated by misuse of human capital such the rights, well-being and interests of people and communities.

Governance risks

Governance risks refer to the governance practice of the institutions' counterparties, including the inclusion of ESG factors in policies and procedures under the governance of the counterparties.

These risks affect:

- the value of the companies' assets, business model, income-generating capacity, supply chains, investable resources, regulatory environment;
- household income, expenditure, and the value of their assets;

- and at the macroeconomic level, the value of capital assets, investment needs, productivity and competitiveness levels, consumer preferences, and the related operation of public finances, interest rates and exchange rates.

These changes may be reflected in the Bank's operations as follows:

- credit risk: increased defaults, depreciation of collateral;
- market risk: unexpected changes in asset price movements that are difficult to predict;
- operational risk: vulnerabilities in supply chains, physical operational risks;
- liquidity risk: increased liquidity needs, refinancing risk;
- reputational risks: reputational damage due to inadequate management of the above, risks of being painted 'green'.

Risk framework

The Bank takes these risks into account in its risk frameworks over different time horizons as follows:

Short term

Individual risks

The Bank implicitly takes into account the mentioned risks in the corporate customer base during the annual review and credit approval process. In 2023, a modification of the lending process was introduced, in the course of which the Bank

explicitly analyses the environmental assessment of the customer and the loan objective on the business side ('ESG expert opinion') and presents the identifiable environmental risk profile ('ESG risk assessment') as a separate part of the risk manager's position on the risk side.

The Bank conducts an increasing number of surveys to its customers in order to obtain access to their sustainability data (in the form of an electronic questionnaire). In the survey, in addition to estimated and factual data related to GHG emissions, the Bank collects data on water and land use; waste production and environmental pollution characteristics. In addition to short-term consideration, these data also serve as input for the assessment of medium-term (ESG score) and long-term (climate scenarios). The Bank has taken note of the National Bank of Hungary's recommendation for a customer questionnaire in this regard and will supplement its own questions with the minimum set of questions recommended, in the future, keeping in mind the deadlines set.

The Bank is making efforts to obtain energy performance data for collaterals. Where the legal environment allows, it is a mandatory condition to provide the related certificates in the case of new funding, and in the case of existing funding and/or in the absence of a legal obligation, data collection is carried out on a 'best effort' basis within targeted campaigns.

The Bank has implemented sector-wide lending policies to define sustainability financing conditions. By the end of 2024, it has established clear lending policies in the following sectors: tobacco, coal, renewable energy, oil and gas; steel, nuclear energy, real estate and construction and related raw materials.

Portfolio risks

With the help of scientific methodologies (PCAFs) and estimates, measurements were made regarding the financed GHG intensity of the corporate customer base, which is published in the separate and consolidated non-financial statement for 2024 as the first time, section 'E1-6: Gross scopes 1, 2, 3 and total GHG emissions'.

For the corporate segment the additional risk arising from ESG factors was considered using the Special Risk Factors (SRF) Framework, primarily to account for unmodelled macroeconomic effects but also to cover environmental risks as a temporary compensations of the model weaknesses. More details are disclosed under note (6.2) Credit risk.

Mid-term

Individual risks

In 2022, the Bank introduced an ESG scoring system to assess customers in a standardized way from the environmental perspective. The model was developed by the parent company (RBI), and its use is uniform for the medium-sized and large corporate customers. The ESG score has no direct impact on the client's credit rating. The ESG model is based on an industry base score, supplemented by an additional carbon dioxide emission factor. It is possible to deviate the industry average score in this way in a positive or negative direction along individual customer specifics. During scoring, the risk analyst evaluates a number of aspects based on the client's report, data reporting and disclosures, which, supplemented with the data of the above-mentioned electronic questionnaire (where available), determines a final client score within the industry score limits. The ESG score can provide guidance on the calibration of customers' expected environmental risks in the medium term, and as such, it serves as input information for the above-mentioned sustainability assessments related to the lending process.

Portfolio risks

Based on the ESG Score mentioned above, the Bank plans to introduce portfolio management tools in the future (sub-portfolio level measurements, targets and limits), which will be broken down to a local level based on the parent company's group-level limit management. In 2025, it is expected to introduce a monitoring process for the change in the average ESG Score of the portfolio above 10%, as well as for the maximum amount of the part of the portfolio with the worst ESG Score.

Regarding the Group's ambitions towards the 2015 Paris Agreement climate targets, the Bank committed to reducing its financed GHG emissions by 17% by the end of 2030, based on the level measured at the end of 2023. The objective for the corporate client portfolio has been formulated as an overarching target and was approved by the Board of Directors. In the coming years, this effort is expected to be further developed and detailed sector-specific goals may be developed.

Long-term

Portfolio risks

A long-term Climate Stress Test has been prepared at the level of the RBI Group and its subsidiaries, taking into account the above-mentioned customer and collateral sustainability data, along the scenarios defined by the EBA. The Bank's results have been completed by the end of 2024, which examined the long-term impact of climate risks on the Bank's profitability and capital adequacy in each scenario. The results show that the Bank is not exposed to significant risk overall over the 2030-40-50 time horizon, but there are portfolios that are more vulnerable under certain scenarios.

Reference to the non-financial disclosure

During the reporting period, it was determined that there are no financially material risks from climate change to the regular risk parameters (market risk, credit risk, operational risk, and liquidity risk). The effects of climate change are only observed through scenario analyses over longer periods. The effects from climate risks are incorporated into risk measurement and limitation. Further information on the nature, extent and mitigation of climate change risk are available in the separate and consolidated non-financial statement's chapter IRO-1: 'Process to identify and assess material impacts, risks and opportunities'.

(10) Employment policy

The Bank is one of the leading employers in the financial sector: at 2024 the average statistical number was 2,573. It is especially important for the Bank to carry out its activities as a fair and correct employer, on the one hand fully considering and complying with the prescriptions of the Hungarian Labour Code, on the other hand ensuring favourable work and career opportunities and continuous professional development and development as a leader to its employees.

Recruitment and selection is done centrally, in course of the activity of HR, paying attention to the core principles of inclusive culture and taking care that diversity be a part of the daily selection practice. The Bank's selection practice is focused on trained and qualified workforce, however at the same time it provides an opportunity also to graduates for intensive professional development.

The Bank pays attention to and strives for ensuring for its employees fair and competitive income compared to Hungarian labour market. Fringe benefits, within the framework of Cafeteria system, provide a choice for the colleagues to select from a wide range of benefit most fitting their personal needs.

All employees are covered by the performance development process operated by the Bank, which provides a framework for clear goal setting, constructive feedback and well-grounded performance evaluations. Performance-dependent financial and moral rewards incentivise the colleagues to achieve outstanding performance.

The Bank has a complex training and development activity, which is focused, besides developing professional knowledge and skills, on programmes to improve personal, managerial, language and IT skills. At the end of the year, the Bank's employees spent an average of 5.79 days on training and development events and programs, without e-learning 1.16 days. The continuous development of employees' digital skills has a major role in the training and development portfolio, that is supported with the annual Digital Learning Week event starting from 2021 together with the numerous professional trainings. The Bank supports the colleagues in successful and effective coping with everyday performance challenges and stress situations with community building and employee well-being programmes.

The Bank operates a comprehensive and conscious succession planning practice, the goal of which on the one hand is the retention of managers and employees working in key professional roles, on the other hand the succession planning and development.

Workplace Council operates within the organisational framework of the Bank, ensuring consideration of employee interests.

With the introduction of the flexible working framework in 2020, the Bank organised, except for the critical business areas, the employees' working from home, which, subsequent to the pandemic, as a new standard will remain an integral part of the operation and will continue to be operated in a framework and construction based on the field of work.

(11) Compliance activity

In accordance with the regulations and the requirements of NBH the Bank operates for exploring and managing compliance risks – as part of the internal defence lines – an independent organizational unit who performs the following functions:

- Controlling the compliance with ethical rules, issuing guidance on related questions, performing investigations of notices
- Ensuring compliance with regulations on conflicts of interest and the control of that
- Organizing and operating anti-corruption measures within the group
- Maintaining the internal loan register
- FATCA/CRS monitoring and reporting
- Fighting against money-laundering and financing international terrorism, as well as organizing, governing and coordinating the compliance with international sanctioning measures within the group, operating relating monitoring system; operating a notification and control system, liaison with the competent authority.
- Ensuring and controlling the compliance with regulations regarding segregation of financing and investment services, restricting the flow of information, prohibition of insider trading and market manipulation and employee trading, and liaison with the competent authority.
- Ensuring and controlling compliance with regulations on investment related services (e.g. Bszt.), performing defensive task related to client assets.

The organizational location of the compliance function and its scope of activities are in all respects in accordance with relevant regulations, with HNB guideline on the system of lines of defence and the underlying EBA (GL2021/005) guideline.

(12) Research and development

The Bank performs R+D activity during application development related to financial services, as well as in the implementation of business and risk management modelling.

(13) Fees charged by the auditor

The following net fees were charged in 2024 and 2023by Deloitte Könyvvizsgáló és Tanácsadó Kft. and by Deloitte Üzletviteli és Vezetési Tanácsaadó Zrt.:

(HUF million)	2024	2023
Audit of financial statements	201	206
Other assurance services	67	50
Total	**268**	**256**

(14) Branch network

The Bank serves its clients through branches located at the following addresses as at 31.12.2024:

- 1015 Budapest, Széna tér 1/a.
- 1023 Budapest, Bécsi út 27.
- 1024 Budapest, Lövőház u. 2-6.
- 1036 Budapest, Bécsi út 136.
- 1037 Budapest, Szépvölgyi út 41.
- 1045 Budapest, Árpád út 183-185.
- 1051 Budapest, Vörösmarty tér 4.
- 1055 Budapest, Szent István körút 27.
- 1061 Budapest, Andrássy út 1.
- 1062 Budapest, Váci út 1-3.
- 1066 Budapest, Teréz krt. 12.
- 1072 Budapest, Rákóczi út 44.
- 1085 Budapest, Üllői út 39-43.
- 1087 Budapest, Kerepesi út 9.
- 1106 Budapest, Örs vezér tere 25.
- 1114 Budapest, Bocskai út 1.
- 1115 Budapest, Etele út 68.
- 1117 Budapest, Hunyadi János út 19.
- 1123 Budapest, Alkotás utca 53.
- 1123 Budapest, Alkotás utca 55-61.
- 1133 Budapest, Váci út 116-118.
- 1139 Budapest, Váci út 81.
- 1148 Budapest, Örs vezér tere 24.
- 1152 Budapest, Szentmihályi út 137.
- 1173 Budapest, Ferihegyi út 74.
- 1181 Budapest, Üllői út 417.
- 1203 Budapest, Kossuth Lajos utca 21-29.
- 1211 Budapest, Kossuth Lajos u. 85.
- 2030 Érd, Budai út 22.
- 2040 Budaörs, Templom tér 22.
- 2100 Gödöllő, Gábor Áron u. 5.
- 2310 Szigetszentmiklós, Vak Bottyán u. 18.
- 2400 Dunaújváros, Vasmű út 39.
- 2500 Esztergom, Kossuth Lajos u. 14.
- 2600 Vác, Széchenyi u. 28-32.
- 2800 Tatabánya, Fő tér 20.
- 2900 Komárom, Mártírok útja 14.
- 3200 Gyöngyös, Fő tér 12.
- 3300 Eger, Jókai Mór utca 5.
- 3525 Miskolc, Erzsébet tér 2.
- 3527 Miskolc, Bajcsy Zs.u. 2-4.
- 4024 Debrecen, Piac u. 18.
- 4026 Debrecen, Péterfia utca 18.
- 4400 Nyíregyháza, Korányi Frigyes u. 5.
- 4400 Nyíregyháza, Kossuth tér 7.
- 5000 Szolnok, Szapáry út 22.
- 5600 Békéscsaba, Andrássy út 19.
- 6000 Kecskemét, Kisfaludy u. 5.
- 6200 Kiskőrös, Petőfi S. tér 8.
- 6500 Baja, Dózsa György út 12.
- 6500 Baja, Dózsa György út 12.
- 6720 Szeged, Széchenyi tér 3.
- 6722 Szeged, Kossuth Lajos sugárút 9-13.
- 6800 Hódmezővásárhely, Kossuth tér 6.
- 7100 Szekszárd, Széchenyi utca 37-39.
- 7400 Kaposvár, Berzsenyi utca 1-3.
- 7621 Pécs, Bajcsy Zs. u. 11.
- 7621 Pécs, Irgalmasok útja 5.
- 8000 Székesfehérvár, Palotai út 1.
- 8000 Székesfehérvár, Távírda utca 1.
- 8200 Veszprém, Mindszenty József u. 2.
- 8360 Keszthely, Széchenyi utca 1-3.
- 8400 Ajka, Szabadság tér 4.
- 8500 Pápa, Fő tér 15.
- 8800 Nagykanizsa, Deák tér 11-12.
- 8900 Zalaegerszeg, Kossuth u. 21-23.
- 9022 Győr, Arany János utca 28-32.
- 9024 Győr, Vasvári P. út 1/a.
- 9200 Mosonmagyaróvár Fő u. 26.
- 9400 Sopron, Széchenyi tér 14-15.
- 9431 Fertőd, Fő u. 12.
- 9700 Szombathely, Fő tér 36.

(15) Key financial indicators

(HUF million or %)	31.12.2024	31.12.2023
Key profitability and efficiency ratios		
Number of branches	73	73
Net interest income	185,194	199,351
Net fee and commission income	88,786	77,113
Operating expenses	86,210	80,194
Cost to income ratio (without transaction fee and taxes)	31.96%	30.78%
Provisioning	13,497	-368
Profit for the year	114,505	99,280
Return on equity after tax (ROE)	24.61%	24.58%
Return on assets after tax (ROI)	2.49%	2.25%
Net interest margin	4.18%	4.65%
Provisioning ratio	-0.71%	0.02%
Total assets	4,597,277	4,414,197
Gross carrying amount of loans and advances to clients	1,908,809	1,813,433
Deposits from customers	3,188,059	2,989,666
Loan to deposit ratio	59.87%	60.67%
Deposits from banks	455,745	492,446
Key risk ratios		
Impairment related to loans and advances to clients	55,837	66,185
NPL exposure	54,109	54,938
NPL ratio	2.83%	3.03%
NPL coverage ratio	103.19%	120.47%
Provisioning ratio	-0.71%	0.02%
Total capital specific key ratios		
Common equity tier 1 capital (CET1)	382,228	365,460
Additional tier 1 capital (AT1)	46,979	46,979
Tier 2 Capital	70,790	66,215
Total regulatory capital	499,998	478,655
Risk-weighted asset	1,654,436	1,680,438
CET 1 capital ratio	23.10%	21.75%
Tier 1 capital ratio	25.94%	24.54%
Total capital ratio	30.22%	28.48%
Leverage ratio	6.79%	6.32%
Liquidity risk specific key ratio		
Liquidity coverage ratio (LCR)	176.60%	188.90%
LCR High Quality Liquid Assets	1,872,500	1,753,038
LCR Net Outflows	1,060,075	928,065
Net Stable Funding Ratio (NSFR)	145.07%	145.32%

Raiffeisen Bank

Separate non-financial statement

2024

Table of contents

General information

Basis of preparation

BP-1: General basis for preparation of non-financial statement

In preparing this non-financial statement ('Non-financial statement' or 'Sustainability statement'), Raiffeisen Group. ('**RBHU Group**' or **'Group'** or **'Bank'**) acknowledges certain inherent limitations due to the initial reporting under the Corporate Sustainability Reporting Directive (CSRD). Consequently, comparisons over time may be constrained as frameworks for sustainability reporting are continuously evolving. The data collection processes and methodologies for certain sustainability metrics are still being refined. As such, some data points may be subject to estimation and may not capture all aspects of performance accurately. Any future changes in structure or operations may impact the reported sustainability metrics. The sustainability impacts reported herein are influenced by external factors such as regulatory changes, market conditions, and technological advancements, which may affect the outcomes of our/RBHU Group's sustainability initiatives.

We are committed to continuously improving our sustainability reporting processes and addressing these limitations in future reports to provide more comprehensive and reliable information to our stakeholders.

Disclaimer on separate non-financial statement

Given the complex nature of the interrelated services within Raiffeisen Bank Group and its activities, the value chains, as well as the impacts', risks', and opportunities' conceptual framework thereon, a standalone report for the Raiffeisen Bank, as parent company would not be suitable to present sustainability related material impacts, risks, and opportunities (IROs) aligned with the purpose of the report. For all these reasons the Raiffeisen Bank, as parent company prepared this report on a consolidated basis. This method is suitable for consolidated and also for separate reporting purposes of in the annual reports.

Raiffeisen Bank Zrt. is dedicated to the continuous improvement and transparency of its reporting practices.

Section 134/J (1) of the Accounting Act stipulates that RBHU Group must prepare its consolidated business report in the electronic reporting format (XHTML) as specified in Commission Delegated Regulation (EU) 2019/815 (ESEF Regulation). Additionally, the sustainability statements defined by the ESEF taxonomy in the consolidated sustainability statement are required to be marked up using the XBRL markup language, including the disclosures mandated by Article 8 of Regulation (EU) 2020/852. However, given that the ESEF taxonomy for sustainability statements has not yet been adopted, the Consolidated sustainability statement does not contain XBRL markups due to the absence of the relevant legislation.

The non-financial statement provides information on Raiffeisen Group. sustainability agendas and activities for the 2024 reporting period. This chapter represents the Bank's summarized and consolidated sustainability statement according to Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting, *OJ L 322, 16.12.2022, p. 15–80*. (the 'Corporate Sustainability Reporting Directive' or 'CSRD') and local law (pursuant to sections 95/D-95/I of the Hungarian Act C of 2000 on Accounting).

The non-financial statement for 2024 is not published as a stand-alone report, but it is included as part of the 2024 annual financial report in a separate chapter of the management report. In the management report, RBHU Group describes the direct and indirect economic, environmental, and social impacts of business activities for the year 2024, which were identified as material based on the double materiality assessment in accordance with the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards, OJ L, 2023/2772, 22.12.2023 (the 'European Sustainability Reporting Standards or ESRS') In line with the requirements in ESRS 1, RBHU Group has included the prescribed disclosures pursuant to the EU Taxonomy Regulation (Article 8 of Regulation (EU) 2020/852 and the accompanying delegated acts) as separately identifiable sections in this non-financial statement.

Based on RBHU Group's double materiality assessment, the 2024 consolidated non-financial statement is organized according to the ESRS disclosure framework. In terms of content, RBHU Group reports on its sustainability Strategy, the related impacts, financial risks, opportunities and how it manages them, as well as considerations of stakeholders' views. The reported key figures relate to RBHU Group as a whole. The consolidated non-financial statement addresses all RBHU Group's stakeholders.

The consolidated non-financial statement is published annually, and for the year 2024, it was released on 27 March 2025. Deloitte Audit and Consulting Ltd. independently audited the consolidated non-financial statement with limited assurance for the reporting year 2024. The option of excluding certain information relating to intellectual property, know-how, or the results of innovations relating to disclosure has not been utilized in this sustainability statement.

The legal norms and recommendations indicated in this report do not necessarily constitute the full regulatory framework applicable to the Bank; therefore, the Group disclaims any responsibility for its completeness. The referred regulations are provided solely to assist with the interpretation of the text.

The permitted option of omitting the disclosure of impending developments or matters in the course of negotiation has not been utilized by RBHU Group.

This report has been prepared on a consolidated basis. For details, please refer to the chapter entitled Scope of consolidation.

The scope of consolidation of the consolidated non-financial statement covers upstream and downstream value chains.

The consolidated non-financial statement is presented in million Hungarian Forints. If not stated otherwise, financial information is presented in Hungarian Forints rounded to the nearest million.

Scope of consolidation

The scope of consolidation of the consolidated non-financial statement is generally the same as for the consolidated financial statements, which are prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and the international accounting standards adopted by the EU on the basis of IAS Regulation (EC) 1606/2002, including the applicable interpretations of the International Financial Reporting Standards.

With this said there are same parts in the Report (as listed within this section), where RBHU Group has to deviate from the general consolidation in order to provide material information, furthermore, provide a transparent and rational picture from its ESG factors and aspects.

Further information regarding the scope of consolidation can be found in the consolidated financial statements in note (44) Investments in subsidiaries.

BP-2: Disclosures in relation to specific circumstances

Time horizons

Explanations of time horizons in risk management

For climate and environment-related risk, RBHU Group differentiates between the impact expected in the short, medium and long term in line with the European Central Bank (ECB) guide on managing climate-related and environmental risks and RBI Group's approach. As the planning horizon and average loan tenor are typically shorter than the time horizon in which the effects of climate-related change and environmental degradation would primarily arise, a forward-looking approach is considered with a longer-than-usual time horizon:

- Short term (up to three years) – risks mainly associated with transition risks (e.g. changes in legislation and regulation, changes in technology), i.e. the ability of companies and customers to achieve the transition to a low-carbon economy. The Bank sees opportunities both from supporting its customers with financing, allowing them to achieve the transition to a low-carbon economy, as well as potentially increasing the financing directed at industries that are already green (e.g. renewables) and supporting industries that are contributing to the development of a circular economy.
- Medium term (more than three years, up to ten years) – risks driven by the paradigm shift in business models, the emergence of new technologies and continuous updating of regulations, with potentially increasing risks from a physical perspective (if CO_2 reduction is not achieved as targeted). Both physical and transition risks will pose challenges. Technological risks can arise if innovations in connection with energy efficiency result in old technologies that RBHU Group has invested in becoming outdated and unprofitable. On the other hand, investments in new technologies can also fail if they prove to be technically immature. Regulatory risk in connection with stricter environmental protection laws and regulations can also make existing investments less profitable or even unprofitable. The withdrawal of many investors from the fossil energy sector, especially coal and carbon-dependent industries, is an indication that the corresponding assets of the customers or investees can be expected to fall in value over the medium term (carbon bubble). On the other hand, RBHU Group sees a good opportunity in terms of investing in new technologies that are more likely to be profitable in the medium term (and divesting from coal).
- Long term (more than ten years) – challenges will come from physical risks, their impact on customers' business models and supply chains, as well as on their ability to mitigate and ensure that their repayment capacity is not

severely affected. In the event of an insufficiently orderly climate transition, various long-term scenario analyses suggest large losses, particularly for carbon-intensive industries.

Sources of estimation and outcome uncertainty

Quantitative information about key value chain activities is often based on averages, assumptions and estimates. RBHU Group tries to obtain sustainability data directly from its clients. If estimates or quantitative information do not refer to the current reporting date, they are disclosed in the respective chapters. Where this is not possible external data vendors or sector averages are used. In most cases several data sources are used. As more sustainability-related information becomes available and standardized, for example as a result of the adoption of ESRS, the Bank expects to be able to reduce the estimation uncertainty related to it. The main metrics applied by RBI, and subsequently RBHU Group, using estimates based on indirect sources, are Scope 3 emissions. This involves the provision of data quality information in alignment with PCAF (2022). The Bank indicates a high level of measurement uncertainty where metrics or monetary amounts are disclosed.

For corporate customers as well as for project finance transactions, RBI Group has developed an ESG customer score by measuring the impact of ESG-related risk through individual scores, which are sourced centrally to each NWU, therefore to RBHU Group as well.

ESG customer score

The ESG customer score is used to:

- Assess the ESG performance of customers;
- Assess the mid- to long term-related risk arising from customers' ESG behaviour;
- Identify customers with a restrictive, transformative, or supportive ESG performance and draw conclusions for the underwriting decisions on certain customers.

The ESG score is based on the following components:

- Environmental: measures the impact of transition risk and physical risk; focus areas are to support transition to a net zero greenhouse gas (GHG) emission, the circular economy and biodiversity; in addition, the Bank is able to identify those customers that it would like to support further: either on their way to a low-carbon economy, as a contributor to the circular economy, or due to their low impact/enabling function vis-à-vis the environment (already green industries). The E score is determined on the basis of both quantitative and qualitative factors. Quantitative factors that are considered in the E score relate to the following (this list is not exhaustive):
  - Customer CO2 emissions (all 3 scopes);
  - Energy consumption;
  - CO_2 reduction targets;
  - Water use;
  - Share of renewables, etc.

  Qualitative factors address the actions that the company has put in place (if any) to tackle its environmental footprint, including target setting.
- Social: capturing social risks at the customer level and identifying those with a negative impact on society and/or that contradict the Bank's internal societal standards and reflect negatively on its reputation. Positive impacts will also be considered and potential support for such customers may subsequently be envisaged. Compliance with existing health and human rights regulations has already been considered. A more extensive update of the ESG scoring model was performed in relation to human rights. RBI Group, and RBHU Group has taken a closer look at the following areas relating to its customers:
  - Social/human rights-related Code of Conduct and supplier screening;
  - Minimum safety standards in the work environment;
  - Appropriate business behaviour;
  - Supporting diversity and educational aspects at the employee level.

The respective social score questions for assessing social risks can be assigned to five major areas related to the social aspects of a company:

  - General information;
  - Human capital/human rights;
  - Responsible production;
  - Product-related aspects;
  - Customer-related aspects.
- Governance: governance-related risks at the customer level are measured by scoring questions on transparency, business ethics, diversity, strategy and risk management, specifically at the top management level.

The ESG customer score is based on individual assessments by internal analysts. Qualitative and quantitative information on E, S and G criteria is used to evaluate the customer. The ESG score is determined for all corporate credit customers. All customers in the corporate, project finance and sovereign category have an ESG score. For financial institutions, the ESG score was rolled out for year-end 2024.

Customer data collection

ESG data availability is crucial for the RBI Group and RBHU Group to develop internal customer ESG scoring, track the reduction of financed emissions and make informed internal steering decisions. Many customers are not yet subject to a regulatory reporting regime, which is why ESG data is not available for the entire portfolio. Additionally, data is subject to fluctuations in quality. Often, estimated values – such as for Scope 3 emissions – are used. To improve the availability and quality of data, RBI and RBHU Group uses a variety of internal and external ESG data sources:

- Client data
  - ESG questionnaire
  - Non-financial statements
- 3rd party data vendors
- Public databases
- Deal level data
- Energy Performance Certificates

Despite the poor availability, the highest priority is put on audited/verified client data, the lowest priority is given to estimates. RBI has created a customer questionnaire that enables it to gather relevant information on environmental aspects directly from its customers. Since the Bank already covers social and governance-related questions in the regular rating process, the focus has been on collecting quantitative data on environmental topics.

The customer questionnaire covers the most important environmental aspects, in particular data on:

- GHG emissions;
- Reduction targets;
- Circular economy;
- Energy consumption;
- Water consumption;
- EU Taxonomy KPIs (Turnover, CAPEX).

Every year the set of ESG data points is reviewed with the respective stakeholders – new data points are added while no longer necessary ones get removed from the data collection. Social and governance-related information is gathered from both annual reports and sustainability statements of the customers.

To further improve data availability and data quality, the Bank employs or plans to employ a mix of measures:

- Engaging with clients and create awareness;
- Will consider implementing detailed KPIs at board level;
- Performing data quality checks;
- Visualizing data collection progress through reports and dashboards.

The remaining topics included in the second pillar can be found in the specific CSRD chapters:

- Green Asset Ratio (see chapter entitled Regulatory disclosure requirement in accordance with Article 8 of the EU Taxonomy Regulation);
- Financed emissions (see chapter E1-6: Gross scopes 1, 2, 3 and total GHG emissions);
- Target setting (see chapter E1-4: Targets related to climate change mitigation and adaptation).

Disclosures stemming from other legislation or generally accepted sustainability reporting statements

Regulatory disclosure of ESG risks

Since the 2022 financial year, the RBI Group has been required to disclose the Implementing Technical Standards (ITS) on Pillar 3 disclosures on Environmental, Social and Governance (ESG) risks as published by EBA, in which RBHU Group was represented on a consolidated basis. These standards aim to ensure that stakeholders are well informed about the ESG exposures, risks and strategies of institutions, that they can make informed decisions and exercise market discipline. The aim is to guarantee the improved consistency, comparability, and meaningfulness of disclosures by institutions.

According to Article 18a of Regulation (EU) 2021/637, Raiffeisen Bank Zrt. shall disclose the information referred to in Article 449a of Regulation (EU) No 575/2013 as amended by Regulation (EU) 2024/1623 as of 30 June 2025.

Incorporation by reference

Some ESRS disclosure requirements are closely linked to requirements that the Bank is already subject to, such as the requirement in the Corporate Governance Code to describe its governance structure. All references are listed below:

Chapter in consolidated non-financial statement	Reference
Scope of consolidation	Consolidated financial statements
The role of the administrative, management and supervisory bodies	Corporate governance report

List of phased-in disclosure requirements

ESRS	Disclosure requirement
SBM-1	Breakdown of total revenue, as included in its financial statements, by significant ESRS.
SBM-1	List of additional significant ESRS sectors in which significant activities are developed or in which undertaking is or may be connected to material impacts
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities.

Governance

GOV-1: The role of the administrative, management and supervisory bodies

The organizational framework for governance, supervision and decision-making is set within the annual Responsible Corporate Governance Statement of RBHU Group. For this reason, detailed information with regard to the composition of administrative, management and supervisory bodies, general roles and responsibilities, procedures of the decision making and percentage of independent members, please refer to Section 3 of RBHU Group's Responsible Corporate Governance Statement. While this report covers only ESG relevant aspects of the operation of these organizational units.

Organizational anchoring of sustainability in RBHU Group

Supervisory and Control level			
Board of Directors			
Audit Committee	**Risk Committee**	**Remuneration Committee**	**Nomination Committee**
Management level			
Management Board			
Thematic level			
Sustainability Council		**Sustainable Bond Committee**	
Implementation level			
ESG business ambassadors	**Sustainability Officers**	**Employees (specific units)**	
Responsible for the implementation of the ESG business strategy	Responsible for the establishment and further development of the local sustainability agenda	Responsible for the implementation of measures to achieve sustainability goals and tackle ESG risks	

Supervisory and Control level

For detailed information with regard to the composition, general roles and responsibilities of the Supervisory and Control units (including the Board of Directors, the Audit Committee, the Risk Committee, the Remuneration Committee and the Nomination Committee), as well the procedures of the decision making, please refer to the Section 3 of RBHU Group's Corporate Governance Report.

Organizational unit	Executive/non-executive members	Female/male members	Female/male ratio (%)
Board of Directors	2 executives & 6 non-executives	2 female & 6 male members	25%-75%
Audit Committee	3 non-executives	3 female members	100% female
Risk Committee	3 non-executives	1 female & 2 male members	33%-67%
Remuneration Committee	3 non-executives	3 male members	100% male
Nomination Committee	3 non-executives	3 females	100% female

Management level

The highest decision body in RBHU Group in ESG matters are the Management Board. For more detailed information with regard to the composition of the Management Board, procedures of the decision making and percentage of independent members, please refer to Section 3 of RBHU Group's Corporate Governance Report. The Management Board is responsible for the oversight of impacts, risks and opportunities related to the bank's own operations and value chain. All members of the Management Board are engaged in this responsibility, ensuring comprehensive and effective governance.

The responsibilities of the bodies are clearly delineated within the internal bylaws of RBHU Group.

The Management Board is the most senior decision-making body for ESG-related strategies, policies and commitments. Each board area must implement their respective sustainability strategies and integrate them into the performance management process. This should be reflected in the ESG policies and conditions for the individual area.

The Management Board possesses sustainability-related expertise, both directly and through the supports of ESG experts. RBHU Group ensures that Management Board members have specialized sustainability training by in-house experts. Expertise and training enable the Management Board to effectively oversee the bank's sustainability strategy, addressing its material impacts, risks and opportunities. The Management Board assess and identify impacts, risks and opportunities through the Sustainability Council and based on the discussions made within council sessions.

Organization unit	Executive/non-executive members	Female/male members	Female/male (%)
Management Board	6 executives	6 male members	100% male

Thematic level

Sustainability Council

The Sustainability Council has established as a core organizational component of decision facilitator, stakeholder dialog and as part of sustainability management. It is composed of ESG and sustainability experts from the fields of economic, environmental and social issues, alongside RBHU Group decision makers. The council is chaired by the CRO of RBHU Group. Meetings are held at least twice a year and are organized by Strategy and Company Office. As a discussion and decision facilitator platform the council is to advise on the development of sustainability agendas, it assist in defining important action areas and focal points (materiality approach), advises on deriving targets and measures, and make recommendations.

As of 31 December 2024, the following members sit on the Sustainability Council:

- CEO;
- CRO (chairman);
- CFO (deputy-chair);
- Board member responsible for retail;
- Board member responsible for corporate;
- Head of Strategy and Company Office;
- Head of Human Resources Department;
- Head of Central Procurement and Outsourcing Department;
- Head of Integrated Risk Management Department;
- Head of Credit Risk Management;
- Head of Corporate Business Department; and
- CEO of Raiffeisen Investment Fund.

Sustainable Bond Committee

The Sustainability Bond Committee (hereinafter: "SBC") was established as a body for monitoring the management of the sustainability bond program in RBHU Group in line with the RBHU Group sustainability bond framework. The SBC is part of RBHU Group's Asset Liability Committee (as a subcommittee) and represents an extension of the management team. It comprises an extended team of management and experts from Project Finance and Structured Products Department (hereinafter: "PFS"), Treasury, and Strategy and Company Office (hereinafter: "SCO").

The Sustainability Bond Committee has the following tasks:

- Setting of sustainability bond principles;
- Governing of the sustainability bond framework;
- Approval of eligible green and social assets for the sustainability bond portfolio in accordance with the RBHU Group sustainability bond framework;
- Review and sign-off of the environmental and social impact reporting in accordance with the RBHU Group sustainability bond framework.

Regular review of the eligible portfolio and the use of proceeds in accordance with the RBHU Group sustainability bond framework.

Implementation level

ESG business ambassadors

Business ambassadors are experts within business units of RBHU Group responsible for the implementation of the ESG business strategy. Business ambassadors work in close cooperation with ESG business teams of RBI, executing and implementing RBI Group wide strategies and initiatives with local specifics, focusing strongly on ESG lending opportunities.

Sustainability Officers

Sustainability Officers are experts responsible for the establishment and further development of the local sustainability agenda.

The tasks of Sustainability Officers covering the below themes:

- prepare the RBHU Group's consolidated Sustainability Statement in line with CSRD requirements including the coordination of relevant processes at professional level
- elaboration of RBHU Group's long-term ESG strategy with the involvement of relevant stakeholders
- support relevant peer areas in execution of ESG tasks
- preparation of regular Sustainability Council meetings, coordination of proposals, facilitation of the meeting; and
- act as the RBHU Group's main ESG single point of contact towards RBI, the regulator and the Auditor.

Employees (specific units)

Facility Management

The operation of RBHU Group Facility Management is carried out under the direct supervision of the CPO department, with the CPO itself being part of the CFO organization. Facility Management is responsible for the daily operational management of RBHU Group's headquarters and branch network, as well as coordinating its energy management and environmental management activities. The first area of activity includes ensuring the operation, maintenance, and troubleshooting of energy supply systems, preparing and assisting in the procurement of energy carriers (natural gas, district heating, electricity) necessary for operation, and participating in the procurement process. The second area of activity includes tasks such as operating and maintaining the certified Energy Management System (ISO 50001) and the Environmental Management System (ISO 14001) at RBHU Group's headquarters and branch network and continuously improving energy management and environmental performance. Furthermore, Facility Management is also responsible for preparing the annual energy consumption report and for preparing the Scope 1 and 2 calculations, by collecting the relevant data and transferring it to the colleagues dealing with ESG Cockpit data reporting.

Human Resource Department

HR Function sustainability activities include ensuring fair labor practices, enhancing employee well-being, providing training and development opportunities, implementing ethical recruitment processes, providing a performance measurement framework which aligned with broader environmental, social, and governance (ESG) goals.

Internal Controls

The Internal Control System supports the efficient design and effective implementation of the overall control environment to achieve the organization's operating, financial reporting, and regulatory compliance objectives. Through identification, development, documentation, prioritization, and periodic control testing, the Internal Controls System helps to assure the suitability of the control environment. It is a critical component of bank management; it allows the company to foresee potential problems and thereby prevent or minimize the risk of unexpected losses or damage to its reputation.

The Internal Control System is taking part in the overall risk assessment procedure. During the operational risk assessment – in alignment with the Bank's Operational Risk Management Framework – current and future risk exposures are identified and evaluated. The outcome of the risk assessment reveals the Bank's risk profile, based on which the mitigation measures can be defined.

In this regard, the risk assessment serves as a tool for monitoring and improving compliance to ensure the Bank operates according to compliance principles and regulations.

Certain climate change and environmental risks are defined as compliance relevant risks. The Board of Directors receives a quarterly summary report from the Bank's Compliance Officer, which includes assessments related to the compliance-relevant climate change and environmental risks.

In 2024, the Internal Control System undertook a deep dive on the Implementation of the „Green Recommendation" of the National Bank of Hungary in RBHU Group.

Credit Portfolio Management

Credit Portfolio Management is responsible for portfolio-level credit risk identification and steering. As such, it identifies and manages portfolio risks by setting and monitoring portfolio limits and KPIs. In hierarchical terms, it is assigned to Financial Institutions, Country and Portfolio Management, which reports directly to the head of Corporate Credit Risk Management. In view of the significant and increasing importance of ESG risks and their potential steering impact Corporate Credit Risk Management has assumed responsibility for steering and implementing ESG-related credit risk management processes, including customer ESG classification, ESG underwriting aspects and activities, and portfolio ESG level targets steering and monitoring. For the time being portfolio KPIs are targeting the average ESG score of the corporate credit portfolio. Other ESG strategical KPIs and ESG risk assessment issues not strongly and directly impacting the creditworthiness of the customers are managed by the Risk Controlling area.

Corporate Credit Risk Management

Corporate Credit Risk Management is a division assigned to the CRO, responsible for rating analysis, underwriting, contract- and collateral management, portfolio management and credit risk methodology steering of corporate loan customers. In terms of ESG and ESG risks, it performs ESG score analysis throughout the credit rating process. The rating analyst evaluates the ESG score of the customer by considering both qualitative and quantitative facts and information. Qualitative facts include the sustainability and annual report, policies, and mitigation aspects the corporate has in place, while quantitative aspects involve quantitative environmental data such as emission data and energy consumption. For the social and governance score, the analyst assesses the entire picture of the company, including the value chain and internal human resources topics. In underwriting, underwriters use the ESG score of the customer and the ESG assessment of the industry, in addition to credit rating aspects, to decide if a loan or limit application can be supported. Collateral management is responsible for assessing ESG aspects, such as physical risks, during collateral valuation.

Integrated Risk Management

Integrated Risk Management fulfills the Risk Controlling duties for the Bank and reports to the CRO. With respect to ESG risk, the main responsibilities of Integrated Risk Management are the integration of ESG risk to the ICAAP (e.g. risk assessment and stress testing), disclosure reporting, HO calculated financed emission and green asset ratio controlling, reporting and interpretation.

This department also covers several responsibilities related to ESG Risk Data Integration, acting as a coordinator between head office sourced tasks and other delivery units of RBHU Group. It takes part in coordinating the local ESG data collection and data sourcing, including the respective tools and platforms for customer data that support regulatory reporting and rating generation. Additionally, it provides advisory functions on how to implement ESG-induced changes in the process landscape of RBHU Group and on an ad-hoc basis might take part in client support and advisory on providing ESG-related data, Green and Social flagging of the financed loans and advances.

Policy frameworks as governance instruments

Policies are a cornerstone of governance and managing impacts, risks and opportunities. The RBHU Group policy framework is based on different types of internal regulations:

- Management Directives as framework regulations
- Operational Directives and Procedures for covering End-to-End processes
- Product Directives and Accounting Directives
- Standard Operating Procedures for covering detailed processes.

The entire Management is responsible for approving new, updated and cancelled Management Directives. Senior management is responsible for approving new, updated and cancelled Operational Directives, Procedures, Product Directives, Accounting Directives and Standard Operating Procedures. The rules stated in the internal policies are mandatory and binding, unless otherwise stated in the policy itself. The scope of application is defined for each policy by the respective policy owners and approved by the respective approval authorities. The RBHU Group policy database is the standard information platform for RBHU Group and the official source for all RBHU Group internal policies. All employees at head office as well as employees in the various units can access such data at all times. Information on new and updated policies is also sent to the relevant employees on a regular basis. All policies must be kept up-to-date by the policy authors and owners and therefore updated in intervals as may be required by applicable law, or if there is no such requirement, at least once every three years after approval.

GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Management Board and relevant committees are informed on a regular basis about material impacts, risks, and opportunities, including ad hoc meetings and the Sustainability Council. These updates are provided by senior management, including the Chief Risk Officer and sustainability officers. This regular flow of information ensures that the Management Board, the Board of Directors and its committees are well-equipped to oversee and guide the bank's strategy and operations regarding sustainability impacts, risks, and opportunities effectively.

The Management Board considers impacts, risks, and opportunities when overseeing the bank's strategy, decision-making on major transactions, and risk management processes. This involves an evaluation of how these factors align with and influence the bank's long-term strategic goals. When reviewing major transactions and strategic initiatives, the Management Board and relevant committees assess the potential trade-offs associated with various impacts, risks, and opportunities. They ensure that decisions are made with a comprehensive understanding. The Management Board and the Board of Directors ensure that the bank's strategic decisions and risk management practices also include a sustainability perspective. This approach enables RBHU Group to address complex challenges while simultaneously seizing opportunities.

In 2024 the Management Board focused on the transition plan, the ESG data collection and regulatory compliance. In this respect, the Management Board discussed the below-mentioned main topics within the reporting period and took the necessary decisions.

Within the environmental perspective, the focus within the Management Board was placed on RBHU Group's financed emissions target with an update on the climate and environmental business strategy including transition plan. The Management Board was informed and decided on topics pertaining to ESG risk management, disclosure requirements under CSRD, the calculation of financed emissions, green volume developments, the development and management of ESG data collection, and other supervisory and regulatory topics.

With regard to the social perspective, the Management Board discussed the Employee Engagement Survey 2024, received updates on several policies such as the remuneration policy, policy in relation to the RBHU Group performance management system and process, company car policy, the internal loan, the compliance function policy, the internal control system policy. For own workforce topics the agenda included gender pay gap directive implementation roadmap and analysis, performance bonus and annual salary increase, and role-based allowance incorporation to base salary. Cyber security information was discussed with regard to the cyber security strategy and roadmap as well as the information and cyber security status of RBHU Group, align with the local regulatory authority requirements and upcoming EU regulations. For data privacy the related topics included data breaches and the review of the relevant enforcement practices of the National Authority for Data Protection and Freedom of Information.

Regarding the governance perspective, the Management Board discussed, e.g., an update of the Code of Conduct, and received regular compliance updates in the areas of anti-money laundering, financial sanctions, compliance governance and controls, financial crime management, capital market compliance and safeguarding. Moreover, changes to the Organizational and Operational Policy were discussed. In 2024 also FIT & Proper training was conducted to the Management Board.

List of impacts, risk and opportunities related items overviewed by the Management Board (either directly or via the Sustainability Council):

- Environmental items: (i) climate change mitigation; (ii) climate change adaptation and (iii) energy;
- Social items: (i) adequate wages; (ii) working time; (iii) gender equality and equal pay; (iv) privacy; (v) cyber security;
- Governance items: (i) money laundering and counter terrorism; (ii) corruption and bribery and (iii) corporate culture.

These areas reflect RBHU Group's commitment to address key sustainability challenges and leveraging opportunities that align with its strategic goals.

GOV-3: Integration of sustainability-related performance in incentive scheme

Based on RBI's Remuneration policies and practices related to the sale and provision of retail banking products and services incentive schemes shall not promote the offer or provision of a specific product or category of products over other products, such as products which are more profitable for the Relevant NWU or Relevant person, to the detriment of the consumer. At RBHU Group, there is no part of the variable remuneration that depends on sustainability-related targets.

GOV-4: Statement on due diligence

The financial services sector itself has for years been confronted with many challenges and risks. In order to remain profitable over the long term, these challenges call for a strong culture of risk management and sustainability. Compliance with appropriate due diligence processes is therefore of particular importance. The following overview provides information on which sections of the current sustainability statement contain core elements of due diligence.

Core elements of due diligence	Paragraph in sustainability statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model
b) Engaging with affected stakeholders in all key steps of the due diligence	GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies SBM-2: Interests and views of stakeholders IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities E1-2: Policies related to climate change mitigation and adaptation S1-1: Policies related to own workforce S1-2: Processes for engaging with own workers and workers' representatives about impacts S4-1: Policies related to consumers and end-users S4-2: Processes for engaging with consumers and end-users about impacts G1-1: Corporate culture and Business conduct policies and corporate culture G1-2: Management of relationships with suppliers
c) Identifying and assessing adverse impacts	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities
d) Taking actions to address those adverse impacts	Respective sections on management of impacts, risks, and opportunities
e) Tracking the effectiveness of these efforts and communicating	E1-4: Targets related to climate change mitigation and adaptation S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

GOV-5: Risk management and internal controls over sustainability reporting

The Sustainability Statement was created in collaboration between units of RBHU Group with Strategy and Company Office as leader of coordination. With this said data collection was carried out in the respective divisions on an ongoing basis. Draft wording of the report was discussed by units, while division heads provided professional control over their respective parts. Once the report is completed, approved by the Management Board, the Board of Directors, and the Audit Committee. Balanced and comprehensive sustainability reporting is a priority for RBHU Group and its governing bodies, requiring compliance with all statutory requirements. In this regard RBHU Group aims to tackle the risks arising out or in connection with preparing the report.

Two main risks were identified in sustainability reporting: (i) the risk of overlooking material topics, leading to incomplete report; and (ii) the risk of inaccurate data. To mitigate the first risk, a materiality assessment is conducted before report preparation (see chapter SBM-3: Material impacts, risk and opportunities and their interaction with the strategy and business model), ensuring all relevant topics are identified and addressed. There is a second risk that incorrect data is input into the Sustainability Statement. To cover this risk, the content of the report is subject to internal controls and external audit.

Risk framework

Risk management is essential for implementing the ESG strategy and the associated risk control measures. RBI, and subsequently RBHU Group gears its business model to the high-level strategic goal of creating long-term value in line with the principles of responsible banking and regulatory requirements. In concrete terms, the Bank identifies, acknowledges, and aligns the continuous development of its risk management approach with the additional risks originating from ESG.

Firstly, there was a focus on tackling climate and environment-related risks (transition and physical risks), not only via an assessment at the counterparty level but also by considering the potential impact of those risks stemming from the materiality assessment and the internal/external climate stress test. In the meantime, social and governance aspects are also gaining increasing importance (as further described).

ESG-related risks have been accounted for by enhancing the existing classical four pillars of risk management on multiple operational levels:

- Identification and definition of ESG risks;
- Measurement, methodologies and analytics;
- Steering approaches, reflecting risks and opportunities;
- Risk processes and governance.

ESG-related topics in the CRO area are addressed via the line organization, ensuring streamlined integration into daily activities. The goal is to fully comply with regulatory requirements while aligning actions with the Bank's business model. These efforts closely adhere to the regulatory requirements outlined by the ECB and the EBA guides on climate-related and environmental risks.

The risk perspective is enhanced by market and industry expectations, which are equally represented and integrated within the ESG risk management processes.

When referring to the traditional four pillars of risk management, which are the foundation of the RBI Group risk management approach, the Bank is currently focusing on addressing, quantifying, managing and further integrating the respective risks, as well as the opportunities. The progress is measured via the regular monitoring and establishment of internal ESG KPIs. The main topics reflected within each pillar are highlighted below (different time horizons are considered depending on the topic):

I. Identification & definition of ESG risks	II. Measurement methodologies & analytics	III. Steering approaches, reflecting risks & opportunities	IV. Risk processes and governance
• Climate-related and environmental risks	• Use of metrics for measurement of ESG on a customer and portfolio dimension:	• Sectoral strategies & special policies	• Credit processes enhancement
• Identifying risks according to: • Climate change • Circularity • Biodiversity	• Environmental, Social and Governance score • Green Asset Ratio • Financed GHG emissions	• Climate stress testing	• Prevention of liability, reputational and greenwashing risk in the design phase
• Social risks			
• Governance risks			

The ESG risk framework ensures implementation across the four risk management pillars, offering a high-level overview and guidance for ongoing and planned risk management activities in the Group. These actions are motivated by the expectations of internal and external stakeholders. The framework is reviewed on a yearly basis, updated to the latest available trends and future expectations, and approved by the Management Board.

Identification of ESG risks

Proper identification, definition and understanding of ESG risks are crucial. In the first phase, RBI and subsequently RBHU Group has particularly focused on climate-related and environmental risks, although social and governmental risks are also gaining increasing attention in internal risk initiatives, especially with new regulations such as the upcoming new EBA guidelines. An initial qualitative and expert-driven approach has been further supported by quantitative assessments including impact analysis, materiality assessments, financed emissions calculations, and climate stress tests.

The definition of ESG risks and the transmission channels to traditional risk types are explained in more detail in the following chapter. The knowledge gained is transferred across the organization through different training activities (training sessions for new topics, regular exchange sessions, etc.). ESG risk training has become mandatory in the risk area.

The financed emission calculation has reinforced the above-mentioned definition process and supports the Bank in identifying the top carbon-intensive industries in its non-retail portfolio; a more detailed description and results are included under the chapter E1-6: Gross scopes 1, 2, 3 and total GHG emissions.

Topic-specific disclosure requirements

Environmental risk

Climate and environmental risks are driven by environmental factors (E risks). In the outside-in view, these risks should be understood as the financial risks posed by the Bank's exposures to counterparties that may potentially contribute to or be affected by climate change or adaption, and other forms of environmental degradation (such as air pollution, water pollution, scarcity of fresh water, land contamination, biodiversity loss and deforestation). Related to this, the Bank and its customers have to comply with additional political and social demands, otherwise the financed portfolio may face additional risks relating to physical damage or transition.

As such, E risks can result in additional capital requirements, expenditures and potential losses of revenue, which may lead to a deterioration in the respective credit standing and therefore have an adverse effect on the business, financial position and results of RBHU Group's operations. Further information on the different climate-related risks, and their transmission channels to the traditional risk types (market, liquidity, credit and operational risks) can be found in the section on the assessment of the materiality of climate and environment-related risks.

Social and governance risk

In alignment with RBI Group approach, these risks are addressed in RBHU Group's internal risk framework, building on the existing structure and internal information. The Bank is therefore continuously updating and refining its approach to enhance its positive impact and align itself with the latest industry standards:

- Social risks arise from the financial impact generated by the misuse of human capital, e.g. regarding the rights, well-being and interests of people and communities. This could refer to working conditions, health and safety, employee relations and diversity, employee training, inclusiveness, equality or community programs. Regarding all E, S and G-related topics, the framework also considers the country-specific situation as well as the legal background. For example, countries with low (or high) standards in social aspects such as human rights have a lower (or higher) score. This also impacts the ESG score of the customer: identical corporates with different country risk may have different ESG scores due to varying country scores

- Governance risks refer to the governance practices of the Bank's counterparties, including the inclusion of ESG factors in policies and procedures under the governance of the counterparties. This may include, but is not limited to, executive pay, board diversity and structure, shareholder rights, bribery and corruption, compliance, ethical standards (e.g. data ethics), fair tax strategy, etc.

Risk processes and governance

Steering approaches, reflecting risk and opportunities

The Management Board is the most senior decision-making body for ESG-related strategies, policies and commitments. The Management Board is supported in its ESG decisions by the cross-functional Sustainability Council.

From a risk management and supervision perspective, environmental, social and governance (ESG) risks are viewed as cross-dimensional risks that affect all areas of risk management. As such, the ESG risks are currently under incorporation into the Bank's risk strategy as driver of management of existing risk types. The materiality assessment described in separate chapter forms the basis for implementation in the ICAAP framework and is expected to be further refined over the coming years as methodologies are further developed and common practices evolve. As such, each relevant risk department (market, operational, liquidity and credit risk) is responsible for measuring environmentally-driven risk in accordance to the materiality levels. The risk strategy and risk regulations and processes are continuously updated, refined and adjusted to the current standards.

The ESG risk management dimension is currently in the course of being incorporated into the Bank's Risk Strategy, however from pure ESG perspective there is no single indicator yet as of now on which a risk capacity/ tolerance framework can be robustly built.

The main tools for managing and supervising environment-related risks as of year-end 2024 are:

- Environmental, social and governance score;
- Green Asset Ratio (GAR);
- Financed GHG emissions;
- Business policy on nuclear energy;
- Business policy on steel;
- Business policy on oil & gas;
- Business policy on real estate and construction;
- Business policy on thermal coal;
- Climate stress test methodology and results;
- Sustainability assessments in corporate lending and underwriting policy;
- RBHU Group ESG Rulebook.

Regarding specific reporting, ESG risk reports are continuously included, populated and distributed through the group risk controlling reporting framework. These include: the financed emission calculation, physical risk assessment/vulnerability, energy efficiency distribution, climate stress tests, exposure towards top polluters, ESG rating distribution and GAR results report.

Steering approaches, reflecting risk and opportunities

RBHU Group has the intention to redefine and reshape its business in line with the latest market requirement and is committed to meet regulatory requirements. Commitments have been made in the areas of thermal coal, nuclear power, arms and war material, and gambling. Efforts have also been taken to (re)define the approach to industries with high CO2 emissions and/or high negative environmental impacts by implementing the sector-specific group policies.

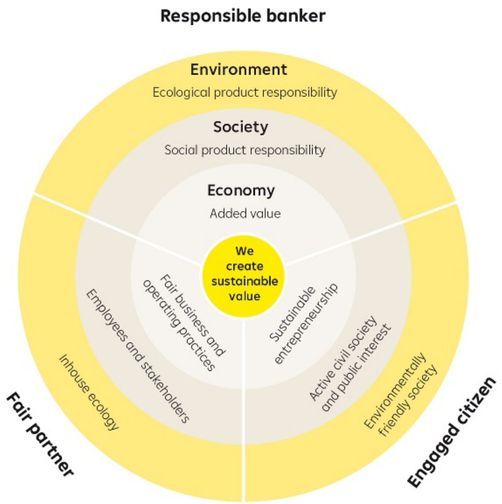
An overview of the existing policies can be found in chapter E1-2: Policies related to climate change mitigation and adaptation. The results of the climate stress test can be found in chapter Climate stress testing.

Strategy related to sustainability

SBM-1: Strategy, business model and value chain

Our understanding of sustainability

For over 130 years, the RBI Group has combined financial success with socially responsible actions.



Our approach as designers of a sustainable company and society

The RBI Group understands sustainability to mean responsible corporate activities for a long-term, economically positive result in consideration of key societal and environmental aspects. This understanding is deeply rooted in Raiffeisen's fundamental values (see also chapter G1-1: Corporate culture).

The RBI Group combines financial success with social responsibility by anchoring sustainability as a fixed component of its business and by practicing sustainability as an integral leadership and management responsibility, in addition to taking key sustainability aspects into consideration in its business activities.

The RBI Group is therefore committed to aligning the management structures and processes with this attitude. In the three strategic sustainability areas of responsibility – responsible banker, fair partner, and engaged citizen – which are closely linked to the business activities, RBI Group endeavors to professionally and effectively apply the values and competences to fostering sustainable development both in RBI Group and in society.

RBHU Group's sustainability strategy approach

The strategy and mission of RBHU Group is embedded in the strategy of RBI Group and backed by the technical expertise and knowledge hub of Raiffeisen Bank International. Sustainability is a fundamental principle for the Bank and a measure of corporate success. The Bank considers ESG factors within its business strategy. RBHU Group provides several sustainable financial and investment products, while daily operations are executed with the approach of energy efficiency and environmental consciousness.

Core action areas of our sustainability strategy

The sustainability strategy of the Bank is based on four main pillars, (i) analyses and assessment of our environment, tracking performance; (ii) risk analysis and management; (ii) the portfolio strategies and business approach introduced for the financing activities and (iv) target setting and executing.

Strategic analysis

The Bank currently performs two annual comprehensive analysis, the first one is the Climate Horizon Analysis and the second one is the GAP Analysis.

The climate horizon analysis is an analysis tend to identify relevant climate vulnerabilities and opportunities of the Bank on short (0-3 years), mid (4-10 years) and long term (10 years <). Vulnerability describes the exposures/potential adverse effects on companies due to the physical and transition risks, opportunities on the other hands mean the potential to grow within the changing environment.

RBHU Group also performs a periodical GAP analysis and action plan to address the Green Recommendations of ECB/NBH. The purpose of the assessment is to review compliance of RBHU Group with the Green Recommendations based on 4 section (business model and strategy, risk management, lending, internal governance and other sustainability matters) and present ongoing processes in order to comply with the recommendations and identify gaps to handle.

Risk analysis and management

Main focus points of risk analysis and management are: (i) define and identify ESG risks; (ii) identification of vulnerable industries; (iii) portfolio monitoring; (iv) ESG risk and business model assessment in relation to the lending processes; (v) customer risk analysis through ESG rating and (iv) collateral valuation.

For detailed descriptions in relation to the risk analysis and management functions please see:

- GOV-1: The role of the administrative, management and supervisory bodies
- GOV-5: Risk management and internal controls over sustainability reporting
- IRO-1: Process to identify and assess material impacts, risks and opportunities
- ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model; and
- E1-2: Policies related to climate change mitigation and adaptation.

RBHU Group climate and environmental business strategy

The RBI Group has formulated a Climate & Environment Business Strategy that integrates climate & environment risk into major strategic processes aiming to:

- make balance sheet Paris Agreement climate target fit
- support customer in their climate and environmental transition; and
- drive sustainable finance transformation based on up to date ESG expertise and governance.

The business model of the RBHU Group is in line with the strategic goals of RBI represented above.

The Bank has initiated portfolio strategies within the lending activities tailored in line with the economic transition, namely (i) restrictive; (ii) transformative and (iii) supportive approach:

- Supportive: support companies and projects that are "best-in-class" already
- Transformative: (1) transformative: in implementation – support companies and projects on their way to reduced carbon emission or Net-zero nature impact or in their efforts to provide positive environmental & social impact; (2) transformative: in planning – support companies and projects to plan and begin their way to reduced carbon emission or Net-zero nature impact or in their efforts to provide positive environmental and social impact
- Restrictive: dispreferred of companies and projects, also called negative screening. Engagement into lending to such entities is discouraged by the underwriting policy, unless the partner shows material, measurable and swift commitment for transition towards the transformative category expectations.

Strategic target setting

RBI Group assesses its environmental footprint, and other material impacts of the RBI Group on the environment and biosphere. Within these activities the RBI Group evaluates and assesses how it will operate in a carbon neutral economy and consequently plans its GHG reduction targets. Fundamentally the targets are divided into own operation and financed emission activities and reflecting the transition strategy of the RBI Group and also the RBHU Group.

As for the financed emission, the Bank intends to reduce its GHG emission, arising out from the financing of non-financial corporations, by 17.11 % by 2030 compared to the level measured in 2023.

At the RBHU Group level, local Scope 1 and 2 targets have not been defined; thus, RBHU Group generally aligns to the RBI Group-level target.

For detailed descriptions in relation to the emission numbers and detailed pathway please see:

- E1-1: Transition plan for climate change mitigation; and
- E1-4: Targets related to climate change mitigation and adaptation.

ESG factors and relations within the business model and segment level

Corporate Business

RBHU Group offers support via various sustainable financing options aligned with the business model and sustainability strategy of its customers. These sustainable financing options cover a wide range of financial instruments (bonds, project loans, syndicated loans, etc.) characterized by their linkage to sustainable activities.

RBHU Group's sustainable finance experts support corporate customers in their transformation by identifying and defining sustainable transactions. The basis for this assessment of financial products and services includes both the regulatory framework of the EU and the international market standards such as those of the Loan Market Association and the International Capital Market Association. RBHU Group supports its customers in verifying the suitability of various projects and activities with regard to EU Taxonomy compliance and RBI's internal definitions of green, social or sustainable transactions.

Sustainable financial products can be tailored to the individual customers so that they have a positive impact in terms of ESG criteria. RBHU Group supports customers in all industries – in critical sectors such as oil and gas, and through to non-critical sectors such as renewable energy – and in doing so, addresses each individual customer's respective challenges and opportunities. With all sustainable financing transactions, RBHU Group's sustainable finance experts always endeavor to provide corporate and institutional customers with a clear understanding of market standards and requirements, as well as best practices.

Providing sustainable financing generates added value for our customers and a wide range of activities for society that are suited to sustainable financing. We describe financing as being sustainable when it has a long-term positive impact on the environment and climate and/or on societal and social issues, and when it supports the attainment of the Sustainable Development Goals (SDGs). More specifically, the definition of a sustainable transaction is based on the EU Taxonomy Regulation and on RBHU Group's ESG Rulebook (basis: RBI's ESG Rulebook) definition for green and social. The eligibility criteria of the listed frameworks differ in terms of complexity and precision. Currently, our corporate sustainable finance activities mainly focusing on renewable energy, electrification and sustainable real estate finance projects.

The Sustainability Bond Framework of RBHU Group connects liability and asset side by allocating funds collected through green bonds issuance to the sustainable finance activities of large corporate segment. Both asset and liability side gained achievements during recent years. RBHU Group received the award for being the „Green Bank of the Year 2022" and „Green Bank of the Year 2024" from the Central Bank of Hungary based on its sustainable finance activities and outstanding amounts within corporate segment, affirming the efforts made towards the support of transition of the real economy. While in funding side 300 mn EUR Senior Preferred green MREL eligible bond has been issued to international investors with a demand showing substantial oversubscription in 2024.

For further information about the Sustainability Bond Framework please see: https://www.raiffeisen.hu/web/english/investor-relations

For detailed information about the corporate segment please see the respective parts of this Sustainability Statement.

Retail Business

RBHU Group provides services to around 450.000 retail and private banking customers, offering a broad product range (e.g. account packages, payment services, personal loan, mortgage loans and investment products). In Hungary, RBHU Group provides investment advisory and asset management services to premium and private customers. When talking about consumers and end-users in RBHU Group's business, RBHU Group means private individuals who use RBHU Group's products and services for personal use, either for themselves or for others, and not for professional purposes, including private individuals who will potentially become customers of RBHU Group. RBHU Group has customers of all ages and from all types of socio-economic background. RBHU Group follows a segment-based approach and covers mass-market retail clients.

RBHU Group aims to further increase new green loan sales to private individuals and small-business customers, and therefore advise our customers on the possibility of green mortgage loans secured by real estate and are made available exclusively to finance or refinance, in whole or in part, new and/or existing transactions with a specific use of proceeds as defined by the framework for Green and Social Loans included in the local Credit Policies.

For detailed information about the retail segment please see E1-4: Targets related to climate change mitigation and adaptation of this Sustainability Statement.

Significant geographical markets and total revenue

While RBHU Group is a subsidiary of the RBI Group, its main operation covers solely the territory of Hungary, in consequence the geographical market of RBHU Group is Hungary as whole.

The number of employees at reporting date can be found under S1-6: Characteristics of the undertaking's employees. section of the Sustainability Statement.

Raiffeisen Bank is a financial institution that provides services to companies across various sectors in the real economy, with a particular focus on the energy, real estate, and agriculture sector. In relation to the EU taxonomy, the bank also examines these sectors due to its exposure.

The total revenue of RBHU Group covering the financial year of 2024 can be found under (3.2) Profit or loss of the consolidated financial statements.

Definition of value chain

According to ESRS, it is necessary to report information related to an undertaking's own operations and upstream and downstream value chain, including its products and services, its business relationships and its supply chain. RBHU Group's business model is to provide banking services to corporate and retail customers in Hungary. Although deposit and lending activities are the focus of activity, RBHU Group also offers leasing, asset management, and investment banking services. RBHU Group has defined its value chain below.

Description of the upstream value chain

The upstream value chain consists of the financial liabilities that are borrowed as deposits or issued as bonds or equity. These products are a source of financing for RBHU Group, which is used to fund the activities of customers. In general, this does not lead to positive or negative sustainability outcomes in the value chain. However, sustainability related funding is also part of the upstream value chain, which aims to finance specific projects or outcomes (for further information please see in SBM-1 Corporate section). The funding impact of sustainability matters on RBHU Group's is taken into account. Money invested by customers in investment and pensions funds is not considered part of the upstream value chain. The suppliers of goods and services that RBHU Group purchases in order to carry out operating activities are considered to be a further part of the upstream value chain.

Description of the downstream value chain

The main downstream key value chain consists of the on-balance sheet financial assets, which are lent or leased to customers and financial investment activities of RBHU Group. These products are a source of financing for customers and investees in their activities, leading positive or negative sustainability outcomes. Here the key value chain relates to lending to corporate customers, this value chain has the greatest impact materiality. An additional key sustainability-related value chain relates to lending to retail customers. Lending to sovereigns, central banks and financial institutions, which is predominantly undertaken for liquidity purposes, is not considered a key sustainability-related value chain. Nevertheless, where market convention has been established to include additional information on lending to sovereigns and financial institutions, information is provided.

A second downstream key value chain consists of assets under management in investment. These products are a source of financing for investees in their activities, leading to positive or negative sustainability outcomes. Here only investment activity where RBHU Group employees have direct operational control of the investment process is considered to be part of the value chain. This means third party funds, where there is no direct operational control of the investment process and the possibility to look-through to the underlying assets is limited, are not considered part of the value chain.

Downstream value chain activity, which RBHU Group does not consider as being material, is not covered. This activity includes:

- Cash and cash equivalents, most of which is held at central banks or in other financial institutions
- Exposure from trading assets and liabilities are not considered due to their short-term nature. However, sustainability risk for market risk is considered as part of own operations in ESRS E1: Climate change
- Non-consolidated associates are considered for the purposes of Scope 3 Category 15 financed emissions to the extent that in-house data is available. However, they are not considered for other aspects of the value chain
- Non-consolidated investees are considered for the purposes of Scope 3 Category 15 financed emissions to the extent that in-house data is available. However, they are not considered for other aspects of the value chain
- Investment property is not included due to the non-core nature of the business. Nevertheless, own-use property and its impact on climate change is considered as part of the in-house ecology section in ESRS E1: Climate change.

Value chain information is currently provided to the extent that RBHU Group has ready access to the information. In the future RBHU Group expects to have access to more information as the CSRD develops.

SBM-2: Interests and views of stakeholders

General description of stakeholder engagement

Most important stakeholder groups

RBHU Group defines its stakeholders as those people or groups of people that have a legitimate interest in the company through their direct or indirect business activities. Stakeholders are therefore primarily:

- Shareholders/Owner: Individuals or entities that own shares in RBHU Group and have a vested interest in the company's financial performance and governance. Currently, the sole shareholder of RBHU Group is RBI as an ultimate beneficial owner
- Customers/Investors: Individuals or organizations that purchase or use RBHU Group's products and services, whose satisfaction and loyalty are crucial to business success. Examples: Corporate customers, private customers/consumers, international and retail investors, SMEs
- Employees: The workforce of RBHU Group, whose skills, engagement, and well-being are fundamental to operational effectiveness. Examples: Full-time staff, part-time staff, contractors
- Regulatory & Supranational Authorities: Government bodies and international organizations that set and enforce regulations impacting RBHU Group’s operations. Examples: European Central Bank (ECB), National Bank of Hungary, World Bank Group Guarantees (MIGA), European Investment Bank (EIB), International Finance Corporation (IFC), European Bank for Reconstruction and Development (EBRD)
- Business Partners: Entities with which RBHU Group collaborates, including suppliers and service providers, essential for the supply chain and business operations. Examples: Consultants, auditors, suppliers
- RBHU Group Membership Organizations: Industry groups or associations that RBHU Group is a part of, which provide a platform for collaboration and advocacy. For example: Bankszövetség (Hungarian Banking Association)
- External ESG Expert Groups: Independent experts providing insights and guidance on environmental, social, and governance matters to enhance RBHU Group's sustainability performance. Example: Third-party ESG consultants, advisory panels.

Frequency and formats of stakeholder engagement

RBHU Group engages with its stakeholders through various methods to ensure their interests and views are adequately considered in the company's strategy and business model. The frequency of these engagements varies based on the needs and relevance of each stakeholder group. RBHU Group also plays an active role in various national and international forums:

- Conference: Large formal gatherings where stakeholders can discuss and share information
- Meeting: Smaller, more focused discussions with specific stakeholders, held as needed
- Training: Educational sessions aimed at informing or developing stakeholders' skills, scheduled as needed throughout the year
- Formal Committees: Official groups formed to discuss and make decisions on specific issues. Examples include the Sustainability Council, Sustainability Bond Committee, and various committees focused on workforce-related issues like health, working conditions, and social dialogue
- Working Groups: Working groups typically involve stakeholders from different departments, addressing projects related to ESG initiatives, climate action, and sustainability reporting.

Organization of stakeholder engagement

RBHU Group organizes its stakeholder engagement through a decentralized approach, where various units engage with stakeholders based on their specific areas of expertise and operational focus. This model ensures that interactions are relevant and directly aligned with the specific topics and issues at hand. Each unit within RBHU Group, including Strategy, Business, Risk, Legal, and Compliance, is responsible for managing its own stakeholder interactions, tailored to the context of specific stakeholder groups.

Purpose of stakeholder engagement

The purpose of RBHU Groups stakeholder engagement is to ensure that the interests and views of stakeholders are adequately considered in the company’s strategy and business model. Engaging with stakeholders allows RBHU Group to:

- Gather Insights and Feedback: Through engagement with its stakeholders RBHU Group gains valuable insights and feedback on topics such as sustainability, regulatory compliance, and corporate performance. This helps the company understand stakeholder expectations and concerns, supporting decision-making and corporate strategy development
- Identify and Address Material Issues: In dialogue with stakeholders questions can be developed and prioritized that are important to both the company and the stakeholders
- Enhance Transparency and Accountability: Stakeholder engagement promotes transparency and accountability by providing stakeholders with information about RBHU Groups activities, performance, and future plans. This open communication helps to build trust and strengthen relationships with stakeholders
- Foster Collaboration and Partnerships: Stakeholder engagement provides opportunities for collaborative and partnerships with various stakeholder groups. This enables RBHU Group to work with its stakeholders to address and solve common challenges, share best practices, and achieve mutual benefits.

Consideration of stakeholder sngagement outcomes

RBHU Group values the insight and feedback gathered from stakeholder engagement and integrates, these outcomes into its decision-making processes where feasible. The keyways these outcomes are considered include:

- Incorporating Feedback: Feedback from stakeholders is considered during the decision-making and operational practices. This helps ensure alignment with stakeholder expectations and key concerns
- Informing Initiatives: Outcomes from stakeholder engagements serve as a foundation for various initiatives, including sustainability efforts, risk management, and policy updates. This helps RBHU Group prioritize goals and identify areas for improvement
- Documentation and Reporting: While there is no centralized documentation system for all stakeholder feedback, significant outcomes and actions taken in response to stakeholder engagements are documented where feasible.

By integrating the outcomes of stakeholder engagements into its processes, RBHU Group ensures that stakeholder interests and views are considered, supporting the company's long-term sustainability and success.

Inclusion of stakeholders in due diligence and materiality assessment

Within the assessment of double materiality first version of the documentation was carried out by RBI backed by their external stakeholders and experts. RBHU Group and other NWUs received this RBI Group level document and assessed and finetuned it based on local specifics. For the double materiality assessment, internal topic experts (stakeholders) assessed direct impacts, identifying relevant impacts, risk and opportunities within their areas of expertise. RBHU Group also participates in sectoral discussions in order to align reporting obligations on national level.

The selection of material topics is guided by the regulatory requirements of the European Sustainability Reporting Standards (ESRS). This approach ensures RBHU Group strategy reflects the expectations of key stakeholders, including supervisory authorities and supranational organizations.

Effect on the overall ESG strategy

RBHU Group has established a Sustainability Council consisting of the MAN and internal experts, which plays a critical role in stakeholder dialogue and sustainability management. The Sustainability Council guides RBHU Group's strategic direction concerning economic, environmental and social issues, ensuring stakeholder concerns are reflected within the organization.

Next steps

By continuously considering stakeholder feedback, RBHU Group aims to strengthen its stakeholder relationships and ensure that their interests are adequately considered. This is expected to increase trust and transparency.

In addition to the above regular reviews of internal ESG policies, ensure continuous improvement and alignment with best practices.

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

As part of an internationally active banking group, RBHU Group faces specific challenges in its efforts to realize its sustainability vision. These arise from the economic, social and environmental impacts of RBHU Group's business activities as well as from the external conditions within which it operates. RBHU Group works within a global environment that is characterized by numerous economic, geopolitical and environmental risks. In the sustainability statement, it addresses the sustainability topics that have been identified within RBHU Group as material, that reflect the expectations of its stakeholders, and that represented the focus of its engagement and people, including human rights. The sustainability topics elaborated in the sustainability statement are the result of the double materiality assessment.

In 2024, RBHU Group performed a double materiality assessment based on the principles and requirements formulated in the ESRS. For an overview of how the assessment was performed, please refer to the chapter IRO-1: Process to identify and assess material impacts, risks and opportunities. The assessment showed the topics through which RBHU Group has been or is connected to a material impact the environment or on people (impact materiality) and the topics that now, or may in the future, have a material financial effect on RBHU Group (financial materiality).

RBHU Group plans to assess, consider and cover materially important ESRS items within the formulation of the annual strategy update for 2025.

Description of material impacts, risks and opportunities

The outcomes, including both the material topics from own operations as well as from the value chain, are shown below:

ESRS topic	ESRS subtopic	RBHU Group topic	IRO short name	IRO description	IRO type	Business model	Value chain	Response in strategy decision-making	Time horizon	Stake-holder
E1 Climate change	Climate change mitigation; Climate change adaptation; Energy	Climate change	CO_2 emission reduction	Based on the business model, lending to high-carbon industries and fossil fuel projects can delay progress towards climate goals. Climate change mitigation measures focus on reducing greenhouse gas emissions to slow the pace of global warming.	Negative impact	Non-retail; retail; assets under management	Downstream through lending business as well as through assets under management in Hungary	RBHU Group constantly strives to improve customer experience, enabling its clients to achieve more in their personal and professional lives.	Medium to long-term	Non-retail and retail customers
E1 Climate change	Climate change mitigation	Climate change	Climate-fit operations	RBIHUs business activities can have a negative impact on the climate through greenhouse gas emissions (scope 1-3), which stem mainly from energy consumption, material consumption, and business travel within own operations.	Negative impact		Own operations	Sustained growth: sustained business growth and business model profitability	Medium to long-term	Employees
E1 Climate change	Climate change adaptation	Climate change	Adaptation risks (natural and governance)	Heat waves and extreme weather can keep employees from physically and remotely accessing their workplaces, resulting in reduced employee productivity and severe threats to business reliability. Resource scarcity, rising energy costs, and extreme weather will create business disruptions for FS companies. For example, blackouts will result in data security threats and outages, disrupting company and client access to information.	Negative impact		Own operations	Sustained growth: sustained business growth and business model profitability	Medium to long-term	Employees
E1 Climate change	Energy	Climate change	Sustainable operations	The use of fossil fuels further contributes to the emission of CO2 and enhances climate change. Therefore, RBHU Group can negatively impact its own footprint by sourcing energy derived from fossil fuels. Further the same cost factor could instead be used to support a growing transformation towards renewable energy.	Negative impact		Own operations	Sustained growth: sustained business growth and business model profitability	Medium to long-term	Employees
S1 Own workforce	Equal treatment and opportunities for all - Gender equality and equal pay for equal value; Employment and inclusion of persons with disabilities; Measures against violence and harassment in the workplace; Diversity	Diversity, equity and inclusion	Inclusion and belonging, societal equality; Better decision-making	An inclusive work environment allows everyone to be themselves, enhancing job satisfaction and personal growth. Embracing diversity broadens skills, knowledge, perspectives, improves cultural competence, and promotes a healthy and positive workplace. Poorly managed employee relations can cause exclusion, discrimination and lower motivation, harming job satisfaction and well-being.	Positive and negative impact (inclusion is only positive and harassment is only negative materiality)	Employees in HU primarily in administrative roles and customer service	Own operations	Be an attractive employer and have a high-performing working culture	Short to medium-term	Employees
S1 Own workforce	Equal treatment and opportunities for all - Training and skills development	Employee development	Personal development	Comprehensive learning fosters professional and personal growth and boosts employee satisfaction and motivation.	Positive impact	Employees in HU primarily in administrative roles and customer service	Own operations	People & culture: attractive employer and high-performing working culture	Short-term	Employees
S1 Own workforce	Working conditions - Working time; Health and safety	Health	Mental and physical health enablement	Healthcare, well-being, and sports opportunities can enhance physical and mental health, boosting overall productivity and long-term well-being. Persistent stress and sedentary office work can cause physical ailments, mental health issues, and decreased productivity.	Positive and negative impact	Employees in HU primarily in administrative roles and customer service	Own operations	People & culture: attractive employer and high-performing working culture	Short to medium-term	Employees

S1 Own workforce	Social dialogue	Employee involvement	Having a voice	Employee involvement enhances engagement and loyalty by giving employees a voice and ensuring they are heard. Without addressing employee needs and capturing their mood, potential problems may go unresolved, negatively impacting satisfaction.	Positive and negative impact	Employees in HU primarily in administrative roles and customer service	Own operations	People & culture: attractive employer and high-performing working culture	Short to long-term	Employees
S1 Own workforce	Working conditions - Secure employment; Adequate wages; Work-life balance	Employee relationships	Employee relationships	Secure and flexible employment enhances financial stability, work-life balance, and overall employee satisfaction. Benefits for part-time and temporary employees foster inclusivity and engagement, contributing to a healthier work environment. Insecure or temporary jobs can lead to stress, reduced life-planning security, and lower job satisfaction.	Positive impact	Employees in HU primarily in administrative roles and customer service	Own operations	People & culture: attractive employer and high-performing working culture	Short to long-term	Employees
S1 Own workforce	Other work-related rights - Privacy	Data privacy	Protection of personal data	Proper data privacy handling fosters trust and ensures personal information is secure. Poor data privacy practices can lead to breaches, causing stress and loss of trust.	Negative impact	Employees in HU primarily in administrative roles and customer service	Own operations	People & culture: attractive employer and high-performing working culture	Medium-term	Employees
S4 Consumers and/or end-users	Information-related impacts for consumers and/or end-users, cyber security & resilience is an entity specific topic	Privacy, cyber security & resilience	Privacy, cyber security & resilience	1) Impact: Transparency of Data Subject Rights, trust in the financial system. Loss of trust, misuse of confidential information, unavailability of systems and services. 2) Risks: regulatory fines and sanctions, loss of trust and credibility, negative publicity, decreased customer retention and acquisition, reduced revenues, higher insurance premiums, non-functioning of the financial market.	1) Positive and negative impact 2) Financial risk	Retail	Own operations	Privacy Customer centricity: trust and reliability; Cyber security: speed and adaptability – high adaptability to rapidly changing market developments and harnessing new technologies	1 Short to medium-term 2) Medium-term	Private individuals (consumers)
S4 Consumers and/or end-users	Information-related impacts for consumers and/or end-users Social inclusion of consumers and/or end-users	Access to (quality) information Responsible marketing practices	Access to (quality) information	1) Understanding of financial products and services, financial literacy, ability to make informed investment decisions and to repay loans; Financial harm to consumers. 2) Regulatory fines and sanctions, expense from lawsuits, loss of clients, reduced revenues. This topic is not only information-related, but also social inclusion related relevant (e.g. for people with disabilities): Enabling sound and well-informed financial decisions; increase in customer satisfaction while on the other hand there might be damage to trust and financial harm to customers.	1) Positive and negative impact (applicable for both) 2) Financial risk (applicable for quality information)	Retail	Own operations	Sustained growth / customer centricity + Efficiency	1) Short to medium-term 2) Medium-term	Private individuals (consumers)
S4 Consumers and/or end-users	Information-related impacts for consumers and/or end-users	Freedom of expression	Freedom of expression	Complaints and feedback will always happen - as long as the Bank react properly, this will be regarded in a positive way by customers. The Bank believes it operates a robust complaint management system and able to tackle every problematic case.	Positive impact	Retail	Own operations	Customer centricity: efficiency and deep customer understanding	Short to medium-term	Private individuals (consumers)
S4 Consumers and/or end-users	Social inclusion of consumers and/or end-users	Non-discrimination	Non-discrimination	Same chances for all, and on the other hand reduced chances, financial disadvantages, social exclusion.	Positive and negative impact	Retail	Own operations	Customer centricity: superior customer experience based on data excellence and deep customer understanding	Short to medium-term	Private individuals (consumers)
S4 Consumers and/or end-users	Social inclusion of consumers and/or end-users	Access to products and services	Access to products and services	Removed barriers (e.g. caused by the EU/EAA) lead to independence in financial matters, usage of financial products gives opportunities, safeguarding the stability and integrity of the financial system. On the other hand: discrimination (e.g. digitally illiterate people), damage to trust, financial harm to customers. Reduced market share and revenues; increased loan defaults and credit losses.	Positive and negative impact	Retail	Own operations	Customer centricity: superior customer experience based on data excellence and deep customer understanding	Short to medium-term	Private individuals (consumers)

G1 Business conduct	Corporate culture	Corporate governance and strong ethical compliance	Culture of integrity	At RBHU Group, fostering a strong culture of integrity is essential for creating a trustworthy and secure environment for our employees. This commitment to ethical behavior ensures that our staff feel valued and respected, which enhances their overall well-being and job satisfaction. Moreover, it encourages a positive organizational culture that promotes accountability and transparency. A robust integrity framework also empowers employees to make ethical decisions, contributing to their professional growth and development. This, in turn, positively impacts society by promoting fair business practices and reducing the likelihood of unethical conduct that could harm communities. Conversely, a weak culture of integrity can lead to internal instability, lower employee morale, and increased incidences of unethical behavior, which not only jeopardizes our internal environment but also has broader negative implications for societal trust and ethical standards	Positive and negative impact	Employees in HU primarily in administrative roles and customer service, retail, non-retail, assets under management	Own operations	Governance: strong risk governance	Short to medium-term	Employees, private individuals (consumers, suppliers, public)
G1 Business conduct	Protection of whistleblowers	Protection of whistleblowers	Protected whistleblowers	Whistleblowing enhances transparency and accountability both inside and outside RBHU Group while maintaining good workplace ethics. Proper management of whistleblowing and retaliation processes is essential to prevent severe psychological stress. If not handled professionally, it can lead to significant harm for whistleblowers, including employees and other stakeholders. Ensuring robust protection for all whistleblowers is crucial to fostering a safe and ethical environment where individuals feel empowered to report misconduct without fear of retaliation	Positive and negative impact	Employees in HU primarily in administrative roles and customer service, retail, non-retail, assets under management	Own operations	Governance: strong risk governance	Short-term	Employees, private individuals (consumers, suppliers, public)
G1 Business conduct	Corruption and bribery	Prevention and detection including training	Prevent corruption	At RBHU Group, the effective prevention and detection of corruption and bribery are fundamental to maintaining a transparent and accountable workplace. By fostering a culture of integrity and providing comprehensive training, we empower our employees to uphold high ethical standards and recognize potential risks. This proactive approach has a significant positive impact on society.	Positive impact	Employees in HU primarily in administrative roles and customer service, retail, non-retail, assets under management	Own operations	Governance: strong risk governance	Short-term	Employees, private individuals (consumers, suppliers, public)
G1 Business conduct	Corruption and bribery	Incidents	Incidents of corruption	Failure to promote fair business practices, safeguard the public interest, and ensure independence and adherence to ethical standards can undermine industry confidence, harm public trust, and contribute to an unjust and inequitable society, reflecting negatively on our commitment to ethical conduct both within and beyond our organization.	Negative impact	Primarily employees in administrative and branch offices in CEE, retail, non-retail, assets under management	Own operations	Governance: strong risk governance	Short-term	Employees, private individuals (consumers, suppliers, public)
G1 Business conduct	Entity-specific topic	Money laundering and counter-terrorism	Prevent money laundering and counter terrorism	Mismanagement of money laundering and counter-terrorism efforts can increase criminal activities, terrorist risks, and jeopardize public safety and the economy. Conversely, effective management enhances public safety and strengthens the economy.	Positive and negative impact	Retail, non-retail, assets under management	Own operations	Governance: strong risk governance	Short-term	Public
G1 Business conduct	Management of relationships with suppliers including payment practices	Fair partner to suppliers	Fair partner to suppliers supporting high ESG standards	Transparent partnerships and compliance with fair payment practices create stable and positive cooperation between RBHU Group and its suppliers. Including ESG-related criteria in the onboarding and selection process enhances supplier engagement and ensures high social and environmental standards. Effective supplier management in IT, consulting, and facility management significantly impacts responsible business practices.	Positive impact	Suppliers	Upstream	Efficiency / sustained growth	Medium-term	Suppliers, Public

The double materiality assessment will be re-evaluated in an annually regular process, which will be updated in the upcoming years. If a topic is currently not material, it could become material in the future.

Impact, risk and opportunity management

IRO-1: Process to identify and assess material impacts, risks and opportunities

In the sustainability statement, RBHU Group addresses the sustainability topics that have been identified within RBHU Group as material, that reflect the expectations of the stakeholders, and that represented the focus of its engagement in the past year.

The double materiality assessment process is used to identify and assess material impacts, risks and opportunities (IROs) based on the principle of double materiality, serving as the basis of the entire sustainability statement. This assessment ensures that the sustainability statement covers all topics and sub-topics with the greatest current or potential positive and negative impacts related to RBHU Group's business activities, products, and services. This includes impacts directly attributable to RBHU Group within its operations, as well as those which it contributes through business relationship with other entities. Additionally, the risk and opportunities relevant to RBHU Group in connection with these matters, or those that arise from its business activities or relationships, are also presented.

The first double materiality assessment in accordance with ESRS was carried out and was conducted with the help of workshops and internal discussions in the period from December 2023 to November 2024. The double materiality assessment process was performed for own operations and the value chain. The process was used to separate the effects RBHU Group has through its own operations from the effects it has through its value chain.

Within the assessment of double materiality first version of the documentation was carried out by RBI backed by their external stakeholders and experts. RBHU Group and other NWUs received this RBI Group level document and assessed and fine-tuned it based on local specifics. For the double materiality assessment, internal topic experts (stakeholders) assessed direct impacts, identifying relevant impacts, risk and opportunities within their areas of expertise. RBHU Group also participates in sectoral discussions in order to align reporting obligations on national level.

Identification of ESRS touchpoints

Own operations

The initial assessment for own operations was based on the RBI Group documentation with topics previously assessed and identified by RBI and external experts. This included topics and the relevant sub-topics, as well sub-sub-topics. In individual workshops and discussions, all internal stakeholders were familiarized with ESRS and received an introduction to the double materiality assessment. The goal was to enable the experts to review the RBI Group documentation and to adapt them to their views, based on their expert opinion. The RBI Group documentation was presented, reviewed, and adapted by the internal stakeholders of RBHU Group. The RBI Group documentation was fine-tuned then by local specifics with a reasoning for each deviation.

The internal stakeholders with ESG expertise from various departments are responsible for the topics mentioned below and conducted the materiality analysis:

- Accounting Department
- Compliance Department
- Security Department
- Human Resource Department
- In-house Ecology/Facility Management
- Legal Department
- Marketing Department
- Procurement/Supply Chain Management.

The main responsibility for the double materiality assessment lay with the CSRD implementation project teams, which is a cooperation of finance and sustainability experts.

Assessment method

For actual negative and positive impacts, materiality was based on the severity of the impact, while for potential impacts it was based on the severity and likelihood of the impact. For factors such as scale, scope and irremediability were used for the severity of the impact and a four-step scale was used, from one (very low) to four (high). The likelihood of occurrence of a sustainable topic was assessed for risks, opportunities, and potential impact using a four-step scale, from one (very unlikely) to four (likely). The same likelihood scale was used for the probability of occurrence for financial materiality and impact materiality. For potential impacts on human rights, the assessment was conducted in the same manner as for actual impacts, in accordance with ESRS 1 paragraph 48.

The likelihood was overridden by the potential impact on human rights, and if human rights were relevant to the topic, they were automatically considered likely for calculation purposes.

For the financial risks and opportunities assessment, a sustainability matter is considered material from a financial perspective if it triggers or is expected to trigger significant financial effects on the undertaking. This determination used factors such as the continuation of resource use, dependence on relationships, and other elements that influence the future value of the company. For risks and opportunities deemed relevant to RBHU Group, the time horizon for potential occurrences was defined before analyzing how these risks and opportunities could impact the factors used. Additionally, the likelihood was assessed.

An overall threshold of 0.66 was set for the direct impact materiality and direct financial materiality (risk and opportunities), derived from the assessment of the above criteria. If the impact materiality and/or financial materiality of an ESRS topic exceeded this threshold, it was considered material for RBHU Group and was included in the consolidated non-financial statement for 2024.

During the workshops and discussions, the identified ESRS topics were subsequently evaluated for their positive and negative effects, and for each impact, additionally assessed for potential and actual impacts. Actual impacts are those that have already occurred, while potential impacts are those that could occur in the future, initially, the origin of the impact (whether directly or indirectly caused by RBHU Group), the location (where the expected impact could occur), and the time horizon in which the impacts are likely to occur were assessed. Subsequently, a quantitative evaluation was conducted to determine the extent.

Value chain

Impact materiality assessment

The portfolio's impact materiality assessment was conducted using the United Nations Environment Programme – Finance Initiative (UNEP FI) Impact Analysis Tool. This tool, developed in collaboration with signatories of the Principles for Responsible Banking (PRB) and UNEP FI member banks, provides a framework for assessing the impacts associated with financial portfolios. By using this methodology, RBI evaluates the indirect impacts of its portfolio on sustainability priorities aligned with the European Sustainability Reporting Standards (ESRS).

For the analysis, RBHU Group's portfolio as of 31 December 2023 was segmented by business line – non retail and retail – and described in terms of industry sectors (NACE), country of operation, exposure at default (EAD), and booking country.

To assess how these portfolio elements impact sustainability topics, UNEP FI mapping is used to connect sector and geographic data to ESRS sub-topics. The sector-impact map highlights how industries influence specific impact areas – positively and negatively, directly or indirectly – and these impact areas are then mapped to ESRS sub-topics to connect portfolio impacts to ESRS standards. Adding country-specific data gives the analysis a geographic layer, helping to prioritize sustainability topics based on regional importance. While the ESRS standards require reflection on both actual and potential impacts, which could align with UNEP FI's direct and indirect impacts, RBHU Group's analysis focuses solely on direct impacts. This decision provides a clearer view of the immediate effects of the portfolio, while the overall analysis remains within the ESRS indirect realm from RBHU Group's perspective.

The impact calculation applies three measures, scale, scope and irremediability. Scale quantifies the monetary exposure (EAD) of sectors that directly affect ESRS sub-topics through UNEP FI impact areas. Scope adjusts scale by factoring in geographic relevance, reflecting country-specific needs that influence the priority of each topic. Irremediability then provides a qualitative assessment of the reversibility or permanence of these impacts, with higher scores indicating sectors or regions where impacts are challenging to mitigate.

These three measures – scale, scope and irremediability – combine to create an overall impact score for each ESRS sub-topic. This score serves as the basis for the double materiality analysis, following ESRS guidelines. A materiality threshold of two-thirds (66.7 per cent) is applied to determine which ESRS topics are considered material and should be prioritized. The quantitative score can also be adjusted using qualitative inputs such as stakeholder feedback or contextual insights, ensuring a more holistic assessment of the portfolio's indirect impacts.

Financial materiality assessment

According to ESRS, it is necessary to report information related to an undertaking's own operations and its upstream and downstream value chain, including its products and services, its business relationships, and its supply chain. The financial materiality of risk is assessed based on combination of the likelihood of occurrence and the potential magnitude of the financial effects. For the likelihood of occurrence, factors such as current and future legislation as well as reputational considerations are considered. For the purpose of the CSRD, RBHU Group uses the income dependency of RBHU Group's downstream value chain to assess the magnitude of the financial materiality of the topical standards (and sub-topics).

When the income dependency of a topical standard is greater than 10 per cent and it is likely there will be an impact, this provides confirmation of financial materiality. The income dependency ratio is defined as income from high-impact lending/investing divided by operating income and add-back interest expense and fee expense.

The income from high-impact lending/investing currently consists of the following positions:

- Interest income from non-financial corporations
- Interest income from retail mortgage loans
- Fee and commission income from non-financial corporations
- Fee and commission income from investment funds.

Financial materiality in the value chain is given when income from topical sectors is greater than 10 perc cent and it is likely that there will an impact. Currently, there is no perceived financial materiality in the value chain of RBHU Group.

Validation of double materiality assessment

The model covering direct double materiality perspective is covered by the relevant guidance of EFRAG, and in line with the requirements and recommendation of the aforementioned guideline. The indirect double materiality models are based on international standards and good practiced used by the sector. Several discussions and workshops were held between RBI and other NWUs (including RBHU Group) in relation to the methodology and results of double materiality assessment. In addition to the above, the Bank discussed the approach, the methodology and results with the internal experts and stakeholders.

The process and results of the double materiality assessment were presented and recognized by the Management on 24th of March 2025. The summary of the outcome of the double materiality assessment is presented in the chapter SBM-3: Material impacts, risks and opportunities and their interaction with the strategy and business model.

Topic-specific disclosure requirements

Climate change

Own operations

Impact materiality assessment

In terms of RBHU Group's own operations, the double materiality principle entails understanding and taking into account the impact of a company's own activities on the environment and the implications of environmental issues for the respective company.

At RBHU Group, the key materiality indicator is the volume of absolute greenhouse gas emissions (scope 1-3) that are caused by various activities, such as energy consumption and business trips. These emissions have an adverse impact on the climate and are therefore considered, even though the main focus rests on RBHU Group's financed emissions due to their much larger weight. As the changes in the world's climate have far-reaching consequences, which extend beyond national borders, there is no regional limitation of effects in the context of the inside-out approach. Although the impact of greenhouse gas emissions on the climate is entirely negative, aspects such as the use of renewable energy and the promotion of energy efficiency can mitigate the adverse effects.

Financial materiality assessment

The risks of operational activities are closely related to the environmental concerns set out to be managed in the CSRD. The biggest risk to the economy, society and the environment is the unwillingness of companies to counteract climate change. This leads to increased global warming with the known negative impacts. In addition to external environmental risk, RBHU Group and its operating locations are subject to physical, regulatory and reputational risks (outside-in perspective). In the area of physical risks, for example, natural disasters could result in damage to property. These risks are minimized by selecting the right locations and ensuring suitable property insurance (adaptation strategy).

They are managed on the cost side by continuously observing the internal and external environment and by consulting specialists in controlling the respective measures. Risks are classified as material when they endanger the achievement of RBHU Group's medium to long-term climate targets – particularly with regard to energy consumption – or when stakeholders classify them as material for RBHU Group. The measures set out are currently heavily focused on the area of energy, with examples including targeted increases in energy efficiency and structural alterations to building shells.

The physical risks of climate change, such as greater and more frequent temperature fluctuations, often result in higher operating costs, e.g. due to the increased need for cooling as the number of days with extreme heat increases. Risk management is based on a combined bottom-up and top-down approach in which all employees also pay a significant role in risk minimization in their respective working area.

RBHU Group is contributing to meeting the goals of the UN climate change conference in Paris (Conference of the Parties 21) by working to reduce greenhouse gas emissions, as well as promoting the renewable energy sector of the economy.

Consistent steering through KPIs in areas such as business travel and energy consumption represents a particular opportunity for RBHU Group with regards to the environmental impact of its own operations. Furthermore, reputational risks are minimized and resilience in the face of the consequences of climate change is increased. New collaborations in research and development and investment in energy efficiency measures can also play a role in promoting the transformation to a sustainable economy.

Value chain

Assessment of the materiality of climate and environment-related risk

To complement the impact analysis performed using the UNEP FI Portfolio Impact Analysis Tool (see chapter Impact materiality assessment and in line with the ECB Guide on climate-related and environmental risks (expectations 7.2 and 7.31), an extended annual risk assessment for climate and environmental risk drivers has been implemented within RBI's risk framework. While the UNEP FI portfolio impact analysis also considers the inside-out perspective, the materiality assessment described below focuses on the outside-in view, i.e., how the climate and environmental risks affect RBHU Group's risk profile. The inside-out view, on the other hand, would additionally address how RBI's activities affect the outside world (including the financed emission calculation, as well as how science-based targets measure and mitigate the inside-out impact).

The additional climate and environmental risk assessment process has been established to identify the severity of environmental risk from applicable transmission channels within the current portfolio and over different time horizons. This multiple dimensional approach considers:

- Different individual climate and environmental risk drivers (physical risk, transition risk, other environmental risks);
- The impact of each climate and environmental risk driver through risk-dependent transmission channels, assessed for each risk type (credit, market, operational and liquidity risk);
- The impact under different transition risk scenarios (orderly – specifically Net Zero 2050).

Individual climate and environmental risk drivers

Transition risk

With transition risk being defined as the risks related to the process of adjustment towards a low-carbon economy, the transition risk drivers represent climate-related changes that could generate, increase or reduce transition risks. They include changes in public sector (generally government) policies, legislation and regulation, changes in technology, and changes in market and customer sentiment, each of which has the potential to generate, accelerate, slow or disrupt the transition towards a low-carbon economy. Looking one step further, the transmission channels are the causal chains that explain how climate risk drivers give rise to financial risks that impact banks directly or indirectly through their counterparties, the assets they hold, and the economy in which they operate.

The Bank has identified transmission channels in line with the Basel Committee on Banking Supervision (BCBS) paper on climate-related risk drivers and their transmission channels.

Credit risk

Credit risk increases if climate risk drivers reduce borrowers' ability to repay and service debt (income effect) or banks' ability to fully recover the value of a loan in the event of default (wealth effect). For example, in the non-retail portfolio, macroeconomic and climate-related risk factors (e.g. carbon tax, emission trading system (ETS) expenses) are used to make sector-specific projections on production and operating costs which are distributed to the single borrower's financial figures (e.g. operating revenues, operating costs such as costs of goods sold and labor costs, additional costs relating to carbon tax, costs for green transitions, etc.). Finally, the projected financial positions are used to simulate the projection of the probability of default in RBI's rating models for a materiality assessment, under the different transition scenarios described above.

Market risk

Climate and environmental risk drivers may have a significant impact on the value of financial assets. Transition-related changes in official sector policy, technological advances and investor sentiment can alter or reveal new information about future economic conditions or the value of real or financial assets, resulting in downward price shocks and an increase in market volatility in traded assets. For instance, the transition to a low-carbon economy may impact commodity markets, especially fossil fuels which are prone to transition risks. Transition risk could also lead to a breakdown in correlations between assets, reducing the effectiveness of hedges and challenging banks' abilities to actively manage their risks.

The impact of transition risk on market risk is assessed using a centrally-developed, RBI Group methodology. This covers both corporate and sovereign issuers, according to which risk levels are assigned to positions – based on the NACE code/industry and risk country of the issuer. Corporate exposures are linked to NACE codes/industries and risk levels are assigned based on the industry share of GHG emissions in the risk country's total GHG emissions. Sovereigns are linked to countries and risk levels are based on several factors: the industry's GHG emissions, gross value added, wages and salaries, social security costs, environmental taxes, and operational surplus and mixed income (net). The materiality on market risk is assessed based on the total loss in relation to common equity tier 1 (CET1).

Liquidity risk

From a liquidity risk perspective, climate change transition risk can affect inflows from customers' loan repayments (due to lower creditworthiness) and the value of securities in the liquidity buffer. Liabilities and retail loans are not deemed vulnerable to transition risk. Meanwhile, if it is assumed that the transition risk is spread over a period of more than three months (i.e., a relatively gradual change in the legislative environment), the effect on liquidity risk is deemed negligible as it is expected that the balance sheet of the Bank will gradually adapt to the change. If the risk realization period is less than three months, the effect will be more palpable and is approached using the same assumptions as for market risk in terms of the devaluation of securities in the liquidity buffer, and credit risk, in terms of decreased inflows from loans due to a higher default rate. The materiality is assessed on the basis of the liquidity buffer devaluations' relative impact on liquidity surplus estimated by internal stress test model (time to wall).

Operational risk

Corporates and banks may be exposed to increasing legal and regulatory compliance risk, as well as litigation and liability costs associated with climate-sensitive investments and businesses. Furthermore, climate-related lawsuits could target corporations as well as banks for past environmental conduct, whilst seeking to direct future conduct. The impact of this transmission channel has been assessed by the operational risk framework that is in place, as current expected losses are measured by analysing historical data as well as identifying trends and forward-looking approaches. Operational risk is assessed on the loss in relation to the total revenue of the Bank.

Physical risk

Physical risk drivers are changes in both weather and climate. They are expected to increase over a longer time horizon if the transition to a sustainable, net-zero economy is not successful (e.g. the hot-house world which is a high emission scenario). Physical risks can be classified as acute risks, which are related to extreme weather events, or chronic risks associated with gradual shifts in climate:

- Acute physical risks are generally considered to consist of: floods, wildfires and storms, including hurricanes, cyclones and typhoons, as well as extreme precipitation
- Chronic physical risks include rising sea levels, rising average temperatures, and water stress. Extended periods of increased temperatures may also lead to further chronic climate events, such as desertification.

Similarly, extended periods of increased average temperatures could impact the ecosystem, especially agriculture. The way in which physical risks impact economies will vary depending on geographical location as different regions exhibit distinct climate patterns and levels of development. Some regions are expected to be more severely affected than others because they are more exposed and more vulnerable to specific types of weather disasters.

All these hazards are assessed via risk-specific transmission channels over a short, medium and long-term horizon (see section time horizons) under the orderly and hot-house world scenario based on a physical risk map containing information on hazard-specific vulnerability and impact for each relevant geolocation.

Credit risk

Physical risk drivers mainly impact banks' credit risk through their counterparties. The physical capital (housing, inventory, property, equipment or infrastructure) of households, corporates and sovereigns can be damaged or destroyed by physical hazards. This damage reduces the value of assets and, consequently, a counterparty's wealth. Physical risk drivers can also negatively impact the cash flows of the affected entities as damaged physical capital, such as impaired rental properties and factories, will generate less income. The damage may be caused by acute physical risks and chronic physical risks, such as rising sea levels. The materiality of this transmission channel is assessed by mapping portfolio exposure to a physical risk map under different transition scenarios (orderly, disorderly, hot house), while accounting for coping capacity at the country level (INFORM risk model).

Market risk

Physical risk may be sudden and severe, and have knock-on effects across regions and sectors through interconnected socioeconomic and financial systems. Physical risks emerging from climate change can cause market price fluctuations, such as more frequent and severe extreme weather events causing losses in equity prices due to the destruction of firms' assets or capacity to produce. Uncertainty about the timing, intensity and location of future severe weather events and other natural disasters may lead to higher volatility on the financial markets. Overall, the presence of physical risk may lead to a classical risk factor (e.g. an equity price or an exchange rate) being more volatile than historically observed, or being subject to severe jumps, diminishing the value of the financial instrument being traded. This transmission channel is assessed by mapping market risk exposure to a physical risk map (again under different transition scenarios (orderly, disorderly, hot house), while considering historical losses and the impact on GDP.

Liquidity risk

With respect to the effect of physical climate risk on liquidity risk, the logic is similar to that applied to transition risk. If the risk event is spread over a significant period of time or does not have an immediate effect, this risk has a negligible impact on liquidity risk. If acute climate physical risks materialize, the following effects are possible:

- Devaluation of securities in the liquidity buffer (in line with the market risk assessment)
- Decrease in inflows from loans due to a higher default rate and higher rollover rate, combined with higher withdrawals of loans from credit lines.

Customers, including those in the retail segment, use loans to cover damages caused by the event. Outflows from customers' liabilities arise due to the need to cover damage caused by the event. This effect is not straightforward, as if a bank has a significant market share and a diverse customer base, it is most likely that a customer who has suffered from the event would have to pay other customers (e.g. retail customers with damaged houses will pay for construction goods). In addition, the effect can be temporary in this case, as if the accounts are mainly in a customer's portfolio, inflows from insurance coverage will be reflected in the liabilities relatively soon after the potential decrease.

The materiality of this transmission channel has been evaluated by analysing the effect on the liquidity buffer under different interest and credit spread shocks under different transition scenarios, derived from the region-dependent physical risk score.

Operational risk

Physical hazards can affect banks directly as operational risks. For instance, if physical hazards disrupt transportation facilities and telecommunications infrastructure, banks' operational ability may be reduced. The impact of this transmission channel was assessed by extending the physical risk drivers to the operational risk assessment and scenario. In this scenario, business continuity management costs are measured using scenario methodology, i.e., it is assumed that the physical risk may cause potential business continuity management events (critical site not available and IT availability & continuity). The locations for both the primary head office and data centers were evaluated by the external data provider in terms of exposure to the climate and environmental risk drivers mentioned. The results of the scenario analysis did not reveal any severe impacts from those specific risk drivers.

Results of the climate related risk assessment

In the materiality assessment 2024, with the cut-off date of 30 June 2024 and using the methodology outlined above, all transitional and physical risks to the market, liquidity, operational and credit risk indicators were assessed at a low level for RBHU Group.

		Climate and environmental materiality assessment		
		Short term	**Medium term**	**Long term**
Credit risk	Transition risk	Low	Low	Low
	Physical risk	Low	Low	Low
Market risk	Transition risk	Low	Low	Low
	Physical risk	Low	Low	Low
Operational risk incl. reputational risk	Transition risk	Low	Low	Low
	Physical risk	Low	Low	Low
Liquidity risk	Transition risk	Low	Low	Low
	Physical risk	Low	Low	Low

The thresholds for the materiality analysis are determined individually by risk type. For credit risk, the effect of transition risk is derived from the probability of default of customers in different transition scenarios compared to actual values. For physical risk, the threshold is set individually for each possible event (e.g. flood, wildfire), and the final effect represents a combination of the event's probability and the resilience of a region. For market risk, the potential loss is measured in relation to total capital. For operational risk, the estimated loss in both transition and physical risk scenarios is compared against a threshold in accordance with RBI's internal operational risk framework.

For liquidity risk assessment, all scenarios and risk drivers demonstrated low materiality. Given that Climate and Environmental (C&E) risks have low materiality and that the main transition channels for liquidity risk are market and credit risks, only the materiality assessment is currently part of the ILAAP. Nonetheless, the Group is considering the integration of a stress scenario for C&E risks within the scope of liquidity risk.

To further reflect the risk related to income dependency (in parallel to the impact on risk parameters), the ICAAP risk assessment was extended with risk indicators related to income from industries with high contribution to climate change. Initial results show contribution to the Bank's income from relevant industries as (low) not material (below ten per cent).

IRO-2: Disclosure requirements in ESRS covered by the undertaking's sustainability statement

An overall threshold of 0.66 was set for the impact materiality and financial materiality (risks and opportunities), derived from assessments of various criteria. If the impact materiality and/or financial materiality of an ESRS topic exceeded this threshold, it was considered material for the Bank and was included in the consolidated non-financial statement for 2024.

Sector-agnostic standards

S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	165	
S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	167	
G1 Business conduct		
GOV-1: The role of the administrative, supervisory and management bodies	6	
IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities	25	
G1-1: Corporate culture and Business conduct policies and corporate culture	170 and ##	
G1-2: Management of relationships with suppliers	173	
G1-3: Prevention and detection of corruption and bribery	174	
G1-4: Confirmed incidents of corruption or bribery	175	
G1-5: Political influence and lobbying activities	–	Not material
G1-6: Payment practices	175	

List of data points in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR	Pillar 3	Benchmark Regulation	EU Climate Law	Reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/18 16, Annex II		GOV-1: The role of the administrative, management and supervisory bodies
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Commission Delegated Regulation (EU) 2020/18 16, Annex II		GOV-1: The role of the administrative, management and supervisory bodies
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				GOV-4: Statement on due diligence
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/245328Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Commission Delegated Regulation (EU) 2020/18 16, Annex II		not applicable
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Commission Delegated Regulation (EU) 2020/18 16, Annex II		not applicable
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/18 18 Article 12(1), Delegated Regulation (EU) 2020/1816, Annex II		not applicable
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Commission Delegated Regulation (EU) 2020/18 18 Article 12(1), Delegated Regulation (EU) 2020/1816, Annex II		not applicable
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	E1-1: Transition plan for climate change mitigation
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Commission Delegated Regulation (EU) 2020/18 18 Article12.1 (d) to (g), and Article 12.2		E1-1: Transition plan for climate change mitigation
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Commission Delegated Regulation (EU) 2020/18 18 Article 6		E1-4: Targets related to climate change mitigation and adaptation
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				not applicable

ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				E1-5: Energy consumption and mix
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				not applicable
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity			E1-6: Gross scopes 1, 2, 3 and total GHG emissions
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Commission Delegated Regulation (EU) 2020/1818, Article 8(1)		E1-6: Gross scopes 1, 2, 3 and total GHG emissions
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	not applicable
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral			phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		phase-in
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				not material sub-topic
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				not material sub-topic
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				RBI human rights policy

ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 21		Delegated Regulation (EU) 2020/1816, Annex II	RBI human rights policy
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I		RBI human rights policy
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I		
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I		S1-3: Processes to remediate negative impacts and channels for own workforce to raise concerns
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	S1-14: Health and safety metrics
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I		S1-14: Health and safety metrics
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	S1-16: Remuneration metrics (pay gap and total remuneration)
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I		S1-16: Remuneration metrics (pay gap and total remuneration)
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I		S1-17: Incidents, complaints and severe human rights impacts
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1		S4-1-Policies related to information-related impacts for consumers and end-users
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1		Information and Cyber Security
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1		not applicable
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1		not applicable

ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II)	G1-4: Incidents of corruption or bribery
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1		G1-4: Incidents of corruption or bribery

Environmental information

Regulatory disclosure requirement in accordance with Article 8 of the EU Taxonomy Regulation

The EU Taxonomy Regulation sets out an EU-wide framework that allows investors and undertakings to determine whether certain economic activities are environmentally sustainable. Article 8 of the EU Taxonomy Regulation requires undertakings covered by the Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (CSRD) to publish information on how and to what extent their economic activities qualify as environmentally sustainable under the EU Taxonomy Regulation. RBHU Group is therefore required to disclose the taxonomy eligibility and taxonomy alignment of its economic activities for 2024.

The Green Asset Ratio (GAR) serves as a benchmark and reporting metric for taxonomy alignment. It describes the share of RBHU Group's green taxonomy-aligned business relative to the covered assets. However, the GARs disclosed by the Bank for 2024 is mostly based on retail exposure, as well as general-purpose exposure to non-financial undertakings which were subject to the Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups the Non-Financial Reporting Directive (NFRD; now CSRD). Loans to smaller companies and non-EU businesses, for instance, are not included the 2024 disclosure, which can distort the picture enormously depending on a banking group's key activities. Furthermore, the GAR does not reflect the fact that RBHU Group focused on the economic ESG transformation of its customers. In particular, RBHU Group supported undertakings that are already on the path to sustainability but whose transactions were not yet completely green according to the definitions of the EU Taxonomy Regulation.

The Bank's engagement with clients on the EU Taxonomy involves educating them about the classification system for sustainable activities that are relevant for the sector, and its importance in aligning investments with the EU's environmental goals from the perspective of a financial institution. The 'ESG experts' support clients, especially but not restricted to clients in the real estate and electric utilities sectors, by providing guidance on how their activities can meet the taxonomy criteria, thereby facilitating access to sustainable finance and enhancing transparency.

I. Mandatory disclosure

RBHU Group disclosed all key performance indicators (KPIs) in accordance with the Disclosures Delegated Act (Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021). This regulation supplements Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities and specifying the methodology to comply with that disclosure obligation. For additional information and improved clarity, the disclosure of these quantitative KPIs was supplemented by qualitative information pursuant to Annex XI of the Disclosures Delegated Act. For 2024, the Bank disclosed information on taxonomy eligibility and alignment with regard to the first two environmental objectives – climate change mitigation and climate change adaptation. Information available for the Bank on taxonomy for the other four environmental objectives is still very limited.

An overview of the relevant key figures and templates that are reported in accordance with Article 8 of the EU Taxonomy Regulation and the supplementary Disclosure Delegated Act for 2024 is available in the chapter "Overview of relevant KPIs and templates". The figures for the main KPI GAR stock and the additional KPI GAR flow are shown below.

Green Asset Ratio stock and flow

		Turnover GAR KPI		CapEx GAR KPI	
		2024	2023	2024	2023
Main KPI	GAR stock	0.27 %		0.40 %	
Additional KPI	GAR flow	0.26 %		0.26 %	

II. Details about templates and covered exposures as well as information on data sources and current data limitations

All EU Taxonomy Regulation KPIs for 2024 were determined in accordance with the legal requirements as set out in the Disclosures Delegated Act, as well as on turnover-based and capital expenditure-based (CapEx) information disclosed by the clients. Furthermore, information on financed nuclear and gas economic activities is reported, as required by the Delegated

Regulation. Detailed information on the calculations as per the qualitative disclosures required by Annex XI of the Delegated Regulation can be found separately for each KPI below.

RBHU Group's approach for determining Taxonomy-eligible and Taxonomy-aligned economic activities, assets and economic sectors (Template 0-2)

RBHU Group's banking book was used to determine its taxonomy-eligible and taxonomy-aligned economic activities. Total covered assets were identified as per the requirements of the full GAR disclosure. Exposures towards central banks, supranational institutions, the central government, and assets held for trading were excluded. The remaining covered assets formed the denominator in the formula for calculating the GAR.

All the taxonomy-eligible and taxonomy-aligned economic activities were included in the numerator for calculating the GAR. They were defined as covered assets additionally belonging to one of the following categories:

- Taxonomy-eligible and taxonomy-aligned economic activities of CSRD undertakings

  In accordance with Article 8 of the EU Taxonomy Regulation, the disclosure was based on the obligation to publish non-financial information pursuant to Articles 19a and 29a of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC. While for 2023, these articles were set out in the NFRD, the disclosure for 2024 was based on the CSRD, which replaced the respective Articles 19a and 29a.

- Taxonomy-eligible and taxonomy-aligned economic activities in retail banking

- Taxonomy-eligible and taxonomy-aligned economic activities related to local and regional government financing

- Real estate collaterals obtained by taking possession in exchange for the cancellation of debt and held for sale.

In addition, derivatives (not held for trading), on-demand interbank loans, cash and cash-related assets and other assets (e.g. goodwill, commodities) were also excluded from the numerator, but were included in the calculation of the denominator for the Green Asset Ratio. Furthermore, no exposures to non-EU or to small and medium-sized enterprises were taken into consideration.

If the purpose was known at transaction level and was consistent with the defined activities of the EU Taxonomy Regulation or the supplementary delegated regulation – for example, a property loan (acquisition and ownership of a building) – RBHU Group took into account exposures to the extent that taxonomy eligibility and taxonomy alignment could be demonstrated for the underlying transaction. In cases where a transaction qualified for more than one environmental objective, RBHU Group assigned the transaction, or an appropriate portion of it, to the most relevant objective to prevent double counting. The decision on which environmental goal is considered the most relevant is made based on expert opinion during the assessment and should reflect the purpose of the transaction.

For transactions conducted for general purposes – for example, for granting a working capital facility – RBHU Group took into account the relevant taxonomy KPIs for taxonomy eligibility and taxonomy alignment that were provided or disclosed by the counterparties.

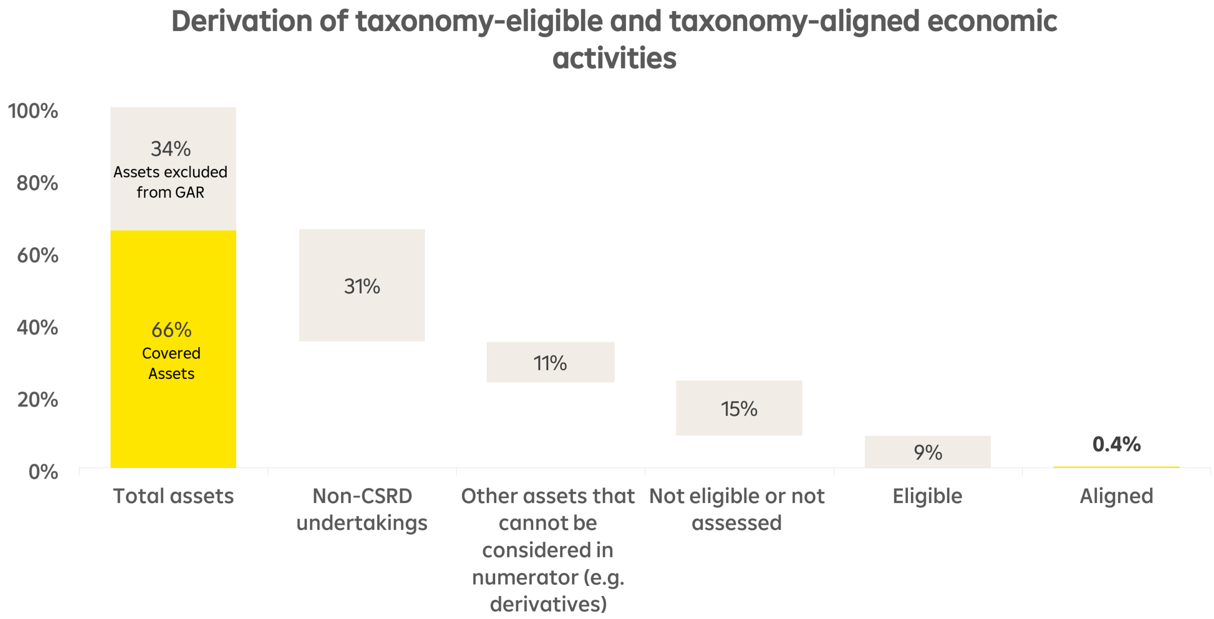
The relevant taxonomy KPIs for general-purpose transactions, including investment (CapEx) and turnover KPIs for non-financial counterparties, as well as taxonomy specific KPIs for financial counterparties, were gathered through an internal data collection project and supplemented by an external data provider.

In the disclosure for 2024, it was possible to include KPIs for taxonomy alignment for the first two environmental objectives of financial counterparties for the first time. These were published in 2024 (for the 2023 financial year). Regarding taxonomy eligibility, both financial and non-financial counterparties published KPIs for the four new environmental objectives for the first time in 2024 (for the 2023 financial year). Non-financial undertakings will be required to publish KPIs for taxonomy alignment for these four new environmental objectives in 2025 (for the 2024 financial year), while financial undertakings will be required to do so by 2026 (for the 2025 financial year).

The share of RBHU Group's exposures to non-CSRD undertakings for 2024 was material. The gradual implementation of the CSRD is expected to improve the KPIs, as it will also significantly increase the number of enterprises to be considered.

As structured data availability remains limited, in particular regarding the evidence required to assess use-of-proceeds transactions, and given the limitations described above, RBHU Group's relevant portfolio could not be considered in full for the GAR assessment. However, RBHU Group along with RBI is consistently working on improving the data situation. Furthermore, it is expected that the share of taxonomy-eligible and taxonomy-aligned exposures will change accordingly and increase in the future as more information is likely to be disclosed by customers.

The allocation of NACE codes, as disclosed in template 2 for the GAR sector information, is done based on the main business of the counterparty which is identified via information from local public registries or based on data from an external data provider.



This chart refers to the disclosure of the taxonomy-eligible and taxonomy-aligned economic activities on CapEx-based indicators. The percentage figures in the chart above refer to the share of the respective position in relation to RBHU Group's total assets. For the calculation of the taxonomy-aligned value (yellow), i.e. the Green Asset Ratio, the number in the qualitative chart refers to covered assets (denominator), not total assets.

Exposures to Taxonomy-aligned economic activities/covered assets (GAR (stock)) (Template 3)

The RBHU Group's (Raiffeisen Bank Hungary and its affiliates) assets with exposures to taxonomy-aligned economic activities amounted to 12,160.83 million HUF and are used int the calculation of the GAR (CapEx). In accordance with the instructions set out in Annex V of the Delegated Regulation, the exposures to be included in the numerator encompass banking book loans and advances to CSRD-relevant clients, households (limited to loans collateralized by residential real estate and loans granted for home renovation purposes), and loans and advances to local governments.

All retail exposures relevant to the EU Taxonomy were analyzed under the relevant economic activities and environmental objectives in accordance with the Disclosures Delegated Act and included in the CapEx as well as in the turnover GAR. With regard to compliance with minimum social safeguards (MS), the interpretation of the Platform on Sustainable Finance as set out in the Final Report on Minimum Safeguards (available at [sustainable-finance-platform-finance-report]) was followed, which does not cover the application of the MS criteria for retail exposures. The total amount of taxonomy-aligned economic activities in the retail sector amounted to 2,738.8 million HUF out of a total of 12,160.83 million HUF. The GAR (CapEx) amounted to 0.40 per cent, of which 0.09 percentage points corresponded to the contribution of taxonomy-aligned economic activities in the retail sector.

RBHU Group has analysed retail exposures in detail, particularly house purchase loans. Besides identifying thresholds for Nearly Zero Energy Buildings (NZEB), analyses identifying the top 15 per cent of the national building stock in terms of Primary Energy Demand (PED) for economic activity 7.7 (acquisition and ownership of buildings) were included in the calculation, where such analyses were based on transparent real data in line with the relevant FAQs. It was not possible to collect the necessary information from retail customers regarding building renovation loans as well as car loans given the detailed and high demands. Such financing was therefore still generally recognized as taxonomy non-aligned.

The physical risk assessment for the retail segment was performed with the help of an external provider. A physical risk assessment, including a vulnerability analysis, was conducted for the relevant financed properties both within and outside the EU in accordance with Appendix A of Annex I of Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation, and for determining whether that economic activity causes no significant harm to any of the other environmental objectives. The physical risk assessment considered acute and chronic risks for the relevant hazards as set out in that Appendix and used an Intergovernmental Panel on Climate Change (IPCC) RCP 8.5 scenario. The assessment was not passed if the seriousness of a threat was considered very high and no corresponding risk mitigation measures were taken.

By reference to internally available data, RBHU Group's CSRD client base was determined according to the following criteria:

- The country in which the counterparty is registered must be an EU member state
- The business partner's total assets (on a consolidated basis) must be more than or equal to € 25 million or its total revenue (turnover) must be more than or equal to € 50 million. For insurance and reinsurance undertakings, the gross premiums written were used instead of revenue, while the gross operating result was used for the other financial institutions
- The relevant thresholds as set out in Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (the Accounting Directive) were updated by the Commission Delegated Directive (EU) 2023/2775 of 17 October 2023 amending Directive 2013/34/EU of the European Parliament and of the Council as regards the adjustments of the size criteria for micro, small, medium-sized and large undertakings or groups
- The customer was either a capital market-oriented company, a credit institution or an insurance undertaking
- The customer had more than 500 employees on an average basis (on a consolidated basis).

RBHU Group also considered subsidiaries that were fully consolidated under CSRD customers and did not publish/provide taxonomy KPIs on a stand-alone basis in a sustainability statement.

The disclosure of taxonomy-eligible and taxonomy-aligned exposures must be based on actual information provided by the financial or non-financial undertaking. RBHU Group, along with RBI collected such data as part of the data collection project. In addition, third-party data providers were used to obtain information for the assessment of taxonomy-eligible and taxonomy-aligned economic activities.

Exposures to Taxonomy-aligned economic activities/covered assets (GAR (flow)) (Template 4)

The GAR KPI flow was calculated in line with the GAR KPI stock. However, unlike GAR KPI stock, it only considered those positions that were newly concluded in the 2024 financial year.

Off-balance-sheet exposures to Taxonomy-aligned economic activities/covered assets (Template 5)

RBHU Group analysed its off-balance sheet exposure, both with purpose known and general purpose with regard to taxonomy alignment for the first two environmental objectives – climate change mitigation and climate change adaptation – and the taxonomy eligibility of the four new environmental objectives. For the disclosure of off-balance-sheet exposures, a distinction was made between financial guarantees and assets under management.

The methodology for calculating the KPI for financial guarantees corresponded to the methodology laid down for loans and advances, and for bonds. However, it was applied to the underlying transaction of the financial guarantees. If RBHU Group had no data on the specific purpose of the underlying transaction, the counterparties' KPIs were used. For the earmarked exposures, the counterparties' taxonomy data were collected internally as part of the data collection project and by an external data provider.

The KPI for assets under management was calculated in line with the methodology determined for asset managers. The numerator comprised the weighted average value of the investments in the taxonomy-aligned economic activities of the enterprises in which investments were made. Reference was made here to the information on the taxonomy eligibility and taxonomy alignment of the respective counterparties (financial and non-financial CSRD undertakings) and the corresponding KPIs were used. For the earmarked exposures, data was also collected internally as part of the data collection project and by an external data provider. RBHU Group is committed to continuously improving its own processes and the topic of ESG data availability and quality as part of a constructive dialog with the relevant stakeholders.

Exposures to Taxonomy-eligible and Taxonomy-aligned economic activities/covered assets for nuclear and gas economic activities (Templates in accordance with Annex XII of the Disclosures Delegated Act)

The EU Taxonomy includes six economic activities in the nuclear and gas sector. Companies operating in these sectors that are subject to taxonomy disclosures are therefore also required to publish EU Taxonomy data on taxonomy eligibility and taxonomy alignment for their relevant nuclear and gas activities.

RBHU Group's sustainability concept in the nuclear and gas sector is detailed in the RBI Group's ESG framework (business policy on nuclear energy and business policy on oil & gas). Our parent company takes a restrictive approach towards the nuclear sector in accordance with its Code of Conduct. RBI implemented this restrictive approach for the following entities and their relevant suppliers in particular: nuclear power plants (NPPs), companies mining, processing and trading with nuclear fuel, or companies managing nuclear waste (storage of spent fuel derived from NPPs).

The above-mentioned policy takes into consideration that nuclear power plants are usually operated by electricity companies or holdings. As a consequence, thereof, RBHU Group seeks to continue its cooperation with these electricity companies or holdings, albeit with strict segregation from nuclear power plants and connected activities (i.e. any financing to electricity providers that process energy from nuclear sources is only allowed if the purpose of the financing is not used for or related to nuclear power plants).

Accordingly, any resultant exposure only stemmed from taxonomy KPIs for the nuclear sector as published by the companies in question. In addition, RBI has implemented a sector-specific group policy for the gas sector, in which it addresses the handling of oil and gas economic activities.

In 2024 RBHU Group had no taxonomy-eligible or taxonomy-aligned exposures earmarked in the gas sector. Accordingly, only the taxonomy KPIs published by the companies were used for the gas sector. KPIs for the nuclear and gas sectors were collected internally as part of the data collection project and supplemented by an external data provider. For the specific nuclear and gas activities of the relevant counterparties, all revenue-based and investment-based taxonomy KPIs were included regarding their taxonomy eligibility and taxonomy alignment. For 2024, this also involved the respective KPIs of financial undertakings, including other credit institutions for the first time.

III. Adjustments in the presentation of information compared to the previous annual reporting period

The EU Taxonomy is a novel framework, and the interpretation of its requirements is still subject to change. Further guidance, such as those provided by the European Commission in the FAQs can provide clarity and has been continuously monitored and evaluated by the Bank. The disclosure in accordance with Article 8 of the EU Taxonomy for 2024 reflected the Bank's current understanding of the EU Taxonomy. The FAQs of the European Commission were taken into account, insofar as the guidance does not exceed the requirements of the Taxonomy Regulation and Commission Delegated Regulation (EU) 2021/2178 or contradict the requirements of those regulations or explanations provided in previous FAQs.

Overview of relevant KPIs and templates:

Template number	Designation	Brief explanation
0	Summary of KPIs	Summary of all relevant GAR KPIs
1	Assets for the calculation of GAR	Summary of all relevant assets used for calculation of GAR
2	GAR sector information	Summary of exposures in the non-trading book relative to the sectors covered by the Taxonomy (NACE sectors, four breakdown levels)
3	GAR KPI stock	Exposures to Taxonomy-eligible economic activities/covered assets for all six[1] environmental objectives and Taxonomy-aligned economic activities/covered assets for the first two environmental objectives climate change mitigation and climate change adaptation (turnover and CapEx GAP (stock))
4	GAR KPI flow	Exposures to Taxonomy-eligible economic activities/covered assets for all six environmental objectives and Taxonomy-aligned economic activities/covered assets for the first two environmental objectives climate change mitigation and climate change adaptation (turnover and CapEx GAP (flow))
5	KPI off-balance-sheet exposures	Exposures to Taxonomy-eligible economic activities/covered assets for all six[1] environmental objectives and Taxonomy-aligned economic activities/covered assets for the first two environmental objectives climate change mitigation and climate change adaptation (off-balance): 0.08 per cent (turnover) and 0.33 per cent (CapEx) (GAR financial guarantees) Exposures to Taxonomy-eligible economic activities/covered assets for all six1 environmental objectives and Taxonomy-aligned economic activities/covered assets for the first two environmental objectives climate change mitigation and climate change adaptation (off-balance): 0 per cent (turnover) and 0 per cent (CapEx) (GAR assets under management)
6	KPI on fee and commission income from services other than lending and asset management	Exposures to Taxonomy-eligible and Taxonomy-aligned economic activities/covered assets for all six[1] environmental objectives (turnover and CapEx GAR (fee and commission income)) This indicator does not have to be reported until 2026 for the 2025 financial year.
7	KPI trading book portfolio	Exposures to Taxonomy-eligible and Taxonomy-aligned economic activities/covered assets for all six[1] environmental objectives (turnover and CapEx GAR (trading book portfolio). This indicator does not have to be reported until the 2025 financial year.

1 Climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems

Template 0 – Summary of KPIs

31.12.2024		Total environmentally sustainable assets (HUF mln)	KPI[4]	KPI[5]	% coverage (over total assets[3]	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	8 234	0.27%	0.40%	65.81%	41.70%	34.19%

31.12.2024		Total environmentally sustainable activities (HUF mln)	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	1 281	0.26%	0.26%	99.66%	78.09%	0.34%
	Trading book[1]						
	Financial guarantees	182	0.08%	0.33%			
	Assets under management	-	0.00%	0.00%			
	Fees and commissions income[2]						

1 - For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

2 - Fees and commissions income from services other than lending and assets under management

Institutions shall disclose forward-looking information for these KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

3 - % of assets covered by the KPI over banks´ total assets

4 - based on the Turnover KPI of the counterparty

5 - based on the CapEx KPI of the counterparty, except for lending activities where Turnover KPI is used for general lending

Note 1: Across the reporting templates: cells shaded in black should not be reported.

Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply as of 2026. SMEs´inclusion in these KPIs will only apply subject to a positive result of an impact assessment.

For the financial year 2024, the % of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V) also includes exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU as referred to in Article 7(3) of Commission Delegated Regulation (EU) 2021/2178.

Disclosure template 1 – assets for the calculation of GAR

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/ municipalities (house financing).
2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.
3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations
4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure

For the financial year 2024, collateral obtained by taking possession as set out in row 31 is not included in row 1 (which includes loans and advances, debt securities and equity instruments).

For the financial year 2024, assets related to household exposures which are not relevant for the GAR calculation (i.e. exposures not included in the green asset ratio for retail exposures as set out in section 1.2.1.3. of Annex V of the Commission Delegated Regulation (EU) 2021/2178) are included in row 47 (other categories of assets) and not in row 49 (assets not covered for GAR calculation), as these exposures are not excluded from the calculation of the numerator and denominator of the key performance indicators in accordance with Article 7(1) of Commission Delegated Regulation (EU) 2021/2178.

Assets for the calculation of GAR (CapEX)

	31/12/2024 in HUF million	Total [gross] carrying amount	Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1 126 109,85	416 704,46	12 160,83	2 738,79	2 144,34	4 430,10
2	**Financial undertakings**	**588 545,62**	**12 865,05**	**19,19**	**-**	**-**	**-**
3	Credit institutions	588 545,62	12 865,05	19,19	-	-	-
4	Loans and advances	210 506,78	-	-	-	-	-
5	Debt securities, including UoP	378 038,84	12 865,05	19,19	-	-	-
6	Equity instruments	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-
20	**Non-financial undertakings**	**151 376,62**	**24 604,39**	**9 402,85**	**-**	**2 144,34**	**4 430,10**
21	Loans and advances	64 661,85	14 360,54	3 672,87	-	660,34	1 577,66
22	Debt securities, including UoP	86 714,77	10 243,85	5 729,98	-	1 483,99	2 852,44
23	Equity instruments	-	-	-	-	-	-
24	**Households**	**381 920,38**	**379 235,01**	**2 738,79**	**2 738,79**	**-**	**-**
25	of which loans collateralised by residential immovable property	380 794,03	379 235,01	2 738,79	2 738,79	-	-
26	of which building renovation loans	-	-	-	-	-	-
27	of which motor vehicle loans	1 126,35	-	-	-	-	-
28	**Local governments financing**	**4 267,23**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	4 267,23	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**1 208,53**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**1 949 373,93**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**	**1 454 105,24**	**-**	**-**	**-**	**-**	**-**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1 394 747,07	-	-	-	-	-
35	Loans and advances	1 204 653,27	-	-	-	-	-
36	of which loans collateralized by commercial immovable property	278 023,92	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-	-
38	Debt securities	189 544,27	-	-	-	-	-
39	Equity instruments	549,53	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	18 742,69	-	-	-	-	-
41	Loans and advances	1 633,44	-	-	-	-	-
42	Debt securities	17 109,25	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-
44	**Derivatives**	**92 148,75**	**-**	**-**	**-**	**-**	**-**
45	**On demand interbank loans**	**27 386,86**	**-**	**-**	**-**	**-**	**-**
46	**Cash and cash-related assets**	**58 272,27**	**-**	**-**	**-**	**-**	**-**
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**317 460,81**	**-**	**-**	**-**	**-**	**-**
48	**Total GAR assets**	**3 076 692,31**	**416 704,46**	**12 160,83**	**2 738,79**	**2 144,34**	**4 430,10**
49	**Assets not covered for GAR calculation**	**1 598 483,92**	**-**	**-**	**-**	**-**	**-**
50	**Central governments and Supranational issuers**	**910 018,69**	**-**	**-**	**-**	**-**	**-**
51	**Central banks exposure**	**606 059,72**	**-**	**-**	**-**	**-**	**-**
52	**Trading book**	**82 405,50**	**-**	**-**	**-**	**-**	**-**
53	**Total assets**	**4 675 176,22**	**416 704,46**	**12 160,83**	**2 738,79**	**2 144,34**	**4 430,10**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-
54	Financial guarantees	215 351,46	1 217,97	711,08	-	333,17	194,88
55	Assets under management	656 964,65	-	-	-	-	-
56	of which debt securities	—	—	—	—	—	—
57	of which equity instruments	—	—	—	—	—	—

	31/12/2024	g	h	i	j
		Climate Change Adaptation (CCA)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		
	in HUF million			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,26	-	-	-
2	**Financial undertakings**	**0,26**	**-**	**-**	**-**
3	Credit institutions	0,26	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	0,26	-	-	-
6	Equity instruments	-	-	-	-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-	-	-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-	-	-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-	-	-
20	**Non-financial undertakings**	**-**	**-**	**-**	**-**
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-	-	-
24	**Households**	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans	-	-	-	-
28	**Local governments financing**	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	**Financial and Non-financial undertakings**	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-
35	Loans and advances	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-
37	of which building renovation loans	-	-	-	-
38	Debt securities	-	-	-	-
39	Equity instruments	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-
41	Loans and advances	-	-	-	-
42	Debt securities	-	-	-	-
43	Equity instruments	-	-	-	-
44	**Derivatives**	-	-	-	-
45	**On demand interbank loans**	-	-	-	-
46	**Cash and cash-related assets**	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	-	-	-	-
48	**Total GAR assets**	**0,26**	**-**	**-**	**-**
49	**Assets not covered for GAR calculation**	-	-	-	-
50	**Central governments and Supranational issuers**	-	-	-	-
51	**Central banks exposure**	-	-	-	-
52	**Trading book**	-	-	-	-
53	**Total assets**	**0,26**	**-**	**-**	**-**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-
54	Financial guarantees	-	-	-	-
55	Assets under management	-	-	-	-
56	of which debt securities	—	—	—	—
57	of which equity instruments	—	—	—	—

	31/12/2024	k	l	m	n
		Water and marine resources (WTR)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		
	in HUF million			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	–			
2	**Financial undertakings**	–			
3	Credit institutions	–			
4	Loans and advances	–			
5	Debt securities, including UoP	–			
6	Equity instruments	–			
7	Other financial corporations	–			
8	of which investment firms	–			
9	Loans and advances	–			
10	Debt securities, including UoP	–			
11	Equity instruments	–			
12	of which management companies	–			
13	Loans and advances	–			
14	Debt securities, including UoP	–			
15	Equity instruments	–			
16	of which insurance undertakings	–			
17	Loans and advances	–			
18	Debt securities, including UoP	–			
19	Equity instruments	–			
20	**Non-financial undertakings**	–			
21	Loans and advances	–			
22	Debt securities, including UoP	–			
23	Equity instruments	–			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	–			
29	Housing financing	–			
30	Other local government financing	–			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–			
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	–			
33	**Financial and Non-financial undertakings**				
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralised by commercial immovable property				
37	of which building renovation loans				
38	Debt securities				
39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities				
43	Equity instruments				
44	**Derivatives**				
45	**On demand interbank loans**				
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**				
48	**Total GAR assets**	–			
49	**Assets not covered for GAR calculation**				
50	**Central governments and Supranational issuers**				
51	**Central banks exposure**				
52	**Trading book**				
53	**Total assets**	–			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations				
54	Financial guarantees	–			
55	Assets under management	–			
56	of which debt securities	–			
57	of which equity instruments	–			

		o	p	q	r
	31/12/2024	Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		
	in HUF million			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	–			
2	**Financial undertakings**	–			
3	Credit institutions	–			
4	Loans and advances	–			
5	Debt securities, including UoP	–			
6	Equity instruments	–			
7	Other financial corporations	–			
8	of which investment firms	–			
9	Loans and advances	–			
10	Debt securities, including UoP	–			
11	Equity instruments	–			
12	of which management companies	–			
13	Loans and advances	–			
14	Debt securities, including UoP	–			
15	Equity instruments	–			
16	of which insurance undertakings	–			
17	Loans and advances	–			
18	Debt securities, including UoP	–			
19	Equity instruments	–			
20	**Non-financial undertakings**	–			
21	Loans and advances	–			
22	Debt securities, including UoP	–			
23	Equity instruments	–			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	–			
29	Housing financing	–			
30	Other local government financing	–			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–			
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	–			
33	**Financial and Non-financial undertakings**				
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralised by commercial immovable property				
37	of which building renovation loans				
38	Debt securities				
39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities				
43	Equity instruments				
44	**Derivatives**				
45	**On demand interbank loans**				
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**				
48	**Total GAR assets**	–			
49	**Assets not covered for GAR calculation**				
50	**Central governments and Supranational issuers**				
51	**Central banks exposure**				
52	**Trading book**				
53	**Total assets**	–			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations				
54	Financial guarantees	–			
55	Assets under management	–			
56	of which debt securities	–			
57	of which equity instruments	–			

		s	t	u	v
	31/12/2024	Pollution (PPC)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		
	in HUF million			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	–			
2	**Financial undertakings**	–			
3	Credit institutions	–			
4	Loans and advances	–			
5	Debt securities, including UoP	–			
6	Equity instruments	–			
7	Other financial corporations	–			
8	of which investment firms	–			
9	Loans and advances	–			
10	Debt securities, including UoP	–			
11	Equity instruments	–			
12	of which management companies	–			
13	Loans and advances	–			
14	Debt securities, including UoP	–			
15	Equity instruments	–			
16	of which insurance undertakings	–			
17	Loans and advances	–			
18	Debt securities, including UoP	–			
19	Equity instruments	–			
20	**Non-financial undertakings**	–			
21	Loans and advances	–			
22	Debt securities, including UoP	–			
23	Equity instruments	–			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	–			
29	Housing financing	–			
30	Other local government financing	–			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–			
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	–			
33	**Financial and Non-financial undertakings**				
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralised by commercial immovable property				
37	of which building renovation loans				
38	Debt securities				
39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities				
43	Equity instruments				
44	**Derivatives**				
45	**On demand interbank loans**				
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**				
48	**Total GAR assets**	–			
49	**Assets not covered for GAR calculation**				
50	**Central governments and Supranational issuers**				
51	**Central banks exposure**				
52	**Trading book**				
53	**Total assets**	–			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations				
54	Financial guarantees	–			
55	Assets under management	–			
56	of which debt securities	–			
57	of which equity instruments	–			

		w	x	z	aa
	31/12/2024	Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)	
	in HUF million			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	–			
2	**Financial undertakings**	–			
3	Credit institutions	–			
4	Loans and advances	–			
5	Debt securities, including UoP	–			
6	Equity instruments	–			
7	Other financial corporations	–			
8	of which investment firms	–			
9	Loans and advances	–			
10	Debt securities, including UoP	–			
11	Equity instruments	–			
12	of which management companies	–			
13	Loans and advances	–			
14	Debt securities, including UoP	–			
15	Equity instruments	–			
16	of which insurance undertakings	–			
17	Loans and advances	–			
18	Debt securities, including UoP	–			
19	Equity instruments	–			
20	**Non-financial undertakings**	–			
21	Loans and advances	–			
22	Debt securities, including UoP	–			
23	Equity instruments	–			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	–			
29	Housing financing	–			
30	Other local government financing	–			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–			
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	–			
33	**Financial and Non-financial undertakings**				
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralised by commercial immovable property				
37	of which building renovation loans				
38	Debt securities				
39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities				
43	Equity instruments				
44	**Derivatives**				
45	**On demand interbank loans**				
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**				
48	**Total GAR assets**	–			
49	**Assets not covered for GAR calculation**				
50	**Central governments and Supranational issuers**				
51	**Central banks exposure**				
52	**Trading book**				
53	**Total assets**	–			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations				
54	Financial guarantees	–			
55	Assets under management	–			
56	of which debt securities	–			
57	of which equity instruments	–			

		ab	ac	ad	ae	af
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)			
	in HUF million			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	416 704,72	12 160,83	2 738,79	2 144,34	4 430,10
2	**Financial undertakings**	**12 865,31**	**19,19**	**-**	**-**	**-**
3	Credit institutions	12 865,31	19,19	-	-	-
4	Loans and advances	-	-	-	-	-
5	Debt securities, including UoP	12 865,31	19,19	-	-	-
6	Equity instruments	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-
8	of which investment firms	-	-	-	-	-
9	Loans and advances	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-
11	Equity instruments	-	-	-	-	-
12	of which management companies	-	-	-	-	-
13	Loans and advances	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-
15	Equity instruments	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-
17	Loans and advances	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	-	-	-	-	-
20	**Non-financial undertakings**	**24 604,39**	**9 402,85**	**-**	**2 144,34**	**4 430,10**
21	Loans and advances	14 360,54	3 672,87	-	660,34	1 577,66
22	Debt securities, including UoP	10 243,85	5 729,98	-	1 483,99	2 852,44
23	Equity instruments	-	-	-	-	-
24	**Households**	**379 235,01**	**2 738,79**	**2 738,79**	**-**	**-**
25	of which loans collateralised by residential immovable property	379 235,01	2 738,79	2 738,79	-	-
26	of which building renovation loans	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-
30	Other local government financing	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-
35	Loans and advances	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-
38	Debt securities	-	-	-	-	-
39	Equity instruments	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-
41	Loans and advances	-	-	-	-	-
42	Debt securities	-	-	-	-	-
43	Equity instruments	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-
45	**On demand interbank loans**	-	-	-	-	-
46	**Cash and cash-related assets**	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	-	-	-	-	-
48	**Total GAR assets**	**416 704,72**	**12 160,83**	**2 738,79**	**2 144,34**	**4 430,10**
49	**Assets not covered for GAR calculation**	-	-	-	-	-
50	**Central governments and Supranational issuers**	-	-	-	-	-
51	**Central banks exposure**	-	-	-	-	-
52	**Trading book**	-	-	-	-	-
53	**Total assets**	**416 704,72**	**12 160,83**	**2 738,79**	**2 144,34**	**4 430,10**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	**-**	**-**	**-**	**-**	**-**
54	Financial guarantees	1 217,97	711,08	-	333,17	194,88
55	Assets under management	-	-	-	-	-
56	of which debt securities	—	—	—	—	—
57	of which equity instruments	—	—	—	—	—

Assets for the calculation of GAR (turnover)

		a	b	c	d	e	f
	31/12/2024	Total [gross] carrying amount	Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
	in HUF million				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1 126 109,85	421 558,86	8 233,80	2 738,79	544,84	3 259,28
2	**Financial undertakings**	**588 545,62**	**12 861,73**	**18,17**	**–**	**–**	**–**
3	Credit institutions	588 545,62	12 861,73	18,17	–	–	–
4	Loans and advances	210 506,78	–	–	–	–	–
5	Debt securities, including UoP	378 038,84	12 861,73	18,17	–	–	–
6	Equity instruments	–	–	–	–	–	–
7	Other financial corporations	–	–	–	–	–	–
8	of which investment firms	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–
11	Equity instruments	–	–	–	–	–	–
12	of which management companies	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–
15	Equity instruments	–	–	–	–	–	–
16	of which insurance undertakings	–	–	–	–	–	–
17	Loans and advances	–	–	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–
19	Equity instruments	–	–	–	–	–	–
20	**Non-financial undertakings**	**151 376,62**	**29 462,12**	**5 476,84**	**–**	**544,84**	**3 259,28**
21	Loans and advances	64 661,85	22 542,99	3 117,49	–	0,05	1 448,42
22	Debt securities, including UoP	86 714,77	6 919,13	2 359,35	–	544,79	1 810,87
23	Equity instruments	–	–	–	–	–	–
24	**Households**	**381 920,38**	**379 235,01**	**2 738,79**	**2 738,79**	**–**	**–**
25	of which loans collateralised by residential immovable property	380 794,03	379 235,01	2 738,79	2 738,79	–	–
26	of which building renovation loans	–	–	–	–	–	–
27	of which motor vehicle loans	1 126,35	–	–	–	–	–
28	**Local governments financing**	**4 267,23**	**–**	**–**	**–**	**–**	**–**
29	Housing financing	4 267,23	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**1 208,53**	**–**	**–**	**–**	**–**	**–**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**1 949 373,93**	**–**	**–**	**–**	**–**	**–**
33	**Financial and Non-financial undertakings**	**1 454 105,24**	**–**	**–**	**–**	**–**	**–**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1 394 747,07	–	–	–	–	–
35	Loans and advances	1 204 653,27	–	–	–	–	–
36	of which loans collateralised by commercial immovable property	278 023,92	–	–	–	–	–
37	of which building renovation loans	–	–	–	–	–	–
38	Debt securities	189 544,27	–	–	–	–	–
39	Equity instruments	549,53	–	–	–	–	–
40	Non-EU country counterparties not subject to NFRD disclosure obligations	18 742,69	–	–	–	–	–
41	Loans and advances	1 633,44	–	–	–	–	–
42	Debt securities	17 109,25	–	–	–	–	–
43	Equity instruments	–	–	–	–	–	–
44	**Derivatives**	**92 148,75**	**–**	**–**	**–**	**–**	**–**
45	**On demand interbank loans**	**27 386,86**	**–**	**–**	**–**	**–**	**–**
46	**Cash and cash-related assets**	**58 272,27**	**–**	**–**	**–**	**–**	**–**
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**317 460,81**	**–**	**–**	**–**	**–**	**–**
48	**Total GAR assets**	**3 076 692,31**	**421 558,86**	**8 233,80**	**2 738,79**	**544,84**	**3 259,28**
49	**Assets not covered for GAR calculation**	**1 598 483,92**	**–**	**–**	**–**	**–**	**–**
50	**Central governments and Supranational issuers**	**910 018,69**	**–**	**–**	**–**	**–**	**–**
51	**Central banks exposure**	**606 059,72**	**–**	**–**	**–**	**–**	**–**
52	**Trading book**	**82 405,50**	**–**	**–**	**–**	**–**	**–**
53	**Total assets**	**4 675 176,22**	**421 558,86**	**8 233,80**	**2 738,79**	**544,84**	**3 259,28**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	**–**	**–**	**–**	**–**	**–**	**–**
54	Financial guarantees	215 351,46	485,96	181,96	–	59,01	119,89
55	Assets under management	656 964,65	–	–	–	–	–
56	of which debt securities	–	–	–	–	–	–
57	of which equity instruments	–	–	–	–	–	–

	31/12/2024	g	h	i	j
		Climate Change Adaptation (CCA)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		
	in HUF million			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,26	–	–	–
2	**Financial undertakings**	**0,26**	**–**	**–**	**–**
3	Credit institutions	0,26	–	–	–
4	Loans and advances	–	–	–	–
5	Debt securities, including UoP	0,26	–	–	–
6	Equity instruments	–	–	–	–
7	Other financial corporations	–	–	–	–
8	of which investment firms	–	–	–	–
9	Loans and advances	–	–	–	–
10	Debt securities, including UoP	–	–	–	–
11	Equity instruments	–	–	–	–
12	of which management companies	–	–	–	–
13	Loans and advances	–	–	–	–
14	Debt securities, including UoP	–	–	–	–
15	Equity instruments	–	–	–	–
16	of which insurance undertakings	–	–	–	–
17	Loans and advances	–	–	–	–
18	Debt securities, including UoP	–	–	–	–
19	Equity instruments	–	–	–	–
20	**Non-financial undertakings**	**–**	**–**	**–**	**–**
21	Loans and advances	–	–	–	–
22	Debt securities, including UoP	–	–	–	–
23	Equity instruments	–	–	–	–
24	**Households**	**–**	**–**	**–**	**–**
25	of which loans collateralised by residential immovable property	–	–	–	–
26	of which building renovation loans	–	–	–	–
27	of which motor vehicle loans	–	–	–	–
28	**Local governments financing**	**–**	**–**	**–**	**–**
29	Housing financing	–	–	–	–
30	Other local government financing	–	–	–	–
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**–**	**–**	**–**	**–**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**–**	**–**	**–**	**–**
33	**Financial and Non-financial undertakings**	**–**	**–**	**–**	**–**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	–	–	–	–
35	Loans and advances	–	–	–	–
36	of which loans collateralised by commercial immovable property	–	–	–	–
37	of which building renovation loans	–	–	–	–
38	Debt securities	–	–	–	–
39	Equity instruments	–	–	–	–
40	Non-EU country counterparties not subject to NFRD disclosure obligations	–	–	–	–
41	Loans and advances	–	–	–	–
42	Debt securities	–	–	–	–
43	Equity instruments	–	–	–	–
44	**Derivatives**	**–**	**–**	**–**	**–**
45	**On demand interbank loans**	**–**	**–**	**–**	**–**
46	**Cash and cash-related assets**	**–**	**–**	**–**	**–**
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**–**	**–**	**–**	**–**
48	**Total GAR assets**	**0,26**	–	–	–
49	**Assets not covered for GAR calculation**	**–**	**–**	**–**	**–**
50	**Central governments and Supranational issuers**	**–**	**–**	**–**	**–**
51	**Central banks exposure**	**–**	**–**	**–**	**–**
52	**Trading book**	**–**	**–**	**–**	**–**
53	**Total assets**	**0,26**	**–**	**–**	**–**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	**–**	**–**	**–**	**–**
54	Financial guarantees	–	–	–	–
55	Assets under management	–	–	–	–
56	of which debt securities	–	–	–	–
57	of which equity instruments	–	–	–	–

		k	l	m	n
	31/12/2024	Water and marine resources (WTR)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		
	in HUF million			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	—			
2	**Financial undertakings**	—			
3	Credit institutions	—			
4	Loans and advances	—			
5	Debt securities, including UoP	—			
6	Equity instruments	—			
7	Other financial corporations	—			
8	of which investment firms	—			
9	Loans and advances	—			
10	Debt securities, including UoP	—			
11	Equity instruments	—			
12	of which management companies	—			
13	Loans and advances	—			
14	Debt securities, including UoP	—			
15	Equity instruments	—			
16	of which insurance undertakings	—			
17	Loans and advances	—			
18	Debt securities, including UoP	—			
19	Equity instruments	—			
20	**Non-financial undertakings**	—			
21	Loans and advances	—			
22	Debt securities, including UoP	—			
23	Equity instruments	—			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	—			
29	Housing financing	—			
30	Other local government financing	—			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	—			
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	—			
33	**Financial and Non-financial undertakings**				
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralised by commercial immovable property				
37	of which building renovation loans				
38	Debt securities				
39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities				
43	Equity instruments				
44	**Derivatives**				
45	**On demand interbank loans**				
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**				
48	**Total GAR assets**	—			
49	**Assets not covered for GAR calculation**				
50	**Central governments and Supranational issuers**				
51	**Central banks exposure**				
52	**Trading book**				
53	**Total assets**	—			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations				
54	Financial guarantees	—			
55	Assets under management	—			
56	of which debt securities	—			
57	of which equity instruments	—			

		o	p	q	r
	31/12/2024	Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		
	in HUF million			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	—			
2	**Financial undertakings**	—			
3	Credit institutions	—			
4	Loans and advances	—			
5	Debt securities, including UoP	—			
6	Equity instruments	—			
7	Other financial corporations	—			
8	of which investment firms	—			
9	Loans and advances	—			
10	Debt securities, including UoP	—			
11	Equity instruments	—			
12	of which management companies	—			
13	Loans and advances	—			
14	Debt securities, including UoP	—			
15	Equity instruments	—			
16	of which insurance undertakings	—			
17	Loans and advances	—			
18	Debt securities, including UoP	—			
19	Equity instruments	—			
20	**Non-financial undertakings**	—			
21	Loans and advances	—			
22	Debt securities, including UoP	—			
23	Equity instruments	—			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	—			
29	Housing financing	—			
30	Other local government financing	—			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	—			
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	—			
33	**Financial and Non-financial undertakings**				
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralised by commercial immovable property				
37	of which building renovation loans				
38	Debt securities				
39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities				
43	Equity instruments				
44	**Derivatives**				
45	**On demand interbank loans**				
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**				
48	**Total GAR assets**	—			
49	**Assets not covered for GAR calculation**				
50	**Central governments and Supranational issuers**				
51	**Central banks exposure**				
52	**Trading book**				
53	**Total assets**	—			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations				
54	Financial guarantees	—			
55	Assets under management	—			
56	of which debt securities	—			
57	of which equity instruments	—			

		s	t	u	v
	31/12/2024	Pollution (PPC)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		
	in HUF million			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	–			
2	**Financial undertakings**	–			
3	Credit institutions	–			
4	Loans and advances	–			
5	Debt securities, including UoP	–			
6	Equity instruments	–			
7	Other financial corporations	–			
8	of which investment firms	–			
9	Loans and advances	–			
10	Debt securities, including UoP	–			
11	Equity instruments	–			
12	of which management companies	–			
13	Loans and advances	–			
14	Debt securities, including UoP	–			
15	Equity instruments	–			
16	of which insurance undertakings	–			
17	Loans and advances	–			
18	Debt securities, including UoP	–			
19	Equity instruments	–			
20	**Non-financial undertakings**	–			
21	Loans and advances	–			
22	Debt securities, including UoP	–			
23	Equity instruments	–			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	–			
29	Housing financing	–			
30	Other local government financing	–			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–			
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	–			
33	**Financial and Non-financial undertakings**				
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralised by commercial immovable property				
37	of which building renovation loans				
38	Debt securities				
39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities				
43	Equity instruments				
44	**Derivatives**				
45	**On demand interbank loans**				
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**				
48	**Total GAR assets**	–			
49	**Assets not covered for GAR calculation**				
50	**Central governments and Supranational issuers**				
51	**Central banks exposure**				
52	**Trading book**				
53	**Total assets**	–			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations				
54	Financial guarantees	–			
55	Assets under management	–			
56	of which debt securities	–			
57	of which equity instruments	–			

		w	x	z	aa
	31/12/2024	Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)	
	in HUF million			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	–			
2	**Financial undertakings**	–			
3	Credit institutions	–			
4	Loans and advances	–			
5	Debt securities, including UoP	–			
6	Equity instruments	–			
7	Other financial corporations	–			
8	of which investment firms	–			
9	Loans and advances	–			
10	Debt securities, including UoP	–			
11	Equity instruments	–			
12	of which management companies	–			
13	Loans and advances	–			
14	Debt securities, including UoP	–			
15	Equity instruments	–			
16	of which insurance undertakings	–			
17	Loans and advances	–			
18	Debt securities, including UoP	–			
19	Equity instruments	–			
20	**Non-financial undertakings**	–			
21	Loans and advances	–			
22	Debt securities, including UoP	–			
23	Equity instruments	–			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	–			
29	Housing financing	–			
30	Other local government financing	–			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–			
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	–			
33	**Financial and Non-financial undertakings**				
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralised by commercial immovable property				
37	of which building renovation loans				
38	Debt securities				
39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities				
43	Equity instruments				
44	**Derivatives**				
45	**On demand interbank loans**				
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**				
48	**Total GAR assets**	–			
49	**Assets not covered for GAR calculation**				
50	**Central governments and Supranational issuers**				
51	**Central banks exposure**				
52	**Trading book**				
53	**Total assets**	–			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations				
54	Financial guarantees	–			
55	Assets under management	–			
56	of which debt securities	–			
57	of which equity instruments	–			

		ab	ac	ad	ae	af
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)			
	in HUF million			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	421 559,11	8 233,80	2 738,79	544,84	3 259,28
2	**Financial undertakings**	**12 861,98**	**18,17**	**–**	**–**	**–**
3	Credit institutions	12 861,98	18,17	–	–	–
4	Loans and advances	–	–	–	–	–
5	Debt securities, including UoP	12 861,98	18,17	–	–	–
6	Equity instruments	–	–	–	–	–
7	Other financial corporations	–	–	–	–	–
8	of which investment firms	–	–	–	–	–
9	Loans and advances	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–
11	Equity instruments	–	–	–	–	–
12	of which management companies	–	–	–	–	–
13	Loans and advances	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–
15	Equity instruments	–	–	–	–	–
16	of which insurance undertakings	–	–	–	–	–
17	Loans and advances	–	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–
19	Equity instruments	–	–	–	–	–
20	**Non-financial undertakings**	**29 462,12**	**5 476,84**	**–**	**544,84**	**3 259,28**
21	Loans and advances	22 542,99	3 117,49	–	0,05	1 448,42
22	Debt securities, including UoP	6 919,13	2 359,35	–	544,79	1 810,87
23	Equity instruments	–	–	–	–	–
24	**Households**	**379 235,01**	**2 738,79**	**2 738,79**	**–**	**–**
25	of which loans collateralised by residential immovable property	379 235,01	2 738,79	2 738,79	–	–
26	of which building renovation loans	–	–	–	–	–
27	of which motor vehicle loans	–	–	–	–	–
28	**Local governments financing**	**–**	**–**	**–**	**–**	**–**
29	Housing financing	–	–	–	–	–
30	Other local government financing	–	–	–	–	–
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**–**	**–**	**–**	**–**	**–**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**–**	**–**	**–**	**–**	**–**
33	**Financial and Non-financial undertakings**	**–**	**–**	**–**	**–**	**–**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	–	–	–	–	–
35	Loans and advances	–	–	–	–	–
36	of which loans collateralised by commercial immovable property	–	–	–	–	–
37	of which building renovation loans	–	–	–	–	–
38	Debt securities	–	–	–	–	–
39	Equity instruments	–	–	–	–	–
40	Non-EU country counterparties not subject to NFRD disclosure obligations	–	–	–	–	–
41	Loans and advances	–	–	–	–	–
42	Debt securities	–	–	–	–	–
43	Equity instruments	–	–	–	–	–
44	**Derivatives**	**–**	**–**	**–**	**–**	**–**
45	**On demand interbank loans**	**–**	**–**	**–**	**–**	**–**
46	**Cash and cash-related assets**	**–**	**–**	**–**	**–**	**–**
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**–**	**–**	**–**	**–**	**–**
48	**Total GAR assets**	**421 559,11**	**8 233,80**	**2 738,79**	**544,84**	**3 259,28**
49	**Assets not covered for GAR calculation**	**–**	**–**	**–**	**–**	**–**
50	**Central governments and Supranational issuers**	**–**	**–**	**–**	**–**	**–**
51	**Central banks exposure**	**–**	**–**	**–**	**–**	**–**
52	**Trading book**	**–**	**–**	**–**	**–**	**–**
53	**Total assets**	**421 559,11**	**8 233,80**	**2 738,79**	**544,84**	**3 259,28**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	**–**	**–**	**–**	**–**	**–**
54	Financial guarantees	485,96	181,96	–	59,01	119,89
55	Assets under management	–	–	–	–	–
56	of which debt securities	–	–	–	–	–
57	of which equity instruments	–	–	–	–	–

Template 2 – GAR sector information

1. Credit institutions shall disclose in this template information on exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty

2. The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.

GAR sector information (CapEX)

		a	b	c	d
	31/12/2024	Climate Change Mitigation (CCM)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCM)
1	1920 - Manufacture of refined petroleum products	889,14	317,28	—	—
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	—	24,72	—	—
3	2910 - Manufacture of motor vehicles	4 516,11	1 083,87	—	—
4	5229 - Other transportation support activities	4 485,95	—	—	—
5	6190 - Other telecommunications activities	200,59	—	—	—
6	6832 - Management of real estate on a fee or contract basis	7 792,97	2 261,13	—	—
7	7010 - Activities of head offices	855,02	181,36	—	—
8	7022 - Business and other management consultancy activities	4 638,43	4 329,20	—	—
9	7120 - Technical testing and analysis	1 226,01	1 205,23	—	—
10	8690 - Other human health activities	0,19	0,06	—	—

		a	b	c	d
	31/12/2024	Climate Change Adaptation (CCA)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCA)
1	1920 - Manufacture of refined petroleum products	—	—		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	—	—		
3	2910 - Manufacture of motor vehicles	—	—		
4	5229 - Other transportation support activities	—	—		
5	6190 - Other telecommunications activities	—	—		
6	6832 - Management of real estate on a fee or contract basis	—	—		
7	7010 - Activities of head offices	—	—		
8	7022 - Business and other management consultancy activities	—	—		
9	7120 - Technical testing and analysis	—	—		
10	8690 - Other human health activities	—	—		

		a	b	c	d
	31/12/2024	Water and marine resources (WTR)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (WTR)
1	1920 - Manufacture of refined petroleum products	—	—		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	—	—		
3	2910 - Manufacture of motor vehicles	—	—		
4	5229 - Other transportation support activities	—	—		
5	6190 - Other telecommunications activities	—	—		
6	6832 - Management of real estate on a fee or contract basis	—	—		
7	7010 - Activities of head offices	—	—		
8	7022 - Business and other management consultancy activities	—	—		
9	7120 - Technical testing and analysis	—	—		
10	8690 - Other human health activities	—	—		

		a	b	c	d
	31/12/2024	Circular economy (CE)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (CE)		Of which environmentally sustainable (CE)
1	1920 - Manufacture of refined petroleum products	—	—		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	—	—		
3	2910 - Manufacture of motor vehicles	—	—		
4	5229 - Other transportation support activities	—	—		
5	6190 - Other telecommunications activities	—	—		
6	6832 - Management of real estate on a fee or contract basis	—	—		
7	7010 - Activities of head offices	—	—		
8	7022 - Business and other management consultancy activities	—	—		
9	7120 - Technical testing and analysis	—	—		
10	8690 - Other human health activities	—	—		

		a	b	c	d
	31/12/2024	Pollution (PPC)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (PPC)
1	1920 - Manufacture of refined petroleum products	—	—		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	—	—		
3	2910 - Manufacture of motor vehicles	—	—		
4	5229 - Other transportation support activities	—	—		
5	6190 - Other telecommunications activities	—	—		
6	6832 - Management of real estate on a fee or contract basis	—	—		
7	7010 - Activities of head offices	—	—		
8	7022 - Business and other management consultancy activities	—	—		
9	7120 - Technical testing and analysis	—	—		
10	8690 - Other human health activities	—	—		

		a	b	c	d
	31/12/2024	Biodiversity and Ecosystems (BIO)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (BIO)
1	1920 - Manufacture of refined petroleum products	—	—		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	—	—		
3	2910 - Manufacture of motor vehicles	—	—		
4	5229 - Other transportation support activities	—	—		
5	6190 - Other telecommunications activities	—	—		
6	6832 - Management of real estate on a fee or contract basis	—	—		
7	7010 - Activities of head offices	—	—		
8	7022 - Business and other management consultancy activities	—	—		
9	7120 - Technical testing and analysis	—	—		
10	8690 - Other human health activities	—	—		

		a	b	c	d
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	1920 - Manufacture of refined petroleum products	889,14	317,28	—	—
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	—	24,72	—	—
3	2910 - Manufacture of motor vehicles	4 516,11	1 083,87	—	—
4	5229 - Other transportation support activities	4 485,95	—	—	—
5	6190 - Other telecommunications activities	200,59	—	—	—
6	6832 - Management of real estate on a fee or contract basis	7 792,97	2 261,13	—	—
7	7010 - Activities of head offices	855,02	181,36	—	—
8	7022 - Business and other management consultancy activities	4 638,43	4 329,20	—	—
9	7120 - Technical testing and analysis	1 226,01	1 205,23	—	—
10	8690 - Other human health activities	0,19	0,06	—	—

GAR sector information (turnover)

		a	b	c	d
	31/12/2024	Climate Change Mitigation (CCM)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCM)
1	1920 - Manufacture of refined petroleum products	354,18	7,38	—	—
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	—	20,60	—	—
3	2910 - Manufacture of motor vehicles	4 470,95	632,25	—	—
4	5229 - Other transportation support activities	6 596,99	—	—	—
5	6190 - Other telecommunications activities	238,80	19,10	—	—
6	6832 - Management of real estate on a fee or contract basis	8 126,71	1 618,67	—	—
7	7010 - Activities of head offices	6 343,76	33,88	—	—
8	7022 - Business and other management consultancy activities	1 855,37	1 700,76	—	—
9	7120 - Technical testing and analysis	1 475,37	1 444,20	—	—

		a	b	c	d
	31/12/2024	Climate Change Adaptation (CCA)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCA)
1	1920 - Manufacture of refined petroleum products	–	–		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	–	–		
3	2910 - Manufacture of motor vehicles	–	–		
4	5229 - Other transportation support activities	–	–		
5	6190 - Other telecommunications activities	–	–		
6	6832 - Management of real estate on a fee or contract basis	–	–		
7	7010 - Activities of head offices	–	–		
8	7022 - Business and other management consultancy activities	–	–		
9	7120 - Technical testing and analysis	–	–		

		a	b	c	d
	31/12/2024	Water and marine resources (WTR)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (WTR)
1	1920 - Manufacture of refined petroleum products	–	–		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	–	–		
3	2910 - Manufacture of motor vehicles	–	–		
4	5229 - Other transportation support activities	–	–		
5	6190 - Other telecommunications activities	–	–		
6	6832 - Management of real estate on a fee or contract basis	–	–		
7	7010 - Activities of head offices	–	–		
8	7022 - Business and other management consultancy activities	–	–		
9	7120 - Technical testing and analysis	–	–		

		a	b	c	d
	31/12/2024	Circular economy (CE)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (CE)		Of which environmentally sustainable (CE)
1	1920 - Manufacture of refined petroleum products	–	–		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	–	–		
3	2910 - Manufacture of motor vehicles	–	–		
4	5229 - Other transportation support activities	–	–		
5	6190 - Other telecommunications activities	–	–		
6	6832 - Management of real estate on a fee or contract basis	–	–		
7	7010 - Activities of head offices	–	–		
8	7022 - Business and other management consultancy activities	–	–		
9	7120 - Technical testing and analysis	–	–		

		a	b	c	d
	31/12/2024	Pollution (PPC)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (PCC)
1	1920 - Manufacture of refined petroleum products	–	–		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	–	–		
3	2910 - Manufacture of motor vehicles	–	–		
4	5229 - Other transportation support activities	–	–		
5	6190 - Other telecommunications activities	–	–		
6	6832 - Management of real estate on a fee or contract basis	–	–		
7	7010 - Activities of head offices	–	–		
8	7022 - Business and other management consultancy activities	–	–		
9	7120 - Technical testing and analysis	–	–		

		a	b	c	d
	31/12/2024	Biodiversity and Ecosystems (BIO)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (BIO)
1	1920 - Manufacture of refined petroleum products	–	–		
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	–	–		
3	2910 - Manufacture of motor vehicles	–	–		
4	5229 - Other transportation support activities	–	–		
5	6190 - Other telecommunications activities	–	–		
6	6832 - Management of real estate on a fee or contract basis	–	–		
7	7010 - Activities of head offices	–	–		
8	7022 - Business and other management consultancy activities	–	–		
9	7120 - Technical testing and analysis	–	–		

		a	b	c	d
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	in HUF million		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	1920 - Manufacture of refined petroleum products	354,18	7,38	–	–
2	2893 - Manufacture of machinery for food, beverage and tobacco processing	–	20,60	–	–
3	2910 - Manufacture of motor vehicles	4 470,95	632,25	–	–
4	5229 - Other transportation support activities	6 596,99	–	–	–
5	6190 - Other telecommunications activities	238,80	19,10	–	–
6	6832 - Management of real estate on a fee or contract basis	8 126,71	1 618,67	–	–
7	7010 - Activities of head offices	6 343,76	33,88	–	–
8	7022 - Business and other management consultancy activities	1 855,37	1 700,76	–	–
9	7120 - Technical testing and analysis	1 475,37	1 444,20	–	–

Template 3 – GAR KPI stock

1. Institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
2. Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR
3. Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentally sustainable assets compared to total covered assets
4. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures

Note: For the financial year 2024, in order to accurately reflect the information to be disclosed in accordance with Sections 1.2.1.1., 1.2.1.2., 1.2.1.4. and 1.2.1.5. of Annex V of Commission Delegated Regulation (EU) 2021/2178, the proportions to be disclosed in this template are calculated by dividing the relevant eligible or aligned assets as recorded in template 1 (Assets for the calculation of the GAR) by the respective covered assets (as recorded in column a, rows 1-31 and 48 of that template) instead of the Total GAR assets (as set out in row 48 of that asset).

GAR KPI stock (CapEX)

		a	b	c	d	e
	31/12/2024	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	37,00 %	1,08 %	0,24 %	0,19 %	0,39 %
2	**Financial undertakings**	**2,19 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
3	Credit institutions	2,19 %	0,00 %	0,00 %	0,00 %	0,00 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
5	Debt securities, including UoP	3,40 %	0,01 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
20	**Non-financial undertakings**	**16,25 %**	**6,21 %**	**0,00 %**	**1,42 %**	**2,93 %**
21	Loans and advances	22,21 %	5,68 %	0,00 %	1,02 %	2,44 %
22	Debt securities, including UoP	11,81 %	6,61 %	0,00 %	1,71 %	3,29 %
23	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
24	**Households**	**99,30 %**	**0,72 %**	**0,72 %**	**0,00 %**	**0,00 %**
25	of which loans collateralised by residential immovable property	99,59 %	0,72 %	0,72 %	0,00 %	0,00 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**13,54 %**	**0,40 %**	**0,09 %**	**0,07 %**	**0,14 %**

		f	g	h	i
	31/12/2024	Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %	0,00 %	0,00 %	0,00 %
2	**Financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
3	Credit institutions	0,00 %	0,00 %	0,00 %	0,00 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
5	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %
20	**Non-financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
21	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
22	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
23	Equity instruments	0,00 %	0,00 %		0,00 %
24	**Households**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
25	of which loans collateralised by residential immovable property	0,00 %	0,00 %	0,00 %	0,00 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**

		j	k	l	m
	31/12/2024	Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

	31/12/2024	n	o	p	q
		Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		r	s	t	u
	31/12/2024	Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

	31/12/2024	v	w	x	z
		Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		aa	ab	ac	ad	ae	af
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	37,00 %	1,08 %	0,24 %	0,19 %	0,39 %	36,60 %
2	**Financial undertakings**	**2,19 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**19,13 %**
3	Credit institutions	2,19 %	0,00 %	0,00 %	0,00 %	0,00 %	19,13 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	6,84 %
5	Debt securities, including UoP	3,40 %	0,01 %	0,00 %	0,00 %	0,00 %	12,29 %
6	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
20	**Non-financial undertakings**	**16,25 %**	**6,21 %**	**0,00 %**	**1,42 %**	**2,93 %**	**4,92 %**
21	Loans and advances	22,21 %	5,68 %	0,00 %	1,02 %	2,44 %	2,10 %
22	Debt securities, including UoP	11,81 %	6,61 %	0,00 %	1,71 %	3,29 %	2,82 %
23	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
24	**Households**	**99,30 %**	**0,72 %**	**0,72 %**	**0,00 %**	**0,00 %**	**12,41 %**
25	of which loans collateralised by residential immovable property	99,59 %	0,72 %	0,72 %	0,00 %	0,00 %	12,38 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,04 %
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,14 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,14 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,04 %**
32	**Total GAR assets**	**13,54 %**	**0,40 %**	**0,09 %**	**0,07 %**	**0,14 %**	**100,00 %**

GAR KPI stock (turnover)

		a	b	c	d	e
	31/12/2024	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	37,43 %	0,73 %	0,24 %	0,05 %	0,29 %
2	**Financial undertakings**	**2,19 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
3	Credit institutions	2,19 %	0,00 %	0,00 %	0,00 %	0,00 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
5	Debt securities, including UoP	3,40 %	0,00 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
20	**Non-financial undertakings**	**19,46 %**	**3,62 %**	**0,00 %**	**0,36 %**	**2,15 %**
21	Loans and advances	34,86 %	4,82 %	0,00 %	0,00 %	2,24 %
22	Debt securities, including UoP	7,98 %	2,72 %	0,00 %	0,63 %	2,09 %
23	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
24	**Households**	**99,30 %**	**0,72 %**	**0,72 %**	**0,00 %**	**0,00 %**
25	of which loans collateralised by residential immovable property	99,59 %	0,72 %	0,72 %	0,00 %	0,00 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**13,70 %**	**0,27 %**	**0,09 %**	**0,02 %**	**0,11 %**

	31/12/2024	f	g	h	i
		Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %	0,00 %	0,00 %	0,00 %
2	**Financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
3	Credit institutions	0,00 %	0,00 %	0,00 %	0,00 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
5	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %
20	**Non-financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
21	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
22	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
23	Equity instruments	0,00 %	0,00 %		0,00 %
24	**Households**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
25	of which loans collateralised by residential immovable property	0,00 %	0,00 %	0,00 %	0,00 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**

		j	k	l	m
	31/12/2024	Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		n	o	p	q
	31/12/2024	Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		r	s	t	u
	31/12/2024	Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		v	w	x	z
	31/12/2024	Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		aa	ab	ac	ad	ae	af
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	37,43 %	0,73 %	0,24 %	0,05 %	0,29 %	36,60 %
2	**Financial undertakings**	**2,19 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**19,13 %**
3	Credit institutions	2,19 %	0,00 %	0,00 %	0,00 %	0,00 %	19,13 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	6,84 %
5	Debt securities, including UoP	3,40 %	0,00 %	0,00 %	0,00 %	0,00 %	12,29 %
6	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
20	**Non-financial undertakings**	**19,46 %**	**3,62 %**	**0,00 %**	**0,36 %**	**2,15 %**	**4,92 %**
21	Loans and advances	34,86 %	4,82 %	0,00 %	0,00 %	2,24 %	2,10 %
22	Debt securities, including UoP	7,98 %	2,72 %	0,00 %	0,63 %	2,09 %	2,82 %
23	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
24	**Households**	**99,30 %**	**0,72 %**	**0,72 %**	**0,00 %**	**0,00 %**	**12,41 %**
25	of which loans collateralised by residential immovable property	99,59 %	0,72 %	0,72 %	0,00 %	0,00 %	12,38 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,04 %
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,14 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,14 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,04 %**
32	**Total GAR assets**	**13,70 %**	**0,27 %**	**0,09 %**	**0,02 %**	**0,11 %**	**100,00 %**

Template 4 – GAR KPI flow

1. Institution shall disclose in this template the GAR KPIs on flow of loans calculated (new loans on a net basis) based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
2. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures

Note: For the financial year 2024, in order to accurately reflect the information to be disclosed in accordance with Sections 1.2.1.1., 1.2.1.2., 1.2.1.4. and 1.2.1.5. of Annex V of Commission Delegated Regulation (EU) 2021/2178, the proportions to be disclosed in this template are calculated by dividing the flow of relevant eligible or aligned assets by the respective flow of covered assets instead of the flow of Total GAR assets.

GAR KPI flow (CapEX)

		a	b	c	d	e
	31/12/2024	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	67,22 %	1 %	1,20 %	0,00 %	0,00 %
2	**Financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
3	Credit institutions	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
5	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
20	**Non-financial undertakings**	**9,14 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
21	Loans and advances	9,14 %	0,00 %	0,00 %	0,00 %	0,00 %
22	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
23	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
24	**Households**	**98,89 %**	**1,81 %**	**1,81 %**	**0,00 %**	**0,00 %**
25	of which loans collateralised by residential immovable property	100,00 %	1,83 %	1,83 %	0,00 %	0,00 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**14,54 %**	**0,26 %**	**0,26 %**	**0,00 %**	**0,00 %**

		f	g	h	i
	31/12/2024	Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %	0,00 %	0,00 %	0,00 %
2	**Financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
3	Credit institutions	0,00 %	0,00 %	0,00 %	0,00 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
5	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %
20	**Non-financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
21	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
22	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
23	Equity instruments	0,00 %	0,00 %		0,00 %
24	**Households**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
25	of which loans collateralised by residential immovable property	0,00 %	0,00 %	0,00 %	0,00 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**

		j	k	l	m
	31/12/2024	Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		n	o	p	q
	31/12/2024	Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**	**0,00 %**			
25	of which loans collateralised by residential immovable property	0,00 %			
26	of which building renovation loans	0,00 %			
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		r	s	t	u
	31/12/2024	Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

	31/12/2024	v	w	x	z
		Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		aa	ab	ac	ad	ae	af
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	67,22 %	1,20 %	1,20 %	0,00 %	0,00 %	21,64 %
2	**Financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**3,04 %**
3	Credit institutions	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	3,04 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	3,04 %
5	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
20	**Non-financial undertakings**	**9,14 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**4,28 %**
21	Loans and advances	9,14 %	0,00 %	0,00 %	0,00 %	0,00 %	4,28 %
22	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
23	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
24	**Households**	**98,89 %**	**1,81 %**	**1,81 %**	**0,00 %**	**0,00 %**	**14,31 %**
25	of which loans collateralised by residential immovable property	100,00 %	1,83 %	1,83 %	0,00 %	0,00 %	14,15 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,16 %
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**14,54 %**	**0,26 %**	**0,26 %**	**0,00 %**	**0,00 %**	**100,00 %**

GAR KPI flow (turnover)

		a	b	c	d	e
	31/12/2024	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	68,07 %	1,20 %	1,20 %	0,00 %	0,00 %
2	**Financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
3	Credit institutions	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
4	Loans and advances	0,00 %	0,00 %	0	0,00 %	0,00 %
5	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
20	**Non-financial undertakings**	**13,43 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
21	Loans and advances	13,43 %	0,00 %	0,00 %	0,00 %	0,00 %
22	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
23	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %
24	**Households**	**98,89 %**	**1,81 %**	**1,81 %**	**0,00 %**	**0,00 %**
25	of which loans collateralised by residential immovable property	100,00 %	1,83 %	1,83 %	0,00 %	0,00 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**14,73 %**	**0,26 %**	**0,26 %**	**0,00 %**	**0,00 %**

	31/12/2024	f	g	h	i
		Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %	0,00 %	0,00 %	0,00 %
2	**Financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
3	Credit institutions	0,00 %	0,00 %	0,00 %	0,00 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
5	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %
20	**Non-financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
21	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %
22	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %
23	Equity instruments	0,00 %	0,00 %		0,00 %
24	**Households**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
25	of which loans collateralised by residential immovable property	0,00 %	0,00 %	0,00 %	0,00 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**

	31/12/2024	j	k	l	m
		Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		n	o	p	q
	31/12/2024	Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**	**0,00 %**			
25	of which loans collateralised by residential immovable property	0,00 %			
26	of which building renovation loans	0,00 %			
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

	31/12/2024	r	s	t	u
		Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

		v	w	x	z
	31/12/2024	Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,00 %			
2	**Financial undertakings**	**0,00 %**			
3	Credit institutions	0,00 %			
4	Loans and advances	0,00 %			
5	Debt securities, including UoP	0,00 %			
6	Equity instruments	0,00 %			
7	Other financial corporations	0,00 %			
8	of which investment firms	0,00 %			
9	Loans and advances	0,00 %			
10	Debt securities, including UoP	0,00 %			
11	Equity instruments	0,00 %			
12	of which management companies	0,00 %			
13	Loans and advances	0,00 %			
14	Debt securities, including UoP	0,00 %			
15	Equity instruments	0,00 %			
16	of which insurance undertakings	0,00 %			
17	Loans and advances	0,00 %			
18	Debt securities, including UoP	0,00 %			
19	Equity instruments	0,00 %			
20	**Non-financial undertakings**	**0,00 %**			
21	Loans and advances	0,00 %			
22	Debt securities, including UoP	0,00 %			
23	Equity instruments	0,00 %			
24	**Households**				
25	of which loans collateralised by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	**Local governments financing**	**0,00 %**			
29	Housing financing	0,00 %			
30	Other local government financing	0,00 %			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**			
32	**Total GAR assets**	**0,00 %**			

	31/12/2024	aa	ab	ac	ad	ae	af
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	68,07 %	1,20 %	1,20 %	0,00 %	0,00 %	21,64 %
2	**Financial undertakings**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**3,04 %**
3	Credit institutions	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	3,04 %
4	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	3,04 %
5	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
6	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
7	Other financial corporations	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
8	of which investment firms	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
9	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
10	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
11	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
12	of which management companies	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
13	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
14	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
15	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
16	of which insurance undertakings	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
17	Loans and advances	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
18	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
19	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
20	**Non-financial undertakings**	**13,43 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**4,28 %**
21	Loans and advances	13,43 %	0,00 %	0,00 %	0,00 %	0,00 %	4,28 %
22	Debt securities, including UoP	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
23	Equity instruments	0,00 %	0,00 %		0,00 %	0,00 %	0,00 %
24	**Households**	**98,89 %**	**1,81 %**	**1,81 %**	**0,00 %**	**0,00 %**	**14,31 %**
25	of which loans collateralised by residential immovable property	100,00 %	1,83 %	1,83 %	0,00 %	0,00 %	14,15 %
26	of which building renovation loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
27	of which motor vehicle loans	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,16 %
28	**Local governments financing**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
29	Housing financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
30	Other local government financing	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**	**0,00 %**
32	**Total GAR assets**	**14,73 %**	**0,26 %**	**0,26 %**	**0,00 %**	**0,00 %**	**100,00 %**

Template 5 – GAR KPI off-balance-sheet exposures

1. Institution shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and assets under management) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template

2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures

GAR KPI off-balance-sheet exposures (CapEX)

		a	b	c	d	e
	31/12/2024	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,57 %	0,33 %	0,00 %	0,15 %	0,09 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %

		f	g	h	i
	31/12/2024	Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %	0,00 %	0,00 %	0,00 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %

		j	k	l	m
	31/12/2024	Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		n	o	p	q
	31/12/2024	Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		r	s	t	u
	31/12/2024	Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		v	w	x	z
	31/12/2024	Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		aa	ab	ac	ad	ae
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,57 %	0,33 %	0,00 %	0,15 %	0,09 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %

GAR KPI off-balance-sheet exposures (turnover)

		a	b	c	d	e
	31/12/2024	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,23 %	0,08 %	0,00 %	0,03 %	0,06 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %

		f	g	h	i
	31/12/2024	Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %	0,00 %	0,00 %	0,00 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %

		j	k	l	m
	31/12/2024	Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		n	o	p	q
	31/12/2024	Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		r	s	t	u
	31/12/2024	Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		v	w	x	z
	31/12/2024	Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		aa	ab	ac	ad	ae
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,23 %	0,08 %	0,00 %	0,03 %	0,06 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %

GAR KPI off-balance-sheet exposures (Flow CapEx)

		a	b	c	d	e
	31/12/2024	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	1,87 %	1,09 %	0,00 %	0,51 %	0,30 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %

		f	g	h	i
	31/12/2024	Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %	0,00 %	0,00 %	0,00 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %

		j	k	l	m
	31/12/2024	Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		n	o	p	q
	31/12/2024	Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		r	s	t	u
	31/12/2024	Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		v	w	x	z
	31/12/2024	Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		aa	ab	ac	ad	ae
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	1,87 %	1,09 %	0,00 %	0,51 %	0,30 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %

GAR KPI off-balance-sheet exposures (Flow turnover)

		a	b	c	d	e
	31/12/2024	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,75 %	0,28 %	0,00 %	0,09 %	0,18 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %

		f	g	h	i
	31/12/2024	Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %	0,00 %	0,00 %	0,00 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %

		j	k	l	m
	31/12/2024	Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		n	o	p	q
	31/12/2024	Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		r	s	t	u
	31/12/2024	Pollution (PPC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		v	w	x	z
	31/12/2024	Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,00 %			
2	Assets under management (AuM KPI)	0,00 %			

		aa	ab	ac	ad	ae
	31/12/2024	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,75 %	0,28 %	0,00 %	0,09 %	0,18 %
2	Assets under management (AuM KPI)	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %

Additional mandatory information

Exposures to Taxonomy (non-)eligible economic activities/covered assets for the four new environmental objectives and activities

RBHU Group discloses two quantitative indicators on the proportion of taxonomy-eligible and taxonomy non-eligible exposures with regard to the four new environmental objectives and activities in accordance with article 10 (7) of Commission Delegated Regulation (EU) 2021/2178 supplementing the EU Taxonomy Regulation. The disclosure of these quantitative KPIs is supplemented by qualitative information in accordance with Annex XI of the Delegated Regulation.

- Exposures to taxonomy-eligible economic activities/covered assets: 0.00 per cent
- Exposures to taxonomy non-eligible economic activities/covered assets: 0.00 per cent

Exposures to taxonomy (non-)eligible and taxonomy (non-)aligned economic activities/covered assets for nuclear and gas economic activities (CapEx) in accordance with Annex XII

Disclosure template 1 activities in the areas of nuclear energy and fossil gas - GAR stock

	Nuclear energy related activities	31/12/2024
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Disclosure template 1 activities in the areas of nuclear energy and fossil gas - GAR flow

	Nuclear energy related activities	31/12/2024
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Disclosure template 1 activities in the areas of nuclear energy and fossil gas - KPI financial guarantees stock

	Nuclear energy related activities	31/12/2024
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Disclosure template 1 activities in the areas of nuclear energy and fossil gas - KPI financial guarantees flow

	Nuclear energy related activities	31/12/2024
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Disclosure template 1 activities in the areas of nuclear energy and fossil gas - KPI assets under management stock

	Nuclear energy related activities	31/12/2024
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Disclosure template 1 activities in the areas of nuclear energy and fossil gas - KPI assets under management flow

	Nuclear energy related activities	31/12/2024
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Disclosure template 2 taxonomy-aligned economic activities – CapEX

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaptation	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,256.44	0.04 %	1,256.44	0.04 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	77.31	— %	77.31	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**10,827.08**	**0.35 %**	**10,827.08**	**0.35 %**	**0**	**— %**
8	**Total applicable KPI**	**12,160.83**	**0.40 %**	**12,160.83**	**0.40 %**	**0**	**— %**

Disclosure template 2 taxonomy-aligned economic activities - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaptation	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	560.68	0.02 %	560.68	0.02 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	77.31	— %	77.31	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**7,595.81**	**0.25 %**	**7,595.81**	**0.25 %**	**0**	**— %**
8	**Total applicable KPI**	**8,233.80**	**0.27 %**	**8,233.80**	**0.27 %**	**0**	**— %**

Disclosure template 2 taxonomy-aligned economic activities - GAR flow - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaptation	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.11	— %	0.11	— %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.01	— %	0.01	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,281.25**	**0.26 %**	**1,281.25**	**0.26 %**	**0**	**— %**
8	**Total applicable KPI**	**1,281.36**	**0.26 %**	**1,281.36**	**0.26 %**	**0**	**— %**

Disclosure template 2 taxonomy-aligned economic activities - GAR flow - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaptation	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.05	— %	0.05	— %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.01	— %	0.01	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,281.08**	**0.26 %**	**1,281.08**	**0.26 %**	**0**	**— %**
8	**Total applicable KPI**	**1,281.14**	**0.26 %**	**1,281.14**	**0.26 %**	**0**	**— %**

Disclosure template 2 taxonomy-aligned economic activities - KPI financial guarantees stock - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaptation	
			%		%		%
1	activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	127.88	0.06 %	127.88	0.06 %	0	— %
4	activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7.99	— %	7.99	— %	0	— %
5	activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
6	activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**575.21**	**0.27 %**	**575.21**	**0.27 %**	**0**	**— %**
8	**Total applicable KPI**	**711.08**	**0.33 %**	**711.08**	**0.33 %**	**0**	**— %**

Disclosure template 2 taxonomy-aligned economic activities - KPI financial guarantees stock - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaptation	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	55.95	0.03 %	55.95	0.03 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7.99	— %	7.99	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**118.02**	**0.05 %**	**118.02**	**0.05 %**	**0**	**— %**
8	**Total applicable KPI**	**181.96**	**0.08 %**	**181.96**	**0.08 %**	**0**	**— %**

Disclosure template 2 taxonomy-aligned economic activities - KPI financial guarantees flow - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaptation	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	127.94	0.20 %	127.94	0.20 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	8.00	0.01 %	8.00	0.01 %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**575.35**	**0.89 %**	**575.35**	**0.89 %**	**0**	**— %**
8	**Total applicable KPI**	**711.28**	**1.09 %**	**711.28**	**1.09 %**	**0**	**— %**

Disclosure template 2 taxonomy-aligned economic activities - KPI financial guarantees flow - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaptation	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	55.97	0.09 %	55.97	0.09 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	8.00	0.01 %	8.00	0.01 %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**118.07**	**0.18 %**	**118.07**	**0.18 %**	**0**	**— %**
8	**Total applicable KPI**	**182.04**	**0.28 %**	**182.04**	**0.28 %**	**0**	**— %**

Disclosure template 3 taxonomy-aligned economic activities - GAR stock - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1,256.44	10.33 %	1,256.44	10.33 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	77.31	0.64 %	77.31	0.64 %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**10,827.08**	**89.03 %**	**10,827.08**	**89.03 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**12,160.83**	**100.00 %**	**12,160.83**	**100.00 %**	**0**	**— %**

Disclosure template 3 taxonomy-aligned economic activities - GAR stock - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	560.68	6.81 %	560.68	6.81 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	77.31	0.94 %	77.31	0.94 %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**7,595.81**	**92.25 %**	**7,595.81**	**92.25 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**8,233.80**	**100.00 %**	**8,233.80**	**100.00 %**	**0**	**— %**

Disclosure template 3 taxonomy-aligned economic activities - GAR flow - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.11	0.01 %	0.11	0.01 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.01	— %	0.01	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**1,281.25**	**99.99 %**	**1,281.25**	**99.99 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1,281.36**	**100.00 %**	**1,281.36**	**100.00 %**	**0**	**— %**

Disclosure template 3 taxonomy-aligned economic activities - GAR flow - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.05	— %	0.05	— %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.01	— %	0.01	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**1,281.08**	**100.00 %**	**1,281.08**	**100.00 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1,281.14**	**100.00 %**	**1,281.14**	**100.00 %**	**0**	**— %**

Disclosure template 3 taxonomy-aligned economic activities - KPI financial guarantees stock - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	127.88	17.98 %	127.88	17.98 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	7.99	1.12 %	7.99	1.12 %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**575.21**	**80.89 %**	**575.21**	**80.89 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**711.08**	**100.00 %**	**711.08**	**100.00 %**	**0**	**— %**

Disclosure template 3 taxonomy-aligned economic activities - KPI financial guarantees stock - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	55.95	30.75 %	55.95	30.75 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	7.99	4.39 %	7.99	4.39 %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**118.02**	**64.86 %**	**118.02**	**64.86 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**181.96**	**100.00 %**	**181.96**	**100.00 %**	**0**	**— %**

Disclosure template 3 taxonomy-aligned economic activities - KPI financial guarantees flow - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	127.94	17.99 %	127.94	17.99 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	8.00	1.12 %	8.00	1.12 %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**575.35**	**80.89 %**	**575.35**	**80.89 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**711.28**	**100.00 %**	**711.28**	**100.00 %**	**0**	**— %**

Disclosure template 3 taxonomy-aligned economic activities - KPI financial guarantees flow - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	55.97	30.75 %	55.97	30.75 %	0	— %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	8.00	4.39 %	8.00	4.39 %	0	— %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	— %	0.00	— %	0	— %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**118.07**	**64.86 %**	**118.07**	**64.86 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**182.04**	**100.00 %**	**182.04**	**100.00 %**	**0**	**— %**

Disclosure template 4 taxonomy-eligible but not taxonomy-aligned economic activities - GAR stock - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7	— %	7	— %	0	— %
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**404,537**	**13.15 %**	**404,536**	**13.15 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**404,544**	**13.15 %**	**404,544**	**13.15 %**	**0**	**— %**

Disclosure template 4 taxonomy-eligible but not taxonomy-aligned economic activities - GAR stock - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	0	0	0
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	0	0	0
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	18	— %	18	— %	0	— %
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**413,307**	**13.43 %**	**413,307**	**13.43 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**413,325**	**13.43 %**	**413,325**	**13.43 %**	**0**	**— %**

Disclosure template 4 taxonomy-eligible but not taxonomy-aligned economic activities - GAR flow - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**70,624**	**14.29 %**	**70,624**	**14.29 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**70,624**	**14.29 %**	**70,624**	**14.29 %**	**0**	**— %**

Disclosure template 4 taxonomy-eligible but not taxonomy-aligned economic activities - GAR flow - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	0	0	0
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	0	0	0
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**71,534**	**14.47 %**	**71,534**	**14.47 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**71,534**	**14.47 %**	**71,534**	**14.47 %**	**0**	**— %**

Disclosure template 4 taxonomy-eligible but not taxonomy-aligned economic activities - KPI financial guarantees stock - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	— %	6	— %	0	— %
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**501**	**0.23 %**	**501**	**0.23 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**507**	**0.24 %**	**507**	**0.24 %**	**0**	**— %**

Disclosure template 4 taxonomy-eligible but not taxonomy-aligned economic activities - KPI financial guarantees stock - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	0	0	0
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	0	0	0
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	15	0.01 %	15	0.01 %	0	— %
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**289**	**0.13 %**	**289**	**0.13 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**304**	**0.14 %**	**304**	**0.14 %**	**0**	**— %**

Disclosure template 4 taxonomy-eligible but not taxonomy-aligned economic activities - KPI financial guarantees flow - CapEx

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	0.01 %	6	0.01 %	0	— %
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**501**	**0.77 %**	**501**	**0.77 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**507**	**0.78 %**	**507**	**0.78 %**	**0**	**— %**

Disclosure template 4 taxonomy-eligible but not taxonomy-aligned economic activities - KPI financial guarantees flow - turnover

	31/12/2024	CCM + CCA		Climate change mitigation		Climate change adaption	
			%		%		%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	0	0	0
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	0	0	0
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	15	0.02 %	15	0.02 %	0	— %
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %	0	— %	0	— %
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**289**	**0.44 %**	**289**	**0.44 %**	**0**	**— %**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**304**	**0.47 %**	**304**	**0.47 %**	**0**	**— %**

Disclosure template 5 taxonomy-non-eligible activities - GAR stock - CapEx

	31/12/2024		
			%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10	— %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**2,659,978**	**86.46 %**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**2,659,988**	**86.46 %**

Disclosure template 5 taxonomy-non-eligible activities - GAR stock - turnover

	31/12/2024		
			Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10	— %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**2,655,123**	**86.30 %**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**2,655,133**	**86.30 %**

Disclosure template 5 taxonomy-non-eligible activities - GAR flow - CapEx

	31/12/2024		
			Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**422,462**	**85.46 %**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**422,462**	**85.46 %**

Disclosure template 5 taxonomy-non-eligible activities - GAR flow - turnover

	31/12/2024		
			Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**421,553**	**85.27 %**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**421,553**	**85.27 %**

Disclosure template 5 taxonomy-non-eligible activities - KPI financial guarantees stock - CapEx

	31/12/2024		
			Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**214,133**	**99.43 %**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**214,133**	**99.43 %**

Disclosure template 5 taxonomy-non-eligible activities - KPI financial guarantees stock - turnover

	31/12/2024		
			Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**214,866**	**99.77 %**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**214,866**	**99.77 %**

Disclosure template 5 taxonomy-non-eligible activities - KPI financial guarantees flow - CapEx

	31/12/2024		
			Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**63,767**	**98.13 %**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**63,767**	**98.13 %**

Disclosure template 5 taxonomy-non-eligible activities - KPI financial guarantees flow - turnover

	31/12/2024		
			Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	— %
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**64,499**	**99.25 %**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**64,499**	**99.25 %**

Climate change

E1-1: Transition plan for climate change mitigation

Value chain

The climate and environmental business strategy implementation plan of RBHU Group has been approved by the RBHU Group Management Board as part of the Bank's ESG Policy Statement document as starting point of the RBHU Group transition planning. The strategy has a clear goal of supporting customers' funding for investments in the green transition process and reducing emissions financed by RBHU Group.

Climate and environmental transition is an integral part of the Bank's business strategy, representing a key step towards the 2050 net-zero target. In 2024, the primary focus was explicitly on converting the general qualitative goals into specific quantitative targets.

RBHU Group is committed to achieve the following targets:

- Short-term (by 2025)
  - Develop key elements of climate and environmental transition execution plan for reaching CO2 targets 2030 in line with RBI Group Transition plan and define necessary measures.
- Mid-term (by 2030)
  - Reduce GHG emissions in the corporate lending portfolio by 17 per cent in RBHU Group. For more information, please refer to the chapter E1-4: Targets related to climate change mitigation and adaptation
  - Ongoing adaption of the climate and environmental business strategy / transition plan for climate protection.
- Long-term (by 2050)
  - The Bank intends to follow the RBI Group's commitment to be in line with the 1.5°C pathway and therefore aims to be in line with the net-zero greenhouse gas emission target by 2050.

RBHU Group set itself emission targets which were approved by the Management Board in 2024. The emission targets are formulated such that they support RBI Groups' 2030 emission targets in line with the 1.5°C pathway to reach net zero in 2050. The pathway was derived based on the Network for Greening the Financial System (NGFS) scenario. The chosen scenario is country specific as processed and published by the International Monetary Fund through its climate change dashboard (NGFS phase 4 net zero orderly transition).

The Bank is not excluded from the EU Paris-aligned Benchmarks and fulfills this disclosure in compliance with Commission Implementing Regulation (EU) 2022/2453 and Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Regulation), Articles 12.1 (d) to (g) and 12.2.

In its ESG Policy Statement, RBHU Group also focuses on supporting the Bank's customers in their climate and environmental transition. To support customers in their climate and environmental transition, RBHU Group intends to act at industry level, customer level, and transaction and product level. In this respect, the following implementation actions are planned:

- Customer engagement strategies:

  Focus on informing customers about the benefits and opportunities of sustainable finance solutions, with offering interactive sessions on the advantage of transitioning to green energy sources, EVs, adhering to green building standards and promoting energy efficiency investments.

- Development of new products or services:

  Having established a strong presence in renewable energy and green building financing in recent years, the primary focus of product development will now shift to introducing ESG KPI-linked loans and expanding green leasing options.

- New policies and procedures:

  Three key areas will be the focus when introducing new policies and procedures. First, emphasis will be placed on aligning loan processing with EU Taxonomy, with necessary frameworks developed and best practices gathered from clients, peers, and independent advisory service providers. Second, it is crucial to further strengthen the credit policy to support green lending. Finally, maintaining the Green Incentive Program for green loans is necessary to provide competitive offers in the market with maintaining profitability.

- Changes in lending conditions or documentation:

  Embedding green building and sustainability criteria into loan terms and documentation.

- ESG data collection:

  Encouraging clients to provide as detailed and accurate sustainability data as possible, be able to complete banking ESG questionnaires. Integration of sustainability reporting standards into IT infrastructure.

- Implications on the business and risk profile in the short, medium and long-term, including an impact estimation on revenues and profitability:

  The Bank intends to seek new green lending opportunities within the existing portfolio and exclude most of restrictive lending over on midterm. It also intends to focus on its established strengths in green building and renewable energy financing. Additionally, introducing new KPI-linked financing loans could also contribute to enhance the green aspect of the balance sheet.

  Assets and business activities that are incompatible with or need significant efforts to be compatible with transition to climate-neutral economy have not been identified.

- Actions and measures:

  Increase customer engagement through relevant products and proper ESG advisory, while innovating and customizing green financial products to meet emerging market demands and EU Taxonomy regulations. Offer ESG advisory services to relevant clients, maintain and potentially enhance green incentivization schemes for borrowing, and create financial projections under both scenarios with a focus on growth projections tied to green loan products. Additionally, assess and upgrade IT infrastructure to ensure robust support for the green product lineup and EU Taxonomy reporting.

Expected timeline for Implementation of our ambitions in line with our business activity:

- Short-term (0-2 years):
  - Launch and promotion of the updated green loan product suite
  - Continue participation in more state-incentivized green loan programs.
- Medium-term (2-5 years):
  - Establishment of a lending oriented ESG advisory service
  - Expansion into green bonds investments and arrangements.
- Long-term (5+ years):
  - Enhanced market reputation as a sustainable green bank
  - Full alignment with EU Taxonomy and green capital relief program supports entrenched into all aspects of lending.

Regarding transition, a key aspect is the planned development of the climate and environmental transition plan. The transition plan is set to serve as a guide for business decisions involving large corporates with the aim to develop a 1.5°C-aligned corporate portfolio by 2030. Based on the ESG score and the status of clients' specific physical emissions data, clients would be clustered into three categories:

- Supportive – customers are advanced in setting up their emissions in line with RBI Group's and consequently RBHU Group's 2030 targets, and their ESG rating is above average. The Bank's focus for these clients is to provide innovative ESG products and orient them towards future environmental challenges.

- Transformative – customers either lack developed targets to reach the 2030 threshold or have a below-average ESG rating. The Bank's focus for these clients is to offer a range of products and services to help improving their ESG transition ambitions.

- Restrictive – customers that do not have developed targets and whose ESG rating is below average.

To support the transition of the financed corporate portfolio towards the environmental targets outlined above, RBHU Group has introduced portfolio KPI monitoring in terms of average ESG score starting from Y2025 as part of its Corporate Credit Policy.

Own operations

RBI Group views environmental and climate protection as an integral part of business activity and sees itself as a fair partner to the environment. The direct environmental impacts of our operational activities are limited compared with those of production industries. Nevertheless, RBI Group has the goal of limiting negative environmental impacts at all of its sites.

Short-term (by 2026): see at E1-4: Targets related to climate change mitigation and adaptation.

As a responsible operator, RBHU Group has implemented and operates two management systems to ensure the company:

In the case of ISO 14001 EMS:

- Continually improves its overall environmental performance, providing a reliable foundation for initiatives aimed at sustainable development (e.g., operating a circular economy)
- Systematically manages its environmental responsibilities by enhancing environmental performance, significantly contributing to environmental sustainability.

In the case of ISO 50001 EMS:

- The general goal is to continuously improve the organization's energy management performance, including energy efficiency, usage, and adjusted consumption. The overall objectives also include – in alignment with EMS – reducing greenhouse gas emissions and energy costs.

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Climate stress testing

The Bank applies stress testing methodologies as part of the risk identification and assessment process, and most importantly for the analysis of the resilience of its exposures. Climate stress testing is conducted centrally on HO level for all Network Units and overall on Group level. As such, the outcome of the 2022 external/ECB climate risk stress testing exercise conducted by RBI was an important first step, and it confirmed the sectors and regions that were identified internally, on group level, as mostly affected by climate risk.

The exercise gave RBI important benchmark information with respect to model calibrations, data availability and the general confirmation of its internal framework. Based on this information, the three-year disorderly transition scenario (delayed warming by 2°C) has been incorporated into RBI's internal capital adequacy assessment framework (ICAAP), together with a flood risk scenario.

After the first successful external climate stress testing exercise in 2022 and internal climate stress testing exercise in 2023, the internal framework for climate stress testing was further refined to incorporate more risks and balance sheet assumptions (covering credit, market & operational risk). For the 2024 climate stress testing, RBI's positioning as of the cut-off of Q2-2024 was considered in the course of the assessment. The time horizon applied in the short term is three years, and the long-term analysis covers the time horizon up until 2050 (at time buckets 2030, 2040, 2050).

The transitional risks for non-retail and retail credit risk as well as operational and market risks were subject to an acute physical risk stress test for the retail collateral relating to flood risk. The basis of the scenarios was assessed by RBI's risk research in line with the latest Network for Greening the Financial System (NGFS) publications. The following scenarios have been selected:

- Disorderly (delayed transition) scenarios explore higher transition risks due to policies being delayed or divergent across countries and sectors. For example, (shadow) carbon prices are typically higher for a given temperature outcome.
- Orderly scenarios aimed at net-zero emissions by 2050 assume climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued.
- Hot house world (current policies) scenarios assume that some climate policies are implemented in some jurisdictions, but overall efforts are insufficient to halt significant global warming. The scenarios result in severe physical risk with limited transition risk.

The selected scenarios are compatible with the critical climate-related assumptions made in the financial statements in terms of the time horizon, methodology and possible outcomes.

Disorderly scenarios are largely driving transition risks, thereby staggering carbon and energy prices, which mutes gross domestic product (GDP) growth in the first years of the short-term scenarios. In the long-term perspective for disorderly, orderly and hot house world, the projections are rather mixed. The disorderly scenario shows a significant downside between 2030 and 2034 due to severe delayed policy changes. The orderly scenario, however, shows a more positive GDP development from 2035 to 2045 due to the smoother transition. By the year 2050, it is expected that the differences between the various scenarios will converge again.

For the non-retail portfolio, due to the lack of historical data combined with sharp and prolonged increases in carbon taxes and electricity costs, RBI cannot directly measure the impact of climate transition policies on defaults of corporates in the non-retail portfolio (as in the case with IFRS 9 and regular macro stress testing). Instead, RBI currently uses an approach that models the impact of such policies using structural models at the NACE sector level (level 2), based on the development of corporate profitability and debt-servicing ability. RBI then uses the financial module of its corporate rating model to turn projections of firm finances into one-year probability of default (PD) projections.

RBI refers to the first step as the transition risk engine, which consists of two parts:

- The sectoral-level general equilibrium models: this model calculates the impact of policies or shocks in the economy by taking account of the interdependencies between market participants and applying the economic theory of general equilibrium. The sectoral model provides the production/output and cost levels during stressed periods for each sector.
- Firm-level balance sheet models: the outcomes of the sectoral model are then transposed to the individual companies in the respective sectors.

This approach produces stressed balance sheets that include both the “direct” effect of carbon taxes and the indirect effect of macroeconomic aggregates. Once RBI has produced the stressed corporate balance sheets, the corporate rating model is applied to these shocks to produce one-year PDs. Finally, the projected PD is calculated by taking the internal rating derivation logic into account.

In the retail portfolio, especially for residential mortgage exposures, retail models have been extended for the purpose of the climate stress test to include energy price and house price index (HPI) developments in the PD and LGD (loss given default) macroeconomic models according to the energy efficiency (EPC, energy performance certificate) label awarded to the underlying collateral. For this purpose, each retail macroeconomic model now includes the HPI per EPC as parameter and energy prices in the climate and environmental stress calculation. The HPI per EPC scenario applied is based on the Network for Greening the Financial System input, which also includes an HPI for unknown EPC labels that is applied accordingly in the assessment. In line with the ECB climate stress test 2022, all corporate bonds and equity positions in the trading book are subject to this fair value revaluation as market risk scope.

From an operational risk perspective, initial physical risks in the form of direct losses (e.g. critical IT infrastructure) and transitional and compliance risk scenarios (e.g. greenwashing) have been defined as part of the economic capital calculation to account for forward-looking risk triggered by environmental and climate-related events in the short-term scenario as well. Both effects might yield reputational and legal costs. For market risk the corporate bond portfolio was stressed in the short-term scenario with dedicated bond spread shocks being applied directly affecting the profits and losses or capital.

In addition to the assessment of the risk-related impacts, profitability impacts were also re-evaluated in the course of the short-term exercise. For this purpose, net interest income and net fee commission income flows were simulated given a stressed interest environment under the disorderly scenario. Alongside the credit risks, impacts on net interest income and net fee commission income were the main contributors to the impact of the stress test in the short-term scenarios.

As outlined, the short-term exercise is complemented with a 1-year acute physical risk scenario for which the collaterals on retail and non-retail are shocked individually. For this purpose, all collaterals are scored from low to very high under the given scenario according to Moody’s physical risk tool. According to this score, haircuts on the dedicated collateral values and real estate value are applied, reducing their values significantly. The resilience to further physical hazards, e.g. heatwave, will be investigated in upcoming exercises.

Based on the learning from previous exercises (long and short-term), the focus for the 2024 long-term exercise was on credit risk, market risk and income components only. For the analysis, a sector-related portfolio growth was considered as part of a dynamic portfolio assumption – on top of a static balance sheet assumption. In contrast to the short-term stress testing, the disorderly, orderly and Hot-House-World scenario was analysed for the long-term exercise.

The results of the short-term and acute physical risk stress tests contribute to RBHU Group’s framework via a deduction item from the internal capital – see the dedicated results below. Furthermore, the climate risk stress test is one of the input parameters to the materiality assessment and should also complement the target and strategy selection. Given the relatively young discipline, the annual exercise is used to reassess the assumptions made and models in order to reduce the uncertainty of the resilience analysis. This especially covers the area of dynamic balance sheet assumptions, data coverage/completeness and modelling assumptions given the scarcity of data.

Both on RBI Group and RBHU Group level, the impact on the risk parameters from the climate risk exercises has been assessed as non-material, supporting the overall resilience of the Bank. This is considered mild, in comparison to regular stress test exercises, such as the EBA stress test where a comparably larger depletion is observed and confirms the relatively low effect from the isolated climate effect on the risk parameters.

Short-term impact of disorderly scenario

CET1 impact (compared to baseline) in basis points	2025	2026	2027
RBHU Group	-246	-238	-166

Impact of acute physical risk scenario

CET1 impact (compared to baseline) in basis points	2025
RBHU Group	-303

Impact of long-term scenario

	2050		
change in basis points	Hot-House/Baseline	Disorderly	Orderly
Provisioning ratio	14	19	18

E1-2: Policies related to climate change mitigation and adaptation

Value chain

General framework

RBHU Group strives to achieve long-term profitable business while reducing, amongst others, social and environmental harm by related proper due-diligence practices. Furthermore, RBHU Group wants to contribute to the improvement of environmental protection and social standards. RBHU Group, as member of RBI Group is aware of sensitive business fields (especially, but not limited to nuclear power, coal, military goods and technologies, gambling) which the RBI Group handles with care and for which internal policies have to be followed by staff members.

To support the above-mentioned goals, RBHU Group applies the following levels of internal policies: all the below mentioned regulations is classified to one of these categories:

- RBI Group regulation adhered to within RBHU Group practices directly: these regulations are implemented into RBHU Group workflows and risk management practices without specific local implementation. Policies in this category are generally available in the Group Regulation Database
- RBI Group regulation locally approved as part of local key master policies – e.g. Annex to Credit Policy regulations without any local amendment. Policies in this category are generally available RBHU Group local regulation database and in the Group Regulation Database
- RBI Group standards translated and adapted to local processes and organisational responsibilities: fully fledged local version, compliant with group directives. Policies in this category are generally available RBHU Group local regulation database
- The policies listed are all impacting to some extent climate change mitigation, adaptation, energy efficiency and renewable energy deployment efforts.

All of the above-mentioned policies are regularly reviewed and all relevant affected units are notified upon changes.

Lending business (on-balance)

Sectoral policies

ESG sectoral strategies

- ESG Sectoral Policies are RBI Group regulations, locally approved in RBHU Group as Annex to Credit Policy regulations and to the Sustainability assessments in corporate lending and underwriting local regulations, without any local amendment
- The Bank held internal trainings on 4 occasions in 2024 for employees concerned upon the requirements of the Sectoral policies to enhance effective roll-out
- Sectorial policies are also adopted for SME segments in retail lending and are included in local Credit Policy regulations
- The ESG Sectoral Policies, as annexed part of the Credit Policy regulations were approved by the Board of Management and by the Board of Directors.

The application of the rules falls into the responsibility of the Department Heads of those business and risk areas that are in charge for the lending activities.

This policy gathered and included sectoral policies on oil & gas, steel, and real estate and construction. In addition, an oil & gas exclusion policy became a part of such policy which aims to:

- Identify the supportive, transformative, and restrictive criteria in the oil & gas, real estate & construction, and steel industries and as well as define the principles, rules, and engagement criteria for such classifications
- Support the implementation of qualitative targets about negative impacts on resource efficiency and climate change
- Define customer and project-level criteria per sector to contribute to decarbonization.

Furthermore, the policy defines how to engage with clients in the value chain and is applicable for all group units involved in the lending business.

The policy is prepared on the following regulatory/legal framework:

- EU taxonomy 2020/852
- The Paris Agreement
- Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law')
- European Central Bank, Banking Supervision - Guide on climate-related and environmental risks Supervisory expectations relating to risk management and disclosure (November 2020)
- The Principles of Responsible Banking (UNEP FI)
- Alignment with the EU/US/UK regulations

The policy was authored by RBI Group Credit Portfolio Management. To ensure awareness and implementation, several key stakeholders such as Business, Group Regulatory Affairs, Group ESG & Sustainability, and other stakeholders were involved from the beginning until the finalization.

This internal policy is available to all stakeholders involved through a group wide database. Oil & Gas Exclusion Policy, a part of this policy, is published externally as well. It can be retrieved through Fossil fuel exclusion policy (rbinternational.com).

The monitoring tool on the supportive, transformative, and restrictive categorization is a Dashboard and demonstrates the distribution of the portfolio across supportive, transformative, and restrictive categories together with corresponding Exposure at Default (EAD) and Risk-Weighted Assets (RWA).

Business policy on thermal coal

- Business policy on thermal coal is RBI Group regulation, locally approved in RBHU Group as Annex to Credit Policy regulations and to the Sustainability assessments in corporate lending and underwriting local regulations, without any local amendment
- Scope of the regulation is the coal-related lending activity financing of the Bank.

This is an exit (phase-out) policy that sets rules for the exit from Thermal Coal Financing by 2030. Allowed business for transformation from Thermal Coal is a part of the policy. The policy's threshold is based on revenues (25% or lower) for acceptability, provided that the companies have a clear exit plan from the sector by 2030.

The policy is prepared on the following regulatory/legal framework:

- The Paris Pledge for Action (United Nations Climate Change Conference)
- Katowice Rulebook (24th United Nations Framework Convention on Climate Change Conference, COP24), Katowice, December 2018
- United Nations Global Compact - Principles 7-9.

This internal policy is available to all stakeholders involved through a group wide database and the ultimate responsibility of implementation is with the Group Head of Corporate Customers.

Business policy on tobacco

Business policy on Tobacco is RBI Group regulation, locally approved in RBHU Group as Annex to Credit Policy regulations and to the Sustainability assessments in corporate lending and underwriting local regulations, without any local amendment.

Scope of the regulation is the Tobacco-related lending activity financing of the Bank. The policy outlines business rules for tobacco producers and distributors, categorizing customers as acceptable, critical, or non-acceptable. Accepted customers include globally active tobacco producers with high transparency and governance, and a commitment to responsible labeling, packaging, and marketing, especially regarding health warnings and protection of minors. These producers must also be transitioning away from traditional tobacco products, offering at least one reduced health risk product brand in each main market. Distributors must rely on at least 75 percent of their sales from these responsible l tobacco producers.

The policy is prepared on the following regulatory/legal framework:

- The World Health Organization (WHO) Framework Convention on Tobacco Control
- UN's Sustainable Development Goals: Nr. 3 "Good Health and Well-being"
- UNEP FI Principles of Responsible Banking: Principle 2 "Impact Analysis and Target Setting"
- DIRECTIVE 2014/40/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 3 April 2014 on the approximation of the laws, regulations and administrative provisions of the Member States concerning the manufacture, presentation and sale of tobacco and related products.
- DIRECTIVE 2010/13/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive)

This internal policy is available to all stakeholders involved through our group wide database. and the ultimate responsibility of implementation is with the Group Head of Corporate Customers.

Business policy on nuclear energy

- Business policy on nuclear energy is an RBI Group regulation adhered to within RBHU Group practices directly: these regulations are implemented into RBHU Group workflows and risk management practices without specific local implementation.
- Scope of the regulation is the nuclear energy-related lending activity financing of the Bank.

The policy is implemented to avoid and minimize environmental risks associated with nuclear power plants. In accordance with our business conduct RBI seeks to avoid financing of or participation in any transactions or projects which put the environment at risk of lasting substantial detrimental effect (e.g. negative effect on pollution of land, air or waters). RBI aims to avoid the mobilization and catalyzing of nuclear energy business (as to financing, advisory or other banking services, participation, investment funds focusing on nuclear energy). RBI ensures that financing requests in the underwriting process are classified and evaluated according to the presented ESG framework through its internal processes and regulations. Consequently, the Compliance department, along with account officers, product managers, the sustainable finance team, as well as the Risk department, collaboratively check whether clients comply with the RBI Group Nuclear Policy. This evaluation includes reviewing clients related to nuclear activities during onboarding and financing stages, as well as conducting annual monitoring. Responsibility for the adherence to the policy lies with the head of Group Compliance.

The policy is prepared on the following regulatory/legal framework:

- Convention on the Physical Protection of Nuclear Material, as amended (CPPNM) (Vienna, 1979)
- Convention on Early Notification of a Nuclear Accident (ENC) (Vienna 1986)
- Convention on Assistance in the Case of a Nuclear Accident or Radiological Emergency (NARE) (Vienna, 1986)
- Convention on Nuclear Safety (NS) (Vienna 1994)
- Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management (RADW) (Vienna 1997)

The policy was established by Group Compliance and is a result of alignment between all local compliance officers as its main stakeholders which are responsible for sensitive business.

To make the policy available to its key stakeholders, the business policy on nuclear energy is published internally in a group-wide database. Furthermore, RBI published its position statement on nuclear energy on its website under the following link: Nuclear Power.

Process policy

ESG Risk Framework and the EU Taxonomy Regulation KPI Calculation Framework

ESG Risk Framework and the EU Taxonomy Regulation KPI Calculation Framework is an RBI Group regulation adhered to within RBHU Group practices directly: these regulations are implemented into RBHU Group workflows and risk management practices without specific local implementation.

The policy describes how ESG relevant topics are to be reflected within the risk management area, and for which a stand-alone supporting document has been created. The main documents attached to the ESG Risk Framework relate to:

- ESG Process Flow - reflects the inclusion of the ESG within the corporate lending process
- Sectoral strategies
- Financed emissions calculations
- ESG in Corporate underwriting

All the mentioned policies have a specific monitoring process, whereas the implementation of the overall framework is locally in the responsibility of the Integrated Risk Management Department.

The policy reflects how ESG risks are identified, measured and steered, while having the relevant processes and governance. • Employees working within the risk area, and across all business lines.

Relevant stakeholders:

- Project Finance
- Corporate Risk Management
- Risk Controlling
- Corporate Business

Group Financial Institutions, Country and Portfolio Risk Management is accountable for the implementation of the policy.

The policy is prepared based on the following regulatory and legal framework:

- ECB Guide on climate-related and environmental risks

The policy was established by Group Financial Institutions, Country and Portfolio Risk Management and is a result of alignment between the risk area and the corporate business area.

To make the policy available to its key stakeholders, the policy is published internally in a group-wide database.

RBHU Group ESG Rulebook

- RBHU Group ESG Rulebook is a local policy, where RBI Group standards translated and adapted to local processes and organisational responsibilities: fully fledged local version, compliant with group directives
- The application of the rules falls into the responsibility of the Department Heads of those business areas that are in charge for the lending activities
- Scope of the regulation is the mid- and large corporate and project finance lending activity financing of the Bank
- The Bank held internal trainings on 3 occasions in 2024 for employees concerned upon the requirements of the ESG Rulebook to enhance effective roll-out.

To help its customers improve their carbon footprint and make their transformation a sustainable success, RBHU Group needs to be able to assess transactions and projects on the basis of ESG criteria and advise its customers accordingly. In 2020, RBI devised a harmonized definition of sustainable customers and transactions, and made it available to the whole of the RBI in the form of an ESG Rulebook. The RBI Group ESG Rulebook was implemented on local level in 2023. RBHU Group aims to update the RBHU Group ESG Rulebook regularly in order to reflect the latest market developments.

The policy describes the ESG flagging of financial products within Corporate and Institutional customer segments (including Financial Institutions, Sovereigns and LGRs) in RBHU Group.

The policy is based on Loan Market Association guidelines, ICMA principles, the EU Taxonomy regulation as well as market practice in relation to anti-greenwashing processes.

To make the policy available to its key stakeholders, the policy is published internally in a database.

Sustainability assessments in corporate lending and underwriting

Based on RBI Group policies 'ESG in Corporate Underwriting' and 'ESG Process Flow Corporates'

- Sustainability assessments in corporate lending and underwriting is a local policy, where RBI Group standards translated and adapted to local processes and organisational responsibilities: fully fledged local version, compliant with group directives.
- The application of the rules falls into the responsibility of the Department Heads of those business and risk areas that are in charge for the lending activities.
- Scope of the regulation is the mid- and large corporate and project finance lending activity financing of the Bank
- The Bank held internal trainings on 4 occasions in 2024 for employees concerned upon the requirements of the Sustainability assessments in corporate lending and underwriting policy to enhance effective roll-out.

Scope of this regulation is to define the definitions, responsibilities and tasks within the framework of ESG induced corporate credit risk management.

- ESG process flow corporates policy based RBHU Group rules within the Sustainability assessments in corporate lending and underwriting policy
- The policy describes how ESG risks have been included in the three lines of defence model (especially the first and second line of defence, as the third line of defence audit is regulated in the respective audit policies).
- It provides an overview of the ESG process steps to be taken on the business and risk management side, to incorporate ESG risks. Relevant stakeholders are: Account Managers, ESG Experts, Risk Managers, Credit Analysts.
- Credit Product Management Team, Project Finance Department and Corporate Credit Risk Management Department are accountable for the implementation of the policy.

The policy is prepared on the following regulatory/legal framework: ECB Guide on Climate and Environmental related risks.

ESG in Corporate Underwriting policy based RBHU Group rules within the sustainability assessments in corporate lending and underwriting policy

The policy describes which type of ESG-related information the corporate credit analyst and risk manager via its risk analysis and statement transfers to the credit decision maker and in which cases dependent on a combination of customer & industry environmental score the corporate risk manager undertakes a more detailed analysis of the customer's business model and how it is affected by environmental risks. The ESG risk analysis is an integral part of the Risk Statement, ensuring implicit monitoring of the policy.

The policy provides regulations for the credit analyst and for the corporate risk manager / underwriter how to report & (partially) assess environmental risks the customer might be exposed to. Relevant stakeholders are: Account Managers, ESG Experts, Risk Managers, Credit Analysts involved in Corporate & Specialized Lending.

Corporate Credit Risk Management Department is accountable for the implementation of the policy.

The policy is prepared on the following regulatory/legal framework:

- ECB Guide on Climate and Environmental related risks
- EBA Guidelines for Loan Origination & Monitoring
- EBA Report on ESG Risks Management & Supervision
- FMA Guide for Managing Sustainability Risks.

The policy is aligned with all relevant process stakeholders. To make the policy available to its key stakeholders, the policy is published internally in regulation database.

RBI taxonomy rulebook

The RBI taxonomy rulebook outlines the regulatory requirements of the EU Taxonomy Regulation and the respective implementing and delegated acts and how these need to be implemented across the RBI Group, respectively the Bank in order ensure regulatory compliance. The RBI taxonomy rulebook thus provides the methodology for the disclosure of the proportion of financing provided by the Bank which relates to economic activities that substantially contribute to the environmental objectives of the EU Taxonomy and fulfil the relevant technical screening criteria, DNSH requirements and minimum safeguards. The Bank ensures that a financing flagged as taxonomy-aligned is classified in line with the requirements of the RBI taxonomy rulebook. Accordingly, Sustainable Finance, with the support of the relevant departments, reviews the respective transactions and provided documentation. In addition, where applicable, the assessment must be carried out using a dedicated tool that ensures that the requirements are fulfilled.

The policy concerns both the collection of disclosed counterparty KPIs regarding general-purpose exposures as well as the assessment of exposures with known use of proceeds during the origination process and based on documentation provided by the counterparty. Thus, it must be considered by all employees at head office and in the subsidiaries involved in the assessment and flagging of taxonomy eligibility and alignment and the respective reporting of KPIs, in particular ESG experts, Risk Controlling and Regulatory Reporting.

RBHU Group is subject to the requirement to publish non-financial information pursuant to Article 19a and Article 29a of CSRD and consequently to the disclosure obligation as outlined in Article 8 Taxonomy Regulation and the respective delegated acts. The respective assessment of exposures with known use of proceeds is conducted locally in RBHU Group, while the implementation of the RBI taxonomy rulebook lies with the Group Risk Data & Regulatory Reporting department.

The application of the rules falls into the responsibility of the Department Heads of those business areas that are in charge for the lending activities.

Own operations

Management

Environmental policy

In the year 2023, RBHU Group obtained certification for its Environmental Management System according to the ISO 14001 standard, and in connection with this, the company's environmental policy was also issued which details the key action areas and aims to manage and inform actions and targets regarding own operations.

The active communication and involvement of stakeholders such as internal and external experts to inform the policy content, local Facility Management for implementation of actions, as well as local sustainability specialists to collect data and ensure regular adaptation, are part of the process. The policy is available on RBHU Group's website.

The scope of the policy is the own operations of Raiffeisen Bank Zrt. level, while the most senior level accountable for the policy is the head of the CPO department. The policy has been revised and accepted on local Senior Management level.

RBHU Group's environmental policy can be read below:

In recognition of the importance of environmental protection and sustainable development, and our commitment to it, we are implementing and operating an environmental management system in accordance with the requirements of the ISO 14001:2015 standard. Our main objectives, in line with the strategic direction of our company and the Environmental Management System (EMS), are primarily focused on the following areas:

- The foundation for the establishment and proper operation of the environmental management system is the commitment of our management and employees, enhancing this commitment and their purposeful collaboration
- We strive to continuously ensure compliance with relevant obligatory laws, regulations, EMS requirements, and agreed obligations, keeping in mind the alignment of these with our operational processes. We place great emphasis on monitoring to ensure compliance
- Based on environmental data and indicators, we take actions to continuously improve the management system and enhance our environmental performance
- We carry out our activities with a focus on correcting any detected non-compliances
- To prevent and reduce environmental pollution, we analyse both the direct and indirect impacts that may affect our activities
- Considering the expectations of interested parties, we aim to reduce our environmental impacts and risks, while increasing opportunities by identifying, assessing, and reviewing environmental factors and impacts, risks, and opportunities, as well as setting related goals
- We strive to minimize the use of natural resources, energy, and raw materials
- We strive to replace environmentally harmful materials and substitute hazardous materials with less dangerous ones, thereby reducing associated risks
- To reduce air pollution and increase awareness, we aim to decrease emissions related to personal transportation
- We focus on continuously increasing the positive climate impact of our business activities by supporting climate-friendly innovations and consistently reducing our carbon footprint. Where possible, we aim to achieve carbon neutrality (CO2 neutrality) by 2050
- We strive to prevent and reduce the generation of waste, implement selective waste collection, and promote recycling
- Many of our objectives serve to reduce energy consumption, as evidenced by the operation of our energy-focused management system
- We provide continuous training and education to our employees to prevent environmental pollution, preserve natural resources, improve the management system, and increase employees' environmental awareness
- We engage in open communication with customers, suppliers, authorities, and significant stakeholders to improve environmental protection
- We follow-up the environmental performance and work of subcontractors and suppliers.

We ensure that this policy is documented, public, and accessible to our employees and all interested parties.

Travel policy

The RBHU Group travel policy aims to regulate the processes and reimbursement related to domestic and foreign assignments taking place at Raiffeisen Bank and its subsidiaries in accordance with the law. The Head of HR Department is accountable for the policy and the application of its rules.

E1-3: Actions and resources in relation to climate change policies

Value chain

Corporate and Institutional customers

One key goal for the climate & environmental business strategy is to incorporate the climate targets of the Paris Agreement into RBI Group and consequently to RBHU Group balance sheet. The Bank identifies and measures climate related impacts. This allows to recognize new business opportunities on one hand, while on the other hand setting measures to mitigate harmful effects to the climate and environment, thus making its overall business composition more sustainable.

In a first step, RBI Group runs an assessment both at portfolio and counterparty level, on a qualitative and quantitative basis across the various customer types and industries. The goal is to identify both risks and opportunities and to create the conditions for potentially necessary management of sustainability risks customer and industry levels. At this stage at portfolio level, the Bank relies on the results of the materiality analysis and impact analysis, the financed emission calculation, and results from the climate stress test. At counterparty level, the Bank focuses on the ESG counterparty assessment and includes its considerations in the lending process.

RBI then transforms those results into internal steering impulses according to financial, risk, and operational needs. RBI and consequently RBHU Group set targets and prioritize our resource allocation by reducing relations with businesses not meeting our environmental and economical parameters. This helps us both achieving our ambitions and realizing opportunities at the same time.

The sectoral strategies are the tool for the steering process. In Phase 1, we classified customers and transactions in three clusters: "restrictive" designates candidates earmarked for termination in case transition is not achieved; "transformative" designates customers that support our transformation with new loans meeting our sustainability criteria (they account for the main part of the portfolio); supportive is for customers already green. In Phase 2 we plan to design engagement criteria and quantitative targets. The credit policy and the lending process are included in the steering process. The credit policy currently reflects the minimum ESG criteria and guidelines in accordance with the latest ESG risk developments. The lending process includes ESG-relevant aspects in the "three lines of defence"-model for the corporate segment.

Sustainable financing

Providing sustainable financing generates added value for our customers and a wide range of activities for society that are suited to sustainable financing. The Bank describes financing as being sustainable when it has a long-term positive impact on the environment and climate and/or on societal and social issues, and when it supports the attainment of the Sustainable Development Goals (SDGs). More specifically, the definition of a sustainable transaction is based on the EU Taxonomy Regulation and on RBHU Group's ESG Rulebook (basis: RBI's ESG Rulebook) definition for green and social. The eligibility criteria of the listed frameworks differ in terms of complexity and precision.

The total volume of sustainable financing (limited to financing with a positive impact on the environment and the climate and ESG-linked financing) for corporate and institutional customers at RBHU Group and its subsidiaries in 2024 was around €574 million as of 31 December 2024. Of this amount, customers have utilized financing lines amounting to €541 million. In addition, there was an unutilized line of sustainable financing of nearly €33 million.

Sustainable financing – corporate and institutional customers

in € million	2024	
Financing with a positive impact on the environment and the climate	538.99	94 %
ESG-linked financing	2.55	0 %
Subtotal (utilized line)	541.54	94 %
Unutilized line	32.86	6 %
Sustainable financing	574.40	100 %

Breakdown of sustainable financing by category:

Sustainable financing - corporate and institutional customers

in € million	2024	
Sustainable real estate	249.67	43 %
Renewable energy	175.34	31 %
Energy efficiency measures	-	- %
Sustainable mobility	113.98	20 %
Water supply, sewage treatment and waste management	-	- %
Sustainable forestry and farming	-	- %
Manufacturing industry	-	- %
ESG KPI-linked loans	2.55	0 %
ESG Rating-linked loans	-	- %
Subtotal (utilized line)	**541.54**	94 %
Unutilized line	32.86	6 %
Sustainable financing	**574.40**	100 %

As this is an ongoing process there are not specific time horizons defined for completing this action, mainly the provision of sustainable financing.

Sustainable real estate

Real Estate and Construction are among the key industries under the radar of those that are involved in green economy and finance. RBHU Group is committed to being one of the pioneers in the industry, which means that it does not follow the market, but rather strives for sectoral strategies that reflect its leading role in banking. Therefore, aligned to the RBI Group practice RBHU Group included Real Estate & Construction as part of its sectoral policy with the main goal of defining the categories for the transition to green economy.

The policy defines engagement criteria based on ESG clusters and provides EAD portfolio targets for 2025 and 2030 for Construction, and 2025 for Real Estate. In order to monitor those targets, a Power Bi monitoring tool was developed which shows the portfolio distribution and in case of deviation from the targets, notifies the relevant stakeholders (e.g. Industry Lead, Sustainable Finance) and negotiates paths with these parties to solve the breach.

In 2024, the volume of financing utilized at RBHU Group in the area of sustainable real estate was nearly € 250 million as of 31 December. Moreover, sustainable real estate finance is one of the most important asset categories in the volume of finance with a positive impact on the environment and climate with 43% of the total.

Renewable energy, energy efficiency and electrification

The 2023 World Energy Transition Outlook (World Energy Transitions Outlook 2023: 1.5°C Pathway (irena.org)), explicitly identified renewable energy, energy efficiency, and electrification as key transition drivers, broadly enabled by the technological advancements of renewable energy production capacities. Moreover, it highlights that even though considerable progress has been made in the past decade, financing institutions should further prioritize supporting the construction of such infrastructure.

Based on an increasing RBI Group portfolio base and RBI Group business pipeline of applicable projects and customer capex investments, there is a substantial business case arising for RBI Group's carbon transition to Net Zero 2050. For RBHU Group most opportunities originate around renewable energy, energy efficiency, and electrification.

Renewable energy

Renewable energy consists of solar, wind (onshore and offshore), hydro and rooftop solar. The build out of renewable energy production will contribute an estimated 25% to global CO_2 reduction. An estimated annual deployment of ca. 1000 GW of renewable power is required to stay on a 1.5°C pathway (according to World Energy Transitions Outlook 2023: 1.5°C Pathway (irena.org)).

In 2024, the volume of financing committed to renewable energy investment projects by RBHU Group was € 175 million as of 31 December 2024 which, alongside a solid pipeline and significant demand growth expected, provides a good basis for future business development.

Key steps to further increase the renewable energy business segment are to increase RBHU Group's track record with established relationship customers and undertake the financing of projects under newly implemented regulatory regimes like onshore wind financing.

As this is an ongoing process there are not specific time horizons defined for completing this action.

Electrification

In focus are Battery Energy Storage Systems (BESS), public transport (EV fleet), EV charging infrastructure, electricity grids, electric utilities, and adjacent industries. Broad electrification of transport and industrial processes will contribute to an estimated 19% of global CO_2 reduction. Electrification is set to become the main energy carrier, accounting for 50% of total final energy consumption by 2050.

To enable the electrification value chain, RBHU Group is actively looking into opportunities from battery production to BESS projects and to continue the cooperation with RBHU Group's industry specialists, specifically for automotive. Contributing to the accelerating growth of a potentially booming BESS market are falling production costs, especially of lithium-ion batteries, which despite substantial R&D working on alternatives, are still the dominating technology.

As this is an ongoing process there are not specific time horizons defined for completing this action.

Retail banking

RBHU Group aims to further increase new green loan sales to private individuals and small-business customers, and therefore advise our customers on the possibility of green mortgage loans (secured by real estate and are made available exclusively to finance or refinance, in whole or in part, new and/or existing transactions with a specific use of proceeds as defined by the framework for Green and Social Loans included in the local Credit Policies).

Prevention of greenwashing and negative ESG impacts

To tackle the topics of negative ESG impacts and greenwashing prevention within the sustainable finance transactions, RBHU Group has implemented different processes, which include the ESG Expert Opinion and the Greenwashing Prevention Check. RBHU Group also conforms to the exclusion list (established on RBI Group level) of all corporate activities in which RBHU Group does not wish to be involved.

ESG expert opinion

An ESG expert opinion is prepared for particularly critical customers, but specifically for critical projects. The ESG expert opinion evaluates the ESG impact of the transaction at project and company level and assesses its impact on the environment and social issues. It also includes a qualitative assessment and presents a conclusion on whether or not the transaction should be pursued from an ESG impact point of view. Consequently, the ESG expert opinion provides decision makers with more detailed information and enables them to consider ESG impacts in their lending decisions. It therefore plays a key role in preventing negative impacts from an ESG perspective. The assessment in the ESG expert opinion takes the following aspects into account: industry impact based on the Principles for Responsible Banking (PRB) Impact Radar; company- and project-related negative impact on key sustainability issues and their mitigation measures; past and current controversies and incidents; the legal environment (i.e. whether high environmental and social standards are ensured through EU regulations).

For critical cases, the ESG expert opinion is issued by RBI AG's Sustainable Finance department with the contributions of local ESG experts. To formalize and standardize the process, an ESG expert opinion tool has been set up internally and a workshop was held to train local ESG experts on how to write an ESG expert opinion and how to navigate through the tool. Follow-up trainings will be established.

Greenwashing prevention check

RBHU Group has established a process to prevent greenwashing and has rolled it out as part of the RBHU Group ESG Rulebook. Under the greenwashing prevention check, RBHU Group commits to certain internal process steps, which must be complied with in the event of a sustainable transaction with a customer. In particular, local ESG experts are involved in the bid phase, the decision phase and the execution phase of a sustainable financing transaction with the external support of RBI AG's Sustainable Finance team if necessary. The greenwashing prevention check focuses on the structure of sustainable financial products, including products that are designated as green, social, sustainability-linked or similar. For the definitions of sustainable business transactions, standards such as the Loan Markets Association guidelines, the ICMA Principles and the EU Taxonomy Regulation were applied. These are used for qualification and (de)flagging of business transactions and form the basis for the greenwashing prevention process. In other words, the greenwashing prevention check is a precondition for RBHU Group's involvement in sustainable finance products. The check is applied for all sustainable finance products. By involving the local ESG experts in ESG transactions, RBHU Group provides a further supervisory body to minimize greenwashing risks and contribute to greenwashing prevention.

Raising awareness – supporting the local business units

It is key to raise awareness of ESG-related topics in the business units, to build up ESG knowledge internally and to ensure efficient cooperation within the RBI Group. Accordingly, Corporate ESG Ambassadors have been established in all the subsidiary banks in Central and Eastern Europe, including the subsidiary bank in Hungary. The primary objectives of the network are to pass on knowledge and information between head office and RBHU Group, to advertise ESG activities for corporate customers in Hungary and to support these companies so that they can leverage the opportunities available to them in the area of ESG megatrends and combat global climate change to the greatest possible extent, as well as updating and educating local relationship managers on latest developments in ESG. Local ESG Ambassadors regularly participate at the business-specific trainings provided by Head office on subjects such as EU taxonomy compliance, ICMA bond standards, current developments, circular economy, as well as on the various ESG and sustainability-related products. In addition, RBHU Group's local ESG Ambassadors participate on monthly update calls held with the Corporate ESG Ambassadors in order to maintain a dialog on ESG topics. Through this close cooperation, we are able to maintain and foster the RBI Group standard for day-to-day business on the subject of sustainable financing.

The actions - described in E1-3/Value chain chapter - scope covers the segments impacted by the Bank's financial services.

The actions - described in E1-3/Value chain chapter - do not require significant capital expenditures.

Own operations

A variety of options are available to enhance sustainability within the company. At RBHU Group, these range from building management and energy reduction measures, to increasing the share of material recycled and staging information campaigns for employees. The actions taken to increase the sustainability of own operations varies across RBHU Group, as it is within the local sustainability management's expertise to inform which actions will have the biggest impact.

Our primary targets include among others the continuous reduction of RBHU Group's carbon footprint. From 2022 onwards, we have started quantifying it and setting specific targets to help achieve this objective. An overview of a few key actions as well as their implementation for 2025-2026, can be found below:

- Purchasing green electricity for both the AGORA Headquarters and branch offices:
  - During the procurement of electricity, we strive to ensure that at least 30% of the electricity purchased for RBHU Group comes from certified renewable energy sources. This step is crucial in proportionately reducing greenhouse gas emissions from electricity producers.
- Establishing selective waste collection in the Bank's branch network:
  - The selective waste collection system implemented at the AGORA headquarters is very popular among employees. Based on the experiences gained so far, we plan to introduce selective waste collection in suitable branch offices, contributing to the expansion and operation of a circular economy.
- Purchasing electric vehicles for the Bank's fleet:
  - In 2024, we acquired 16 new EVs through grant support, which will help reduce the CO2 emissions of RBHU Group's road fleet. Leveraging these experiences, we aim to create further opportunities to green the RBHU Group fleet in 2025.
- Installing new solar parks in selected branches:
  - Since its commissioning in 2022, the 50 kWp solar park installed on the Raiffeisen Bank Service Center building has generated approximately 64.39 MWh of energy, preventing 29.29 tons of CO2 emissions. Based on this success, we have initially selected two branches where the conditions (location, required energy amount, permits) allow for the installation of additional solar systems.
- Continuing branch lighting upgrades (LED Installation):
  - With each redesign, new branches are renovated every year, replacing the old lighting systems with new LED-based lighting.

Overview of measures

Topic	Measure	HU
Environmental certificates	ISO 14001	✓
	ISO 50001	✓
	External energy audit	
Energy savings and efficiency	LED	✓
	Light sensors	✓
	Evening/weekend mode	✓
	Computer/printer with energy labels	
	Adaptions in heating/cooling	✓
	IT with environmental standards	
	Adjusments in building envelope	
Renewable energy	Purchasing renewable electricity	✓
Business travel & commuting	Support of public transportation	
	Bicycle parking spaces	✓
Fleet	CO2 reduction measures	
	E-cars, hybrid vehicles	✓
Paper consumption	Measures for reducing consumption	
	Paper with an environmental label	
Waste	Waste separation	✓
	Waste management system	✓
	Increase of recycling waste	
	Measures to waste reduction	
Water	Measures for reducing consumption	
Employee information	e.g. in the form of training and via intranet	✓

E1-4: Targets related to climate change mitigation and adaptation

Value chain

Lending portfolio (non-financial corporations)

The RBHU Group's financed emissions targets are at the first stage set for non-financial corporations and are in accordance with RBI Group's approach.

The backbone of net-zero emissions is the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (the IPCC). Financial institutions should establish their emission reduction targets in line with category C1 of the AR6, i.e., 1.5°C pathway with no or limited overshoot. The RBHU Group's approach, adhering to the RBI Group's approach for setting targets involved the following considerations, guidelines, and components: in order to set science-based targets and be compatible with limiting global warming to 1.5°C, RBI considered a diverse range of climate scenarios to detect relevant environmental, societal, technology, market and policy-related developments and determine decarbonization levers. RBI also considered the Emissions Gap Report (2023) by the United Nations Environment Programme as a part of the framework. Accordingly, Nationally Determined Contributions in the United Nations Framework Convention on Climate Change and National Energy and Climate Plans of the EU Commission repositories were examined. National pledges demonstrate the decarbonization paths of countries as declared by themselves. RBI compared national pledges to net zero pathways and noticed that in most cases, national pledges are less ambitious than net zero scenario decarbonization pathways. In such cases, RBI applied net zero scenario reduction pathways to ensure that the pathways are followed in line with net-zero projections.

Two main approaches exist for setting financed emissions targets: the overarching target, also known as the Absolute Contraction Approach (ACA) and the Sectoral Decarbonization Approach (SDA). The ACA (overarching target) is a one-size-fits-all approach that enables companies to deliver their absolute emissions values in line with global decarbonization pathways, while the SDA entails carbon-intensity metrics. Both approaches have own benefits and limitations. As a starting point, RBI opted for the ACA and set an overarching target for the non-financial corporations' portfolio in line with the 1.5°C pathway. Following its rigorous research and exploration of scientific/academic writings and practices applied for decarbonization, and after reading through climate scenarios and pathways, RBI inferred that several scenarios do not provide GHG data whereas CSRD require undertakings to disclose their values in GHG. As a PCAF signatory, RBI discloses its financed emissions in GHG (CO_2e), and therefore, scenarios including GHG are of priority.

The scenario RBI has chosen is the Net Zero Orderly Transition scenario of the Network for Greening the Financial System (NGFS). The NGFS, a group of central banks and supervisors, develops their scenarios phase-by-phase, and RBI applied their scenario of the current phase (Phase 4). To note, the NGFS provides several scenarios that include different projections such as delayed transition, well below 2°C, etc. RBI's choice, in line with the 1.5°C pathway requirement, has been the Net Zero Orderly Transition scenario which is an ambitious scenario that limits global warming to 1.4°C in line with AR6 of the IPCC. At the time of the IPCC AR6, the NGFS scenario, then having its phase 2, was an acceptable scenario as referenced by the IPCC. Phase 4, published in late 2023, follows the same structures while offering more granularity. In addition, the International Monetary Fund, in cooperation with the NGFS, curated NGFS phase 4 scenarios and published them at their climate change dashboard. This enabled a country-specific view of the GHG emissions as a combination of CO_2 and non-CO_2 emissions (non-CO_2 emissions are other gases under the Kyoto Protocol in NGFS). GHG gases, in addition to carbon dioxide include Kyoto gases under both the NGFS scenario and PCAF standards.

The NGFS scenario draws upon integrated assessment models. Integrated assessment models (IAM) are scientific models that provide links to societal structures, economic facts and projections, and they also take biosphere and atmosphere into account. This synthesizing approach is based on human-earth interplay. Hence, although RBI considered the granularity of the SDA on specific sectors, it opted for an overarching target based on the NGFS scenario due to an extensive lack of other industries under the current SDA framework and inadequate information about GHG guidance. It should also be noted that the NGFS scenarios, in themselves, and as stated by the NGFS, consist of sectoral granularity to an extent that is above average compared to other scenarios assessed by the IPCC AR6 (see NGFS scenarios, p.4). The main categories under the integrated assessment models are energy industries, transportation, and buildings. As is the case with several other scenarios, the NGFS scenario, too, projects immediate action and significant changes to the energy mix. The scenario's immediacy can be noticed through the sharper decreases projected by 2030 and 2035, having a time path until 2050 where net zero scenarios are to provide 0 or lower net CO_2. Furthermore, RBI will continue to explore sectoral approaches, also keeping its stance that they will extend and develop further. In RBI's case, although it assumes alignment of the portfolio with country-specific macroeconomics, ACA fits the case for the beginning of this dynamic process as RBI's portfolio does not carry significant exposures in sensitive industries such as thermal coal and oil upstream. RBI's baseline year has been determined as the last year of its financed emissions disclosure, and the data used was the NGFS scenario curated by the International Monetary Fund in order to apply the decarbonization path toward the target year 2030.

Pursuant to these considerations and having the possibility to have country-specific data, RBI applied global decarbonization paths based on the portfolio approach, as the underlying modelling entails the above-mentioned sectoral consideration. This cross-sectoral approach enabled RBI to project its GHG emissions for the target year in line with the 1.5°C pathway required by CSRD. These levers are expected to contribute to achieving RBI's GHG emissions reduction target in line with group policies, as they reflect cross-sectoral projections on the basis of weighted exposure. RBHU Group sets the targets as 17.11 per cent financed emissions reductions for its non-financial corporations portfolio.

While setting the target, the Bank involved all stakeholders such as Corporate Business, Risk Management, and the sustainable finance team, and finally its Board of Management approved these targets. RBI Group and the local RBHU Group aimed to follow best practices and knowledge in the industry through this approach as RBI noticed that physical emission intensities, although widely used, do not guarantee the same percentage of decrease in financed emissions that employ a different metric ($kgCO_2e$/t Euro). This might lead to an unprecedented outcome such as non-decreasing or inadequately decreasing financed emissions while even physical emissions or their intensities flow as projected. Another risk point is the volatility and non-comparability of the Partnership for Carbon Accounting Financials (PCAF) standards to date. Nonetheless, as a financial institution, the Bank is aware that it has to work on that basis despite such proneness to volatility in current standards.

As the scenarios for decarbonization do not provide specific guidance for scopes other than scope 1(e.g. IEA NZE 2050), the Bank, in line with RBI's approach, applied a pro-rata decarbonization share for the other scopes. The RBHU Group also considers that scope 3 is more vulnerable to volatility and double counting; in that respect, targets are set including scope 1 and scope 2 currently. The RBHU Group will continue its development of sectoral approaches which are used for internal steering particular to the non-financial corporations portfolio.

Pursuant to the target setting disclosed in line with the 1.5°C pathway under the IPCC and in line with CSRD provisions, the RBHU Group will track and report its financed emissions and their intensity (in tCO_2e/mn€) in the next years to disclose how the portfolio is developing based on the initial settings towards the target year 2030. The Bank commits to the above-mentioned target level if no material adverse change happens.

Reduction target of RBHU Group from 2023 to 2030

	2030		2050
Cross-sector reductions pathway based on the year 2023 as the base year	17	%	

It should be noted that the targets set attribute to covered emissions for the non-financial corporations lending portfolio (see Section E1-6). For the 2023 baseline year, scope 1 and scope 2 total financed emissions for the lending portfolio of the non-financial corporations were: 778,074 $kgCO_2e$. The relevant financed emission intensity for 2023 was: 273 tCO_2e/mn €.

Hence, the 2030 financed emissions intensity as target is: 227 tCO_2e/mn € (2030 absolute financed emissions: 645,801 $kgCO_2e$). For the calculations of the base year the PCAF database from September 2024 was considered.

Retail mortgage loans

RBI Group HO has centrally started to calculate the baseline of the emissions for the year 2024; this includes residential real estate. This will serve as a basis for RBHU Group future plans, regarding emission target setting. However, before setting a target, we deem a monitoring period of at least one year necessary, engaging with the stakeholders and thoroughly understanding the drivers as well as well as uncertainties in the data, in order to ensure the stability and consistency of the methodology and the results. In light of these points, we shall set targets in 2025.

Own operations

At the RBHU Group level, local Scope 1 and 2 targets have not been defined; thus, RBHU Group generally aligns to the RBI Group-level targets when it comes to own operations.

E1-5: Energy consumption and mix

Own operations

Energy consumption and mix	2024
Fuel consumption from coal and coal products (MWh)	-
Fuel consumption from crude oil and petroleum products (MWh); including diesel and gasoline consumption related to owned vehicles)	3 448,83
Fuel consumption from natural gas (MWh)	-
Fuel consumption from other fossil sources (MWh)	-
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (MWh)	4 752,12
Total energy consumption from fossil sources (MWh)	8 200,95
Percentage of fossil sources in total energy consumption (%)	66,79
Total energy consumption from nuclear sources (MWh)	2 165,65
Percentage of energy consumption from nuclear sources in total energy consumption (%)	17,64
Fuel consumption from renewable sources (MWh)	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	-
Consumption of self-generated non-fuel renewable energy (MWh)	55,04
Total energy consumption from renewable sources (MWh)	1 912,06
Percentage of renewable sources in total energy consumption (%)	15,57
Non-renewable energy production (MWh)	-
Renewable energy production (MWh)	58,81
Total energy consumption excluding nuclear (MWh)	10 113,01

E1-6: Gross scopes 1, 2, 3 and total GHG emissions

Value chain

Since 2020, RBI has calculated and published its Scope 3 category 15 financed GHG emissions, i.e. the indirect downstream emissions associated with its lending and investment activities. RBHU Group was part of the centrally calculated Scope 3 emission figures but has not been disclosed on individual basis until year-end 2024. This has been an important step in identifying sectors on which to focus its efforts to mitigate the negative impact on the environment of its customers' activities. RBHU Group was part of the centrally calculated Scope 3 emission figures but has not disclosed on individual basis until year-end 2024.

The methodology applied is based on the PCAF standard – the most widely accepted, GHG Protocol-compliant standard for financed emissions calculations. For the 2024 year-end publication, the scope of calculations was enlarged by including the following for the first time, compared to previously reported information of RBI Group:

- Scope 3 emissions from all sectors were taken in account when calculating the RBHU Group's financed emissions in order to account for the indirect upstream and downstream emissions of RBI's customers in accordance with the recommendation of the PCAF standard.
- A first estimation of financed emissions associated with the mortgage asset class.
- PCAF parameters from September 2024, including the inflation adjustment effect, have been used for the year-end 2024 financed emissions calculation for corporate exposures. Additionally, year-end 2023 financed emissions values and emission intensities for corporate exposures have been recalculated using the same updated PCAF parameters to ensure comparability of results across both reporting periods.
- When calculating Sovereign emissions, calculation was adjusted so that it accounts for the impact of the purchasing power parity.
- Results are based on the IFRS scope of consolidation.

An overview of the PCAF asset classes in scope for the year-end 2024 calculations is provided below, with an indication of the coverage achieved in each asset class. Coverage of less than 100 per cent is the result of data gaps or due to financed emissions calculations according to the PCAF not being applicable to a specific asset category.

Financed emissions asset distribution and coverage

in million HUF	Gross carrying amount	Covered by financed emissions	%	Not covered by financed emissions %
Central banks	606,087	-	0%	100%
Central government	914,286	908,884	99%	1%
Credit institutions	873,732	735,691	84%	16%
Other financial corporations	85,192	75,898	89%	11%
Non-financial corporations	1,262,463	1,159,160	92%	8%
Households	635,496	367,934	58%	42%
Other assets	297,920	9,579	3%	97%
Total assets	**4,675,176**	**3,257,147**	**70%**	**30%**

In total, the Bank's financed GHG emissions calculations covered 70 per cent of its total assets. Covered exposures are defined as those gross carrying amounts which could be mapped to PCAF asset classes and for which calculation of financed emissions was performed successfully. PCAF asset classes cover exposures to loans and advances, debt securities and equity not held for trading from central banks, credit institutions, other financial corporations, non-financial corporations and household mortgage loans. The PCAF standard sets out requirements for determining the portion of customers' emissions that can be attributed to a financial institution. Customer-specific GHG emissions data was used in the calculation where available. This data allowed a more precise assessment of financed emissions, but availability was still limited. RBI and alongside RBHU Group conducted an extensive data collection exercise in an effort to constantly improve the quality of their calculations. Estimates for customer scope 1, 2 and 3 emissions were derived using emission factors, representing average (physical or economic activity-based) emissions intensity values for specific industries and countries. The main source of emission factors was the PCAF database.

The PCAF asset class of vehicle loans, which are non-material to RBI's overall portfolio, was outside the scope of the calculations.

Avoided emissions were reported separately and were not added in total financed emissions; in line with the GHG Protocol, there was no netting with positive emissions from the portfolio. As the name suggests, avoided emissions are those that were avoided by investing in renewable energy projects, compared to the emissions that would have been created in the absence of the respective project.

The PCAF parameters from September 2024 were applied in the financed emissions calculation. The value for the PCAF data quality score, a measure of the quality of data used to estimate financed emissions, shows a weighted average of 4 (on a scale of 1 to 5, where 1 is the highest, 5 is the lowest of the quality). Further details regarding data quality are provided in the table below showing the results of the calculation on the level of the PCAF asset classes.

Sovereign emissions were calculated according to the PCAF standard using emission factors available in the PCAF emission factor database. Sovereign scope 1 production financed emissions were disclosed twice, in line with the PCAF requirements, with the first calculation including the net effect of the land use, land use change, and forestry sectors, while this effect was excluded in the second calculation. The results obtained amounted to 0.85 million tons of CO_2e if the net effect of Land Use, Land-Use Change, and Forestry (LULUCF) was included, and 0.96 million tons of CO_2e if these sectors were excluded. Emission factors were primarily sourced from the PCAF database and represent the emission intensity of the countries' respective economies (GDP expressed in purchasing power parity terms). The high data quality score achieved reflected the good quality of the underlying data, obtained directly from the GHG inventories that countries are required to regularly maintain. It is also important to highlight that, to some extent, the sovereign emissions can be expected to overlap with those of the RBHU Group's corporate portfolio, provided that activities at the source of the corporate emissions are located in countries and sectors covered by the national GHG inventories. Therefore, the emissions of the asset class sovereign debt are not included in the total sums of financed emissions in the following tables (e.g. Financed emissions by PCAF asset classes, Total greenhouse gas emissions in detail etc.) to avoid double counting of uncertain magnitude. The financed emissions of the asset class sovereign debt are transparently reported below the line total.

Financed emissions by PCAF asset class

in million HUF	Gross carrying amount covered by emissions calculation		Financed emissions in thousand tCO2e		Emission intensity tCO2e/ HUF million		Weighted data quality (High = 1, Low= 5)	
			Scope 1, 2	Scope 3	Scope 1, 2	Scope 1,2	Scope 1, 2	Scope 3
	2024	2023	2024	2024	2024	2023	2024	2024
Business loans	1,073,409		657	1,884	0.612	–	3.4	3.5
Corporate bonds	630,880		27	580	0.042	–	3.6	3.6
Commercial real estate	264,454		13	–	0.051	–	4.0	–
Project finance	–		–	–	–	–	–	–
Mortgages	366,646		15	–	0.041	–	4.0	–
Total	**2,335,389**		**712**	**2,464**	**0.305**	**–**	**3.6**	**3.6**
Project finance, electricity generation – avoided emissions	60,764		53	–	0.875	–	–	–
Sovereign - incl. LU	860,994		851	–	0.989	–	1.0	–
Sovereign - excl. LU	860,994		965	–	1.121	–	1.0	–

The table above shows the results of RBHU Group's financed emissions calculations including customers' scope 3 emissions for the PCAF asset classes business loans and unlisted equity, listed equity and corporate bonds, and project finance. The Bank would like to highlight that the scope 3 financed emissions imply double counting of emissions in a bank's own portfolio. This is because some of the Bank's customers' scope 3 emissions will already be accounted for in the scope 1 and 2 of other customers in cases where the latter has been part of the former's value chain – either upstream (as suppliers) or downstream (as customers).

The RBI Group and the RBHU Group as well has been striving to stabilize the data quality, calculation framework and scope of own financed emission calculations. The Bank also understands that measure of PCAF data quality and stability of financed emissions results have not been exclusively driven by own efforts, but also reflect the soundness and comprehensiveness of the data the Bank depends on, namely customers' own disclosures and external databases. We expect corporate disclosures to progressively converge towards best practice and provide the most comprehensive coverage, supported by the improved harmonization of reporting requirements.

The table below shows the distribution of financed emissions by NACE sector classification within PCAF asset classes of business loans and unlisted equity, listed equity and corporate bonds, project finance, and commercial real estate.

Financed emissions by NACE sector

in million HUF	Gross carrying amount covered by emissions calculation		Financed emissions in thousand tCO2e		Emission intensity tCO2e/ million HUF		Weighted data quality (High = 1, Low= 5)	
			Scope 1, 2	Scope 3	Scope 1, 2	Scope 3	Scope 1, 2	Scope 3
	2024	2023	2024	2024	2024	2024	2024	2024
Financial and insurance activities	686,183		23	23	0.033	0.034	4.0	4.0
Manufacturing	374,387		361	1,709	0.963	4.565	2.5	2.8
Real estate activities	285,214		16	11	0.056	0.231	3.9	3.6
Wholesale and retail trade; repair of motor vehicles and motorcycles	186,970		162	587	0.867	3.138	3.4	3.7
Professional, scientific and technical activities	106,382		28	38	0.261	0.393	3.0	3.0
Activities of extraterritorial organizations and bodies	92,197		0	0	0.000	0.002	4.0	4.0
Transportation and storage	74,652		35	35	0.474	0.473	3.0	3.0
Mining and quarrying	52,097		16	11	0.317	0.211	4.0	4.0
Agriculture, forestry and fishing	22,771		43	17	1.908	0.753	4.0	4.0
Information and communication	18,260		1	4	0.041	0.200	3.0	3.0
Construction	15,749		2	11	0.108	0.717	4.0	4.0
Human health and social work activities	13,933		1	3	0.054	0.237	4.0	4.0
Administrative and support service activities	13,306		2	4	0.144	0.322	4.0	4.0
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	10,308		1	0	0.056	0.000	4.0	0.0
Accommodation and food service activities	8,964		1	2	0.069	0.409	4.0	4.0
Water supply; sewerage, waste management and remediation activities	3,070		3	4	1.048	1.294	3.9	3.9
Electricity, gas, steam and air conditioning supply	2,736		2	4	0.876	1.498	4.0	4.0
Other service activities	909		1	0	0.757	1.020	4.0	4.0
Arts, entertainment and recreation	487		0	0	0.040	0.087	4.0	4.0
Education	167		0	0	0.227	0.369	4.0	4.0
Public administration and defense; compulsory social security	0		0	0	0.000	0.000	0.0	0.0
Total	**1,968,742**		**698**	**2,464**	**0.354**	**1.446**	**3.5**	**3.6**

Financed emissions by country

in million HUF	Gross carrying amount covered by emissions calculation		Financed emissions in thousand tCO2e		Emission intensity in tCO2e/ million HUF		Weighted data quality (High = 1, Low= 5)	
			Scope 1, 2	Scope 3	Scope 1, 2	Scope 3	Scope 1, 2	Scope 3
	2024	2023	2024	2024	2024	2024	2024	2024
Hungary	1,998,352		687.7	2,429.6	0.356	1.776	3.6	3.5
Luxembourg	121,825		1.0	2.5	0.008	0.021	3.7	3.7
Austria	116,036		5.4	8.0	0.047	0.069	3.9	3.9
Germany	51,450		15.3	13.1	0.297	0.256	3.0	3.0
Great Britain	17,448		0.0	0.1	0.002	0.008	4.0	4.0
Belgium	8,516		2.2	5.7	0.258	0.675	2.5	2.5
Slovakia	7,363		0.6	4.2	0.087	0.570	4.0	4.0
Check Rep.	6,608		0.1	0.4	0.014	0.056	4.0	4.0
Netherlands	2,096		0.1	0.1	0.025	0.068	4.0	4.0
Rest of the world	5,695		0.0	0.0	0.001	0.004	3.5	3.5
Total	**2,335,389**		**712.4**	**2,463.9**	**0.305**	**1.446**	**3.6**	**3.6**

Total greenhouse gas emissions in detail

	2024
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions (tCO_2e)	960.97
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (tCO_2e)	-
Scope 2 GHG emissions	
Gross location-based Scope 2 GHG emissions (tCO_2e)	1,612.05
Gross market-based Scope 2 GHG emissions (tCO_2e)	1,612.05
Significant Scope 3 GHG emissions	
Gross Scope 3 GHG emissions (tCO_2e)	3,179,880.54
1. Purchased goods and services (tCO_2e)	73.06
1a Cloud service (tCO_2e)	0.2
2. Capital goods (tCO_2e)	674.69
3. Fuel- and energy-related activities (not included in scope 1 or scope 2) (tCO_2e)	822.05
4. Upstream transportation and distribution (tCO_2e)	2.46
5. Waste generated in operations (tCO_2e)	591.12
6. Business travel (tCO_2e)	44.26
7. Employee commuting (tCO_2e)	1,385.07
8. Upstream leased assets (tCO_2e)	-
9. Downstream transportation and distribution (tCO_2e)	-
10. Processing of sold products (tCO_2e)	-
11. Use of sold products (tCO_2e)	-
12. End-of-life treatment of sold products (tCO_2e)	-
13. Downstream leased assets (tCO_2e)	-
14. Franchises (tCO_2e)	-
15. Investments (tCO_2e)	3,176,287.63
Total GHG emissions	
Total GHG emissions location-based (tCO_2e)	3,182,453.56
Total GHG emissions market-based (tCO_2e)	3,182,453.56

GHG intensity per net revenue

GHG intensity per net revenue	2024
Total GHG emissions (location-based) per net revenue (tCO_2e/ million HUF)	13.33
Total GHG emissions (market-based) per net revenue (tCO_2e/ million HUF)	13.33

The net revenues amounting to 238 724 million HUF, which served as the basis for calculating the GHG intensity, are reported under operating income (total operating income, net) in the income statement of the consolidated financial statements.

E1-7: GHG Removals and GHG Mitigation Projects Financed Through Carbon Credits

The RBHU Group does not currently engage in GHG removal activities or finance GHG mitigation projects through carbon credits, making this disclosure non-applicable in 2024. The bank emphasizes that claims of greenhouse gas neutrality and the use of carbon credits should support operational efforts to reduce emissions and achieve net-zero objectives.

This disclosure will be addressed as part of the bank's ongoing commitment to transparency, with information provided when the topics become relevant to its operations and reporting framework.

E1-8: Internal Carbon Pricing

The RBHU Group does not currently apply internal carbon pricing within its operations, rendering this disclosure non-applicable.

This disclosure will be addressed as part of the bank's ongoing commitment to transparency, with information provided when the topics become relevant to its operations and reporting framework.

Social information

Own workforce

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Materiality assessment of social risks

In addition to the climate and environmental materiality assessment, the overall ESG risk assessment also includes social risks. By conducting a thorough materiality assessment of social risks, organizations can better understand and manage the social factors that are critical to their long-term success and sustainability. The social component was classified as material for the 2024 RBHU Group impact assessment. Qualitatively, the counterparty social risk was assessed as Low to Moderate. This qualitative low to moderate risk was documented, as the assessment and management of social risk are integral to the internal ESG framework.

Positive and negative impacts (own operations)

The RBI group strategic roadmap for 2024 and 2025 includes a dedicated pillar on people and culture. Our people and culture pillar includes strategic initiatives aimed at developing conscious and effective leaders, fostering a collaborative and customer-centric culture, ensuring we have the right capabilities for both present and future needs, maintaining sustainable reward and recognition systems, positioning ourselves as an authentic and distinctive employer, and providing meaningful career and growth opportunities.

The banking sector operates in a strictly regulated environment and there is high demand for highly skilled professionals who are capable of successfully completing their tasks. Having satisfied and motivated employees is key, however as a learning organization RBHU Group understands that the development of the employees is essential to maintaining high standards.

Working conditions – secure employment

Regarding working conditions, RBHU Group acknowledges their importance for high employee satisfaction. The nature of the employment relationship can significantly impact health, influencing factors such as stress levels and work-life balance. Currently, at 95% of RBHU Group's active employees are employed under permanent contracts.

To bring in specialized expertise and manage short-term workforce needs for project-related tasks, RBHU Group may enter into contracts with non-employees. For cost optimization and sustainability purposes, non-employees are often transitioned to permanent contracts.

RBHU Group also provides opportunities for internship contracts, initially limited to a maximum period of six months, with the possibility of extension. While RBHU Group often offers permanent contracts for junior positions to interns, such offers are subject to business needs and cannot be guaranteed.

RBHU Group complies with all legal requirements regarding working time and recognizes the benefits of flexible working hours. Flexible working hours help to increase employee satisfaction and have positive effects on health.

Health

RBHU Group operates Employee Well-being Initiatives and programs contributing to the overall health and well-being of our employees. These initiatives aim to promote physical, mental, and emotional well-being by ensuring a safe work environment through the implementation of safety protocols, regular safety training, and compliance with occupational health and safety regulations.

RBHU Group provides comprehensive health insurance for employees, including medical and vision care. We also offer preventive health services, health screenings to help reduce the risk of illness and injury, recognizing the importance of proactive health management.

To help employees to manage stress, RBHU Group operates training programs and provides relaxation spaces.

Adequate wages

RBHU Group aims to attract and retain a motivated and qualified workforce by providing competitive compensation aligned with local market trends. The value of work is assessed based on professional knowledge, business perspective, leadership role, organizational impact, and other job-required competencies. Our job evaluations are conducted using gender-neutral criteria to prevent any form of discrimination.

Employee involvement

RBHU Group management believes engaged and enabled employees are more motivated and efficient, leading to higher productivity and better performance. When employees feel engaged and supported in their roles, they experience greater job satisfaction, which can reduce turnover rate and the costs associated with hiring and training new staff.

Engaged employees are also more likely to contribute ideas and solutions, fostering a culture of innovation and continuous improvement. By focusing on engagement and enablement, we aim to build a positive, supportive workplace culture that can attract top talent and enhance the company's reputation.

To ensure employees' voices are heard, we conduct an annual engagement survey. The results are analysed and discussed with lower managerial levels to identify and address development opportunities. While RBHU Group is committed to fostering employee engagement and involvement, the effectiveness of these initiatives and their outcomes may vary.

Equal treatment and opportunities for all

At RBHU Group, we are committed to fostering an environment where all employees are treated fairly and without discrimination. Our aim is to ensure that all employees have access to opportunities for hiring, promotion, training, and development based on merit. We create a workplace culture where all employees feel respected and valued. We are dedicated to maintaining a work environment where harassment and bullying are not tolerated, and where employees feel safe and supported.

Other work-related rights

At RBHU Group, we understand that data security and privacy are fundamental to protecting the autonomy, dignity, and freedom of our employees. Our commitment to data privacy reflects our dedication to ethical principles and respect for individual rights.

Financial risks

While there are currently no short-term material financial effects of sustainability matters related to RBHU Group's own workforce and we believe if the followings focus topics are effectively managed, those can further contribute to a stable, motivated, and productive workforce, which is crucial for long-term financial success and can support a positive and sustainable work environment:

- Continuously monitoring and improve ineffective labour practices
- focusing on retention, proactively using preventive action to minimize attrition
- Maintaining high productivity by focusing on employee satisfaction, motivation, and health
- Continuous development of employees to maintain skilled and competitive workforce.

S1-1: Policies related to own workforce

The following paragraphs focus on all policies which are related to the topic of our own workforce. All policies are published only internally. Further information on monitoring of the policies and how RBHU Group policies are made available to key stakeholder groups can be found in chapter Policy frameworks as governance instruments.

Code of Conduct

At RBHU Group, we adhere to the RBI Group framework. Our Code of Conduct is designed to guide our daily interactions with both internal and external stakeholders. Upholding lawful, ethical, responsible, and sustainable business practices is a cornerstone of our corporate culture. The Code emphasizes equal treatment and opportunities for all employees, focusing on fair employment practices, non-discrimination, and the prohibition of harassment and violence. It underscores the importance of complying with laws, regulations, and international standards related to human rights, including the principles of the International Labour Organization, equal employment opportunities, and the prohibition of forced or child labour.

The Code of Conduct explicitly states that any form of discrimination whether based on age, ethnicity, religion, gender, sexual orientation, disability, or political beliefs or any form of harassment is incompatible with fostering an inclusive work environment where all employees can achieve their highest levels of productivity and contribute to our business goals.

We encourage our staff to be proactive and to handle change constructively by anticipating it whenever possible. Employees are also encouraged to express their professional opinions and judgments on matters within their areas of responsibility.

Additionally, RBHU Group is committed to helping employees maintain a healthy work-life balance, ensuring they can effectively manage their working hours alongside their private lives.

Topic specific policies

Diversity policy

RBHU Group plans to consider the local implementation of RBI Group Diversity Policy. This policy will outline our attitudes, roles, and responsibilities related to diversity and set forth principles for implementing a diversity and inclusion strategy across our organization.

Key elements of the RBI Diversity policy include the RBI Diversity Vision and Mission, providing a framework for effective diversity management.

Total rewards management of RBHU Group

At RBHU Group, we adhere to a Total Rewards Approach, which encompasses both monetary and non-monetary returns provided to our employees in exchange for their time, talents, efforts, and results. This approach includes the following elements:

- Compensation
- Fringe Benefits
- Performance & Recognition
- Development & Career Opportunities
- Work-Life Balance Initiatives.

Our Remuneration Policy offers general guidelines on performance-related and market-appropriate compensation, fringe benefits, and recognition in line with the Total Rewards Approach. Additionally, this policy reflects and implements regulatory requirements concerning remuneration principles in compliance with the EBA Guidelines on sound remuneration policies.

The Remuneration Policy meets international standards for an objective, transparent, and fair compensation structure, compliant with current regulatory requirements. RBHU Group's remuneration system is designed to be consistent with and promote sound and effective risk management, ensuring that it does not encourage risk-taking beyond acceptable levels. This policy aligns with the business strategy, objectives, values, and long-term interests of both the RBI Group and RBHU Group, incorporating measures to avoid conflicts of interest. Developed to support the long-term strategy of both RBHU Group and the RBI Group, this Remuneration Policy provides a framework enabling RBHU Group to operate effectively within its local market.

This policy is intended to provide general guidelines and does not constitute a contractual commitment. this policy is regularly revised and updated to comply with applicable laws and regulations.

Policy about RBHU Group performance management system and process:

The purpose of this policy is to establish a unified interpretation, framework, and guidelines for the performance management process at RBHU Group.

Performance management is a vital tool in corporate governance, enabling leaders to set strategic goals and determine the necessary individual contributions to achieve these objectives. Throughout the performance management process, business goals are transparently communicated, ensuring that the contributions and goals of both leaders and employees align with the organization's overall objectives.

Whistleblowing management

RBHU Group strives to create an organizational culture that allows employees to work in a safe and ethical environment. This includes the opportunity and certain cases obligation for employees to report any violations of the RBHU Group's Code of Conduct, possible unlawful act, omission or abuse immediately to the supervisor or to the Compliance department. To this end, RBI Group has established a whistleblowing system, which provides various options for employees to report such incidents, including the possibility of making anonymous reports. The following channels are offered to employees to raise concerns:

- Whistleblowing - Both staff and external stakeholders have the responsibility to report potential violations of the Code of Conduct or regulatory requirements via either e-mail, phone, postal letter, personally or via Whispli, an anonymous reporting platform available across the RBHU Group.
- Line Management / HR Function - Employees are responsible for raising concerns and complaints through their line management, who are supported by the local HR function.

Compliance Department investigates the reported breaches in accordance with the legal regulations and its Whistleblowing policy.

Occupational Health and Safety policy

The policy defines the bank’s work safety activities - according to law - referring to operational area and teleworking. Present regulation includes all obligatory requirements stipulated by Labor law and other regulations to Employers and those which are necessary and justified for area specificity

Framework for Remote Work (Home Office)

The purpose of the regulation is to establish and sustain a unitary and clear rule inside Raiffeisen Bank Zrt. and its subsidiaries for introducing and applying Home Office working opportunity. Furthermore, regulating Home Office process, clarifying roles and responsibilities of leaders and employees.

S1-2: Processes for engaging with own workforce and workers’ representatives about impacts

The Director of Human Resource is responsible for overseeing the processes for engaging with own workforce and workers’ representatives.

Employee surveys

At RBHU Group, we use two key KPIs in our annual employee satisfaction surveys. One is engagement, which measures the percentage of employees willing to put in extra effort in their daily work. The other is enablement, which indicates the percentage of employees who feel that the conditions and work environment enable them to perform at their best. Understanding the drivers behind these metrics provides valuable feedback on our strengths and areas needing improvement. Therefore, results are discussed across all levels of local management and functional areas, involving employees to understand the main aspects. Follow-up actions are then defined by the functional areas, focusing on key feedback highlighted by employees.

Management briefs

With regards to business results and upcoming actions related to own workforce management briefs are held occasionally to all managerial level to transparently communicate and leverage management messages to employees.

Works council

The Hungarian Labor Code (Chapter XIX;XX) defines how works council can be established and elected by the employees in companies with more than 50 employees. In RBHU Group works council operates aligned with the Labor Code. At least once a year they are consulting and sharing information with CEO in subjects affecting employees (compensation, restructuring).

S1-3: Processes to remediate negative impacts and channels for own workforce to raise concerns

For all RBHU Group employees the "Whispli" tool is available for reporting incidents of any nature. This tool allows to report corporate misconduct or breaches of the Code of Conduct, such as bribery, corruption, conflicts of interest, workplace harassment, bullying, discrimination, fraud, and theft, through an anonymous and secure mailbox. Each report is processed by a case manager. For more details, please refer to the Whistleblowing chapter and described in G1-1 Business conduct policies.

In cases of fraud, misconduct, data privacy issues, and similar concerns, the Disciplinary Committee is responsible for investigating and defining appropriate mitigation actions.

S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The below table is summarizing the actions fields:

	RBHU Group material topics related to impacts, risks and opportunities				
Topic	Diversity, equity and inclusion	Employee development	Health	Employee involvement	Employee relationships
Code of conduct training (S1-1 AR 17c)	x				
Employee Resource or Affinity Groups	x				
Woman empowerment programs	x	x			
Generation Management	x		x		
Employment of people with disabilities (S1-12 AR 76)	x		x		
Hybrid working	x		x		x
Part-time-work (parents) (S1-6)	x		x		x
Part-time-work (other than parents) (S1-6)	x		x		x
Talent management (S1-1 AR 17h)	x	x			
Trainee programs		x			x
Educational leaves (S1-15)		x			x
Programs for mental health		x	x		
Cooperations with Universities		x			
Health management trainings		x	x		
Health checks			x		
General health consulting			x		
Access to non-occupational medical and health care services			x		
Voluntary health services			x		
Bank robberies - psychological support			x		
Promotion of sport activities			x		
Reimbursement public transport costs					x
Special terms bank products					x
Employee Survey				x	

Diversity, equity and inclusion

Code of Conduct trainings are held bi-yearly for existing employees and for each new joiner to raise awareness about recognizing and combating discrimination based on gender, cultural aspects, religion, or sexual orientation.

The Women's Empowerment Program aims to raise awareness about the different leadership characteristics of women and men and how these can be optimized and balanced in their operations.

To build a network for young employees, understand their needs, and provide a forum for networking and development, RBHU Group launched the Young Generation Program in 2021. The main goals are to build a young community within the bank, provide professional learning & development, and strengthen corporate values. In 2024 approximately 20 programs were held with more than 250 participants on the events organized.

Recognizing that flexibility is highly valued in the global labour market, RBHU Group offers hybrid working options based on job position characteristics, as well as part-time work opportunities.

To help employees balance work and family life, RBHU Group provides financial support for summer camps for employees' children and offers more home office options during the summer.

While RBHU Group strives to support its employees through these initiatives, the company cannot guarantee specific outcomes or benefits for every individual.

Employee development

The continuous development of our employees is important to meet both legal and personal requirements and expectations. RBHU Group has a structured performance management system designed to support employees in their personal and professional development. It also ensures that employees understand their expected contributions and how these align with the organization's overall targets.

At RBHU Group, we value learning and encourage all employees to continue their learning journey and shape their development. A wide range of training opportunities is available, including:

- Soft skills
- Professional skills
- Language skills
- Future-proof skills

Development programs available for managers include:

- MyExcellence training program
- Leadership Academy
- Foundation of Leadership
- Coaching and mentoring

There are also functional area-specific programs, such as:

- Future IT
- SMART program
- Risk Academy

Additionally, we offer a trainee program specifically aimed at students, providing an entry point for a career at RBHU Group.

Please note that while RBHU Group strives to support employee development through these initiatives, participation and outcomes may vary, and the company cannot guarantee specific results for every individual.

Employee involvement

Employee surveys are a crucial tool for capturing employee sentiments and providing an opportunity for anonymous feedback and suggestions for improvement or appreciation (please see details above).

In 2024, aligned with the RBI initiative, RBHU Group launched the AI Pioneer program and selected AI ambassadors from functional areas to enhance employees' technological awareness, demonstrate AI opportunities, and promote its ethical use in their own areas. The AI ambassadors will receive training to improve their AI-related skills and knowledge, enabling them to make a significant impact within their teams.

Employee relationship

The proportion of temporary employment contracts is very low and is typically offered only for absence replacements and student positions, adhering to all legal provisions across all units.

Health

RBHU Group offers health insurance to its employees, including a company-financed basic package and health screenings. Employees have the option to upgrade the basic package and extend health services to family members through self-financing.

Additionally, RBHU Group provides health screenings for managers differentiated at managerial level, which are also available to employees at a discounted price.

Occupational health and safety examinations are provided to both new joiners and existing employees.

S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Actual market level is the target for voluntary attrition.

Cross-metric methods and significant assumptions

For the calculation of the metrics in the following disclosure tables (from S1-6 to S1-17), only units with more than 100 employees were considered. The measurement of the parameters has not been validated by any external party other than the entity responsible for the quality assurance of the non-financial statement. The figures were reported as headcounts either as of the reporting date or for a period. Where it was possible to provide either point-in-time values or average values, point-in-time values were disclosed. In this section, we present factual data sourced from the RBHU Group HR systems, as well as data derived from these facts. No estimates were employed in the preparation of the data tables.

S1-6: Characteristics of the undertaking's employees

Indicator	Description	Unit	2024 -EoP Consolidated data	2024 - EoP Raiffeisen Bank Zrt.	2024 - EoP Raiffeisen Bank Contact Centre
	S1-6 DR50 a)				
ESRS S1-6	Total number of employees, male	Persons	1 283	1 143	140
ESRS S1-6	Total number of employees, female	Persons	1 775	1 447	328
ESRS S1-6	Total number of employees	Persons	3 058	2 590	468
	S1-6 DR50 b)				
ESRS S1-6	Permanent employees, male	Persons	1 231	1 091	140
ESRS S1-6	Permanent employees, female	Persons	1 668	1 340	328
ESRS S1-6	Total number of permanent employees	Persons	2 899	2 431	468
ESRS S1-6	Temporary employees, male	Persons	52	52	0
ESRS S1-6	Temporary employees, female	Persons	107	107	0
ESRS S1-6	Total number of temporary employees	Persons	159	159	0
ESRS S1-6	Non-guaranteed hours employees, male	Persons	0	0	0
ESRS S1-6	Non-guaranteed hours employees, female	Persons	0	0	0
ESRS S1-6	Total number of non-guaranteed hours employees	Persons	0	0	0
ESRS S1-6	Full-time employees, male	Persons	1 260	1 122	138
ESRS S1-6	Full-time employees, female	Persons	1 569	1 262	307
ESRS S1-6	Total number of full-time employees	Persons	2 829	2 384	445
ESRS S1-6	Part-time employees, male	Persons	23	21	2
ESRS S1-6	Part-time employees, female	Persons	206	185	21
ESRS S1-6	Total number of part-time employees	Persons	229	206	23
	S1-6 DR50 c)				
ESRS S1-6	Total number of employees who have left during the reporting period	Persons	474	378	96
ESRS S1-6	Rate of employee turnover in the reporting period	Share	16	15	21

S1-7: Characteristics of non-employees in the undertaking's own workforce

Non-employees = Either individual contractors supplying labor to the undertaking ("self-employed people"), or people provided by undertakings (third-party) primarily engaged in "employment activities" (NACE Code N78). During 2024, no self-employed people were employed as non-employees.

Indicator	Description	Unit	2024 -EoP Consolidated data	2024 - EoP Raiffeisen Bank Zrt.	2024 - EoP Raiffeisen Bank Contact Centre
	S1-7 DR55 a)				
ESRS S1-7	Total number of non-employees in the organization's own workforce	Quantity	47	47	0

S1-8: Collective bargaining coverage and social dialogue

Workers' representatives: namely representatives who are freely elected by the workers of the organisation not under the domination or control of the employer in accordance with provisions of national laws or regulations or of collective agreements and whose functions do not include activities which are the exclusive prerogative of trade unions in the country concerned and which existence is not used to under-mine the function of the trade unions concerned or their representatives

Indicator	Description	Unit	2024 -EoP Consolidated data	2024 - EoP Raiffeisen Bank Zrt.	2024 - EoP Raiffeisen Bank Contact Centre
	S1-8 DR60 a)				
ESRS S1-8	Percentage of total employees covered by collective bargaining agreements	%	0	0	0
	S1-8 DR60 b)				
ESRS S1-8	Percentage of employees in country with significant employment (in the EEA) covered by workers' representatives	%	100	100	100

S1-9: Diversity metrics

B-1 category represents the executive senior management level under Management Board.

B-2 category represents the middle management level.

Indicator	Description	Unit	2024 -EoP Consolidated data	2024 - EoP Raiffeisen Bank Zrt.	2024 - EoP Raiffeisen Bank Contact Centre
	S1-9 DR66 a)				
gen-ind	Board of Directors, male	Persons	6	6	0
gen-ind	Audit Committee, male	Persons	0	0	0
gen-ind	Management Board, male	Persons	6	6	0
ESRS S1-9	Male employees in B-1	Quantity	33	33	0
ESRS S1-9	Male employees in B-2	Quantity	102	96	6
gen-ind	Board of Directors, female	Persons	2	2	0
gen-ind	Audit Committee, female	Persons	3	3	0
gen-ind	Management Board, female	Persons	0	0	0
ESRS S1-9	Female employees in B-1	Quantity	8	7	1
ESRS S1-9	Female employees in B-2	Quantity	55	52	3
gen-ind	Share of "Board of Directors, male" in "Board of Directors, Total"	%	75	75	
gen-ind	Share of "Audit Committee, male" in "Audit Committee, Total"	%	0	0	
gen-ind	Share of "Management Board, male" in "Management Board, Total"	%	100	100	
ESRS S1-9	Share of "Male employees in B-1" in "B-1 total"	%	80	83	0
ESRS S1-9	Share of "Male employees in B-2" in "B-2 total"	%	65	65	67
gen-ind	Share of "Board of Directors, female" in "Board of Directors, Total"	%	25	25	
gen-ind	Share of "Audit Committee, female" in "Audit Committee, Total"	%	100	100	
gen-ind	Share of "Management Board, female" in "Management Board, Total"	%	0	0	
ESRS S1-9	Share of "Female employees in B-1" in "B-1 total"	%	20	18	100
ESRS S1-9	Share of "Female employees in B-2" in "B-2 total"	%	35	35	33
	S1-9 DR66 b)				
gen-ind	Total employees <30	Persons	656	474	182
gen-ind	Total employees 30-50	Persons	1 823	1 562	261
gen-ind	Total employees >50	Persons	579	554	25
ESRS S1-9	Share of employee age group < 30	%	21	18	39
ESRS S1-9	Share of employee age group 30 – 49	%	60	60	56
ESRS S1-9	Share of employee age group >= 50	%	19	21	5

S1-10: Adequate wages

RBHU Group is paying all employees an adequate wage.

S1-11: Social protection

Employees have social protection through public programs concerning life events such as sickness, unemployment, injury and acquired disability as well as for parental leave and retirement.

S1-12: Persons with disabilities

The categorization of employees is based on the documents submitted by the employees regarding their reduced work capacity, in accordance with Act CXCI of 2011 on the benefits for persons with disabilities and the amendment of certain laws. 5 persons with disabilities are employed 4 in RBHU Group and 1 in RB Szolgáltató Központ Kft.

Indicator	Description	Unit	2024 -EoP Consolidated data	2024 - EoP Raiffeisen Bank Zrt.	2024 - EoP Raiffeisen Bank Contact Centre
	S1-12 DR79				
ESRS S1-12	Percentage Disability of own employees	%	0.0016	0.0015	0.0021

S1-13: Training and skills development metrics

Regular performance review = review based on criteria known to the employee and his or her superior undertaken with the knowledge of the employee at least once per year. The review can include an evaluation by the worker's direct superior peers or a wider range of employees. The review can also involve the human resources department.

Indicator	Description	Unit	2024 -EoP Consolidated data	2024 - EoP Raiffeisen Bank Zrt.	2024 - EoP Raiffeisen Bank Contact Centre
	S1-13 DR83 a)				
ESRS S1-13	Percentage of employees that participated in regular performance and career development reviews	%	100	100	100
ESRS S1-13	Percentage of male employees that participated in regular performance and career development reviews	%	100	100	100
ESRS S1-13	Percentage of female employees that participated in regular performance and career development reviews	%	100	100	100
	S1-13 DR83 b)				
ESRS S1-13	Average number of training hours per person for employees	Hours	45	46	38
ESRS S1-13	Average number of training hours male employees	Hours	43	43	37
ESRS S1-13	Average number of training hours female employees	Hours	47	49	38

S1-14: Health and safety metrics

Work-related injuries and work-related ill health arise from exposure to hazards at work.

Incidents during personal commuting (incl. regular commuting to and from work) are not considered work-related, unless specified by local legislations. Besides work-related injuries, the Bank didn't record other work-related ill health of employees.

Indicator	Description	Unit	2024 -EoP Consolidated data	2024 - EoP Raiffeisen Bank Zrt.	2024 - EoP Raiffeisen Bank Contact Centre
	S1-14 DR88 a)				
ESRS S1-14	Employees within the management system for occupational health and safety - Number of employees which are covered by the management system for occupational health and safety	%	100	100	100
	S1-14 DR88 b)				
Employees - Accidents and ill health	Fatalities as a result of work-related injury employees - Number of fatalities as a result of work-related injury employees	Number	0	0	0
	S1-14 DR88 c)				
ESRS S1-14	Recordable work-related injuries employees	Quantity	11	7	4
ESRS S1-14	Rate of recordable work-related accidents for own workforce	%	2	2	5
	S1-14 DR88 e)				
ESRS S1-14	Absence days due to injuries, accidents, fatalities or illness	Days	178	107	71

S1-15: Work-life balance metrics

Carers' leave from work = leave for workers to provide personal care or support to a relative or a person who lives in the same household in need of significant care or support for a serious medical reason as defined by each country's law.

Indicator	Description	Unit	2024 -EoP Consolidated data	2024 - EoP Raiffeisen Bank Zrt.	2024 - EoP Raiffeisen Bank Contact Centre
	S1-15 DR93 a)				
gen-ind	Percentage of employees entitled to take family-related leave - Parental leave (paternity)	%	100	100	100
gen-ind	Percentage of employees entitled to take family-related leave - Parental leave (maternity)	%	100	100	100
ESRS S1-15	Percentage of employees entitled to take family-related leave - Carers' leave	%	100	100	100
	S1-15 DR93 b)				
ESRS S1-15	Percentage of entitled male employees that took family-related leave - Parental leave	%	4	4	3
ESRS S1-15	Percentage of entitled female employees that took family-related leave - Parental leave	%	16	14	22
ESRS S1-15	Percentage of entitled male employees that took family-related leave - Carers' leave	%	0	0	0
ESRS S1-15	Percentage of entitled female employees that took family-related leave - Carers' leave	%	0	0	0

S1-16: Remuneration metrics (pay gap and total remuneration)

On 30 March 2023, the European Parliament adopted Directive 2023/970 on pay transparency, the main objective of which is to ensure the right of women and men to equal pay for equal work or work of equal value by increasing pay transparency and institutionalizing enforcement mechanisms related thereto.

Member States are required to transpose the provisions of the Directive into their national laws by 7 June 2026. The Hungarian legal system has not yet implemented the measures of the Directive but has formulated certain expectations in a recommendation. The average pay levels between male and female employees were determined based on the methodology described in point 52 of Hungarian National Bank's recommendation 4/2022 (IV.8.).

It purely shows the difference of average pay levels between male and female employees excluding Board of Management, expressed as percentage of the average pay level of male employees. This required approach is a straightforward calculation without any regression analysis (no inclusion of natural log of wages on gender and other pay factors like experience, location, education, purchasing power and tenure). Therefore, the ratio has very limited significance in this form.

Gender pay gap per quartile

in per cent	2024
1st quartile	-1%
2nd quartile	0%
3rd quartile	3%
4th quartile	11%

Total remuneration ratio

The ratio of the annual total remuneration of the highest-paid individual to the median of the annual total remuneration of all employees (excluding the highest-paid individual) for 2024 is 28.

The ratio of the total annual remuneration includes the base salary, the function-related allowance and – where applicable – the annual variable target remuneration

S1-17: Incidents, complaints, and severe human rights impacts

The number of incidents and complaints indicates how many were received. Based on the investigations, these incidents and complaints were found to be unsubstantiated, and therefore no actual cases resulted from them.

	2024
Number of incidents of discrimination (including harassment)	5
Number of complaints filed through channels for people in the undertaking’s own workforce to raise concerns (including grievance mechanisms)	10
Total amount of fines, penalties and compensations for damages as a result of the incidents and complaints disclosed above	0
Number of severe human rights incidents connected to the undertaking's workforce	0
Total amount in € million of fines, penalties and compensations for damages related to severe human rights incidents	0

Consumers and end-users

Description of consumers and/or end-users

RBHU Group provides services to around 450.000 retail and private banking customers, offering a broad product range (e.g. account packages, payment services, personal loan, mortgage loans and investment products). In Hungary, RBHU Group provides investment advisory and asset management services to premium and private banking customers. When talking about consumers and end-users in RBHU Group's business, RBHU Group means private individuals who use RBHU Group's products and services for personal use, either for themselves or for others, and not for professional purposes, including private individuals who will potentially become customers of RBHU Group. BHU has customers of all ages and from all types of socio-economic background.

RBHU Group follows a segment-based approach and covers mass-market retail clients.

Types of consumers:

- Existing customers (private individuals) of RBHU Group
- Prospective customers (private individuals) of RBHU Group
- All other private individuals who do not fall under a) or b), but are exposed to the marketing and communication activities of RBHU Group
- The aforementioned types include vulnerable private individuals, such as people with disabilities, women, elderly people, consumers from certain geographical areas or locations (rural, urban, farmers), migrants and refugees.

This particularly includes vulnerable individuals such as minors, who may not fully understand financial matters and their rights, as well as elderly customers, who may have difficulty keeping up with the digitalization of banking services and the associated necessary data protection requirements.

ESRS 2 SBM-3 material impacts, risks and opportunities and their interaction with strategy and business model

Information-related impacts

Impacts regarding privacy and cyber security & resilience

A strategy and a framework with guidelines and standards to ensure the protection goals of confidentiality, integrity, and availability of information and systems are defined, approved and their implementation within the RBHU Group is managed and monitored. The strategy, the framework of guidelines and standards, as well as the defined technical and organizational measures to achieve the protection goals are regularly reviewed to appropriately address current threat situations, technical developments, and external requirements, and to manage and minimize risks that affect the company as well as its customers and users.

We are aware of the fact that the positive or negative perceptions of customers and users regarding information security, resilience, and data protection can impact the trust in the financial sector as well as digital services overall. Therefore essential for the functioning of the financial market locally or internationally, as well as for meeting the basic needs of customers, end users, and corporate clients.

The security strategy and measures are regularly reviewed and adjusted to appropriately address identified security threats and risks.

The following negative impacts could result from security incidents or weaknesses in the information security management system on individuals, groups of individuals, or society:

- Reputational damage could lead to a loss of trust in financial services or digital products
- Unauthorized access to confidential information and misuse of such information could lead to fraud and financial losses

- Incidents or unavailability of systems and services could lead to legal consequences or fines/penalties
- Unavailability of systems and data could result in customers being unable to use our services.

A solid information security management system ensures trust in financial institutions, a well-functioning financial market, and digital services provided by the bank. Secure, resilient, and reliable business processes and associated systems reduce the likelihood and impact of security incidents.

Financial institutions in general are attractive targets for cyberattacks due to the financial assets they manage and the sensitive customer data they hold.

Attempted attacks and security incidents occur frequently in a large bank (time horizon: short-term). Due to the implemented measures, only a few of these incidents negatively affect customers. The positive impacts of a secure, resilient, and reliable company have both immediate and long-term effects on customers, groups of individuals, and society (time horizon: short- and medium-term).

Both, business activities and business relationships (suppliers, contractors, business partners, etc.) impact information security risk and potential effects on customers. Therefore, RBHU Group seeks to manage information security risks and reduce impacts through security measures.

We consider our goal of providing customers with secure, resilient, and reliable services, and ensuring the responsible handling of personal data, as one of the most important prerequisites for building and maintaining customer relationships.

No specific impacts related to information security and cyber security could be identified for specific groups. A consistently high level of security is applied to all financial services offered, ensuring the protection of information.

In 2024, 1 low level incident related to information security were reported, no impact on confidentiality, integrity or availability.

Impacts regarding Freedom of expression

Freedom of Expression is a fundamental human right which plays a crucial role in creating an open space for dialogue, learning and innovation within RBHU Group. External and internal stakeholders speaking their mind does not only empower customers to voice complaints and concerns, but also enables the refinement of business strategies and models. This dynamic strengthens consumer trust and drives long-term success and resilience in a competitive business landscape.

Regarding freedom of expression, i.e. the freedom for our consumers/customers to speak up and to be heard, having a functioning complaint management system is an important prerequisite. Furthermore, the collection of customer feedback and a customer satisfaction analysis are needed.

Impacts regarding Access to (quality) information

Access to (quality) information is described as the right to be informed about the quality, quantity, potency, purity, standard, and price of goods, which is crucial for protecting consumers against unfair trade practices.

We strive to build a digital bank with a human touch. The human touch is our capability to humanize all experiences, by making them personal, relevant, and rewarding. We aim to enable our customers to manage their financial life and fulfil their financial needs anywhere, anytime. We assist & educate our customers with the transition to digital self-service across all channels (in branch, in call centers, in app).

RBHU Group actively promotes an understanding of financial products and services and imparts banking expertise as part of its day-to-day advisory role. The nature of its core business means it has close links with the subject of financial education, i.e. the competent handling of money and financial matters, also known as financial literacy.

In order to ensure good quality of information, sufficient training opportunities for the sales staff, with regards to knowledge and personal responsibility has to be provide.

Bad access and/or bad quality of information can include damage to trust, financial harm to customers, insufficient competence and risk assessment in the capital market, erroneous investment decisions, specific foreign exchange issues, all either resulting in financial burdens for customers and/or potential over-indebtedness of private customers.

On the other hand, our positive impacts on consumers involve better comparability of products and services, easier decision-making, customer education, and reduced uncertainty and complaints. Well informed and well-educated customers are important for our business.

Financial education is a powerful tool that can help individuals make informed decisions about their money, leading to greater financial stability and security. By providing our customers with financial tips and resources, we can empower them to take control of their financial futures. This not only helps them, but also helps our bank by creating more financially stable customers. Moreover, promoting financial literacy is a key component of responsible banking.

On the investment side especially, high transparency, such as accurate and complete product labelling including cost breakdowns, forms the basis for customers to make informed investment decisions. On the loan side, customers´ financial education and improved comparability of products and services and receiving good explanations of the possible risks associated with products or services, and appropriate information on topics such as risk reduction also need to be well understood and are a prerequisite for a customer's ability to repay a loan.

Both the negative and the positive impacts described above, short and medium term, originate from RBHU Group's business model and are inherent to the business of banking and financial services, including asset management, which can have a significant impact on consumers´ lives.

Access to (quality) information is key to understand the consequences of financial decisions. This means that we have to adapt our materials for their special needs.

Social inclusion-related impacts

Impacts regarding non-discrimination

We treat all our customers respectfully, acknowledging that there are vulnerable groups who need our special attention like consumers with impairments who depend on a barrier-free access.

Being financially included has a direct positive impact on vulnerable groups like people with disabilities, low incomes or who are in financial need, because it makes a great difference for each of them and provides the same chances for all.

Having no access to the financial system could lead to reduced chances and financial disadvantages and end in social exclusion.

Private individuals that are likely to be affected by discrimination are categorized as vulnerable group.

Impacts regarding non-discrimination and access to products and services

RBHU Group provides services to around ~450.000 private customers in Hungary, offering a broad product range (e.g. account packages, payment services, personal loan, mortgage loans and investment products).

By guaranteeing a reliable and secure infrastructure, RBHU Group plays a contributory role in safeguarding the stability and integrity of the financial system, protecting the digital economy from threats and further reinforcing the trust of its customers. We leverage technology and financial expertise to innovate and design exceptional digital experiences for all our customers Our foremost commitment is to deliver unparalleled client experiences and to build a digital bank with a human touch.

In general, digitalization makes it much easier to access products and services. Thus, we strive to remove another barrier to our products and services.

We treat all our customers respectfully, acknowledging that there are vulnerable groups who need our special attention. Consumers with impairments who can't use our products and services because they have no access to the branch need our support in creating barrier-free access.

Impacts regarding responsible marketing practices

Responsible marketing practices covers marketing communication of products and services through media channels in a way that first of all meets all legal regulations and is also ethical, transparent, and respectful to customers. This includes avoiding misleading advertising, ensuring that all claims are truthful and substantiated. The positive impacts of the responsible marketing practices are a trustful brand and a growing customer base, meanwhile negative impacts are customer dissatisfaction, complaints and authority examinations and fines.

Financial risks

Risks connected to privacy, cyber security and resilience

Failure of the bank to prevent customer privacy breaches could lead to regulatory fines and sanctions for non-compliance with data protection regulations, as well as expenses relating to lawsuits. Additionally, a loss of trust and credibility as well as negative media coverage could lead customer losses, which would result in yield losses. Further, expenses could arise relating to operational costs of investigating breaches, notifying affected customers, and implementing remediation measures. Finally, customers prefer banks that ensure higher data protection and information security standards.

Risks connected to access to quality information

Failure of the bank to provide access to quality information to customers could lead to regulatory fines and sanctions for non-compliance with EU consumer protection, as well as expenses relating to lawsuits. Expenses relating to lawsuits could also be incurred due to product mis-selling or failure to disclose essential product information.

Additionally, a loss of clients who switch to competitors offering clearer and more reliable information could result in reduced revenues. Furthermore, failure of the bank to support the financial literacy of all customer groups could lead to a higher likelihood of customers mismanaging their finances, leading to increased loan defaults and credit losses. Finally, increased customer service expenses to handle complaints and inquiries due to unclear product information could lead to operational inefficiencies.

S4-1-Policies related to consumers and end-users

General frameworks:

- Code of Conduct
- RBI Group Human Rights policy.

Policies specifically associated with information-related impacts for consumers and end-users:

- Information & security policy
- Data protection policy
- Conflict of Interest policy
- RBI Group policy on Advertising, Donations, Sponsorships and Membership Fees
- Customer Complaint management Policy
- Retail Credit Risk policy
- Retail Restructuring policy
- Retail Investment Product Distribution regulation
- Product governance policy
- Consumer Protection Policy.

Code of Conduct - Regulation on the Ethics and Compliance Rules of Raiffeisen Bank and its subsidiaries

The Code of Conduct is based on the United Nations Global Compact and UNEP FI Principles for Responsible Banking, the European Convention on Human Rights, the Universal Declaration of Human Rights as well as the Fundamental Principles of the International Labour Organization. We respect and support the protection of human rights stipulated in the above-mentioned Convention and Declaration and we do not discriminate our customers in connection with our business decisions. We aim to engage in business, which is in line with these principles. We strive to neither directly nor indirectly finance any transactions, projects or parties, nor cooperate with any business partner (including customers, service providers and suppliers) that do not adhere to these standards or are suspected of human rights violations which includes any form of modern slavery and human trafficking.

The Code of Conduct includes standards for our customer relationships, and ensures products and services according to the interests of our customers, fairness, and consumer and investor protection. It is stipulated in the Code of Conduct that we treat all our customers respectfully since one of our main principles of Customer Relations is fairness. We strive to identify and avoid potential conflicts of interest in our business activities and have stringent internal guidelines in that respect.

Both the RBHU Group Code of Conduct, which is identical to RBHU Group's Code of Conduct and the Supplier Code of Conduct is publicly available on RBI's website in Hungarian, as also in the internal system of regulations. The Supplier's Code of Conduct is the compulsory annex for the supplier's contract.

Conflict of Interest Policies

The RBHU Group Conflict of Interest Policy is published on the website www.rcm.at under corporate governance (see Corporate Governance). RBHU Group has specific local conflict of interest policies, which are accessible to all employees internally within the Bank and its subsidiaries. The Compliance Department of RBHU Group is responsible for the creation, implementation, application, and updating of the conflicts of interest policies.

The conflict of interest policies aim to avoid conflicts of interest and, where not possible, to disclose and resolve them to prevent or minimize harm to customers.

The general Conflict of Interest policy aims to address conflicts of interest in daily operations. The purpose of the regulation is to describe the processes, rules and principles defined and applied by RBHU Group for the identification, evaluation, management and mitigation of conflict of interest situations that arise.

The policy also includes the reporting obligation of employees and management board members regarding conflict of interest situations. The policy incorporates employee training and regular reports to management to avoid conflicts of interest and ensure transparency. This aligns with the objective of responsible customer management. The policy corresponds to the customer expectation of access to quality (protection against unfair business practices).

Conflict of Interest Policy of RBHU Group in connection with providing investment services

Conflict of interest policy of Raiffeisen Bank Zrt. and its subsidiaries in connection with providing investment services is published on the website of RBHU Group: RAIFFEISEN BANK ÖSSZEFÉRHETETLENSÉGI

It is also accessible internally to all employees as a directive.

Its goal is to maintain the reputation with customers, other business partners, and third parties to increase the likelihood of business success and to avoid conflict of interest that could harm customers. This aligns with the objective of responsible customer handling and covers all consumers and/or end-users that are defined as target customers.

Conflicts of interest, as defined in § 110 of Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers and the Regulations Governing Their Activities ("Bszt"), § 33-43 of Commission Delegated Regulation (EU) 2017/565, include conflicts between the Bank's and its customers' interests, between clients' and group of customers' interests, between the Bank's employees' and executive officers' and Bank' or its customers' interest, which may arise in the provision of investment services and ancillary services by the Bank.

General measures to avoid conflicts of interest include creating confidentiality areas, conflict of interest reporting duties, conducting employee training, regularly reporting to the relevant management, and conducting continuous review by internal audit. The conflicts of interest policy aligns with the customer expectation of access to quality (protection against unfair business practices).

Guidelines on Client information regarding financial instruments or (ancillary) investment services pertains to the transparent and balanced presentation of customer information. The aim of the guidelines is to summarize the MiFID legal requirements that are relevant when preparing information and marketing material to clients. Regulation summarizes the information required to provide client prior investment services and during the ongoing business relationship. It contains the basic principles, that information provided to customers must be clear, fair, and aligned with legal disclosure requirements, ensuring consistent access to quality information. Additional requirements are defined for the marketing communication to retail clients. Furthermore, it specifies what information should be provided for the clients, how performance data should be presented. Guidelines on Client Categorization, Investor-based and Investment-based Advisory describe the different type of investment services. The aim of this guideline is to set the principles for the client categorization and the rules of providing investment advice to clients in compliance with the legal requirement set in the MiFID relevant regulations. The regulation includes the requirements of MiFID suitability and appropriateness test. The directive specifies how investment advice, portfolio management should be conducted, taking into account clients' investment objectives, risk tolerance, and sustainability preferences. Monitoring and assessment of financial instruments within client portfolios are defined, with regular reporting obligations to clients.

Principle of Product Governance Process of Investment Products (PGP) is a MiFID regulatory requirement to ensure that RBHU Group acts in the best interest of their respective clients when distributing financial instruments. Furthermore, the PGP Policy aims at reducing the risk of miss-selling financial instruments and of related negative financial consequences. Monitoring occurs through regular meetings of the PGP Committee and the Product Governance Working Group, as well as annual product reviews.

These policies align with customer expectations of access to quality information and responsible marketing.

The previously mentioned policies are interconnected to ensure that RBHU Group operates in the best interest of its customers and adheres to regulatory standards. This commitment is evident in the transparent design and offering of products tailored to the target group's needs. Additionally, information provided to customers must be clear, fair, and aligned with legal disclosure requirements, ensuring consistent access to quality information.

Through the implementation of the policies RBHU Group respects the respective legal requirements specified in relevant national and international regulations, guidelines and laws (MiFIDII, Delegated Regulation (EU) 2017/565, Bszt, etc.).

In summary, these refer to organizational requirements for investment firms and the conditions for the exercise of their activities, and establish minimum standards for conduct rules.

The interests of investors as key stakeholders play a central role in Raiffeisen Bank Zrt's conflict of interest policy. The conflict of interest policy aims to avoid conflicts of interest and, where this is not possible, to disclose and resolve them to prevent or minimize harm to clients. The policies mentioned above describe the consideration given to the interests of key stakeholders by emphasizing the importance of acting independently and solely in the interest of customers, maintaining the company's reputation, and ensuring that conflicts of interest are properly managed and disclosed.

The conflict of interest policy of RBHU Group includes measures, in a broader sense, to protect the rights of investors by ensuring that investor needs are systematically identified and documented. It mandates that sales personnel offer products that can meet the client's profit expectations with adequate risk. The conflict of interest policy is related to human rights principles by ensuring that the Bank acts independently and in the best interest of shareholders, maintains transparency, and upholds accountability. This alignment with human rights principles ensures fair treatment and protection of the rights and interests of all stakeholders.

It protects the rights and interests of investors, promote sustainable development, and prevent unethical practices such as greenwashing.

The directive on providing information to clients includes, in a broader sense, obligations to protect the rights of consumers and end-users by requiring honest, fair, clear, understandable, and non-misleading information. It demands a balanced presentation of benefits and risks and considers the target audience to ensure that the information is comprehensible and clear for the customers addressed. The directive requires that marketing communications do not contradict disclosures made in the prospectus or on the website, especially regarding sustainable investments. This includes avoiding greenwashing and accurately representing sustainability-related aspects, which can be viewed as measures to address human rights impacts by ensuring transparency and honesty towards investors.

The directive on product governance relates to human rights principles by ensuring transparency, fairness, and accountability, which protect the rights and interests of investors.

The application of product governance focus on product governance, sustainability aspects, compliance, and customer interaction within the framework of MiFID II, but do not include specific information on human rights impacts and remedial measures. The accurate, honest, and targeted presentation of information can be broadly viewed as a measure to address human rights impacts by ensuring transparency and honesty towards investors, given the human right to information access.

In terms of customer engagement, the policy ensures that decisions are clear, rule-based, equal, and thoroughly documented, providing a transparent and auditable process.

Responsible marketing practices

Adherence to Laws: Ensure that all marketing practices comply with relevant laws and regulations. This includes advertising standards, consumer protection laws, and industry-specific regulations.

Children Under 18: Ensure all marketing content directed at children under 18 is age-appropriate, ethical, and complies with relevant regulations.

RBI Group Policy "LAW-2015-0045 Advertising, Donations, Sponsorships and Membership Fees V5.0" covers regulation of Marketing department activities (Advertising, Donations and Sponsorship). The policy sets out the definition of terms advertising, donations, sponsorships a, the procedures for the processing of advertising, donations, sponsorships, to ensure consistency and transparency. The Definitions covers the activities of RBHU Group Marketing department regarding Advertising, Donation and Sponsorships.

Human Rights policy

RBHU Group does not have a separate human rights policy on its own, however RBHU Group acknowledges the parent company's group regulations as binding for the Bank and therefore the RBI human right policy is applicable as a Group policy. The responsibility of the RBI human rights policy is with Group ESG & Sustainability Management. The scope of the policy covers own operations and the value chain for the whole RBHU Group. RBI human rights policy sets out the general framework for human rights management to comply with the UN and European Human Rights standards and EU regulations. These are the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Social, Economic and Cultural Rights, the Fundamental Principles of the International Labor Organization (ILO): Freedom of Association, Right to Organize and Collective Bargaining, Abolition of Forced Labor and Worst Forms of Child Labor, Equal Remuneration, Non-Discrimination (in Employment and Occupation), the European Convention on Human Rights, the Corporate Sustainability Due Diligence Directive and the Corporate Sustainability Reporting Directive (including Annex Regulation (EU) 1893/2006) as well as to the minimum social safeguard principle of the EU Taxonomy Regulation.

It was set up internally published in 2023 and is the result of work and cooperation between the Ludwig Boltzmann Institute of Fundamental and Human Rights and a cross-divisional RBI working group established in 2023 specifically to address the topic of human rights. The Institute is Austria's largest non-university research institution in its field. It promotes human rights research, advocates a human rights-based approach and contributes to the improvement of human rights realities in Austria and abroad. The policy is a continuously evolving working and learning process that takes the new EU regulatory requirements into consideration and aligns itself to the UN Guiding Principles on Business and Human Rights. RBI's Group Human Rights Policy sets out RBI's values, areas of impact and influence, as well as responsibilities in relation to its human rights responsibilities in accordance with the Code of Conduct.

Human Rights standards

The principle of non-discrimination, labour law standards, collective bargaining agreements and social dialogue are being respected, fulfilled, and promoted. The acceptance of differences with regard to age, ethnicity, religion or belief, gender, sexual orientation or disability, political or other opinion are central to the creation of an inclusive business culture that aims at the reduction of barriers and inequalities in the career path. Alongside these factors, a safe and healthy working environment, adequate remuneration as well as the right to (according to the Fundamental Principles of the ILO) also play a vital role in upholding employees' Human Rights. Protection of employees 'interests envisage, at a minimum, that there are channels for the exchange on relevant topics between employees and the board. People, Culture and Organization as process owner shall ensure and facilitate compliance with the above requirements and steer the network entities.

Information Security Policy

The most senior level that is accountable for the implementation of the Information Security Policy is the Chief Executive Officer (CEO). The monitoring of compliance with the Security Policies and Standards is carried out within regular internal processes.

Generally, the security requirements defined by RBI aim for a very high level of information security to best protect customer data and IT systems.

The protection of confidentiality and privacy are essential objectives of the Information Security Policy (Article 12 of the Human Rights Convention).

RBHU Group's information security management system (ISMS) with its policies, standards processes and measures are built to appropriately protect the confidentiality, integrity and availability of information and systems. The implementation of the information security requirements is regularly assessed and tested. The ISMS is continuously improved to enhance the security measures and effectiveness thereof.

Data Protection Policy

RBHU Group. has have the following policies in place to manage material impacts, risks and opportunities on data protection and privacy related to consumers and end-users:

- General Privacy Policy of the Raiffeisen Bank Zrt. (available at the following link: https://www.raiffeisen.hu/documents/56444/1386884/General_Privacy_Policy.pdf)
- Data Protection and Data Security Policy of Raiffeisen Bank Zrt. and its Subsidiaries (available at the following link: https://www.raiffeisen.hu/documents/56444/1386884/DataProtection_and_Data_Security_Policy.pdf)
- Data protection policy of Raiffeisen Bank Zrt. and its subsidiaries and Processes related to the Bank's data protection and data processing (internal regulations, in the followings together: Data protection policy)

The Data protection policy is implemented to define the framework, principles and responsibilities for compliance with GDPR (Regulation (EU) 2016/679), the Act CXII of 2011 on the Right of Informational Self-Determination and on Freedom of Information (Info tv.) and other legal requirements. The goal is to ensure that the protection and rights of individuals are uniformly ensured and that penalties for Raiffeisen Bank Zrt. are avoided.

Data protection policy covers the principles, the purpose, the basis of the processing of personal data. These principles are lawfulness, processing in good faith, transparency, purpose limitation, data minimization, accuracy, storage limitation, and integrity and confidentiality. The topics covered in the data protection policy:

- Compliance of the Rights of the data subjects
- Compliance with the principles of the GDPR
- Compliance with the obligations of controllers and processors
- Maintaining a record of processing activities in accordance with Art. 30 GDPR
- Compliance with the provisions on automated individual decision-making in accordance with Art. 22 GDPR
- Notification of personal data breaches to the supervisory authority and the data subject
- Conducting a Data protection impact assessment in accordance with Art. 35 GDPR
- Compliance with technical and organizational measures of the GDPR in accordance with Art. 32 GDPR
- Establishment of the organizational structure of the Raiffeisen Bank Zrt.'s data protection system
- Transfer of personal data to third countries or international organizations
- Employee training
- Legal basis:
- GDPR (General Data Protection Regulation): GDPR is a European Union Law that sets guidelines for collecting, using, and protecting personal data. It ensures that organizations handle natural person´s data responsibly, giving individuals more control over their personal information. Under GDPR, companies must be transparent about how they use personal data and keep it secure, with strict rules for sharing and storing this personal information. This regulation promotes ethical data use and enhances trust with stakeholders
- Data Protection Act and local data protection legislation

- Guidelines and other documents of the European Data Protection Board and the National Authority for Data Protection and Freedom of Information
- International Standards:
- ePrivacy Directive: The ePrivacy Directive is an EU set of rules focused on protecting privacy in electronic communications. It governs how organizations handle data like cookies, emails and phone numbers, ensuring that people´s online interactions remain private and secure. This directive complements GDPR by specifically targeting privacy in the digital world, helping organizations maintain responsible data practices online. This directive ensures respectful and secure online communication with individuals and builds digital trust.

Raiffeisen Bank Zrt. aligns its privacy policies and practices with internationally recognized standards to protect consumers and end user, reflecting our commitment to responsible business conduct within ESG framework. This alignment is demonstrated in the following ways:

UN Guiding Principles on Business and Human Rights:

- Respecting privacy as Human Right: Raiffeisen Bank Zrt. respects the privacy rights of individuals by protecting customer data in the sense of the data protection laws and limiting its use to necessary, transparent purposes. Regular assessments to prevent privacy risks are conducted, giving consumers confidence that their personal information is handled responsibly
- Grievance Mechanisms: Clear and accessible channel for customers to raise concerns or request support regarding their privacy rights are provided. This aligns with global human rights principles and the GDPR offering a path to customers to resolve issues
- Raiffeisen Bank Zrt. has not identified any cases of non-compliance with UN Guiding Principles on Business and Human Rights, ILO Declaration, or OECD Guidelines related to consumer and end-use data privacy. Our adherence to GDPR and data protection standards ensures alignment with these frameworks
- International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work
  - Fair and Non-Discriminatory Treatment: While primarily a workplace standard, the ILO´s principles guide our fair treatment of consumers. Raiffeisen Bank Zrt. ´s policies prevent bias in data handling and ensure that all customers receive equitable service without discrimination
  - Responsible Employee Practices: Raiffeisen Bank Zrt. trains employees to handle consumer data responsibly, preventing misuse and aligning ILO standards on ethical behaviour, indirectly benefiting consumers by ensuring data is treated securely and fairly.

The data protection management system of Raiffeisen Bank Zrt. is accessible to all employees through the Data Protection section on a so-called "intranet" page made for employees and maintained by Raiffeisen Bank Zrt. and training is provided on a regular basis. Appropriate security requirements are stipulated in contractual agreements with Raiffeisen Bank Zrt.'s suppliers and service providers.

Privacy and data protection are recognized as rights in certain EU treaties and the Charter of Fundamental Rights of the European Union. The Charter specifically establishes a right to the protection of personal data (Article 8). With the implementation of the Treaty of Lisbon in 2009, the Charter of Fundamental Rights acquired the same legal status as the EU's constitutional treaties. Consequently, EU institutions and bodies, along with Member States, are obliged to adhere to the Charter.

Furthermore, under Article 16 of the Treaty on the Functioning of the European Union, the EU is obliged to establish data protection regulations for the processing of personal data.

Raiffeisen Bank Zrt.'s data protection policy is formulated to identify, manage, and mitigate risks associated with the privacy and security of consumer and end-user data. It addresses material impacts and ensures compliance with GDPR to safeguard personal data and maintain customer trust.

Raiffeisen Bank Zrt. is dedicated to honouring the data privacy rights of consumers and end-users in accordance with international human rights standards, including GDPR. The bank respects the privacy rights of consumers and end-users by adhering to GDPR principles, such as lawfulness, fairness, transparency, and data minimization. Our approach guarantees that all personal data is processed in a way that upholds human rights and data privacy.

Raiffeisen Bank Zrt. engages with consumers and end-users in a transparent manner, providing clear information regarding data collection practices and seeking consent when necessary. This approach ensures that consumers are informed about their rights and our data protection practices.

Data Privacy:

- Every person has the right to protection of personal data concerning them.
- This data must be processed fairly and lawfully for specified purposes and based on the consent of the data subject or another legally established legitimate basis. Every person has the right to access data concerning them and the right to rectify such data.

Information regarding data protection and the rights of data subjects can be found at: https://www.raiffeisen.hu/web/english/raiffeisen-group/raiffeisen-bank-in-hungary/legal-declaration/data-protection

Customer Complaint Management Policy

At RBHU Group, complaints are viewed as valuable opportunities to identify process and product improvements and enhance customer satisfaction. This mindset is embraced by all employees and aligns with RBI's vision and mission. RBHU Group takes customer concerns and feedback seriously and strives to find solutions that improve its processes and products, thereby contributing to customer satisfaction.

One of the most important intentions of RBHU Group is the high-quality Customer service. The development of services and processes suiting Customer needs increasingly is of great importance.

According to the above the Bank assures, that the Customer having a complaint in connection with the Bank's activity or failure can announce it verbally (personally or via telephone) or in writing (personally, or assigned by a third person, via mail, fax or email). For this reason, inbound complaints from Customers are handled based on currently valid legal regulations, in a uniform, centralized way, through the Central Complaint Management Group.

Complaint management is seen as an opportunity to improve customer satisfaction. Clear processes for documenting and handling complaints are described, which can be seen as a measure to address human rights impacts, as it involves handling customer complaints and safeguarding their rights.

Find more at: https://www.raiffeisen.hu/documents/56444/861231/complaint_management_regulation.pdf/7feba357-c12f-0f26-eea8-22542904ad38

Retail credit risk policy

In RBHU Group the V-40/2007 CEO regulation contains the local retail credit risk policy. The backbone of the local regulation is the RBI relevant GD and this internal regulation establishes the rules and minimum requirements for lending to private individuals (consumers) across the entire Banking Group. It outlines detailed eligibility criteria and procedural checks for the lending process, including provisions related to access to quality information.

RBHU Group is dedicated to upholding the highest standards in customer service and protection. The Retail Credit Policy focuses on access to (quality) information:

- Customers are thoroughly informed about the implications and risks associated with different loan types.
- Loan decisions are documented and stored to ensure transparency and clarity for customers regarding their loan applications.

The most senior level that is accountable for the implementation of both policies is the Management Level (Board-1).

RBHU Group retail credit risk policy is aligned with the

- EBA Material: Guidelines on loan origination and monitoring.

- 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.

The policy supports the human rights of consumers and end-users on the one hand by ensuring that lending and restructuring decisions are made based on objective criteria and without discrimination. On the other hand, it aims to assess customers' loan affordability to prevent over-indebtedness and stabilize their financial situations through responsible lending practices. In terms of customer engagement, it ensures that decisions are clear, rule-based, equal, and thoroughly documented, providing a transparent and auditable process.

RBHU Group Retail Restructuring policy

The Retail Restructuring Policy of Raiffeisen Bank Zrt. defines the rules and minimum requirements for restructuring the loans of customers facing financial difficulties. It specifies the eligibility criteria and process requirements for restructuring, with an emphasis on access to Raiffeisen Bank Zrt.'s products and services.

Through the processes of Raiffeisen Bank Zrt.'s Retail Restructuring Policy, customers facing financial difficulties are managed by a dedicated team at the Bank upon contacting the Bank. During this management, customers' creditworthiness is assessed comprehensively and with appropriate expertise to avoid excessive indebtedness and ensure the stabilization of their financial situation.

Raiffeisen Bank Zrt. manages its customers facing financial difficulties with the support of its specially developed - APS RES - system, which allows the Bank to offer customised solutions for managing and repaying bank debts to avoid further financial difficulties.

To identify and predict potential payment difficulties of retail customers Early Warning System (EWS) is operated at the Bank. On the basis of regular EWS reporting, a dedicated team is proactively deal with customers, mainly by telephone, to detect and resolve problems early.

The Retail Restructuring Policy, among others, includes a focus on access to (quality) information as customers are kept informed throughout the entire restructuring process, ensuring they understand each step. All communications are tracked and recorded to maintain transparency and allow for auditing. The Retail Restructuring Policy also includes a focus on non-discrimination as the eligibility for restructuring is based on clear, documented criteria to ensure fairness and consistency.

The primary responsibility for the development of Raiffeisen Bank Zrt.'s Retail Restructuring Policy lies with Retail Risk Management, while the Collection Department is responsible for its implementation, alongside the control function operated by Retail Risk Management.

Raiffeisen Bank Zrt.'s Retail Restructuring Policy complies with the relevant current legal regulations and the requirements and expectations of MNB decrees and recommendations.

Retail investment product distribution regulation

The RBHU Group retail investment product distribution regulation and its supporting documents defines the basic principles and guidelines for the sale of investment products to retail clients under the MiFID II regime for all Retail client segments (Private Individuals, Premium Banking, Private Banking and SME). MiFID II ensures that consumers (investors) are well-informed about the financial products they are considering. This regulation requires firms to provide clear, accurate, and comprehensive information about financial instruments, ensuring that investors understand the risks, costs, and features of the products. The goal is to protect investors by promoting transparency and helping them to make informed decisions. Additionally, MiFID II includes provisions such as the appropriateness test and suitability test. The appropriateness test (assessing client knowledge and experience) is mandatory and it helps financial institutions in the EU to ensure that complex financial products are suitable for the investor based on their knowledge and experience. The suitability test (assessing client risk, financial capacity and sustainability preferences) is required for advisory transactions and portfolio management. The available products include ESG options and among the products some are available for regular savings.

Compliance with the respective policy is monitored primarily by management and relevant departments at RBHU Group as part of regular internal processes.

The scope of the regulation includes investment products and services offered to retail clients from all retail segments (Private Individuals, Premium and Affluent Banking, Private Banking and SME). The regulation is implemented in the Principle of product governance process of investment products as the attachment no. 2 (Investment policy of Raiffeisen Bank Zrt.).

RBHU Group follows a segment-based approach when it comes to investment services. Up to three types of services are available: advisory, non-advisory and portfolio management. Execution only transactions are not performed due to RBI regulations.

	Execution only	Non-advisory	Advisory	Portfolio management
Private Individuals	-	X	-	-
Premium Banking	-	X	X	-
Private Banking	-	X	X	X
SME	-	X	X	-

Through implementation of the policy, the following standards are adhered to: Directive 2014/65/EU (MIFID II), Delegated Directive (EU) 2017/593 (Supplement to Directive 2014/65/EU), Delegated Regulation (EU) 2017/565 (Supplement to Directive 2014/65/EU), Final report on the guidelines on product governance requirements under MiFID II (ESMA35-43-620), and Delegated Regulation (EU) 2021/1253, 27 January 2022 | ESMA35-43-2998.

Product governance policy (PGP)

The regulation on product governance process are contained in Directive 2014/65/EU on markets in financial instruments ("MiFID II"), Delegated Directive (EU) 2017/593, the national implementation measures included in Act CXXXVIII of 2007 on investment firms and commodity dealers and the regulations governing their activities and Decree 16/2017 (VI.30) of the Ministry for National Economy on the product approval process to be employed by investment firms. Product monitoring obligations are regulated for legal entities that design financial instruments. This aligns with customer requirements for access to quality information.

The regulation adopts a client-centric approach and ensures that RBHU Group acts in the best interests of its clients in accordance with MiFID II requirements during the production and distribution of financial instruments and aims to avoid greenwashing and to mitigate the risks associated with the abusive selling of financial instruments and the resulting adverse financial consequences for the Bank.

According to the PGP regulation RBHU Group

- defines a target market and distribution strategy (target market definition), identifies and properly manages potential conflict of interest – includes those arising from the integration of customers' sustainability preferences -, and implements process to ensure that sales to customers are in line with the target market and distribution strategy (target market monitoring),
- reviews the products regularly and, if necessary, ad hoc to access whether they continue to meet the identified target market's needs and the defined distribution strategy.

Consumer Protection Policy

Raiffeisen Bank Zrt. is a committed supporter of equal treatment. It consistently refrains from any ethnic, religious or other discrimination during its business policy and product development. It provides everyone with equal access to any of its products, striving to ensure that no one is discriminated against.

In its business policy, Raiffeisen Bank Zrt. consistently strives to ensure that its products do not cause negative effects of any kind on any member of society, regardless of gender, age, ethnicity, religion or other reasons. Our bank strives to pursue a business policy accepted by a wide range of society.

S4-2-Processes for engaging with consumers and end-users about information-related impacts on consumers and end-users

Engagement on information-related impacts

Engagement regarding privacy and cyber security & resilience

Raiffeisen Bank Zrt.'s Information & Cyber Security Policy is aligned with internationally recognized instruments relevant to consumers, including the UN Guiding Principles on Business and Human Rights. The policy emphasizes adherence to high standards of information and cyber security, confidentiality, integrity, and availability of data, and compliance with relevant internal and external regulations, including the GDPR.

Raiffeisen Bank Zrt. has implemented robust processes, procedures and measures designed to swiftly identify, react to, and respond to security incidents. Incident response plans enable Raiffeisen Bank Zrt. to minimize the impact, restore services to normal operation promptly, and provide effective remedies for customers and end users. This proactive approach includes continuous monitoring, and a dedicated incident response team that is regularly trained. By prioritizing swift and efficient responses, Raiffeisen Bank Zrt. strengthens the resilience of its operations and uphold the trust and confidence of its customers.

Raiffeisen Bank Zrt. is committed to ensuring the highest standards of data protection and privacy for its consumers, as essentially required by law, through the following practices as a basis for engagement:

- Transparency and consent: Raiffeisen Bank Zrt. strive to ensure that all communications with consumers about the use of their personal data privacy and its potential impacts are transparent. This includes clear explanation in the privacy information in accordance with Art. 13. And Art. 14 GDPR of how data is collected, used shared, and stored.
- Consumers rights engagement: Raiffeisen Bank Zrt. has legally compliant processes for consumers to exercise their rights under the General Data Protection Regulation (GDPR) including right to access, correct, delete, or port their data.
- Sustainable and ethical data use: Raiffeisen Bank Zrt. strives to ensure for each process where personal data is involved ethical data use by adopting fair data practices and preventing misuse of data in ways that could harm consumers. The personal data is used only for the original purpose that it was collected. Further processing is possible only if there is a compatibility of the new purpose according to the principles of GDPR.
- Regular audits and reporting: Raiffeisen Bank Zrt. conducts monitoring of data protection practices for ensuring that consumer data is handled according to GDPR. Raiffeisen Bank Zrt. engages with costumers in several ways focusing on transparency, risk mitigation, and responsible data handling.

In the event of a data breach involving a high level of risk for the data subjects, Raiffeisen Bank Zrt. as legally required, will directly inform the affected customers.

Raiffeisen Bank Zrt. informs its customers about their rights under the General Data Protection Regulation and about the processing of their personal data through a privacy policy in accordance with Articles 13 and 14 GDPR on the Raiffeisen Bank Zrt.'s website, during account opening and in every email communication via a signature addendum. When requesting consent for marketing activities., Raiffeisen Bank Zrt. fulfils its information obligation through website banners (specifically for cookie consent), or on the platforms of Raiffeisen Bank Zrt. Further information about the Raiffeisen Bank Zrt.'s data processing regarding advertising activities is available at the following link: https://www.raiffeisen.hu/documents/56444/1386884/concerning_advertising_marketing_lead_collection_and_customer_relationship.pdf

Engagement regarding freedom of expression

At RBHU Group, the perspectives and feedback of our customers are effectively incorporated by facilitating complaint management and by using various other channels across the organization which are used to collect feedback by both external and internal stakeholders. This approach ensures an effective management of both actual and potential impacts.

Regarding external authorities, the Central Bank of Hungary, the Financial Conciliation Body, the court, the Platform of the European Commission for Online Dispute Resolutions may be addressed additionally.

Customers, who wish to submit a complaint to RBHU Group, may address RBHU Group's complaint management via various channels. After submitting their complaint, customers receive initial feedback as soon as possible by the complaint management, informing them about the receipt of their mail, the upcoming internal investigation and the processing of their data. .Within 30 calendar days, or in the case of complaints related to payment services, within15 business days, customers are informed about the final outcome of their complaint according to 435/2016. (XII.16) Government Regulation (5)-(5b). In case of more complex and time-consuming cases, customers receive an intermediary update on a frequent basis. Furthermore, we engage with consumers and end-users directly, when important information missing or necessary for the investigation final result, or when RBHU Group commissions customer surveys to obtain structured feedback from consumers and end-users.

At the end of every reporting period, complaint root causes are identified by the consumer protection team and the complaint management and communicated to Compliance or every business department for further analysis. Furthermore, corresponding mitigation measures are designed, reviewed and subsequently implemented.

Raiffeisen Bank Hungary takes every complaint brought to its attention seriously and with utmost concern. Every complaint is carefully analyzed by complaint specialists together with the addressed or concerned business department. All claims made by consumers are carefully and independently investigated until a resolution is aligned upon. Complaints of specifically vulnerable customers may trigger the direct involvement of middle or senior management.

Engagement regarding access to quality information

Perspectives of consumers and end-users are collected continuously through regular measurements of customer satisfaction and customer experience, regular tracking of our brand perception, as well as the feedback obtained via complaint management processes.

Customers provide their feedback on RBHU Group's products usually directly to their customer advisor in the Raiffeisen Bank. Through regular exchange with the Raiffeisen Banks, this feedback influences product development and design.

Raiffeisen Bank Hungary ensures that its customers are informed transparently and comprehensibly about product details and conditions in product information like brochures, flyers, advertising campaigns etc. According to the Central Bank of Hungary regulations, to which Raiffeisen Bank Hungary complies, all product information must be clear and not misleading to consumers.

Raiffeisen Bank Hungary top tier NPS (Net Promoter Score) in all segments. It interacts with customers on a regular basis in all segments to gather feedback on our products and the level of service provided through branch, mobile, call center and video channels. Depending on the survey, measurements are conducted quarterly, half yearly, or annually. Negative impact identified via customer complaints channels is addressed to business units following customer complaints procedures involving internal stakeholders from first and second line of defence. By the end of each reporting period, mitigation measures for main complaint root causes are implemented and followed-up.

Engagement on social inclusion

Engagement regarding non-discrimination

Regarding the topic on non-discrimination, at RBHU Group, the perspectives and feedback of our customers are effectively incorporated by facilitating complaint management and by using various other channels across the organization which are used to collect feedback by both external and internal stakeholders. This approach ensures an effective management of both actual and potential impacts.

Engagement regarding access to products and services

RBHU Group is committed to active engagement with consumers and end-users, to understand and address actual and potential impacts on them. As part of our ongoing due diligence process, a number of mechanisms ensure that the views of our customers are integrated in our decision-making processes.

RBHU Group Code of Conduct acts as foundation to ensure fairness, consumer protection, and delivery of excellent products and services, aligned with consumer interests.

When talking about accessibility of banking products and services, different channels are being offered, such as mobile banking applications, web-based internet banking, but also branches, as well as remote advisory (either by phone or video calls).

Although digitalization makes it much easier to access products and services, affordability also plays a crucial role. Therefore, RBHU Group offers special conditions for the target groups students/youths. In this way the account doesn't have high fees and becomes more affordable. This also means to be connected to means of payment, allowing the consumer to fully participate in society.

We actively gather feedback through different contact channels, including customer contact centers, surveys, and focus groups, to identify and take measures in reducing potential barriers in access to our products and services.

Through these policies and direct engagement with our customers, we aim to increase accessibility, inclusivity, and trust across our product and service offerings.

The Consumer Protection Forum is responsible for providing information to the Board on the types of investigations that have been conducted or are in progress in the past period in relation to consumer protection. The forum also includes presenting trends and root causes in relation to complaint handling. During the forum, a decision may be made on a more complex topic, such as the guidelines for action to be taken on a given topic or the principles for handling similar cases.

Engagement regarding responsible marketing practices

Customer engagement: Raiffeisen Bank Hungary has Top Tier NPS (Net Promoter Score) in all segments. It interacts with customers on a regular basis in all segments (Mass, Premium, Private, Corporate, Micro and Small Enterprises) to gather feedback on our products (e.g. current account, personal loan, mortgage) and the level of service provided through branch, mobile, call centre and video channels.

Engagement of non-customers via advertising: key marketing communication campaign materials (e.g. TV spots) are regularly measured back with market research and spot analysis tools, with their impact, message and reactions.

S4-3- Processes to remediate impacts and channels for consumers and end-users to raise concerns

Information – and social inclusion-related remediation processes

If RBHU Group has failed to fully meet customer expectations, consumers and end-users can address their complaints via various channels. In line with RBHU Group's internal rules (see also the Customer Complaint Management Policy), all potential complaints, expressed as dissatisfaction addressed to the bank or its employees, must be examined to determine whether they meet the definition of a complaint. Negative impacts identified through customer complaint channels must be directed to the appropriate units in accordance with customer complaint handling procedures. Complaints must be documented immediately in RBHU Group's complaint management system, and the person who registered the complaint must be notified of its receipt and the next steps in handling the complaint. The next step involves consulting the affected department(s) or employee(s) to determine whether the content of the complaint is objectively justified. The result of this analysis must be immediately communicated to the person who registered the complaint and documented in the complaint management system. Additionally, the department responsible for handling the complaint must examine the causes. The Board of Directors and the Supervisory Board must be informed of the latest developments in complaint management at regular intervals. By the end of each reporting period, measures to mitigate the root causes of major complaints will be implemented and followed up.

If Raiffeisen Bank Zrt. identifies data privacy risks according to the specific categorization within GDPR, such as a data breach with a high level of risk to customers' personal data, Raiffeisen Bank Zrt. has processes in place to proactively notify the data protection authority and affected customers (if applicable according to GDPR). These notifications should typically explain the nature of the risk, what personal data is affected, and the steps taken to address the issue. This allows the affected customers to take any necessary precautions.

Measures to mitigate the root causes of complaints are considered objectives according to RBHU Group's Customer Complaint Management Policy and are directly linked to its principles. Customer-oriented, appropriate handling of complaints is a main objective of RBHU Group's Complaint Management Policy. The mentioned implementation, evaluation, and review compared to the previous year directly contribute to this objective. The mitigation measures are also objectives related to RBHU Group's processes and products.

Customers can also submit their complaints directly to RBHU Group through various channels, including email, phone, letter, website, or in person.

At RBHU Group, complaints are seen as valuable opportunities to optimize processes and products and increase customer satisfaction. RBHU Group has therefore provided appropriate options for consumers and end-users. Transparent information about these options is provided on RBHU Group's website (Complaint Management).

Every submitted complaint is carefully documented in the appropriate case management system. RBHU Group publishes information about complaint management on its website to provide regular updates on changes to channels, procedures, or legal foundations. The overarching goal of complaint management is to ensure the swift and appropriate resolution of all customer complaints. At least once a year, the main reasons for complaints are identified and analysed by the business units and the compliance department. Following this analysis, remedial actions are defined and continuously integrated throughout the new reporting year.

RBHU Group seeks to ensure that customers are aware of official complaint channels by publishing corresponding information about complaint management and potential external authorities for mediation and escalation on its website. By continuously monitoring complaint data, including the respective customer-complaint ratio, RBHU Group ensures that customers are properly informed.

S4-4-Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Information-related action taken for consumers and/or end-users

Privacy, cyber security and resilience

To avert, lessen, and address the adverse material effects on consumers and/or end-users, as well as to foster positive material outcomes for them, Raiffeisen Bank Zrt. has put into place the following measures also aims to reduce the associated risks:

- Development and implementation of policies
- The allocation of roles and responsibilities
- Conducting regular projects and activities assessments (where it is necessary due to the GDPR)
- Third-party evaluations
- Implementation of suitable security technologies such as encryption, firewalls, data loss/leakage prevention systems and intrusion detection/prevention systems
- Access controls, restriction of data access, monitoring of access logs
- Clear communication with users about data handling
- Obtaining consent after providing information.

Creating a comprehensive plan for responding to data breaches and data breaches.

RBHU Group has allocated resources to promote awareness of the GDPR and to ensure transparency and effective oversight. The management structure includes:

- a Data Protection Officer (Head of the Data Protection Group)
- the Data Protection Group

Regarding information and cyber security, the technical and organizational security measures aim to protect the confidentiality, integrity, and availability of information and information systems. Services provided feature high levels of security, reliability, and resilience. Measures and processes are defined, implemented, and tested to prevent, detect, and respond appropriately to security incidents to minimize impacts.

A high level of information security has a positive impact on customers and their free, secure, and uninterrupted use of the provided services for daily use as well as in adverse situations. Thus, we take the following action steps:

- Compliance with GDPR, technical and organizational measures proportionate to the risk, employee trainings.
- Incident response plan, answering within regulatory time to the data subjects rights requests;
- Monitoring data breaches and data breach notification
- Transparency
- Innovative services

RBHU Group sets a strong focus on information security. A security strategy, a framework of policies and standards, as well as technical and organizational security measures, are defined, implemented, and regularly reviewed for effectiveness by internal and external bodies, and adjusted when necessary, based on the state of the art and industry standards.

As part of information security risk management, security risks are identified, documented, and appropriately addressed. A high security standard for the protection of information is intended to ensure long-term existence, competitiveness, and the provision of trustworthy, secure, and reliable services and products.

The information security management system, defined by the security policy and the established comprehensive standard framework, is regularly reviewed through internal and external audits and subject to a continuous improvement process. Identified weaknesses, improvements, external requirements, etc. are documented, measures, and remediation/action plans with ambitious timelines are defined and their implementation is monitored. The degree of implementation of security measures is regularly checked and reported centrally in the corresponding committees.

The information security management system addresses and aims to reduce or avoid negative impacts on and security risks to customers (organizational and technical security measures).

Adjustments to requirements in security standards are reported to and approved by the CSO. Changes to the security and standards are documented. The implementation status of the security requirements across RBI is regularly checked and reported to the management.

RBHU Group tries to minimize the impact of an incident and learn from past incidents to better prevent, detect, or handle such incidents in the future.

Freedom of expression

In order for customers and other stakeholders to freely express themselves towards Raiffeisen Bank Hungary, complaint management collaborates with RBHU Group Consumer Protection team and RBHU Group Compliance.

With the purpose of ensuring a holistic and coherent approach on complaint management including the assessment of material impacts and risks in the form of root causes - in aliis verbis major reasons for complaints -, as well as the consistent leverage of opportunities, a group-wide policy on the handling of complaints was rolled out through RBI Group.

The major target of the forementioned complaint management policy and its yearly root cause analysis for complaints lies in the optimization of RBHU Group’s processes and products, seeing complaints as an opportunity for constant improvement, and thus the overall increase of customer satisfaction.

Mitigation measures are investigated once per reporting period.

Access to (quality) information

RBHU Group is following all relevant legislation and regulation, as well as additional frameworks such as the RBI Group Human Rights policy in order to prevent negative material impacts through its communication with and by providing information to consumers and end-users.

In order to achieve the best possible impact when providing information on products and services, financial literacy among our private customers is a prerequisite for their ability to make informed investment decisions and to repay loans.

In RBHU Group the instructions on providing information to customers set out requirements for all types of customer information, based on the principle that it is honest, clear, understandable, and not misleading. In doing so, the target group is taken into account. The instructions of the Conflict-of-interest policy and complaint management describe measures that RBHU Group takes to provide or enable remedy in relation to an actual material impact. These measures include handling conflicts of interest and complaint management, including documenting and reporting complaints, training employees and regularly reviewing policies.

When providing investment advice, care is taken to ensure that the services correspond to the customer's investment objectives and an appropriate evaluation and comparison method is established. If the appropriateness test is negative, the customer is warned. The qualifications of employees are documented and checked through a training account. These are ongoing processes within the organization. Raiffeisen Bank Hungary manages complaints by recording, processing, and reporting them according to guidelines.

Actions related to social inclusion

Non-discrimination and access to products and services

Non-discrimination and social inclusion are valid for all business lines, the entire bank and all units and therefore fall under the umbrella of the RBI Group Human Rights policy. When talking about accessibility of banking products and services, different channels are being offered, such as mobile banking applications, web-based internet banking, but also traditional branches, as well as remote advisory (either by phone or video calls). In this way RBHU Group strives not to discriminate anybody and to offer access to products and services also for people with special needs on an ongoing basis.

Although digitalization makes it much easier to access products and services, affordability also plays a crucial role. Therefore, RBHU Group offers special conditions for the target groups students/youths.

To mitigate language barriers all of RBHU Group’s ATMs are multilingual (Hungarian, English, German).

RBHU Group has taken action to reduce its websites being another barrier for inclusion and access to products and services. Considering the upcoming European Accessibility Act a working group has been established at the Head office. The Accessibility Act includes products and services provided through websites and mobile applications. So far, RBHU Group is committed to creating a more inclusive online environment that can be navigated and used effectively by all individuals.

The guidelines are organized around four key principles: perceivable (content must be presented in ways that users can perceive, such as providing text alternatives for non-text content), operable (interface components and navigation must be operable, meaning all users should be able to interact with and navigate the content, understandable (Information and the operation of user interface must be understandable, ensuring that content is clear and consistent) and robust (content must be robust enough to be interpreted reliably by a wide variety of user agents, including assistive technologies). These measures will ensure that more people will be able to have access to our products and services.

Responsible marketing practices

The objective of the actions taken in relation to responsible marketing is to ensure that all marketing communication comply with relevant laws and regulations and is also ethical, transparent, and respectful to consumers. Marketing communication campaign materials are developed with the involvement of the relevant product, segment departments, legal and compliance departments (if necessary) and final advertising materials are approved by legal department. In case of a regulatory examination all required information is collected and delivered to authorities

S4-5-Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Information-related and social inclusion targets

Privacy protection targets

In its Data Protection Policy, Raiffeisen Bank Zrt. has established data privacy targets for GDPR compliance. The aim is to have a data privacy framework in place that guarantees the prompt handling of data subject requests (in the followings: DSR), ensures proactive data breach prevention through monitoring and awareness training for employees, and maintains GDPR compliance to protect customer data and avoid regulatory penalties.

Another goal is to optimize the processes related to DSR requests and to avoid redundancies in processes and documentation in the event of data breaches.

By managing these processes, it should be ensured that no fines or reputational damage occur.

Also, Raiffeisen Bank Zrt. records the number and types of DSR requests (ie. access, erasure, rectification). In the event of data breach, Raiffeisen Bank Zrt. monitors the number of data breaches and classifies them by type (e.g., unauthorized access).

Targets for information and cyber security

RBHU Group's information and cyber security department reviews and updates security standards regularly. The information and cyber security target is tracked via the security requirements assessment (SRA) which monitors the implementation status of the security requirements defined within the group information and cyber security policy and standards framework. The target is therefore in direct relation to the group information and cyber security policy.

The target is assessed annually on RBI and the aim is to have implemented the necessary security requirements. Changes are tracked and reported to the group security committee and supervisory board. The percentage figure of the target describes the security requirements implemented in the RBHU Group that are prescribed in the RBI Group information and cyber security policy and standards framework.

Different tests to assess the effectiveness of security processes and measures are performed. Additionally, information is gathered about (potential) threats concerning RBI's customers, end-users and itself continuously. Lessons learned, treatment measures and actions are derived from performed tests, exercises, assessments, incidents, near misses and the gained threat intelligence. The goal is to continuously improve the technical and organizational protection mechanisms to provide secure and resilient products and to protect customers and end-user as well as their information. Potentially negative impacts should be prevented as good as possible.

When setting targets, the impact of our operations on consumers and end-users, is considered, but the consumers are not actively involved in the target setting and its performance tracking. In addition, requirements and obligations by regulators are also taken into account when setting targets.

Freedom of expression

The overall target of Complaint Management is to guarantee/safeguard the timely and accurate handling of all customer complaints. At least once per year, complaint root causes are identified and analysed by business units and consumer protection team. In relation to the aforementioned root causes, mitigation measures are defined and subsequently integrated during the upcoming reporting year on an ongoing basis in order to reduce negative impacts, advance positive impacts on customers and to mitigate material risks and facilitate opportunities.

Mitigation measures for complaint root causes are considered targets as outlined in RBI's Group complaint management policy and stand in direct relationship with its goals and principles. Providing customer-centric expert handling on complaints constitutes a key objective of RBI Group's complaint management policy, the aforementioned year-to-year implementation, measurement and review on respectively of mitigation measures directly contributes to this goal. Mitigation measures are also a relative target linked to RBHU Group's processes and products.

RBHU Group takes every complaint brought to its attention seriously. Subsequently, RBHU Group does not differentiate on customers or their backgrounds while simultaneously specifically protecting vulnerable customers and other end-to-end users. Furthermore, RBI employees receive special training on non-discrimination.

Access to quality information and responsible marketing practices

By adhering to the existing regulations, we aim to minimize complaints or issues related to access to quality information and responsible marketing practices.

Practices to provide access to quality information should lead to clearer and easier understanding of our products and services, which should lead to an increase in customer satisfaction.

Targets regarding non-discrimination and access to products and services

By adhering to the existing regulations, we aim to minimize complaints or issues related to non-discrimination and access to products and services.

Complaint root causes are identified and analysed by business units.

Governance information

Business conduct

G1-1: Corporate culture

Introduction

Responsible and transparent business management and culture are key values in RBHU Group. They go back to the traditional Raiffeisen values as defined by Wilhelm Friedrich Raiffeisen in the 19th century, and still build the basis of RBHU Group's Code of Conduct, which is identical to the RBI Group Code of Conduct.

RBHU Group's commitment is based on good corporate governance and on global standards (including the United Nations Global Compact and UNEP FI Principles for Responsible Banking) for responsible business practices, active and transparent management of its operations, careful risk management and due diligence, a functioning compliance including anti-bribery and corruption, anti-money laundering, and tax compliance as well as responsible supplier management.

Additional key elements of creating and maintaining RBHU Group's corporate culture is its zero-tolerance policy e.g., against harassment and discrimination. Also, whistleblowing protection measures are implemented in accordance with the EU Directive on the protection of persons who report breaches of Union law (Directive (EU) 2019/1937) and the Act XXV of 2023 on Complaints and Public Interest Disclosures, and on the Rules of Whistleblowing Notifications in Hungary.

RBI's foundation: The philosophy of Friedrich Wilhelm Raiffeisen (1818-1888)

In the 19th century, Friedrich Wilhelm Raiffeisen simplified the idea of a cooperative down to one basic principle: In unity lies strength. This idea is backed by the values of helping others to help themselves, social solidarity, charity, communality, sustainability, and responsibility for others. RBHU Group continues to build on these values. They are visible in RBHU Group's and the RBI Group's key strategies and decisions and expressed in a strong brand that places an emphasis on the principles of identity, self-administration, economic solidarity, sustainability, and subsidiarity.

RBI Code of Conduct [Code of conduct]

The Code of Conduct is based on F.W. Philosophy. It forms the foundation of RBHU Group's corporate culture and is guiding its daily actions with internal and external stakeholders. It defines RBHU Group's corporate values, ethical principles, and reflects RBHU Group's and the whole RBI Group's values of collaboration, proactivity, learning and responsibility. The Code of Conduct should ensure that RBHU Group's behaviour in business dealings and ethical matters is compliant with RBHU Group's high standards.

The Code of Conduct is a binding regulatory framework to comply with laws and international standards. It defines RBHU Group's standards on customer / Investor / Employee Relations, Compliance with laws and regulations, combating against financial crime, and on RBHU Group's social and environmental responsibility and complying with environmental laws to the best of RBHU Group's knowledge and ability. In particular, it includes laws supporting the fight against money laundering and terrorist financing, fraud, corruption and bribery, insider trading and market abuse. Furthermore, avoiding conflicts of interest, complying with economic sanctions and embargoes, adhering to data protection standards and other forms of critical business practices, including respect for the fundamental rights of employees.

In addition, the Code of Conduct consciously goes beyond formal and legally ordained conduct and describes how RBHU Group deals with customers, business partners and employees.

The Code of Conduct applies to all employees of RBHU Group and its subsidiaries. It is published in Hungarian and across the RBI Group in English as well as in the respective national languages on the RBI websites. It is available to all the employees of RBHU Group and subsidiaries in the internal regulation system and it is the first document that new hires should read. To ensure the awareness of the Code of Conduct principles, all employees must periodically complete an e-learning on the Code of Conduct basics. In addition, all employees must sign a compliance statement in which they commit to observe the Code of Conduct, which includes the disclosure and regular updating of statements on conflicts of interest.

External persons such as contractors, suppliers, and service providers, and acting for or providing services on behalf of RBHU Group as well as all other business partners, must commit to RBHU Group's Code of Conduct by accepting the supplier Code of Conduct as part of the contractual relationship.

The pillars for ethical dealings

The Code of Conduct defines six pillars of RBHU Group's standard for ethical dealings:

- Customer Relations
- ·Investor Relations
- Employee Relations
- Compliance with laws and regulations
- Combating against financial crime
- Social and environmental responsibility

Social and environmental responsibility

It is RBHU Group's understanding that its business may have an important effect on each pillar of sustainability: in the economic sphere, in society and on the environment. This is reflected according to the RBI Group's sustainability strategy as a responsible banker, a fair partner and an engaged corporate citizen. RBHU Group therefore strives to achieve long term profitable business while avoiding, amongst others, social and environmental harm by related proper due diligence practices. Furthermore, RBHU Group wants to contribute to the improvement of environmental protection and social standards.

Human rights

RBHU Group is aware of specific industries (in particular nuclear, gambling and defence sectors) which due to their sensitivity have impacts to human rights. In respect of these industries, the specific policies are made available internally.

RBHU Group respects and supports the protection of human rights stipulated in the European Convention on Human Rights, the UN Universal Declaration of Human Rights as well as the UN Guiding Principles on Business and Human Rights. RBHU Group seeks not to be involved in business with products that are intended to be used for abolition of demonstrations, political unrest, or other violations of human rights. Any involvement in the controversial weapons (nuclear, biological, chemical weapons, blinding laser weapons, anti-personnel mines, cluster munitions, depleted uranium ammunition, incendiary weapons, non-detectable fragments) are strictly forbidden by RBHU Group.

Diversity and inclusion

We believe that embracing diversity enriches perspectives, positively impacting business decisions and outcomes. RBHU Group strives to create an inclusive workplace that establishes conditions and frameworks equally attractive and beneficial to all employees, RBHU Group is actively committed to ensuring equal opportunities for all employees, regardless of age, gender, nationality, social origin, sexual orientation and identity, disability, or religion or belief. The importance of diversity and inclusion is also shown in the RBHU Group Code of Conduct.

Corporate governance

Corporate governance refers to the system of rules, practices, and processes by which a corporation is directed and controlled. It involves balancing the interests of stakeholders, including shareholders, management, and customers.

At RBHU Group, corporate governance includes regulations set by legislators and the consideration of shareholder interests, guiding leadership under the Management Board and the Board of Directors. The aim is responsible, transparent management focused on long-term value, with key principles including efficient collaboration, safeguarding shareholder interests, and open communication.

RBHU Group adheres to various international and local legal provisions, supported by its Code of Conduct for sustainable governance and social responsibility. RBHU Group's operations are also guided by the recommendations of the National Bank of Hungary and the RBI Group's policies. These regulations are collectively translated into RBHU Group's own internal policies, which are regularly revised. The policies are available to all employees in RBHU Group's internal system.

These regulations are collectively translated into RBHU Group's own internal policies, which are regularly revised. The policies are available to all employees in RBHU Group's internal system.

Anti-bribery & corruption

RBHU Group has implemented the Policy on Anti-Bribery & Corruption of Raiffeisen Bank and its subsidiaries with the annexes on Gift, invitation, donations, support, and sponsorship management and the Compliance Training Strategy. RBHU Group believes that bribery and corruption are crimes that require international action in both the private and public sectors. Combating all forms of bribery and corruption requires a comprehensive approach involving all stakeholders, with strong private and public partnerships, including the cooperation and support of financial institutions. The risk of bribery and corruption is particularly significant for financial institutions, as it can negatively impact their reputation, thereby directly and/ or indirectly affecting their profitability and shareholder value.

The responsibility for the policy is with General Compliance Management Team.

The scope of the policy applies to all employees of the RBHU Group and its subsidiaries and to all individuals in any other employment relationship with the RBHU Group and its subsidiaries.

The policy is consistent with the United National Convention against Corruption. The legal basis of the policy for RBHU Group are applicable laws, i.e., Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (Hpt.); Act C of 2012 on the Criminal Code; Regulation (EU) No 575/2013 of the European Parliament and of the Council (June 26, 2013) on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 and Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing in the versions currently applicable, as well as further guidelines and governance principles which were considered.

The policy outlines key duties and responsibilities of employees, Compliance and management functions, defines bribery and corruption risks and describes organizational anti-bribery and corruption standards in RBHU Group. Every employee receives annual anti-bribery and corruption training, which may vary in depth depending on their job description. RBHU Group places great importance on ensuring that 100% of its employees receive anti-corruption and bribery training.

	Unit	2024 -EoP Consolidated data	2024 - EoP Raiffeisen Bank Zrt.	2024 - EoP Raiffeisen Bank Contact Centre
Employees with exam obligation	Persons	3075	2607	468
Employees who completed it	Persons	3072	2604	468
Success rate	%	99.9%	99,9%	100,0%

The 'figure shown for Employees with exam obligation' (Bank) differs from the previously shown figure in section S1-6: Characteristics of the undertaking's employees - Total Employees, as it additionally accounts for the following: Bank employees + 8 BoD + 3 AC + 6 MB members.

The policy aligns with RBI's Group Policy. A condensed overview of RBI Group's Anti-Bribery and Corruption program is accessible to stakeholders on RBI's homepage.

RBHU Group is politically neutral, does not make any political contribution and aims to refrain from any involvement with political movements.

Whistleblowing

The purpose of the Whistleblowing reporting system is to encourage employees, former employees of RBHU Group and its subsidiaries, individuals in other contractual employment relationships with RBHU Group and its subsidiaries, as well as companies or individuals in contractual relationships with RBHU Group and its subsidiaries, to report if they observe illegal or suspected illegal acts, omissions, internal misconduct, or serious violations of the principles outlined in the Code of Conduct.

The following (non-exhaustive) list includes violations and other misconducts that can be reported through the Whistleblowing system:

- Bribery, corruption
- Fraud, theft
- Conflicts of interest
- Workplace harassment, discrimination
- Other violations of the Code of Conduct.
- Suspected cases of money laundering,
- violations of financial sanctions regulations;
- Market manipulation, insider trading;
- Misuse of personal data;
- Abuses related to sensitive business assignments.

RBI provides a whistleblowing platform (operated by an external service provider) that enables anonymous electronic reporting. Alternatively, employees and external stakeholders can use other channels to report Code of Conduct violations (e.g., telephone, email, postal letter, personal meeting). RBHU Group has established five distinct channels to ensure that all individuals can effortlessly report any violations. These channels are designed to provide ease of access and convenience for reporting, thereby fostering a culture of transparency and accountability.

In cases where someone wishes to report misconduct involving the Compliance Department or the Board of Management, they can utilize the RBI whistleblowing platform. This platform ensures that such reports are directed to the RBI instead of the RBHU Group. By leveraging these channels, the organization demonstrates its commitment to maintaining high standards of compliance and ethical conduct. RBHU Group regularly communicates these mechanisms to its employees through training programs and all staff e-mails.

All reports are processed in accordance with the internal compliance investigation mechanism. RBHU Group's zero-tolerance policy derived from the Code of Conduct (e.g., against harassment and discrimination) ensures that all allegations are taken seriously. The policy emphasizes that the whistleblower will not face any adverse discrimination for making a report in good faith. RBHU Group treats reports made in good faith as constructive feedback and informs the Board of recurring or systemic issues. Both the whistleblower and the person implicated in the report have the right to express their opinions and positions regarding the matter and present evidence supporting their views. The policy ensures that the related investigation is conducted fairly, without influence, and impartially in all cases.

All reports are treated as confidential and specific whistleblowing protection measures are implemented in accordance with the EU Directive on the protection of persons who report breaches of Union law (Directive (EU) 2019/1937) and the Act XXV of 2023 on Complaints, Public Interest Disclosures, and Rules Related to Whistleblowing.

If violations are detected, RBHU Group imposes appropriate risk-based actions including disciplinary ones, in accordance with internal group policy. RBHU Group constantly analyses its rules and regulations to mitigate the risks for the future as much as possible.

The Compliance Department provides quarterly updates to both the Board of Directors and Group Compliance on the number, type, and outcome of the reports received. If recurring or systemic internal misconduct is identified based on the content and location of the reports, the Compliance Department will also report the cause and provide associated recommendations. The Chief Compliance Officer in case of necessity escalates specific material cases to the highest management bodies on an ad hoc basis.

Link to the whistleblowing platform: https://www.rbinternational.com/en/raiffeisen/rbi-group/leadership-governance/compliance/whistleblowing.html#accordion-1c21aa00a0-item-4b71a60913

Training & awareness

RBHU Group Compliance training policy components and structure

RBHU Group considers consistent and targeted training to be a core element of establishing a compliant corporate culture. The Compliance Training Strategy is the annex of the Policy on Anti-Bribery & Corruption of Raiffeisen Bank and its subsidiaries. The structured training program provides periodical trainings to all levels of expertise and on various business conduct related subject matters, including but not only Code of Conduct, anti-bribery & corruption, conflict of interest, whistleblowing, anti-money laundering and counter terrorist financing.

All employees must complete an annual training on a minimum standard of compliance related topics to refresh their existing knowledge and to be informed about relevant changes and developments. All new RBHU Group employees must complete training courses on the topic of compliance. In particular, these cover aspects of preventing economic crime (especially combating money laundering and the financing of terrorism, international sanctions and embargoes, and corruption prevention), market abuse and conflicts of interest, as well as appropriate measures and rules concerning internal reporting obligations. The attendance is mandatory for all employees, recorded and monitored on a continuous basis.

The content of the trainings is structured into different modules and tailored to employees' specific roles and responsibilities, the compliance risk exposure, and the relevant regulatory requirements. Updates to the training materials are triggered by new laws and regulations, products, and customer groups or when internal procedures change. The modules are also offered as interactive trainings with testing components to ensure the effectiveness of the trainings.

G1-2: Management of relationships with suppliers

RBHU Group is conscious of its position in the finance industry in Hungary. RBHU Group has about 1500 suppliers mainly in IT, facility management, consulting services and marketing. Thus, the company plays a significant role as a customer for businesses in these sectors in their respective domestic markets. RBHU Group has set itself the goal of exploiting the potential of its role as customer, by setting high environmental and social principles for a contractual relationship and incorporating sustainability criteria when selecting suppliers.

Being a fair partner for RBHU Group's suppliers and demanding fairness towards their employees and suppliers as well as sustainable behaviour, not only safeguards RBHU Group's operational banking activities. RBHU Group sees it as an opportunity to make a positive contribution to society and the environment. RBHU Group uses RBI's Human Rights Policy which also underlines the commitment towards Human Rights in the supply chain through obligating its suppliers to conduct their business in line with the RBI Group Supplier Code of Conduct and together with RBHU Group's top suppliers RBHU Group works to reduce emissions together.

Fair partnership with its suppliers also includes fair payment terms and the goal of complying with contractually agreed payment terms. Further information regarding payment practices is provided in chapter G1-6 Payment practices.

All RBHU Group suppliers must comply with the RBI Group Supplier Code of Conduct and its principles, which, among other considerations, include compliance with the law, the prohibition of corruption and bribery, respect for the fundamental rights of employees and environmental regulations. The Supplier Code of Conduct is included on a RBI Group-wide basis in contracts agreed with suppliers. In exceptional cases, supplier codes of conduct with comparable content are accepted as part of the contract. The principles defined in the Supplier Code of Conduct are to be regarded as a minimum level for environmental and social criteria, based on the various regulations and directives with which RBHU Group has undertaken to comply. They are a material prerequisite to becoming a supplier to RBHU Group.

The Supplier Code of Conduct helps to ensure that RBHU Group suppliers adhere to important environmental and social criteria. Moreover, in the event of the principles being breached, RBHU Group has the right to terminate the contractual relationship with the supplier. This approach highlights compliance with selected social and environmental standards as a fundamental requirement for working with us.

Further measures include considering the progress made in relation to sustainability in the selection of suppliers and the annual survey of RBHU Group's top (strategic and significant) suppliers. This will lead to even higher standards being expected by the suppliers and additionally heighten these companies' responsibility to society and the environment. If the supplier failed to meet its obligations, RBHU Group would terminate the contractual relationship.

As part of the supplier management process, RBHU Group's top (strategic and significant) suppliers are surveyed annually on topics including environmental and/or socially relevant certificates for the company along with products and/or services purchased by RBHU Group, proceedings due to the infringement of environmental regulations, and indicators on emissions (CO2e).

RBHU Group's procurement is convinced that suppliers with a high level of commitment to their social and environmental business practices are stable partners and lower the risk of supplier failures, high workforce fluctuation and reputational damage, as well as ensuring compliance with regulatory provisions. Establishing a fair partnership with suppliers also fosters stability and provides a sound basis for the company's business operations.

G1-3: Prevention and detection of corruption and bribery

Coverage of employees by anti-corruption training by employee categories

Anti-money laundering and countering the financing of terrorism

RBHU Group has established a comprehensive Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) policy, designed to effectively address, and mitigate related regulatory, reputational, and compliance risks. This policy is in full alignment with applicable local and international regulations, including the recommendations set forth by the Financial Action Task Force (FATF), ensuring that it applies to all areas under the bank's responsibility. The policy, approved by the Board of Management, outlines clear measures for identifying, assessing, and mitigating money laundering and terrorism financing risks and is subject to continuous monitoring, with at least an annual review.

The policy is applicable to all employees of RBHU Group and its subsidiaries, requiring strict adherence to relevant laws, regulations, and internal procedures. Inadequate management of AML/CFT risks could lead to increased criminal activity, damaging public safety and the economy. On the other hand, effective risk management strengthens public trust, enhances the bank's reputation, and fosters strong business relationships, while minimizing legal, regulatory, and reputational risks.

Key actions implemented as part of the AML/CFT policy include:

- Appointment of an AML/CFT officer who reports directly to senior management
- Risk-based identification and classification of customers and products, alongside tailored due diligence processes
- Ongoing customer due diligence, including identification of Politically Exposed Persons (PEPs) and beneficial owners, with enhanced scrutiny and management approval for high-risk customers, including those linked to PEPs or high-risk jurisdictions
- Additional due diligence for companies incorporated in offshore jurisdictions
- Continuous monitoring of customer data, transactions, and accounts, including sanctions screening

- Reporting of suspicious activities to relevant authorities, such as the FIU
- Active cooperation and information exchange with national and international authorities
- Robust internal controls, periodic internal and external audits, and evaluations
- Regular training and awareness programs for staff, including in-person, e-learning, and micro-learning modules
- Active participation in industry initiatives and working groups at national, European, and international levels contributing to the development of legal and regulatory standards.

RBHU Group acknowledges that combating money laundering and terrorism financing is an ongoing process that requires continuous adaptation to emerging risks and regulatory changes. This commitment ensures that RBHU Group engages only with reputable customers involved in legitimate business activities, with funds originating from lawful sources. By upholding these standards, RBHU Group mitigates compliance risks, strengthens its reputation, and builds trust with stakeholders.

G1-4: Incidents of corruption or bribery

All bribery and corruptions suspicions are processed in accordance with RBHU Group's internal compliance investigation and reporting mechanism and adequate internal sanctions and disciplinary measures, i.e., dismissal of employees, irrespective to criminal law sanctions and legal consequences were adequately applied and enforced.

Bribery and corruption cases are investigated by the Compliance Department. RBHU Group has zero tolerance policy for bribery and corruption. The Compliance Officer's independence is guaranteed by the internal regulations. The Compliance Officer reports directly to the CEO and organizationally falls under the direct authority of the CEO. In executing their duties, the Compliance Officer is independent of individuals responsible for business matters and is not obligated to follow their directives. The Compliance Officer manages the Compliance department and its activities according to the interests of the RBHU Group and in accordance with the law, aiming to preserve the integrity of the RBHU Group and the market.

No member of the management, the Board of Directors, or the Supervisory Board may issue instructions to the Compliance Department that would prevent it from conducting any investigation it deems necessary, nor may they assign additional tasks to such an extent that it would hinder the effective operation of the compliance function.

In cases where someone wishes to report misconduct involving the Compliance Department or the Board of Management, they can utilize the RBI whistleblowing platform. This platform ensures that such reports are directed to the RBI instead of the RBHU Group. By leveraging these channels, the organization demonstrates its commitment to maintaining high standards of compliance and ethical conduct. RBHU Group regularly communicates these mechanisms to its employees through training programs and all staff e-mails.

Incidents of corruption or bribery in 2024:

- Number of convictions for violation of anti-corruption and anti-bribery laws: 0
- Amount in € millions of fines for violation of anti-corruption and anti- bribery laws: 0

In 2024 all of the staff (including the Management) received anti-corruption and bribery training in the framework of the Compliance e-learning.

G1-6 Payment practices

RBHU Group is conscious of its customer in its home market Hungary and CEE and committed to be a fair partner for its suppliers. This includes fair payment terms and the objective to contractual agreed payment.

The table below shows the payment terms for suppliers of RBHU Group, based on a representative sampling on invoices from 2024.

G1-6 - Payment practices

	2024
Average time the entity takes to pay the invoice (in days)	22
Payments aligned with the standard payments term (in %)	88
Standard payment terms (in days)	30 days

	2024
Legal proceedings currently outstanding for late payments	0

The above figures are based on invoices due between January and December 2024. The selected review period is representative of the entire fiscal year 2024. There is no differentiation by size of company.

Although the information if the supplier is a small or medium enterprise (SME) is not available during the payment process the respective employees are advised to consider the size and financial situation of the supplier when processing the invoices.

RBHU Group has strict procedures and compliance measures to be followed when engaging third parties. A KYBP (Know Your Business Partner) check is conducted by the Compliance Department to ensure that all third parties meet the required standards and do not pose any compliance risks. Additionally, every contract includes the Supplier's Code of Conduct as a mandatory annex. This ensures that all suppliers are aware of and adhere to RBHU Group's ethical standards and compliance requirements.

Abbreviations

Abbreviation	Meaning
ACA	Absolute Contraction Approach
AML	Anti-Money Laundering
AuM	Assets under Management
BCBS	Basel Committee on Banking Supervision
BESS	Battery Energy Storage System
BIO	Biodiversity and Ecosystems
BoD	Board of Directors
BWG	Austrian Banking Act (Bankwesengesetz)
CapEx	Capital Expenditure
CCA	Climate Change Adaptation
CCM	Climate Change Mitigation
CE	Circular Economy
CEE	Central and Eastern Europe
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
CFT	Countering the Financing of Terrorism
CPO	Central Procurement Office
CPPNM	Convention on the Physical Protection of Nuclear Material
CRD	Capital Requirements Directives
CRO	Chief Risk Officer
CSO	Chief Security Officer
CSRD	Corporate Sustainability Reporting Directive
DSR	Data Subject Requests
EAD	Exposure at Default
EBA	European Banking Authority
EBRD	European Bank for Reconstruction and Development
ECB	European Central Bank
EFRAG	European Financial Reporting Advisory Group
EIB	European Investment Bank
EMS	Environmental Management System
EPC	Energy Performance Certificate
ESG	Environmental, Social, and Governance
ESRS	European Sustainability Reporting Standards
ETS	Emissions Trading System
EV	Electric Vehicle
EWS	Early Warning System
FATF	Financial Action Task Force
FinGuar	Financial Guarantee
FIU	Financial Intelligence Units
GAR	Green Asset Ratio
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas
Hft	Held for trading
HO	Head Office
HPI	House Price Index
IAM	Integrated Assessment Model
IASB	International Accounting Standards Board
ICAAP	Internal Capital Adequacy Assessment Process
ICMA	International Capital Market Association
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ILO	International Labor Organization
IPCC	Intergovernmental Panel on Climate Change
ISMS	Information Security Management System
KPI	Key Performance Indicator

Abbreviation	Meaning
KYBP	Know Your Business Partner
LGD	Loss Given Default
LULUCF	Land Use, Land-Use Change, and Forestry
MAN	Management
MiFID	Markets in Financial Instruments Directive
MIGA	Multilateral Investment Guarantee Agency
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
MS	Minimum Social Safeguards
NBH	National Bank of Hungary
NFC	Non-Financial Corporation
NFRD	Non-Financial Reporting Directive
NGFS	Network for Greening the Financial System
NPP	Nuclear Power Plant
NS	Nuclear Safety
NWU	Networking Unit
NZEB	Nearly Zero Energy Buildings
OECD	Organization for Economic Co-operation and Development
PCAF	Partnership for Carbon Accounting Financials
PD	Probability of Default
PED	Primary Energy Demand
PEP	Politically Exposed Person
PFS	Project Finance and Structured products Dept.
PGP	Product Governance Policy
PPC	Pollution
PRB	Principles for Responsible Banking
RBHU	Raiffeisen Bank Hungary
RBI	Raiffeisen Bank International
REMCO	Remuneration Committee
RWA	Risk-Weighted Assets
SBC	Sustainable Bond Committee
SCO	Strategy and Company Office
SDA	Sectoral Decarbonization Approach
SDG	Sustainable Development Goals
SME	Small and Medium-sized Enterprises
SRA	Security requirements assessment
UNEP FI	United Nations Environment Programme - Finance Initiative
WCAG	Web Content Accessibility Guidelines
WTR	Water and marine resources

Raiffeisen Bank

Separate financial statements

2024

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I. Primary separate financial statements

Statement of profit or loss

(HUF million)	Notes	2024	2023
Interest income calculated with the effective interest method		215,086	357,653
Other interest income		170,925	244,368
Interest expense		-200,817	-402,670
Net interest income	[7, 11, 35]	185,194	199,351
Dividend income	[7, 11]	3,662	1,516
Fee and commission income		122,406	109,755
Fee and commission expenses		-33,620	-32,642
Net fee and commission income	[8]	88,786	77,113
Net trading income and fair value result	[9, 11]	-9,853	-12,986
Net gains/losses from hedge accounting	[10, 11]	3,478	-1,508
Net gains/losses from derecognition of financial assets and liabilities not measured at fair value through profit or loss	[11]	-1,562	-2,951
Other operating income	[12]	2,035	1,542
Other operating expenses	[12]	-36,843	-29,009
Staff expenses	[15]	-41,150	-38,424
Other administrative expenses	[16, 25]	-33,459	-29,097
Depreciation and amortisation	[24]	-13,210	-12,558
Other result	[11, 13, 14]	-2,040	-5,087
Bank tax and other special levies	[17]	-25,791	-35,825
Impairment losses on financial assets	[6, 11]	13,497	-368
Profit before tax		**132,744**	**111,709**
Tax expense	[18]	-18,239	-12,429
Profit for the year		**114,505**	**99,280**

Statement of profit and loss and other comprehensive income

(HUF million)	Notes	2024	2023
Profit for the year		**114,505**	**99,280**
Other comprehensive income	**[6, 38]**	**-9,092**	**13,341**
Items that will not be reclassified to profit or loss		**7**	**4**
Fair value changes of equity instruments measured at fair value through other comprehensive income	[37]	8	4
Income tax relating to items that will not be reclassified to profit or loss	[18, 37]	-1	0
Items that may be reclassified to profit or loss		**-9,099**	**13,337**
Cash flow hedges (effective portion)	[10, 37]	-11,005	10,550
Valuation gains/losses taken to other comprehensive income		-8,410	10,793
Net amount reclassified to profit or loss		-2,595	-243
Debt instruments measured at fair value through other comprehensive income	[37]	1,006	4,106
Valuation gains/losses taken to other comprehensive income		534	2,072
Net amount reclassified to profit or loss		472	2,034
Income tax relating to items that may be reclassified to profit or loss	[18, 37]	900	-1,319
Total comprehensive income for the year		**105,413**	**112,621**

Statement of financial position

(HUF million)	Notes	31.12.2024	31.12.2023
Cash, cash balances at central banks and other demand deposits	[6, 19]	530,901	927,844
Financial assets held for trading	[6, 20, 42]	82,406	97,809
Non-trading financial assets mandatorily at fair value through profit or loss	[6, 20, 42]	185,336	164,471
Financial assets measured at fair value through other comprehensive income	[6, 22, 23, 42]	550,339	365,884
Financial assets measured at amortised cost	[6, 21, 22, 42]	3,088,889	2,676,898
Derivative instruments designated as hedging instruments	[10, 42]	92,149	119,623
Fair value changes of the hedged items in portfolio hedge of interest rate risk	[10, 42]	-9,752	-11,289
Investments in subsidiaries	[44]	3,810	2,032
Tangible fixed assets	[24]	38,449	37,708
Intangible fixed assets	[24]	24,101	22,432
Deferred tax assets	[18]	1,341	1,840
Other assets	[26]	9,308	8,945
Total assets		**4,597,277**	**4,414,197**
Financial liabilities held for trading	[6, 27, 28, 42]	76,471	93,665
Financial liabilities measured at amortised cost	[6, 25, 28, 29, 30, 31, 42]	3,963,532	3,770,757
Derivative instruments designated as hedging instruments	[10, 42]	105,166	126,808
Fair value changes of the hedged items in portfolio hedge of interest rate risk	[10, 42]	-60,617	-64,919
Current tax liabilities	[18]	6,198	3,410
Provisions	[6, 33]	17,401	17,581
Other liabilities	[32]	14,522	11,079
Total liabilities		**4,122,673**	**3,958,381**
Share capital	[6, 35]	50,000	50,000
Share premium	[6, 36]	113,445	113,445
Equity instruments issued other than share capital	[6, 37]	46,979	46,979
Accumulated other comprehensive income	[6, 38]	13,101	22,193
Retained earnings	[6, 40]	92,980	91,776
Other reserves	[6, 39]	43,594	32,143
Profit for the year		114,505	99,280
Total equity		**474,604**	**455,816**
Total liabilities and total equity		**4,597,277**	**4,414,197**

Statement of changes in equity

2024 (HUF million)	Share capital	Share premium	AT1 instruments	OCI* not to be reclassified to profit or loss: Fair value changes of equity instruments	OCI* that may be reclassified to profit or loss: Cash flow hedges (effective portion)	OCI* that may be reclassified to profit or loss: Fair value changes of debt instruments	Retained earnings	Other reserves	Total
Notes	[6, 35]	[6, 36]	[6, 37]	[6, 38]	[6, 38]	[6, 38]	[6, 40]	[6, 39]	
Opening balance	**50,000**	**113,445**	**46,979**	**36**	**20,354**	**1,803**	**191,056**	**32,143**	**455,816**
Profit for the year	0	0	0	0	0	0	114,505	0	114,505
Other comprehensive income	0	0	0	7	-10,014	915	0	0	-9,092
Total comprehensive income for the year	**0**	**0**	**0**	**7**	**-10,014**	**915**	**114,505**	**0**	**105,413**
Issuance of other equity instruments	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	-86,655	0	-86,655
Contributions and distributions total	**0**	**0**	**0**	**0**	**0**	**0**	**-86,655**	**0**	**-86,655**
Transfers among components of equity	0	0	0	0	0	0	-11,451	11,451	0
Other increase (+)/decrease (-) in equity	0	0	0	0	0	0	30	0	30
Other equity transactions total	**0**	**0**	**0**	**0**	**0**	**0**	**-11,421**	**11,451**	**30**
Closing balance	**50,000**	**113,445**	**46,979**	**43**	**10,340**	**2,718**	**207,485**	**43,594**	**474,604**

*OCI: other comprehensive income

2023 (HUF million)	Share capital	Share premium	AT1 instruments	OCI* not to be reclassified to profit or loss: Fair value changes of equity instruments	OCI* that may be reclassified to profit or loss: Cash flow hedges (effective portion)	OCI* that may be reclassified to profit or loss: Fair value changes of debt instruments	Retained earnings	Other reserves	Total
Notes	[6, 35]	[6, 36]	[6, 37]	[6, 38]	[6, 38]	[6, 38]	[6, 40]	[6, 39]	
Opening balance	**50,000**	**113,445**	**31,445**	**32**	**10,754**	**-1,934**	**125,896**	**22,215**	**351,853**
Profit for the year	0	0	0	0	0	0	99,280	0	99,280
Other comprehensive income	0	0	0	4	9,600	3,737	0	0	13,341
Total comprehensive income for the year	**0**	**0**	**0**	**4**	**9,600**	**3,737**	**99,280**	**0**	**112,621**
Issuance of other equity instruments	0	0	15,534	0	0	0	0	0	15,534
Dividends	0	0	0	0	0	0	-24,213	0	-24,213
Contributions and distributions total	**0**	**0**	**15,534**	**0**	**0**	**0**	**-24,213**	**0**	**-8,679**
Transfers among components of equity	0	0	0	0	0	0	-9,928	9,928	0
Other increase (+)/decrease (-) in equity	0	0	0	0	0	0	21	0	21
Other equity transactions total	**0**	**0**	**0**	**0**	**0**	**0**	**-9,907**	**9,928**	**21**
Closing balance	**50,000**	**113,445**	**46,979**	**36**	**20,354**	**1,803**	**191,056**	**32,143**	**455,816**

*OCI: other comprehensive income

Statement of cash flows

(HUF million)	Notes	2024	2023
Cash, cash balances at central banks and other demand deposits, opening balance	**[19]**	**927,844**	**784,913**
Cash flows from operating activities:			
Profit for the year		114,505	99,280
Adjustments for:			
Depreciation and amortisation	[24]	13,210	12,558
Impairment (+)/reversal (-) of impairment on non-financial assets	[13]	21	32
Impairment (+)/reversal (-) of impairment on financial assets not measured at fair value through profit or loss	[11]	-12,807	-2,182
Net interest income	[11]	-185,194	-199,351
Net gains/losses from derecognition of non-financial assets	[12]	-38	-6
Other		-4,761	-31,186
Income tax expense	[18]	18,239	12,429
Subtotal		**-171,330**	**-207,706**
Changes in operating assets and liabilities:			
Change in financial assets held for trading	[20]	5,811	-62,624
Change in non-trading financial assets mandatorily at fair value through profit or loss	[20]	-21,093	-38,526
Change in financial assets designated at fair value through other comprehensive income	[22]	-181,633	-56,047
Change in financial assets measured at amortised cost	[22]	-12,584	303,446
Change in derivative instruments (assets) designated as hedging instruments	[10]	8,167	204,591
Change in other assets and assets held for sale	[26]	-8,680	6,514
Change in financial liabilities held for trading	[27]	-17,194	82,743
Change in financial liabilities measured at amortised cost	[29]	177,144	56,329
Change in derivative instruments (liabilities) designated as hedging instruments	[10]	-19,847	-269,168
Fair value changes of the hedged items in portfolio hedge of interest rate risk	[10]	2,764	99,724
Change in other liabilities and provisions	[32, 33, 34]	3,263	4,011
Subtotal		**-63,882**	**330,993**
Interest received	[7, 11]	467,170	605,912
Interest paid	[7, 11]	-264,384	-374,657
Dividend received	[42]	3,662	1,516
Income tax paid	[18]	-14,053	-12,626
Net cash generated from (+)/used in (-) operating activities		**71,688**	**442,712**
Cash flows from investing activities:			
Purchase of securities	[20, 22]	-392,554	-328,745
Disposal of securities	[20, 22]	24,912	73,349
Purchase of investment in subsidiaries	[22]	-1,778	-182
Purchase of tangible fixed assets	[24]	-22,170	-6,428
Disposal of tangible fixed assets	[24]	12,337	1,469
Purchase of intangible fixed assets	[24]	-7,400	-6,666
Net cash generated from (+)/used in (-) investing activities		**-386,684**	**-267,203**
Cash flows from financing activities:			
Issuance of issued debt securities	[30]	136,476	196
Repayment of issued debt securities at maturity	[30]	-136,286	-142
Issuance of additional tier 1 capital (AT1)	[37]	0	15,534
Payment of lease liabilities	[25]	-4,595	-4,310
Dividend paid	[35]	-86,655	-24,213
Net cash generated from (+)/used in (-) financing activities	**[45]**	**-91,060**	**-12,935**
Net increase (+)/decrease (-) of cash, cash balances at central banks and other demand deposits		**-406,056**	**162,574**
Effect of changes in foreign exchange rates		9,113	-19,643
Cash, cash balances at central banks and other demand deposits, closing balance	**[19]**	**530,901**	**927,844**

II. Notes to the financial statements

(1) General information

Raiffeisen Bank Zrt. ('the Bank') commenced its operations in 1987 as a commercial bank domiciled in Hungary. The Bank's registered office is 1133 Budapest, Váci út 116-118.

The website of the Bank is available at:

https://www.raiffeisen.hu/raiffeisen-csoport/raiffeisen-bank-zrt.

The Bank holds a full commercial banking license issued by the National Bank of Hungary (NBH) and carries on a wide range of financial activities.

The Bank is controlled by Raiffeisen CEE Region Holding GmbH. The ultimate parent company of the banking group is Raiffeisen Bank International A.G. (RBI).

Apart from the financial statements, the Bank also prepares and discloses consolidated financial statements for the Bank and its subsidiaries (together referred to as the 'Group') in accordance with the Hungarian Accounting Law. The website of the financial statements can be found at:

https://www.raiffeisen.hu/raiffeisen-csoport/sajtoszoba/penzugyi-adatok.

Zeljko Obradovic, Chief Financial Officer (availability: 1133 Budapest, Váci út 116-118.) and Tibor Gáspárr, Head of Accounting Department are obliged to sign these financial statements. Tibor Gáspár is entitled to perform bookkeeping services (registration number: 168480, availability: 1133 Budapest, Váci út 116-118.)

(2) Basis of preparation

The Bank's separate financial statements have been prepared on a going concern basis.

(2.1) Statement of compliance

As of the financial year starting from 1 January 2017, Raiffeisen Bank Zrt. – in line with the Act of Credit Institutions and Financial Enterprises – decided to apply international accounting standards also for the purposes of preparing separate financial statements of the Bank in accordance with section 177 (55) of Hungarian Accounting Law (hereinafter 'HAL'). The Bank has applied International Financial Reporting Standards for the first time in its separate financial statements as at the opening balance sheet date of 1 January 2016. The separate financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union.

IFRSs comprise accounting standards issued by the International Accounting Standards Board ('IASB') and its predecessor body and interpretations issued by the IFRS Interpretations Committee and its predecessor body.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

These separate financial statements were authorised by the Board for issue on 27 March 2025.

(2.2) Basis of measurement

These separate financial statements have been prepared on the historical cost basis except for the following:

- financial instruments at fair value through profit or loss are measured at fair value;
- financial assets measured at fair value through other comprehensive income are measured at fair value;
- financial assets and liabilities designated in qualifying fair value hedge relationships are measured at amortised cost adjusted with fair value changes attributable to the hedged risk;
- all other financial assets and liabilities and all non-financial assets and liabilities are stated at amortised cost or – if applicable –, at cost less accumulated depreciation and/or impairment losses.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, in accordance with accounting principles. Actual results may differ from these estimates.

The management aligns the selection, development, application and disclosure of critical accounting policies and accounting estimates with the Supervisory Board of the Bank.

Significant areas of estimation uncertainty are expected credit loss described in note (6) Financial risk management and the determination of fair value described in note (42) Determination of fair value. Sustainability-related estimates are included in note (6) Financial risk management.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(2.3) Functional and presentation currency

These financial statements are presented in Hungarian Forints, which is the Bank's functional currency. Except as indicated, financial information is presented in Hungarian Forints rounded to the nearest million.

(3) Changes in accounting policies

Amendments to standards and interpretations first applied in 2024 had no or insignificant effect on the Bank's separate financial statements.

(4) Significant accounting policies

Accounting policies are the specific principles, bases, conventions, rules and practices adopted by the Bank in preparing and presenting financial statements. The accounting policies set out below have been consistently applied to all the periods presented in the financial statements.

(4.1) Presentation of financial statements

These financial statements include the separate financial statements of the Bank.

(4.2) Foreign currency transactions

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the Bank operates ('the functional currency').

Transactions executed in a currency other than the functional currency are considered to be foreign currency transactions. Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to Hungarian Forint at exchange rates at that date as published by the National Bank of Hungary.

The foreign exchange gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted by effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on the translation of equity investments measured at fair value through other comprehensive income, which are recognised in other comprehensive income as part of the fair value measurement.

(4.3) Intangible fixed assets

Intangible assets are identifiable non-monetary assets without physical substance held for the purpose of providing services or for administration purposes.

Intangible fixed assets that have a finite useful life are measured initially at cost and subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. The asset is tested for impairment by comparing its recoverable amount, determined in accordance with IAS 36, with its carrying amount, and recognising any excess of the carrying amount over the recoverable amount as an impairment loss.

Other intangible fixed assets are amortised using the straight-line method over their estimated useful life not exceeding 6 years from the date when the asset is available for use. The amortisation shall cease at the earlier of the date when the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5, and the date when the asset is derecognised. Amortisation methods and useful lives are reviewed at each financial year-end and adjusted if appropriate.

Personnel expenses incurred during developing intangible assets are capitalised and amortised. Subsequent other expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

(4.4) Tangible fixed assets

Owner occupied property

Items of property and equipment, including leasehold improvements, are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Cost of maintenance and repairs are recognised in profit or loss as incurred. Major improvements of an item of property and equipment are recognised in the carrying amount of those items if it is probable that associated future economic benefits will flow to the Bank and related costs can be measured reliably.

Depreciation is allocated over the estimated useful life of the asset using the straight-line method and is included in line item 'Depreciation and amortisation' in the statement of profit or loss.

The estimated useful lives of individual categories of assets are as follows:

- properties (freehold): 50 years;
- properties (leasehold): the contractual terms of the leasehold are considered;
- equipment: 3-7 years.

Freehold land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Items of property and equipment are subject to an impairment review if there are events or changes in circumstances which indicate that the carrying amount may not be recoverable.

Gains/losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net in line items 'Other operating income' or 'Other operating expenses' in the statement of profit or loss.

Leased assets

At inception of a contract, the Bank in accordance with IFRS 16 assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Bank uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into (or modified) on or after 1 January 2019.

The Bank applies the practical expedients allowed by IFRS 16 to short-term leases and to leases where the underlying asset is a low-value asset. The Bank recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Bank acting as a lessee

For contracts that contain in addition to one lease component one or more lease or non-lease components the Bank as a lessee allocates consideration in the contract to each lease component on the basis of the relative standalone selling price of the lease component and the aggregate standalone selling price of the non-lease components.

The Bank as a lessee recognises a right-of-use asset and a lease liability at the commencement date of the lease term. The right-of-use asset is initially recognised at cost, which comprises the initially recognised amount of the lease liability, any lease payments made at or before the commencement date of the lease term minus any lease incentives received, the Bank's initial direct costs incurred and an estimate of costs to dismantle the underlying asset and to restore the underlying asset to the condition required by the terms and conditions of the lease.

The Bank as a lessee subsequently measures the right-of-use asset applying the cost model less any accumulated depreciation and any accumulated impairment losses and adjusted for any reassessment of the lease liability.

The Bank as a lessee measures the lease liability at the commencement date of the lease term at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the lessee, which is a base rate derived from interest rate swap curves in the currency of the respective lease contracts increased with a margin derived from unsecured and liquid (traded) bonds of European banks published by Bloomberg.

At the commencement date of the lease term the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under a residual value guarantee;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- penalties for early termination of the lease if the lease term reflects the exercise of an early termination option by the lessee.

The lease liability is subsequently measured at amortised cost using the effective interest method.

The lease liabilities are remeasured when there is a change in future lease payments. It can arise from a change in an index or rate used for determining the lease payments, from a change in the estimate of the amount expected to be payable under a residual value guarantee, from the Bank's changing its assessment of whether it will exercise a purchase, extension or termination option or from the revision of fixed lease payment.

The Bank records the amount of remeasurement of the lease liability as an adjustment to the carrying amount of the right-of-use asset. In case the carrying amount of the right-of-use asset has been reduced to zero and further reduction shall be made due to the remeasurement of the lease liability, the remaining reduction is recorded in profit or loss.

The Bank presents right-of-use assets in 'Tangible fixed assets' and lease liabilities in 'Financial liabilities measured at amortised cost' in the statement of financial position.

Short-term leases and leases of low-value assets

The Bank has elected not to apply the requirements of the standard to short-term leases and to leases where the underlying asset is a low-value asset. The Bank recognises the lease payments associated with these leases as an expense on the straight-line basis over the lease term.

To the net investment in a lease, the derecognition and impairment requirements of IFRS 9 standard are applied.

(4.5) Assets obtained against receivables

If the Bank has mortgages registered on the collateralised property pledged as collateral, it is entitled to sell it with or without a court resolution, under a sales procedure conducted on its own behalf. The property may also be subject to forced sale if the owner is a company subject to liquidation procedure.

If the Bank has a purchase right over the property, the Bank's claim may be enforced against the property. In this case, the Bank is entitled to purchase the property at the purchase price determined in the option contract and to offset the purchase price against its claim or to assign a third party to exercise the right of purchase and to offset the purchase price paid by the third party against its claim.

Assets of which the Bank takes possession upon resigning credit transactions are valued at a price determined by an expert. In case of loan contracts, impairment losses are recognised for the assets repossessed if the fair value is lower than the carrying amount.

These assets and their impairment loss allowance are recognised in the statement of financial position as 'Other assets' and in the statement of profit or loss as 'Other operating expenses', the amount of the reversal is reported as 'Other operating income'.

(4.6) Investments

The Bank reports equity instruments as shares that are acquired in accordance with the Bank long-term strategic goals, plans and business policies. Shares and other ownership interests acquired this way may include subsidiaries, associates and other investments.

A subsidiary is an entity which is controlled by the Bank, in the sense that, the parent company is entitled to the variable positive returns generated by the investee, bears the consequences of the negative returns and is able to control its operations and thus influence returns through its decisions.

An associate is an entity over which the Bank has significant influence without having control. The Bank had no such participations in 2024 and 2023.

The Bank's interests over which it has at least a significant influence are disclosed under 'Investments in subsidiaries'. The Bank recognises these investments at cost - using the treatment allowed by IAS 27 - less accumulated impairment losses, if required. If impairment loss or other profit or loss item (e.g., reduction of capital) is recognised during the time of holding the investment, it is recognized against other comprehensive income.

Non-trading equity instruments over which the Bank has neither joint control nor significant influence are presented in 'Financial assets measured at fair value through other comprehensive income'.

(4.7) Cash and cash equivalents

Cash and cash equivalents include notes and cash on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position and are presented as 'Cash, cash balances at central banks and other demand deposits' in the statement of financial position.

Classification of the mandatory reserve as cash is explained in more detail in note (19) Cash, cash balances at central banks and other demand deposits.

(4.8) Determination of fair value

The Bank's accounting policies and a number of disclosures require the determination of fair value of financial assets and liabilities. Fair value is determined for measurement and/or disclosure purposes based on the following methods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Subsequent to initial recognition, the fair value of financial instruments that are quoted in active markets are measured at fair value based on bid prices for assets held and ask prices for liabilities issued. When observable prices are not available, fair value is determined by using valuation techniques which refer to observable market data. These include comparison with similar instruments where observable market prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. For financial instruments, fair value may be determined in whole or in part using valuation techniques based on assumptions that are not supported by prices from current market transactions or observable market data.

The determination of fair value assumes that the sale or disposal of the asset occurs on the primary market for the asset or liability or, lacking that, on the most favourable market for the asset or liability.

The primary market is the market with the highest volume and activity level for the asset or liability being valued.

The most favourable market is the market that maximises the amount that would be received for the sale of the asset or minimises the amount that would be paid for the transfer of the liability after considering transaction costs and shipping costs.

More information about the determination of fair value is in note (42) Determination of fair value.

(4.9) Financial instruments

Recognition and initial measurement

For regular way purchases and sales of financial assets, the Bank applies trade date accounting, i.e., recognition when the Bank is committed to the purchase or sale of the asset. Regular way purchase or sale is a purchase or sale of an asset based on a contract whose terms require delivering the asset within the time frame established by conventions and regulations in the market.

All other financial asset and liability (including financial assets and liabilities measured at fair value through profit or loss) is recognised when the Bank becomes party to the contractual provisions of the instrument e.g., receivables arising from loans to banks or clients are recognised when the loan is disbursed.

At initial recognition, the Bank measures the financial assets or liabilities at their fair value plus or minus, in the case of a financial asset or liability not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price (i.e., the fair value of the consideration given or received).

If the fair value determined by the Bank differs from the transaction price at initial recognition – e.g., off-market interest rate loans – then the difference at initial recognition is recognised as follows:

If that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, the Bank recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss under 'Net trading income and fair value result'; in all other cases, the measurement is adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Bank recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would consider when pricing the asset or liability. In case of loans, the deferred difference is recognised using the effective interest rate while in case of derivatives the difference is recognised linearly.

Classification and subsequent measurement

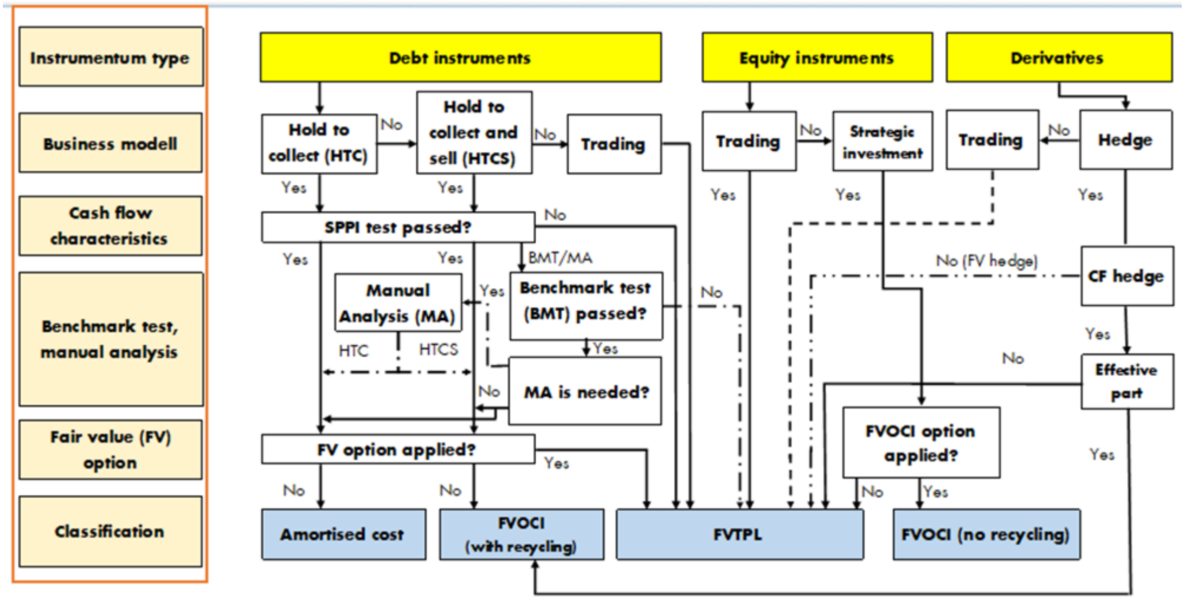
At initial recognition, the Bank classifies financial assets to the following categories:

- at amortised cost;
- at fair value through other comprehensive income or
- at fair value through profit or loss.

The classification of a financial asset is based on a two-step methodology which defines the accounting valuation model for the instrument types:

- determination of the business model;
- analysis of the contractual cash flow characteristics (Solely Payment of Principal and Interest, SPPI test).

The following chart illustrates the methodology discussed above:



Business model of financial assets

The business model is determined on a portfolio level as it best reflects the Bank's business objectives for a group of assets, and it is also the level of aggregation that management uses. When determining the business model, the Bank takes into consideration the following information:

- how the performance of the business model (and the financial assets held within that business model) are evaluated and reported to the Bank's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed;
- how managers of the business are compensated – e.g., whether the compensation is based on the fair value of the assets managed or the contractual cash flows collected;
- the frequency, value and timing of sales in prior periods, the reasons for such sales, and the expectations about future sales activity; and
- whether sales activity and the collection of contractual cash flows are each integral or incidental to the business model ('hold to collect' versus 'hold to collect and sell' business model).

Hold to collect business model

The model's objective is to hold financial assets to collect contractual cash flows even when if sales of financial assets have occurred or are expected to occur.

The following examples of sales may be consistent with the hold-to-collect business model:

- the sales are due to an increase in the credit risk of a financial asset;
- the sales are infrequent (even if significant), or are insignificant individually and in aggregate (even if frequent);
- the sales take place close to the maturity of the financial asset and the proceeds from the sales approximate the the remaining contractual cash flows.

Quantitative guidelines or thresholds are not provided by IFRS 9 on the value or frequency of sales from hold-to-collect portfolio. The Bank considers the sale of less than 10% of the portfolio's carrying amount during a rolling 3-year period consistent with hold-to-collect business model. The Bank considers the sale of an asset with maturity of less than 3 months can be deemed as close to maturity.

Hold to collect and sell business model

The objective of this business model is to meet the Bank's everyday liquidity needs. Realising profit from financial assets in these types of portfolios can be achieved by both collecting contractual cash flows and selling financial assets in the portfolio.

Other business models

- Trading portfolio: the primary objective is to realise short-term profits.
- Strategic investment portfolio: the goal is to hold long-term investments and collect cash flows (e.g., dividend).
- Hedge portfolio: derivatives in hedging relationships as hedging instruments.

Analysis of contractual cash flow characteristics

The Bank assesses whether the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI test), i.e., whether they are consistent with the terms of a basic lending agreement. For this purpose, the principal is the fair value at initial recognition. The interest can only contain consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks (e.g., liquidity risk) and costs (e.g., administrative costs), as well as a profit margin. This involves the assessment whether the financial asset has contractual terms that might change the timing of contractual cash flows. In assessing this, the Bank considers the following factors:

- conditional events that might change the timing or amount of contractual cash flows;
- leverage;
- prepayment and prolongation options;
- contractual terms that limit the Bank's receivables to defined assets of the debtor or cash flows generated by a defined asset (e.g., non-performing financial assets that cannot be liquidated in case of non-performance), and
- contractual terms that modify the time value of money element – e.g., the interest rate is reset on a regular basis.

The Bank uses both quantitative (benchmark test – denoted by 'BMT' in the above figure) and qualitative (manual analysis – denoted by 'MA' in the above figure) approaches to determine whether the time value of money element of the interest rate is modified.

The Bank primarily performs the analysis of contractual cash flow characteristics by clasterisation of financial assets. The analysis of contractual cash flow characteristics of contracts that cannot be clasterised is performed individually.

Sustainability-linked (ESG-linked) loans are structured such that their interest rates vary based on whether the borrower achieves pre-determined targets defined in the loan agreement. As long as the variability of the interest rate is not related to additional leverage, linked to an external index or is below a predefined threshold the loans are shown at amortized cost.

The Bank identified the following three portfolios where the contractual terms are not consistent with a basic lending agreement as described in IFRS 9.

Subsidised housing loans ('CSOK' – housing subsidy for families, Subsidised Housing Loans)

These loans granted to individuals for the purpose of financing the purchase of flats/houses share two characteristics. One shared characteristic is that a pre-determined portion of the contractual interest is generally paid by the Hungarian government instead of the borrower over a certain period. The other shared characteristic is that the contractual interest reprices with a pre-determined frequency (the interest period can be 3, 5 and 10 years) and depends on average yields ('GDMA average yields') observed at government bond and treasury bill auctions, regularly published by the Government Debt Management Agency ('GDMA'). In the formula determining contractual interest, the GDMA average yields are multiplied by 1.3 and a risk premium is added to the resulting interest rate. The Bank regards the multiplier applied to GDMA average yields as a leverage factor inconsistent with a basic lending agreement and thus the contractual cash flows of subsidised housing loans are deemed not to solely represent payments of principal and interest on principal outstanding.

Loan programs of Hungarian Development Bank (HDB)

A common characteristic of the interest of such loans granted to enterprises in course of the loan programs is that the currency in which the loan is denominated differs from the currency of the base rate used to determine variable interest rate on those loans (currency mismatch): according to IFRS 9, due to the currency mismatch, the contractual cash flows of the loans do not solely represent payments of principal and interest on principal outstanding.

Childbirth incentive loan

The childbirth incentive loan is part of the Hungarian Government's Family Protection Action Plan. The program offers a state subsidized personal loan up to HUF 10 million to married couples with the condition that they bear at least one child within 5 years. Further state support is granted to an early redemption of the loan after the second child (30% capital repayment) and the third newly born child (full capital repayment). The loan is interest free for the customers who pay only the capital and the guarantee fee. The interest subsidy is equal to 130% of the weighted average of 5-year government bond yields observed on auctions regularly published by GDMA in the preceding 3 months plus 2%. In case of breaching the contract, the customer shall pay back the interest subsidy within 120 days and the loan becomes interest bearing with an interest rate equal to 130% of the weighted average of 5-year government bond yields observed on auctions regularly published by GDMA in the preceding 3 months plus 4%. The Bank regards the multiplier applied to GDMA average yields as a leverage factor inconsistent with a basic lending agreement and thus the contractual cash flows of childbirth incentive loans are deemed not to solely represent payments of principal and interest on principal outstanding.

Accounting classification

At amortised cost

The Bank measures its financial assets measured at amortised cost (AAC), if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows (hold to collect) and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any loss allowance.

At fair value through other comprehensive income

The Bank measures its debt instruments at fair value through other comprehensive income (FVOCI) if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (hold-and-sell) and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

The Bank may make an irrevocable election at initial recognition for equity investments not held for trading and does not qualify as a subsidiary, associate or joint venture, to measure subsequent changes in fair value in other comprehensive income. The Bank makes this election on an instrument by instrument basis.

At fair value through profit and loss

All other financial assets – i.e., not measured at amortised cost or at fair value through other comprehensive income – are measured at fair value through profit and loss (FVTPL).

The Bank may make an irrevocable election at initial recognition to measure a financial asset at fair value through profit or loss, if it eliminates or significantly reduces an accounting or presentation mismatch.

Classification and measurement of financial liabilities

The Bank measures financial liabilities, except for financial guarantees and loan commitments, at amortised cost or at fair value through profit or loss.

At fair value through profit and loss

Financial liabilities measured at fair value through profit or loss include held for trading financial liabilities that are not derivatives and derivatives that are not in hedging relationships.

The fair value changes of financial liabilities measured at fair value through profit or loss after initial measurement are recognised in profit or loss.

At amortised cost

Financial liabilities measured at amortised cost are subsequently measured at amortised cost using effective interest method.

Reclassifications

The Bank reclassifies a financial asset, when and only when it changes its business model for managing the financial asset.

If the Bank reclassifies financial assets, the reclassification is applied prospectively from the date of reclassification. The Bank considers the first day of the quarter following the business model change as the reclassification date. The Bank does not remeasure income, expense (including impairment losses or gains) and interest recognised previously.

The Bank cannot reclassify a financial liability after initial recognition.

Derivative instruments

Derivative financial instruments include forward foreign exchange contracts, interest rate swaps, forward rate agreements, futures and options (both written and purchased). Derivatives are measured initially and subsequently at fair value.

Derivative contracts are entered into with the purpose of trading, or for risk management purposes in order to hedge interest rate and foreign exchange risk. In addition, the Bank uses other derivatives, not designated in a qualifying hedge relationship, to manage its exposure to foreign currency, interest rate and equity market risks. The instruments used include interest rate swaps, cross-currency interest rate swaps, forward contracts, and options. The Bank applies IAS 39 to the accounting for designated hedging relationships.

Derivatives embedded in financial assets that are in the scope of IFRS 9 are never separated. In this case the entire hybrid instrument is assessed for classification as part of the SPPI test.

For financial liabilities where the host is not an IFRS 9 financial asset, embedded derivatives should be accounted for separately if :

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid (combined) instrument is not measured at fair value with changes in fair value recognized in profit or loss (i.e. a derivative that is embedded in a financial liability at fair value through profit or loss is not separated).

Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. According to IAS 32.42 derivative assets and liabilities arising from different transactions are only offset in the statement of financial position if the transactions are with the same counterparty, a legal right to offset exists, and the parties intend to settle the cash flows on a net basis. The netting agreements of the Bank can only be enforced under certain conditions, therefore financial assets and liabilities are presented gross in the statement of financial position.

Interest income and expense from IRS and CCIRS deals – irrespective whether derivatives are held for trading or held for risk management purposes – are recognised in line item 'Net interest income'.

Some derivative instruments such as FX swaps and FX forwards may have no contractually stipulated interest part, but a fair value that is influenced by interest rate movements (e.g., forward points based on interest rate differential). If such derivatives are used as economic hedges in order to hedge the interest rate risk of an underlying, the according implicit interest part may be presented 'Net interest income' to correctly reflect the business nature of the transaction of correcting the interest income/ expense of the hedged underlying.

Changes in fair value less accrued interest and the implicit interest result of trading FX swaps and FX forwards are recognised in line item 'Net trading income and fair value result'.

Hedge accounting

The Bank designates certain derivatives held for risk management as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Bank formally documents the relationship between the hedging instrument(s) and the hedged item(s), including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Bank makes an assessment, both at the inception of the hedging relationship as well as on an ongoing basis, as to whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value of the respective hedged item during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent.

Fair value hedges

When a derivative is designated as the hedging instrument in a hedge of the changes in fair value of a recognised asset or liability that could affect profit and loss, changes in the fair value less accrued interest of the derivative are recognised immediately in profit and loss together with changes in the fair value of the hedged item that are attributable to the hedged risk under 'Net gains/losses from hedge accounting'. Interest income or expense arising from the derivative is reported as 'Net interest income'.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. Any adjustment up to that point to a hedged item for which the effective interest method is used, is amortised to profit and loss over its remaining term through a recalculated effective interest rate of the item.

The Bank hedges fixed-rate loans, deposits, fixed-rate issued bonds and purchased bonds in fair value hedge relationships with interest rate swaps and cross currency interest rate swaps. Hedge accounting is applied on both micro and on macro (portfolio) level as well. In the latter case, a portfolio of (modelled) current account balances and a portfolio of fixed rate loans are designated as hedged items.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, the portion of the gain or loss less accrued interest on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss under 'Net gains/losses from hedge accounting'. Interest income or expense of the derivative is reported as 'Net interest income'.

The Bank applies cash flow hedge accounting using interest rate swaps and cross currency interest rate swaps where the hedged portfolio is a group of foreign currency loans and forint deposits, and the purpose of the hedge is to eliminate the fluctuation of the interest income and expense that arises from fluctuations in the base rates and in exchange rates.

If the hedging derivative expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively from that point of time when the hedging relationship became ineffective. The Bank reclassifies gain or loss accumulated in other comprehensive income into profit or loss in the same periods during which the hedged asset or liability affects the profit or loss. However, if the Bank expects that all or part of the loss recognised in the other comprehensive income will not be recoverable then it reclassifies that amount immediately to profit or loss as 'Net gains/losses from hedge accounting'.

Sources of ineffectiveness

The Bank has identified the following possible sources of ineffectiveness in both fair value and cash flow hedges:

- Hedging interest rate risk with swaps could cause a possible ineffectiveness due to the credit risk of the derivative counterparty which is not included in the hedged item. This risk is minimised by entering into hedging swaps only with high credit quality counterparties.
- Different amortisation profiles of hedged items and hedging instruments or different notionals.
- Discounting the hedged item and the hedging instrument with different yield curves when determining fair value.
- Ineffectiveness might arise due to different starting/maturity dates between the hedged items and the hedging instruments.

Impairment of financial assets

The determination of expected credit losses requires accounting estimates that by definition, are rarely the same as the actual results.

The Bank measures expected credit losses based on entire contractual term for financial instruments measured at amortised cost or at fair value through other comprehensive income, loan commitments, lease receivables and financial guarantee contracts. The Bank recognises for these expected losses impairment loss allowance (in case of financial assets) or provision (in case of loan commitments or financial guarantee contracts) at each reporting date.

Recognition of expected credit losses

For the purposes of expected credit losses, the Bank classifies its assets to the following valuation categories:

- Performing financial instruments where the credit risk of the financial instrument has not increased significantly since initial recognition (stage 1 classification): For financial instruments classified to stage 1, the recognition of 12 months expected credit loss is required, which is a portion of the lifetime expected credit loss, i.e., expected credit loss attributable to the financial instrument, arising from default events within 12 months after the reporting date.

- Performing financial instruments with a deteriorating credit risk profile, where the credit risk of the financial instrument has increased significantly since initial recognition (stage 2 classification): Financial instruments, the credit risk of which has significantly increased since initial recognition or other qualitative factors indicate significant risk.

- Credit-impaired financial instruments (stage 3 classification): Those exposures are classified as credit-impaired where there is objective evidence that the debtor will not be able to meet its payment obligations towards the Bank. For financial instruments classified as stage 3, the recognition of lifetime expected credit loss is required (see the definition below).

- Purchased or originated credit impaired financial instruments (POCI classification): POCI financial assets are those which are credit-impaired at initial recognition. For the Bank, POCI financial assets can be recognised by either purchase or contract modification, where the modification results in derecognition of the original financial asset and the recognition of the modified financial asset. In case of POCI financial assets, the recognition of lifetime expected credit loss is required from initial recognition until derecognition.

Low credit risk financial assets

The Bank applies this classification only in case of investment grade rated government securities, for which the Bank always recognises 12-month expected credit losses, even if their credit risk has increased significantly since initial recognition. The Bank classifies government securities as investment grade for which external credit rating agencies gave AAA and BBB- (Standard &Poor's, Fitch), or Aaa and Baa3 (Moody's) ratings.

Significant increase in credit risk (transfer to stage 2)

The Bank considers an increase in credit risk of a financial instrument significant since its initial recognition, when at least one of the following quantitative, qualitative or termination criteria are met:

Quantitative criteria

The Bank applies quantitative criteria as primary indicators related to the significant increase in credit risk for all its portfolios. For the quantitative classification, the Bank compares the actual and initial probability of default for the remaining maturity of the asset. The increase in probability of default (PD) which is considered significant differs for each segment (by default it is 250% for non-retail segments but can decrease to a minimum of 150% for transactions with a maturity of over one year, in line with the requirements of the parent bank). In the retail segment (households and micro enterprises) the determination of significant increase in PD is based on the initial and actual credit rating, remaining maturity and the PD curve. The measure for significant portfolio deterioration was determined on the basis of the PD estimated for the remaining maturity of a financial asset at the date of disbursement divided by the current PD for the remaining maturity, disaggregated into products of the retail portfolio.

Qualitative criteria

For the determination of significant increase in the credit risk for all its material portfolios, the Bank uses qualitative criteria as secondary indicators. The transfer to stage 2 is carried out if the following criteria are met:

In case of sovereign, banking and corporate financial institutions, local and regional government portfolios, if at least one of the following criteria are met for the borrower:

- renegotiation because of financial difficulties;

- past-due for more than 30 days;

- the client requires special treatment because of its credit risk status,

- in line with the provisions of IFRS and the instructions of the parent bank in case of contracts where the Bank identifies significantly increased credit risk, which cannot be detected using other stage 2 indicators, nor assessed with statistical models: in case of those clients where the post model adjustment described in Chapter 6.2 assumes a non-significant rating deterioration, the transfer to stage 2 is automatic.

The assessment of the significant increase of credit risk involves forward looking information and is carried out quarterly for each non-retail portfolio of the Bank.

In case of retail (individuals and micro enterprises) portfolios, if the borrower meets one or more of the following criteria:

- renegotiation because of financial difficulties;
- expert judgement;
- past-due for more than 30 days;
- default event at another transaction of the client;
- the transaction or client is rated under the IRB methodology but falls to the unclassified category.

The assessment of the significant increase of credit risk involves forward looking information and is carried out monthly for each retail portfolio of the Bank at the transaction level.

For the information related to the increase in credit risk due to COVID-19 please see note (6.2) Credit risk.

Definition of credit-impaired loans (transfer to stage 3)

Non-retail clients

In case of non-retail clients in line with the definition of credit-impaired loans, the Bank considers a debt instrument arising from a financing agreement defaulted if it meets one or more of the following criteria:

Quantitative criteria

A payment delay is considered material, if the overdue amount reaches HUF 180,000 and the ratio of the overdue amount to the total on-balance outstanding amount from the same client reaches 1%.

Qualitative criteria

It is expected that the borrower cannot fulfil its payment obligations, which indicates that the borrower is experiencing significant financial difficulties. A non-retail client turns into default due to expected non-payment in the following cases:

- legal claim enforcement procedure (bankruptcy, liquidation) starts against the micro enterprise client;
- the Bank terminates the financing agreement with immediate effect;
- the Bank restructures the obligation with material losses due to existing financial difficulties in line with the above-mentioned materiality limit of 1%;;
- the Bank suffers credit losses due to the client, or it sells the asset with losses due to financial difficulties and increased credit risk (typically these are not primary defaults);
- in case of financial institutions, the supervisory license is withdrawn;
- repayment moratoria in a country;
- the borrower is in significant, more than 90 days payment delinquency compared to its contractual payment obligation.

It is not possible for borrowers with contractual payments past due for more than 90 days to be classified to a category other than stage 3.

In case of probable expected credit losses due to other reasons: for the purpose of assessing expected credit losses, in order to sort out clients with financial difficulties, the Bank applies a complex early warning system and process based on qualitative and quantitative indicators, which examines the expected credit losses and expected recoveries of the client using financial indicators.

The Bank classifies every transaction that meets the credit impaired definition under IFRS as non-performing and categorises them as stage 3 for impairment and provision calculation purposes.

The criteria mentioned above are applied for all non-retail debt instruments of the Bank and are in line with the definition of non-performance used in internal credit risk management. The definition of default is applied consistently in the Bank's models relating to probability of default (PD), exposure at default (EAD), and loss given default (LGD).

If the criteria of default are not met, expectations about losses are not justified and there are no valid concerns regarding the fulfilment of debt service for at least 3 months or in case of restructured loans for more than 3 months, but at least for a 1-year period, the asset is not considered defaulted anymore.

Participation in the legislative repayment moratorium due to the 2020 Covid-19 pandemic is not considered an automatic indicator for non-performance. For clients participating either in the repayment moratorium 2 introduced in 2021 (repayment moratorium 2 and repayment moratorium 3) or in the moratorium extension in 2022 (repayment moratorium 4) or in 2022 newly introduced moratorium for exposures from agricultural financing, as well as the SME benchmark interest rate stop (detailed in section (5.2) Significant events in the reporting period), the Bank assessed individually the possible worsened liquidity and financial position, and in such situations the clients affected by the moratoria were considered restructured and the Bank performed an impairment test to detect the expected non-performance. In case of clients detected in the impairment test the Bank performed a net present value calculation, and in case of such clients where the net present value of the expected future repayments did not cover the actual outstanding balance, default status was identified, and the client was transferred to stage3. The tests described above were performed separately for clients participating in the moratoria (2, 3, 4 and agricultural) and the SME interest rate stop.

During the repayment moratoria, the DPD calculations have been suspended for the outstanding balances eligible for the moratoria.

Retail clients

In case of retail clients, the Bank considers a debt instrument arising from a financing agreement as defaulted in line with the definition of credit-impaired, if it meets one or more of the following criteria:

The financial asset is in a material, more than 90 days payment delinquency compared to the contractual payment obligation arising from the financing agreement.

A payment delay is considered material, if the delay related to the financing agreement reaches the HUF equivalent of EUR 100 and 1% compared to the total (delayed and non-delayed) exposure from the transaction (in case of micro enterprises the total exposure from the same client).

It is expected that the borrower cannot fulfil its payment obligation, which indicates that the borrower is experiencing significant financial difficulties. In case of retail client the transaction turns into default due to expected non-payment in the following cases:

- the debtor passed away;
- the debtor committed a fraud;
- legal claim enforcement procedure (bankruptcy, liquidation) starts against the client;
- the Bank sold the receivable due to its high credit risk;
- terminating the financing agreement with immediate effect;
- restructuring the obligation due to financial difficulties;
- envisaging expected credit losses due to other reasons;
- there is a cross-default, i.e., another transaction of a client or another client's default causes default of a certain transaction.

An asset is no longer considered defaulted when the criteria of default have not met for at least 3 months, or in case of restructured loans for at least 1 year, and the client fulfils all other conditions to be classified out of the 'defaulted' category.

The Bank considers every credit-impaired (see the definition above) transaction defaulted and classifies it to stage 3 for the purposes of impairment and provisioning. The criteria above are applied to all retail debt instruments of the Bank.

Measurement of expected credit losses

The amount of expected credit loss is an unbiased probability-weighted amount that takes into consideration the time value of money, uses reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

More specifically, the Bank measures expected credit losses in the following way:

In case of stage 1 and stage 2 exposures: The marginal expected credit loss for the given month is the product of PD, LGD and EAD. The above calculation estimates the future amount of expected credit losses effectively, from which the Bank calculates a present value for the reporting date. Then the calculated amount of expected credit losses is weighted based on a forward-looking scenarios.

The Bank applies different models for estimating its reserves for stage 3 exposures:

In case of exposures to sovereigns, corporate clients, project financing and financial institutions, local and regional municipalities, insurance undertakings and collective investment companies in stage 3, the reserves are calculated by workout experts by discounting the expected recoveries from cash flows with the effective interest rate of the transactions. The experts provide estimates of expected recoveries at the client level in more scenarios and the probability-weighted averages of the cash flows from each recovery scenario is considered in the present value calculations.

In case of stage 3 retail loans, the expected credit loss is calculated based on statistical estimates for most likely expected loss (BEEL, Best Estimate of Expected Loss) to remove indirect costs, and conservative add-ons from those estimations.

Discount rate

The Bank applies the following discount rates when calculating the expected credit losses:

- financial instruments and financial assets which are not purchased or originated credit-impaired (non-POCI): original or current effective interest rate;
- purchased or originated credit-impaired financial assets (POCI): the credit-adjusted effective interest rate;
- undrawn loan commitments: market interest rate which is an appropriate approximation of effective interest rate;
- financial guarantees: market interest rate which is an appropriate approximation of effective interest rate.

Forward looking information

Assessment of whether credit risk has increased significantly since initial recognition and the measurement of expected credit losses are estimations incorporating also forward-looking information. The Bank performs a chronological analysis and determines the most significant economic variables influencing credit risk and expected credit losses in case of each portfolio.

These economic variables and their impact on the probability of default, loss given default and exposure at default can vary across types of categories. While making this analysis, the Bank also uses expert estimations. The forecasts of the above economic variables ('base case economic scenario') is provided by Raiffeisen Research quarterly, giving the best estimates of those economic indicators for the following three years. In the non-retail segment, the impact of those economic variables on the probability of default, loss given default and exposure at default is determined by using statistical regressions in order to make the impact of historical development of such variables on default rates, non-performing exposures and expected losses understandable.

In case of retail portfolios, the Bank applies a macroeconomic model based on these economical variables in order to estimate the probability of default. Based on this model the effect of forecasted change in PD is estimated for a 3-year period, then it returns to the original PD curve over a one year transitional period.

Besides the base economic scenario, a best case (optimistic) and a worst case (pessimistic) scenario is also provided by Raiffeisen Research, together with their weighting in order to grab the expected variance. The Bank concluded that three scenarios capture the expected variance properly. The weighting of the scenarios is determined by the combination of statistical analysis and expert credit rating taken the outcomes of the selected individual scenarios into account. The probability-weighted expected credit losses are determined by running the appropriate expected credit loss model to the respective scenarios and weighting the results, the weights being the probabilities of the scenarios. The weights of the scenarios (probability of the scenarios: 50% base, 25% optimistic, 25% pessimistic) remained the same in 2024.

Like all economic forecasts, these estimates and their probabilities of occurrence are prone to significant uncertainties and thus actual outcomes might significantly differ from forecasts. It is the Bank's view that these forecasts represent the best estimate of the possible results and cover eventual differences and asymmetries concerning the various portfolios of the Bank.

Forward looking information applied in estimating expected credit losses for the current year and for the comparative period is described in note (6.2) Credit risk.

Presentation of expected credit losses in the statement of financial position

The Bank presents expected credit losses in its statement of financial position as follows:

- for financial assets measured at amortised cost: as loss allowance which is deducted from the gross carrying amount of the asset;
- for loan commitments and financial guarantee contracts: as a provision;
- for financial assets measured at fair value through other comprehensive income: the impairment is not recognised in the statement of financial position, since the carrying amounts of these assets are their fair values. The Bank

recognises the impairment for these financial assets in the reserve for fair value measurement and discloses those amounts in the notes.

Write-off of financial assets

Loans and debt instruments are written off (partially or entirely) if the Bank has no reasonable expectations of recovering a financial asset or a portion thereof. Generally, this is the case if the Bank believes that the debtor does not have sufficient assets that generate enough cash flow to repay the amount to be written off.

In a legal claim enforcement procedure, the Bank considers the following factors when deciding on the write-off of a loan to clients other than individuals:

- the claim has been qualified as irrecoverable in a legal claim enforcement procedure (liquidation, enforcement);
- the recoverable amount does not cover collection costs; or
- the expected recovery of the Bank is zero in a liquidation procedure based on the ranking order of creditors.

The Bank applies the partial write-off rules of IFRS 9 for loans to non-individuals, if it has no reasonable expectations of recovering a financial asset in its entirety, based on ongoing legal claim enforcement procedure or or in lack of operating cash flows of the client. In these cases, partial write-off is applied to the extent of the existing loss allowance. The legal claim towards the client remains the contractual gross receivable amount before write-off.

Forgiveness of receivables is also possible for non-individuals and it qualifies as a derecognition event. Forgiveness is only possible with taking the requirements of business rationality into account. Not only business and economic considerations can be reasonable, but also any other considerations, e.g., legal, technical, technological or other.

A loan to an individual can be written off, if the recoverable amount from the transaction does not cover collection costs and the claim was qualified as irrecoverable.

The write-off or forgiveness of a loan is recognised in the statement of profit or loss, depending on the classification of the financial asset under either 'Impairment losses on financial assets' (loans measured at amortised cost or at fair value through other comprehensive income) or 'Net trading income and fair value result' (loans measured at fair value through profit or loss). Any return on a loan previously written off is recognised under the same lines in the statement of profit or loss.

Derecognition of financial assets and liabilities, other than contract modifications

The Bank derecognises a financial asset, when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Bank is recognised as a separate asset or liability.

The Bank also enters into transactions whereby it transfers assets recognised on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the statement of financial position. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending, sale and repurchase transaction and securitisations.

When assets are sold to a third party with a concurrent total return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similarly to sale and repurchase transactions.

In transactions in which the Bank neither retains nor transfers substantially all the risks and rewards of the ownership of a financial asset, it derecognises the asset, if it does not retain control over the asset. If the Bank retains substantially all the risks and rewards, the rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate in the line items 'Financial assets measured at amortised cost' or 'Financial liabilities measured at amortised cost' depending on direction of the transaction. In transfers in which control over the financial asset is retained, the Bank continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Bank retains the obligation to service the transferred financial assets for a fee. The transferred asset is derecognised in its entirety if it meets the derecognition criteria. An asset is recognised for the servicing contract if servicing fee exceeds the value of the service and a liability is recognised for the servicing contract if servicing fee is lower than the value of the service.

The Bank enters into purchases (or sales) of securities under agreements to resell (or repurchase) substantially identical securities at a certain date in the future at a fixed price. Securities purchased subject to commitments to resell them at future dates are not recognised as securities. The amounts paid are presented in the statement of financial position line item

'Financial assets measured at amortised cost' and disclosed as collateralised by the underlying security. Securities sold under repurchase agreements continue to be presented and measured in the statement of financial position among securities. The Bank presents the obligations to transfer the securities among "Financial liabilities measured at amortised cost'. The difference between the sale and repurchase considerations is recognised on an accrual basis over the term of the transaction and is included in "Other interest income' or 'Interest expense'

The Bank securitises certain financial instruments by classifying the related risks into portfolios. A securitisation is a transaction in which the credit risk associated with an exposure (or a group of exposures) is assigned to a series of tranches, and for which both of the following criteria is met: payments under the transaction are made in the context of the performance of the exposure or group of exposures, and the relative subordination of the series of tranches to each other determines the distribution of losses over the life of the transaction. Traditional securitisation allows a group of loans to be refinanced by converting them into a marketable securities. In this case, a true transfer of receivables takes place and the assets and risks are fully or partially derecognised from the balance sheet of the party initiating the securitisation. In case of synthetic securitisation, the transfer of risk is achieved by the use of credit derivatives or guarantees, and the exposures being securitised remain exposures of the Bank.

On 23 December 2022, the Bank concluded a portfolio guarantee contract. The received guarantee is a synthetic transaction which is split into senior, mezzanine and junior tranches. The credit risk of the mezzanine tranche is guaranteed by institutional investors, whereas the Bank retained the credit risk of the junior and senior tranches. As the Bank retained the contractual rights to the cash flows arising from the loans and it retained all or substantially all risks and rewards from a portion of all loans concerned, under IFRS 9 the loans are not derecognised from the statement of financial position.

The Bank derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The result from derecognition of financial assets and liabilities is presented in 'Net trading income and fair value result' or 'Net gains/losses from derecognition of financial assets and liabilities not measured at fair value through profit or loss' line items of the statement of profit or loss.

Modification of financial assets and liabilities

Financial assets

The Bank carries out an evaluation when the contractual cash flows of a financial asset are renegotiated, otherwise modified or exchanged for another financial asset. Based on this, if the renegotiated cash flows significantly differ from the contractual cash flows of the original financial asset, the original financial asset is derecognised and the new financial asset is recognised at fair value on the date of the renegotiation. The difference between the carrying amount of the original financial asset and the fair value of the newly recognised financial asset is included in the line item 'Net gains/losses from derecognition of financial assets and liabilities not measured at fair value through profit or loss' in the statement of profit or loss.

The Bank evaluates significance based on qualitative and quantitative criteria:.

Qualitative criteria:

- change of currency, when the contract does not allow draw-downs in multiple currencies;
- the financial instrument changes (i.e., loan to bond or current account to term loan in case of restructuring);
- addition or elimination of a contractual term that violates the SPPI test.

Quantitative criteria:

- the cumulative average remaining term of the transaction weighted with the cash flow changes at least by 2 years or the original term changes by at least 50% (taking into account the greater of the two criteria);
- the net present value of the modified contractual cash flows discounted using the original effective interest rate (or for floating rate instruments, using the actual effective interest rate) differs from the net present value of the original contractual cash flows discounted with the same interest rate by more than 10% and in case of non-retail financial assets at least by EUR 100,000, in case of retail assets at least by EUR 2,000 (considering the larger of the 2 criteria).

If the modified cash flows of an asset measured at amortised cost do not differ significantly from the cash flows prior to the modification, the modification does not result in derecognition. In this case, the Bank recalculates the gross carrying amount of the financial asset and the difference between this amount and the gross carrying amount of the asset prior to the modification is recognised as a modification gain or loss in the statement of profit or loss. If the modification was carried out in relation to the financial difficulties of the client, the modification gain or loss is presented in the statement of comprehensive income in the line item 'Impairment losses on financial assets'. In other cases, the modification gain or loss is presented in the statement of profit or loss in the line item 'Other result.

Any fees considered in determining the fair value of the new financial asset and any reimbursed transaction costs incurred during the modification adjust the amortised cost of the modified financial asset. Other transaction costs are recognised as part of the gain or loss on the derecognition.

Financial liabilities

The Bank derecognises the financial liability, if its terms are modified and the modified cash flows significantly differ from the original cash flows (the evaluation of significance is the same as for financial assets). In this case, the carrying amount of the original financial liability is derecognised and the modified financial liability is recognised at its fair value on the date of modification. The difference between the carrying amount of the derecognised financial liability and the fair value of the new, modified financial liability is reported as 'Net gains/losses from derecognition of financial assets and liabilities not measured at fair value through profit or loss' in the statement of profit or loss.

If the modified cash flows of a liability measured at amortised cost do not differ significantly from the cash flows prior to the modification, the modification does not result in derecognition of the financial liability. In this case, the Bank recalculates the amortised cost of the financial liability and the difference between this amount and the amortised cost of the liability prior to the modification is recognised as a modification gain or loss as 'Other result'.

If the modification does not result in derecognition, transaction costs and fees incurred during the modification adjust the amortised cost of the financial liability.

If the modification results in derecognition of a financial liability, transaction costs and fees incurred related to the modification are normally recognised in profit or loss, unless they are proven to be directly attributable to the newly recognised modified financial liability.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(4.10) Deposits, debt securities and subordinated liabilities

Deposits, debt securities issued and subordinated liabilities are the Bank's sources of debt funding.

Deposits, debt securities issued and subordinated liabilities are initially measured at fair value less directly attributable transaction costs, and subsequently measured at their amortised cost using the effective interest method.

(4.11) Provisions for contingent liabilities

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Contingent liabilities, which include loan commitments and certain issued guarantees, are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the control of the Bank.

The timing of the possible outflows depends on the occurrence, or non-occurrence of future events which, in case of loan commitments and issued guarantees, could occur at any time up to the maturity date, while in case of pending legal cases it is expected to occur after the date of closing the legal case.

All contingent liabilities are included in the financial statements regardless of whether the outflow of economic resources arising from the fulfilment of the obligation is probable or not.

(4.12) Financial guarantees

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee liabilities are initially recognised at their fair value, and the initial fair value is amortised over the life of the financial guarantee.

The financial guarantee liability is subsequently measured at the higher of the provision for expected credit losses in line with the rules of IFRS 9 and the initially recognised amount less the accumulated revenue recorded in line with IFRS 15. The financial guarantees are presented under 'Provisions'.

Further details are set out in note (41) Contingent liabilities and commitments.

(4.13) Interest income and interest expense

Interest income and expense on financial instruments of the Bank, calculated using the effective interest method are presented in the line item 'Interest income calculated with the effective interest method', negative interest on demand deposits at the National Bank of Hungary and on financial liabilities is presented in the line item 'Other interest income' and interest payable on financial liabilities as well as negative interest on financial assets is presented in the line item 'Interest expense' in the statement of profit or loss. Financial instruments measured at fair value through profit or loss held in the trading book and classified as held for trading, as well as derivative instruments designated for risk management purposes are exceptions to that and their interest income and interest expense are presented in 'Other interest income' and 'Interest expense', respectively. Interest income for loans measured at fair value through profit or loss is also presented in 'Other interest income' and interest expense for deposits measured at fair value through profit or loss is presented in 'Interest expense'. In case of derivatives, the interest is separated from other changes in fair value and as a consequence, interest result from derivatives only contains realised and unrealised interest results.

The effective interest rate method is the method used for the calculation of amortised cost of financial assets and liabilities and the allocation of interest income and expense between different reporting periods.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life (or a sometimes a shorter period) of the financial asset or financial liability to the net carrying amount of a financial asset or a financial liability. The effective interest rate is determined at the initial recognition of the financial asset or financial liability and is revised in case of financial instruments with a floating interest when the floating interest rate is periodically reset. When calculating the effective interest rate, the Bank estimates future cash flows by considering all contractual terms of the financial instrument. The calculation contains all paid or received amounts which are an integral part of the effective interest rate, including transaction costs and any other premium and discount. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Calculation of interest income

The Bank calculates the effective interest on financial assets that are not credit-impaired (stage 1 and stage 2) by applying the original effective interest rate to the gross carrying amount of the financial asset. In case of credit-impaired (but not POCI) financial assets, the interest is calculated by applying the original effective interest rate to the amortised cost (net carrying amount) of the financial asset. If the financial asset is reclassified to a non-credit-impaired category (stage 1 and stage 2), the base for effective interest calculation reverts to the gross carrying amount. For POCI financial assets, the interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost (net carrying amount) of the financial asset until derecognition.

(4.14) Fee and commission income

Every realised and accrued fee and commission income is recognised as a fee and commission income, except for those that are included in the calculation of the effective interest rate of financial instruments and which relate to financial instruments measured at fair value through profit or loss.

The Bank applies IFRS 15 Revenue from contracts with customers standard for its fee and commission income arising from its contracts with customers.

Fees for payment services and bank cards

Settlement service fees and fees and commissions related to bank cards are reported under fees for payment services and bank cards.

Settlement service fees

The Bank provides to its clients various services relating to account management. In course of account management, various related services can be used, for example initiating transfers, direct debits, standing orders, internet banking, providing or forwarding account information.

Fees related to the Bank's continuous services are charged monthly in arrears. The fees charged are typically fixed monthly fees which were determined per customer group and per account package.

Transaction fees are typically charged by the Bank at the time of the cash movement of the transaction or monthly in arrears. These fees are typically determined as a percentage, the volume depending on the transaction. One-off fees related to transactions are collected by the Bank when the service is provided. These fees can be fixed fees or fees determined on a percentage basis.

Fees and fee packages are periodically revised, detailed information on which can be found in the current published list of terms and conditions.

Fees and commissions related to bank cards

The Bank's services include issuing bank cards for its clients, merchant card acceptance and other related activities. In providing those services, various types of commission income are realised in the settlement services related line items of 'Fee and commission income' which are basically determined in relation to card issuance, but also related to merchant card acceptance and based on card transactions.

A typical fee income is the yearly ban card usage fee, which depends on the type of the bank card. The yearly fees are typically charged in advance.

Fees related to services provided continuously are accounted for over the time period the service is provided. Transaction based fees related to issued bank cards are charged either when the transaction is affected or monthly in arrears. Transaction based fees are typically the following: ATM cash withdrawal and cash deposit fees, brokerage commissions. One-off fees can be card blocking fees and card replacement fees which typically fall into the category of fixed fees.

Fees and fee packages are periodically revised, detailed information on which can be found in the current published list of terms and conditions.

Fees included in foreign exchange conversions and other transactions

The Bank embeds a margin, a quasi transaction fee, in the transactions of clients involving currency conversion and in clients' other securities transactions. Although these margin amounts are accounted for as foreign exchange gain or loss at the time of effecting the transaction, the Bank reclassifies them monthly to its commission income. Such margins can be charged in relation to spot and forward transfers, conversions, bank card and securities trading transactions, effected through various channels (Direktnet, Elektra, branch office).

Fees charged for outsourced currency exchange activity

In Hungary only credit institutions are allowed to engage in currency exchange activity. The Bank does this type of activity for its clients also through currency exchange brokers. Given that if the Bank did this activity directly on its own, it would incur certain expenditures, the profit realised on currency exchange activity is presented gross: fees embedded in transactions and charged in relation to the clients' currency exchanges and other fees collected from exchange brokers are presented as fee income, whereas the result of currency exchange deals credited to the exchange brokers are presented as fee expense. The fees are typically settled monthly.

Security issuance fees and transfer commissions

In course of its investment management services, the Bank provides securities account management services for its clients. The Bank charges fees for securities account management and related services. Securities account management fees are typically determined as a percentage of the stock of securities managed on the securities account over a certain period. It is settled in the reference period in arrears, quarterly or yearly.

Other fees and commissions can be charged in relation to securities transactions of the Bank's clients, which are determined as a percentage of the transaction volume. These fees are typically accounted for in relation to effecting the transaction and in the current month.

Insurance premiums

The Bank mediates insurance services for its clients. The Bank passes through premiums collected from clients to the insurance companies. In case these premiums relate to credit products, they are presented net of interest income. Premiums not related to credit products are accounted for as commissions. Fees charged for mediating insurance services are also presented gross as fee and commission income for agency services.

As these services are provided continuously, the fees are typically accounted for monthly.

Other fee income, not explained before

The financial commissions not previously mentioned are presented among custodian, corporate finance, asset management and other fee income.

In cases when services are provided continuously (e.g., custody fees, fees for protecting credit collateral, safe fees) the practice is also to account for the fees over the reference period, typically monthly in arrears. The one-off fees and commissions are accounted for in the given period, typically at the time of provision of the service (e.g., advisory for corporate clients, providing information, other financial services related activities).

All significant services of the Bank generating fee and commission income are detailed in note (8) Net fee and commission income.

Fee and commission income related to non-credit institution services

Items of fee income accounted for under IFRS 15 are also presented under 'Other operating income' of the Bank, however these are not connected to the Banks services as a credit institution, and as such are not part of the classical fee and commission income. Such can be typically: fees for expert and accounting services provided to subsidiaries, proceedings fees recovered, income from selling inventories, which are accounted for by the Bank monthly in case of services provided continuously and in other cases at the time of occurrence of the economic event.

The Bank does not disclose the value of the outstanding performance obligations as at 31 December 2024 because the contracts with clients are fixed term contracts for less than one year, indefinite term contracts with a cancellation period of less than one year or have terms that allow the Bank to recognise revenue in the amount it is entitled to invoice.

Amounts of fees are disclosed in note (12) Other operating income and expenses.

(4.15) Net trading income and fair value result

The line item 'Net trading income and fair value result' comprises gains and losses on assets and liabilities held for trading and for risk management purposes without hedge accounting and includes all realized and unrealized fair value changes, interest, dividends and exchange rate differences.

(4.16) Other operating income and expenses

Other operating income and expense comprises realised gains/losses on disposal of inventory, intangible assets, and property and equipment and all other gains/losses arising on sundry items that cannot be classified elsewhere.

(4.17) Dividend income

Dividend income is recognised when the right to receive the dividend is established. This is usually the date of the approval of the dividend in case of equity instruments.

(4.18) Employee benefits

The Bank applies the requirements of the IAS 19 Employee benefits standard. Employee benefits are considerations given in exchange for service rendered by employees.

Short-term employee benefits comprise of wages, salaries and social security contributions, short-term compensated absences, rewards, bonuses and non-monetary benefits that are due to be settled within twelve months.

Long-term employee benefits comprise other bonuses and benefits payable more than twelve months after the reporting period.

Post-employment benefits include defined pension contributions that result from state plan funded on a pay-as-you-go basis.

The Bank only recognises liabilities or benefits relating to termination benefits if it is demonstrably committed to terminate the employment.

Employee benefits are reported as 'Staff expenses' and the significant items related to the standard are included in note (15) Staff expenses.

(4.19) Income tax

Income tax for the period comprises current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. The Bank considers the business tax and the innovation contribution as part of income tax.

Current tax is the calculated tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date as well as any adjustments to tax payable in respect of previous years.

The Bank considers as income tax the corporate income tax, the local business tax and the innovation contribution as defined by Hungarian tax laws.

Deferred tax is calculated using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

The Bank has applied the temporarily applicable, mandatory exemption, which was published by the IASB in May 2023 related to the international tax reform. This exemption applies to accounting requirements for deferred taxes according to IAS 12. Respectively, the Bank does not consider taxes related to the OECD pillar 2 model rules for the calculation and presentation of deferred tax assets and liabilities. The OECD pillar 2 model rules require a global minimum tax rate of 15 per cent on profits of multinational corporations. This minimum tax regime was enacted as EU directive in December 2022 and had been translated to Hungarian national law by 31 December 2023.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when they arise in the same tax reporting group and relate to income taxes levied by the same taxation authority, and when a legal right to offset exists.

Deferred tax relating to fair value re-measurement of financial assets which are charged or credited directly to other comprehensive income, is also credited or charged directly to other comprehensive income and is subsequently recognised in profit or loss when the accumulated fair value gain or loss is recognised in profit or loss.

(4.20) Share capital

Share capital is the sum of amounts paid by the owners for ordinary shares and preference shares at foundation or at the time of any capital increase. Share capital is initially recognised at the time of registration by the court of registry in the amount registered and set out in the deed of foundation. Share capital is measured at historical exchange rates, at carrying amount.

(4.21) Additional tier 1 capital

The Bank presents bonds (additional tier 1 capital) issued that – in accordance with IAS 32.16 – do not represent contractual right to receive or obligation to deliver a fixed or determinable number of currency units as equity instruments in its financial statements.

In the case such bonds are denominated in foreign currency, as non-monetary items, they are translated into the functional currency, in accordance with IAS 21.23 b), at the exchange rate prevailing at the date of the transaction (historical exchange rate).

(4.22) Government grants

Government grants are specific resources that relate to operating activities of the Bank and are transferred by the state (government and its agencies) in return for compliance with certain conditions. These can be in several forms, such as grants related to assets, grants related to income, forgivable loans, and low-interest loans.

The government grants are recognised by the Bank only when there is reasonable assurance that the Bank will comply with the conditions attaching to them, and that the grants will be received.

The government grants are initially recognised at fair value according to IAS 20 standard. According to the income approach the Bank records these grants in profit or loss over the period when the costs/expenses which are intended to be compensated by the grant are recognised.

The government grants related to assets are presented, applying the method of gross presentation, as deferred income and is proportionately recognised to profit or loss over the life of the asset thereby reducing depreciation charge for the period.

(5) Events in the reporting period

(5.1) New standards and interpretations

Initial application of new standards and amendments to existing standards issued by IASB and adopted by the EU, effective for the current reporting period

The following amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

- Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants
- Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

Modifications of the above standards had no significant impact on the Bank's financial statements.

New standards and amendments to the existing standards issued by IASB and adopted by the EU but not yet effective

On the date of authorisation of these financial statements for issue, the following amendments to the existing standards were issued by IASB and adopted by the EU but were not yet effective:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective date: 1 January 2025)

New standards and amendments to the existing standards issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards and new interpretations, which were not endorsed for use in the EU on the date of the publication of these financial statements:

- Amendments to IFRS 14 Regulatory Deferral Accounts (IASB effective date: 1 January 2026)
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Effective date delayed by IASB but earlier application permitted.)
- Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments (IASB effective date: 1 January 2026)
- Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity (IASB effective date: 1 January 2026)
- Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 - Annual Improvements to IFRS Accounting Standards - Volume 11 (IASB effective date: 1 January 2026)
- IFRS 18 - Presentation and Disclosures in Financial Statements (IASB effective date: 1 January 2027)
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures (IASB effective date: 1 January 2027)

The Bank considers that the endorsement of the new standards and amendments of existing standards will not have a significant impact on its financial statements in the period of initial application.

(5.2) Significant events in the reporting period

Measures of the NBH

Base rate and interest rate corridor

The base rate reduction continued in 2024, reducing it from 10.75% to 6.5% in several steps

Assets absorbing liquidity

The NBH applied its tools – including the transformed mandatory reserving system, the one-week discount bond and the long term deposit tender – introduced in autumn 2022 and aiming at long-term absorbing of interbank liquidity frequently also in 2024, it held discount bond auctions weekly and continued to apply one-day deposit quick tenders and currency swaps.

Reserving system

For credit institutions subject to reserve requirements, the NBH imposes a 10 percent obligation for the liability categories specified in the Reserve Regulation starting from 1 January 2024, instead of the 10, 11, 12, 13, 14 or 15 percent obligation that could be chosen in 2023. The basis for calculating reserves has changed from end-of-month stock to monthly average.

Government measures

Retail benchmark interest rate stop (from 01.01.2022 to 30.06.2025)

On 24 December 2021, the Government Decree nr. 782/2021. (24.XII.) that fixed the interest of retail loans (interest cap) was published.

The decree is applicable to retail mortgage loans with floating interest tied to benchmark interest rates (BUBOR), having an interest period less than 3 year, typically 3 or 6-months interest periods. If such loan is under the repayment moratorium, the interest maximization still applies for it.

According to the government decree, apart from the Section 1 17/D of the Act 2009 CLXII on loans to consumers, in case of mortgage loans tied to benchmark interest rate, in the period from 1 January 2022 to 30 June 2022 the contractual benchmark interest rate effective from the contractual repricing date after the entry into force of the decree, and the contractual benchmark interest rate effective from the contractual repricing date preceding the entry into force of the Decree cannot be higher than the contractual benchmark interest rate effective on 27 October 2021.

The Bank cannot add the sum of the forgiven interest either to the outstanding capital or to the outstanding interest due from the affected debtors. On 1 January 2022 (or in case the benchmark interest rate for the current interest period is more favourable than the above benchmark interest maximum, on the next repricing date), considering benchmark interest rate fixed in the decree and applying unchanged contractual interest rate spread, the Bank sets the maximum applicable interest determined by regulation for the affected loan contracts.

The Government extended the interest cap until 31.12.2022 by Government Decree 215/2022 (17.VI.) and later until 30.06.2023 by Government Decree 390/2022 (14.X.), as well as extended it from 1 November 2022 to non-interest subsidised mortgage loan contracts with interest rates fixed in interest periods up to 5 years.

In May 2023 the government decided on the prolongation of the interest cap until 31.12.2023, then in November 2023 set the expiry date of retail interest cap as 1 July 2024

In June 2024, the government extended the measure until the end of 2024, and then in December for another six months, until the end of June 2025.

Measures completed in 2024:

- SME interest rate stop
- Deposit interest rate cap
- Voluntary retail and SME APRI cap
- Restriction on transferability of central bank bonds.

Loan programs

For the loan programs introduced due to the pandemic please see the section about the loan portfolio in the note (6.2) Credit risk.

NBH Circulars

During 2021, the NBH modified multiple times its already published management Circular about the use of macroeconomic information and factors triggering significant increase in credit risk under IFRS 9. In 2022, 2023 and 2024, this Circular has only been amended with regards to updating of the macro parameters that guide the forward-looking information. In 2022, the Circular on the assessment of loans in the payment moratorium was updated by the NBH to include expectations for the treatment of loans in moratorium 4 and the agricultural moratorium.

The Bank assesses its compliance with management circular as follows.

Corporate segment

The Bank transfers clients in corporate segment who opted-in for the repayment moratorium 2 (launched in 2021) or for the agricultural moratorium (2022) to stage 2 based on risk monitoring – individual assessment of the potential deterioration of the financial situation – in accordance with the guidelines of the NBH's management circular. However, those clients are excluded who participated altogether less than 9 months – in compliance with the EBA's report about the moratoria updated in December – in the first and second moratoria. If any single transaction of a client participated altogether more than 9 months in the first and second moratoria, then the Bank performed the risk monitoring assessment in case the client was opting-in to moratoria 2 launched in 2021.

The transactions of client already classified as stage 2 or stage 3 on participating at the start in moratorium 2 (launched in 2021) or agricultural moratorium (launched in 2022 and lasted until the end of 2023) were automatically flagged as restructured.

Considering the fact that clients participating in the repayment moratorium 1 (launched in 2020) with their last due repayment in 2020 were automatically transferred to repayment moratoria 2 (launched in 2021) , those client who notified the Bank during their risk monitoring that they do not intend to participate in the repayment moratorium 2 with any of their transactions and opted-out from the repayment moratorium 2 by declaration, the Bank did not establish financial difficulty and did not flag the transaction as restructured. In respect of newly opted-in clients the Bank performed every single time the necessary risk monitoring assessment and based on that transferred the clients to stage 2 in case of financial difficulty.

In case of financial difficulty identified as above and participation in repayment moratorium 2 the Bank also performs an impairment test (impairment test considering the credit impaired triggers according to IFRS 9) for the purpose of identifying potential non-performance.

When opting-in to the repayment moratorium 3 (launched in 2021) and moratorium 4 (launched in 2022) the Bank considered the affected transactions as restructured and transferred them to stage 2 in every case. In case of these clients the default assessment was completed through preforming the impairment test.

At the launch of the moratorium 4, which started in 2022, the remaining performing transactions – which were at that time already classified as stage 2, flagged as restructured with an increased stage 2 allowance level – were repaid. The remaining participating counterparties were classified as stage 3 and designated as restructured-non-performing. The stage 3 impairment was calculated using an individual assessment (net present value calculation of expected cash flow recoveries in multiple scenarios), using a conservative ('banker's case') approach.

Regardless of participation in the above programs, to cover risks for which there is no sufficient information to assess increase in credit risk or to recalibrate models, but for which a significant increase in credit risk is likely, the Bank's management has recognised an overlay impairment for the first time in 2020, with quarterly review and value adjustments since then continuously, considering the whole portfolio.

During 2024, the previous extraordinary impact of the moratorium programs on the customer- and deal classification was negligible. The repayment of the transactions affected by the moratorium is problem-free and the Bank will classifies them in the course of its usual monitoring activities.

Retail segment

In accordance with the NBH's management circular published on 21 January 2021, the Bank assumes that its clients participating for more than 9 months in the repayment moratoria have or are expected to have financial difficulties, therefore they were transferred to stage 2. Customers no longer eligible for moratorium 3 and moratorium 4 are still classified as stage 2 for a further 6 months after opting out from the moratorium. Moreover, at the beginning of moratorium 3 and moratorium 4 the Bank assessed for the clients opted in to these moratoria the need to classify the related balances as non-performing based on triggers other than days past due, due to the occurrence of 'unlikely to pay' conditions according to point a) of Section 1 of CRR Article 178, with particular attention to the situation, when the client is in a difficult financial situation due to unemployment. In cases where the Bank did not have sufficient information to assess the increase in credit risk, the Bank's management recognised an overlay impairment for both transactions participating in moratorium 3 and in moratorium 4 to cover the risks, followed by regular quarterly reviews.The Bank' evaluates the affected exposures as part of its normal monitoring processes, but in the current economic environment, it continues to maintain management adjustments to cover risks not captured by the models.

(6) Financial risk management

(6.1) Introduction and overview

The Bank's principles of managing interest rate risk, foreign currency risk, credit risk and liquidity risk are subject to regular review performed by management and by the Board of Directors.

Risk management is operated completely independently from business areas. Credit risk management is operated by the Credit Risk Management Department (CRM) in case of clients with non-standard products and services, and by Retail Risk Management Department (RMM), in case of clients with standard products.

Individual credit risk analysis, credit rating, credit assessment and credit monitoring is performed by the Credit Risk Management Department; portfolio level credit risk measurement and analysis of market (interest rate, foreign currency, liquidity) risks and operational risks is performed by the Integrated Risk Assessment Department (IRD).

The Bank is exposed to the following risks:

- credit risk;
- market risk;
- liquidity risk;
- operational risk;
- environmental, social and governance risks.

This explanatory note describes the Bank's exposure to the above risks, its objectives, policies and processes for measuring and managing those risks and its capital management.

(6.2) Credit risk

Credit risk is a risk of financial loss arising from a customer's or client's non-performance of its contractual obligations. It primarily arises from the Bank's lending, commercial financing and leasing activities; however, it also might arise from specific off-balance sheet products (e.g., guarantees) or from investment debt securities.

Credit risk management

Limits to lending activities are defined by the desired balance of business and risk considerations which are established by Bank's management, within the frame of the Act on Credit Institutions, other laws and regulations and the Bank's Credit Policies.

The Bank's lending activity is primarily cash flow based, where the cash flows expected from the client's core business activity serve as the basis of repaying the loan. In certain cases, more emphasis is put on collateral value, expected future income from the financed project, recovery rate of a portfolio or the combination of those. Accordingly, lending decisions are made based on the amount of the loan requested, its term, the type of the product, financial situation, non-financial characteristics and prospects of the client and on the collaterals.

Credit risk arises primarily from the non-performance risk related to banking activities involving retail and corporate clients, banks and municipalities as borrowers. Non-performance risk is the risk that a client will not be able to fulfil its contractual financial obligations. However, credit risk might also arise from migration risk, from the concentration of lenders, credit risk mitigation techniques and from country risk.

Credit risk is the main risk factor within the Bank, which is also indicated by the internal and regulatory capital requirements. Thus, the Bank assesses and monitors credit risk both on individual and on portfolio level. Credit risk management and lending decisions are based on the corresponding credit policies, credit risk handbooks and on the tools and processes developed specifically for this purpose.

Internal credit risk controlling system involves various types of monitoring measures which are closely integrated in the process starting with the client's application for a loan, continuing through Bank's approval and ending with the repayment of the loan.

Losses arising from credit risk are accounted for by recognising impairment on individual and on portfolio level. In the latter case, impairment is recognised for portfolios consisting of loans which have the same risk profile. In retail business unit, impairment is recognised on the level of product portfolios.

Impairment associated with the credit risk of loans and advances to clients and banks is recognised in the amount of expected credit loss and is based on group level standards. Impairment loss is recognised, if the present value of the principal and interest amounts expected to be repaid – taken any collateral into account – is lower than the carrying amount of the respective loan. Impairment on the portfolio level is calculated based on a valuation model that estimates future cash flows expected from the loans in the portfolio based on historical loss experience, taking the economic environment and forecasts of future economic conditions into account.

The Bank prepares integrated forecasts for provisions, impairment, capital requirement and profit and loss after tax and performs stress testing. Based on expectations about the macroeconomic environment, the Bank estimates default rates and their impact on the above amounts using statistical models. The period of the forecasts and stress scenarios is 3 years and the Bank analyses Pillar I and Pillar II capital adequacy in case of both expected and pessimistic scenarios.

The Bank reacted to the financial difficulties of its clients caused by the financial and real economic crisis with restructuring measures, introduction of early warning processes and strengthening of collection and debt management procedures.

The impact of the COVID-19 pandemic and increased geopolitical, energy market, inflation and property market risks on the practices of recognising restructuring and default

The events that are under actions of the government decided until 31.03.2021 in order to mitigate the effects of the economic crisis, according to the guidelines of EBA[1] should be considered as follows in relation to default:

- The exercise of a guarantee provided by the state or state organisation for mitigating the economic effects of the crisis is not considered as a default event.
- The public repayment moratoria ('public moratoria') introduced in order to mitigate the economic effects of the crisis, or the general moratoria introduced by the Bank ('private moratoria') is not considered as a financial difficulty as long as the participation in such program does not last longer than 9 months. In this relation the general moratoria introduced by the Bank is defined as a program, which is available for a clearly identifiable group of clients and in this group the client's financial and economic difficulties are not investigated individually.
- Under the repayment moratoria in the above point, the payment delay is not applicable, neither is the default upon 90+ past due status. The payment delay should be interpreted based on the new payment schedules after the end the moratoria.
- Rescheduling of payments according to the above should not on their own be considered when assessing forced restructuring.
- It does not automatically qualify for a bad financial situation, when the Bank introduces special attention and monitoring for the closer tracking of some clients, therefore it does not indicate an automatic trigger for impairment testing.
- The Bank still has to investigate individually the financial difficulties of these clients and whether other default trigger exists, furthermore for contracts or modifications of contract not in the scope of the actions detailed above, the general rules. This is disclosed in note (4.9) Financial instruments.

Government actions with condition other than described above, especially the repayment moratoria programs (moratorium 2, 3, 4 ang agricultural financing moratorium) and the benchmark interest rate stop launched in 2021 and 2022, are no exception to the standard assessment obligation for restructuring and non-performance, therefore the Bank applies the standard identification processes in these cases, in compliance with regulations of the CRR, EBA, RBI Bank, the NBH Decree Nr. 39/2016 and the NBH's management circulars.

In 2024, the above described special classification rules related to the coronavirus crisis were not relevant anymore, given the closure of the programs. The bank considers transactions previously classified as restructured or non-performing as potentially cured under the normal recovery rules.

[1] https://eba.europa.eu/eba-provides-clarity-banks-consumers-application-prudential-framework-light-covid-19-measures

Compliance with prescriptions relating to sanctions

The Bank applies policies and procedures which ensure compliance with financial sanctions and embargoes its activities. Furthermore, the Bank introduced appropriate monitoring and screening tools to ensure compliance with all regulations related to sanctions, including but not limited to the sanctions imposed by the UN, the EU and the USA.

Credit risk management in the retail segment

Lending framework and risk policy in the retail segment

From the second half of 2022, the impact of inflation led to a decline in interest in personal loans and, within them, in housing loans, which are the main volume drivers, compared to the lending performance of previous years. Then, in 2023, in line with the consolidation of the interest rate environment, a gradual recovery in market demand for household loans could be observed. Great attention is paid to strengthening online lending channels and automating loan approval steps and processes. In line with the launch of the CSOK Plus program and the changes in the MNB's regulations, in 2024 housing loans up to 90% LTV became available for first-time home buyers. At the end of the year, preparations for the introduction of the Workers' Loan started, which will also be available to the customers from January 2025.

Micro and small enterprise segment

In 2024, new lending in the micro and small enterprise segment continued to be dominated by Széchenyi products. Taking into account the impact of macroeconomic developments, the Bank fine-tuned its sector-specific risk appetite for new lending during the year. The expected portfolio deterioration did not materialize, although there were differences at the industry level. For the weaker performing client base as a result of macroeconomic developments, funding was restructured to maintain solvency. The Bank further strengthened its analytical process control and risk framework in the micro and small enterprise segment. The Bank regularly collects information from its clients and monitors the impact of macroeconomic developments to maintain portfolio quality.

Impairment in the retail segment

In November 2020, the Bank - considering the 'Management Circular about the use of macroeconomic information and factors triggering significant increase in credit risk under IFRS 9' published by NBH - decided to apply a portfolio level management overlay, the so-called Post Model Adjustment. The underlying assumption for this was that the days-past-due (DPD) numbers frozen due to the repayment moratoria did not reflect the real expected credit losses for the period after the moratoria.

At the end of June 2023, the management corrections relating to the moratoria were derecognised in the sixth month following the cessation of the general payment moratorium, as the clients affected are thereafter assessed in course of the normal monitoring processes and fall under past due days calculation thus not associated with excess risk.

However, due to the impact of energy market risks and increasing liquidity and profitability difficulties, the Bank again introduced portfolio level management corrections in the micro and small enterprise segment in 2022.The Bank kept the affected clients under close monitoring during 2023, but as a result of persistent inflationary pressures and the economic downturn, the Bank did not see any reason to withdraw the corrections. As a result of the monitoring, the scope of the affected transactions was redefined and expanded to include individual entrepreneurial clients financed in the retail segment and employees of companies considered to be in a risky industry. In view of the slow but rising unemployment rate and the much slower than expected recovery of the Hungarian economy, the Bank continued to maintain management overlays for the most credit riskiest customer groups in 2024, which were fine-tuned in light of the results of ongoing customer monitoring due to the risks not covered by the model.

Due to increasingly occurring extreme weather events, the problem of climate change became the focus of also the Bank's attention. The Bank worked out the practice to identify, quantify and manage such type of risks and implemented it into its risk processes. The physical risk associated with ESG relates to the occurrence of extreme climate events and their impact on the Bank's assets. Physical risks are not directly captured in the current IFRS 9 provisioning framework. If a physical risk event occurs in a region, property in that region could be damaged or, in the worst case, completely destroyed. The physical risks of the Bank's mortgage portfolio are assessed twice a year by an external data provider. When assessing physical risk, the Bank assesses the probability of occurrence for each property in its mortgage portfolio. The assessment is performed using climate models developed by the data provider. The ESG physical risk methodology for mortgage loans focuses on the damage caused by potential physical risk events and the reduced market value of the property, resulting in an adjusted market value. The adjusted market value has 3 components:

- The probability of a physical risk event occurring
- The percentage of loss, expressed as a percentage of the loss rate, if a physical risk event were to occur.
- The market value (MV) of the property.

The Bank has incorporated the results obtained in this way into the impairment calculation for residential mortgages through the LGD parameter.

Credit risk management in the corporate segment

Lending framework and risk policy in the corporate segment

In case of the corporate segment, the Bank is regularly monitoring and reviewing to what extent its clients are affected by the current macroeconomic and geopolitical risks and is trying to collect more and better information. As a result of the portfolio screening, the Bank identified some particularly sensitive industries (e.g.,real estate finance, construction companies, retailers , vehicle production, companies with sensitivity to interest rates or exchange rate changes, companies with elevated refinancing risk and companies exposed to environmental impact changes) where the exposures, industry outlooks and possible scenarios were reviewed in detail and individually as well. The screening has still been running regularly ever since in case of the corporate segment.

The Bank's corporate and project finance portfolio has no significant cross-border financing towards Russia and Ukraine. The Bank has identified one client group which, in addition to its activities in Hungary, also has some independent activities in Russia, which is not financed by the Bank. The exposure to the identified client group does not exceed 1% of the corporate exposure. Indirect risks have not yet been identified also in 2023 and in 2024, but the occurrence of possible spreading effects in 2025 cannot be completely excluded (e.g., future sanctions, disruption of supply chains, see gas, oil).

Furthermore, the RBI group reviewed its current lending policy for 2024 and introduced a limitation on the foreign exchange risk arising during lending for clients without natural hedge, as well as ESG monitoring of the portfolio.

Identification and management of industry risks follows a well-established methodology, considering both short- and long-term perspectives, and is based on a detailed analysis of a single set of criteria. As a result, sectors are classified into high/ medium/low risk categories on the basis of the industry risk matrix and the lending policy is accordingly tightened as follows:

- Clients in high-risk industries: new transactions and prolongations with existing clients should be handled with special care and can be approved in special cases, acquisitions of new clients are to be avoided.
- Clients in moderate risk industries: prolongations may be performed, but new transactions shall only be concluded, if based on a sensitivity analysis in case of a decrease in the client's revenue, the Bank does not expect any significant decline in the client's rating. The accurate documentation of the sensitivity analysis is crucial to the decision.
- Clients in low-risk industries: continuing of the normal business in line with the lending policy in effect.

Review and adjustment of the general corporate lending framework in effect as well as corporate lending framework specific to the type of financing:

- supplementing general lending policies
  - applying the changes initiated by RBI and presented above,
  - the risk profile of the clients needs to be investigated from the point of view of both the volume of supply/ demand and the potential damage of the supply chain,
  - the flexibility of the cost structure needs to be analysed,
  - when assessing the client's financial situation, its short-term liquidity needs to be analysed (whether it is able to cover its expenditures for the next 6-9 months),
  - the existence and probability of the shareholders financial support should be assessed,
  - further lending, if needed, is only allowed if the increased debt service is still in line with reference debt ratios in the Bank's risk policy, and the recovery is expected from primary sources,
  - if debt reference ratios are significantly breached, the client is given PWO status,
  - the elevated refinance risk and compliance with contractual conditions shall be assessed thoroughly, and root cause of breaches shall analysed
- supplementing specific lending policies
  - transactions with leverage: new transactions with the purpose of management-buy-out (MBO) and acquisitions/buy-outs should be financed with particular care,
  - FX, interest and loan derivative limits: the margin-call processes should be adhered to, clients with missing or decreasing revenue easily could by over-hedged, therefore they could become exposed to the changes

of the underlying again, this consideration should be an integral part of the limit proposal, the interest rate swaps concluded in relation to clients participating in the repayment moratoria should be modified between the client and the Bank based on bilateral agreement,

- bridging loans related to capital market transactions: the Bank does not accept new proposals,
- non-project-related unsecured finance for property developers: the Bank accepts proposals only with particular prudence,
- real estate financing: the Bank accepts proposals only with particular prudence,
- balloon-bullet transactions shall be approved with particular prudence.

Impairment in the corporate segment

The Bank's impairment recognition was influenced in many ways by the current market conditions. Stage 1 and stage 2 impairment was directly affected by the changing macroeconomic forecasts (mainly GDP, unemployment rates, inflation, government bond yields, short-term interest rates, changes in commercial real estate prices) provided by the RBI's analytical department which were updated a number of times during the year.

In 2022, the Bank re-modelled the impact of macroeconomic data on impairment, transitioning to a new model which, by fitting to the current economic environment, results in a more prudent level of provisioning. In parallel, since 2020 the Bank has applied the option of management overlay, post model adjustment in impairment recognition.

The post model adjustment model allocates impairment in addition to the model to industries identified along various factors depending on how much they are exposed to these factors (e.g. real estate market repricing, rising interest rates, refinancing risks, inflationary environment, supply chain difficulties, labour market shortages, changing environmental factors). The model dynamically estimates deal-by-deal, based on the risk factors identified in the given period a ceteris paribus expected probability of rating worsening and a corresponding expected probability of default and an expected increase in credit loss.

In 2024, the most important risk factors affecting the corporate portfolio playing a role in PMA calculation were the increased increased interest rate environment, real estate market depreciation, inflation, labour market conditions, supply chain vulnerabilities, refinancing risks and exposure to environmental factors. The industries identified as most risky were office real estate, residential and commercial property development and constructions industry.

The (stage 2) indicators used in identifying increased credit risk profile were also supplemented by an indicator to take non-modelled risks into account. Based on the post model adjustment using industry classification, clients for which the model expects a significant rating deterioration were transferred to stage 2, thus impairment recognised for them covers the lifetime expected credit loss.

Process of credit rating

Risk assessment and rating of corporate clients, project companies, companies acting in commodity and commerce financing and municipality clients is based on individual assessment and rating, with regular financial monitoring and annual renewal of limits. Financing is based on credit limits, at the transaction level only with simple approval method used.

In case of credit products for individuals, private banking clients and small and medium enterprises, an automated scorecard-based assessment is in place.

Internal credit rating categories are as follows:

- Minimal risk:
  - Non-retail portfolio: This rating category is reserved for corporates with the highest external credit ratings (AAA) and for other special cases that are deemed to bear minimal risk (e.g., companies related to the government, OECD countries rated AAA by an external credit rating agency).
  - Retail portfolio: This rating category is reserved for the clients with the best credit ratings.
- Excellent credit standing:
  - Non-retail portfolio: For all other clients this is the highest available rating category. Based on the excellent profitability, financial obligations can be fulfilled at any time. Companies in this rating category have a strong equity position and a sound financing structure.
  - Retail portfolio: On the basis of an excellent income, financial obligations can be fulfilled at any time.
- Very good credit standing:

  - Non-retail portfolio: On the basis of a very strong profitability the probability is very high that the client can fulfil all payment obligations – both principal and interest – also in the long term. Companies in this rating category also have a strong equity position and a sound financing structure and market position.
  - Retail portfolio: On the basis of a high income the probability is very high that the client can fulfil all payment obligations – both principal and interest – also on the long run. Clients in this category have a comfortable financial situation.
- Good credit standing:
  - Non-retail portfolio: On the basis of a strong profitability, it is expected that the client can fulfil all financial obligations in the medium term. Good capital situation and sound financing structure.
  - Retail portfolio: Based on a high income and sociodemographic position it is expected that the client can fulfil all financial obligations in the medium term.
- Average credit standing:
  - Non-retail portfolio: Based on a strong profitability, continuous principal repayments and interest payments are expected. A reasonable balance sheet structure with a satisfactory equity base.
  - Retail portfolio: Based on its sufficient credit capacity and sociodemographic position continuous principal repayments and interest payments are expected.
- Acceptable credit standing:
  - Non-retail portfolio: Based on satisfactory profitability, continuous principal repayments and interest payments are expected. Increased sensitivity towards serious deterioration of economic environment. Limited flexibility in financing.
  - Retail portfolio: Based on satisfactory income and sociodemographic position, continuous principal repayments and interest payments are expected. Increased sensitivity towards serious deterioration of economic environment.
- Low credit standing:
  - Non-retail portfolio: Clients in this rating category have a low profitability and their financial flexibility is limited. Significant deterioration of economic parameters might have a negative impact on the timeliness of principal repayments and interest payments. Their business fundamentals are below average and show weaknesses in certain areas.
  - Retail portfolio: Clients in this category have a lower income and a more limited credit capacity. Significant deterioration of economic parameters might have a negative impact on the timeliness of principal repayments and interest payments.
- Weak credit standing/below average:
  - Non-retail portfolio: Companies with weak profitability and weak financing structure. Yet a lower magnitude negative change in the economic environment can prevent the complete and timely fulfilment of the financial obligations.
  - Retail portfolio: Has a low income and an unfavourable sociodemographic position. Yet a lower magnitude negative change in the economic environment can prevent the complete and timely fulfilment of the financial obligations.
- Doubtful / high default risk:
  - Non-retail portfolio: Companies with a very weak profitability and a problematic financing structure. Partial losses on the principal or on interest should be envisaged.
  - Retail portfolio: Has a very low income and an unfavourable sociodemographic position. Partial losses on the principal or on interest are envisaged.
- Default:
  - Occurred non-performance. The financial obligations could not or expected not to be fulfilled entirely and timely.
- Unrated:

- Non-retail portfolio: Unrated exposures in the corporate sector mostly belong to the sub-segment under the standardised approach (Article 150 of 575/2013 EU Regulation) and thus they, by definition, do not have an internal credit rating (e.g., liabilities under litigation, settlement accounts with foreign exchange brokers presented under other receivables).
- Retail portfolio: Unrated exposures in the retail sector mainly consist of negative account balances (based on a special rule the Bank recognises 100% impairment on them), uncoded transactions, transactions unrated due to data failure in a negligible number, subsidized or private loans under the standardised approach, and certain loans provided to micro enterprises.

The following table reconciles relevant balance sheet line items with the financial asset classes determined for disclosure purposes and with the loan commitments and financial guarantees financial instrument classes. 'Provisions' balance sheet line item contains expected credit losses for loan commitments and financial guarantee contracts.

31.12.2024 (HUF million)	Cash, cash balances at central banks and other demand deposits	Financial assets held for trading	Non-trading financial assets mandatorily at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	Provisions	Total
Cash	58,272	0	0	0	0	0	58,272
Placements with banks and central bank	472,629	0	0	0	283,643	0	756,272
Loans and advances to clients	0	0	185,043	0	1,667,929	0	1,852,972
Debt securities	0	1,646	293	550,235	1,137,317	0	1,689,491
Equity instruments	0	6,841	0	104	0	0	6,945
Loan commitments and financial guarantees given	0	0	0	0	0	10,148	10,148
Derivative assets	0	73,919	0	0	0	0	73,919
Total	**530,901**	**82,406**	**185,336**	**550,339**	**3,088,889**	**10,148**	**4,448,019**

31.12.2023 (HUF million)	Cash, cash balances at central banks and other demand deposits	Financial assets held for trading	Non-trading financial assets mandatorily at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	Provisions	Total
Cash	39,642	0	0	0	0	0	39,642
Placements with banks and central bank	888,202	0	0	0	348,237	0	1,236,439
Loans and advances to clients	0	0	164,051	0	1,583,197	0	1,747,248
Debt securities	0	1,835	420	365,819	745,464	0	1,113,538
Equity instruments	0	1,011	0	65	0	0	1,076
Loan commitments and financial guarantees given	0	0	0	0	0	10,364	10,364
Derivative assets	0	94,963	0	0	0	0	94,963
Total	**927,844**	**97,809**	**164,471**	**365,884**	**2,676,898**	**10,364**	**4,243,270**

The 'Cash, cash balances at central banks and other demand deposits' balance sheet line item contains receivables due from NBH amounting to HUF 445,269 million (2023: HUF 863,023 million), which is not included in the table (21) Placements with banks.

Line 'Equity instruments' is included only for the purposes of reconciliation to the balance sheet and is not included in the tables detailing credit risk exposures.

Column 'Provisions' only contains provisions set up in accordance with IFRS 9. Provisions set up in accordance with IAS 37 are detailed in the table (33) Provisions.

'Placements with banks and central bank' and 'Loans and advances to clients' are presented hereinafter together as 'Loans and advances'.

Credit quality of the Bank's exposures

The following tables contain information about the credit quality of financial assets, undrawn loan commitments and financial guarantees by asset classes. For financial assets measured at amortised cost or at fair value through other comprehensive income, gross carrying amounts are presented in the credit rating category lines of the tables. For financial instruments measured at fair value through profit or loss, the carrying amounts are presented in the lines. For financial guarantees and undrawn loan commitments, the credit rating category lines contain the guaranteed amounts and the amounts that can be drawn down under of the loan commitment, respectively.

31.12.2024	Financial assets measured at amortised cost				Financial assets measured at fair value through other comprehensive income				Non-trading financial assets mandatorily at fair value through profit or loss	
(HUF million)	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI		Total
Placements with banks and central bank										
Minimal risk	0	0	0	0	0	0	0	0	0	0
Excellent credit standing	4,587	0	0	0	0	0	0	0	0	4,587
Very good credit standing	536,278	0	0	0	0	0	0	0	0	536,278
Good credit standing	175,076	40,243	0	0	0	0	0	0	0	215,319
Average credit standing	0	0	0	0	0	0	0	0	0	0
Acceptable credit standing	0	14	0	0	0	0	0	0	0	14
Marginal credit standing	0	0	0	0	0	0	0	0	0	0
Weak credit standing	0	0	0	0	0	0	0	0	0	0
Doubtful/high default risk	225	0	0	0	0	0	0	0	0	225
Default	0	0	0	0	0	0	0	0	0	0
Unrated	63	0	0	0	0	0	0	0	0	63
Gross amount	**716,229**	**40,257**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**756,486**
Loss allowance	-131	-83	0	0	0	0	0	0	0	-214
Carrying amount	**716,098**	**40,174**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**756,272**
Loans and advances to clients										
Minimal risk	4,894	0	0	0	0	0	0	0	1,822	6,716
Excellent credit standing	37,695	31	0	0	0	0	0	0	1,188	38,914
Very good credit standing	305,209	1,231	0	0	0	0	0	0	17,367	323,807
Good credit standing	238,251	17,630	0	102	0	0	0	0	12,112	268,095
Average credit standing	292,892	240,847	0	424	0	0	0	0	5,893	540,056
Acceptable credit standing	149,265	112,367	0	655	0	0	0	0	3,182	265,469
Marginal credit standing	84,560	37,128	0	508	0	0	0	0	1,297	123,493
Weak credit standing	12,991	18,491	0	540	0	0	0	0	256	32,278
Doubtful/high default risk	2,814	86,090	0	576	0	0	0	0	4,430	93,910
Default	0	0	49,882	1,422	0	0	0	0	109	51,413
Unrated	24,145	3,126	0	0	0	0	0	0	137,387	164,658
Gross amount	**1,152,716**	**516,941**	**49,882**	**4,227**	**0**	**0**	**0**	**0**	**185,043**	**1,908,809**
Loss allowance	-9,342	-25,457	-19,412	-1,626	0	0	0	0	0	-55,837
Carrying amount	**1,143,374**	**491,484**	**30,470**	**2,601**	**0**	**0**	**0**	**0**	**185,043**	**1,852,972**
Debt securities										
Minimal risk	112,812	0	0	0	17,109	0	0	0	0	129,921
Excellent credit standing	71,264	0	0	0	6,489	0	0	0	132	77,885
Very good credit standing	197,892	0	0	0	208,126	0	0	0	502	406,520
Good credit standing	735,556	5,922	0	0	276,005	34,164	0	0	824	1,052,471
Average credit standing	6,050	0	0	0	6,654	0	0	0	36	12,740

31.12.2024	Financial assets measured at amortised cost				Financial assets measured at fair value through other comprehensive income				Non-trading financial assets mandatorily at fair value through profit or loss	
(HUF million)	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI		Total
Acceptable credit standing	5,335	2,014	0	0	1,144	0	0	0	396	8,889
Marginal credit standing	758	136	0	0	0	0	0	0	0	894
Weak credit standing	0	0	0	0	0	0	0	0	0	0
Doubtful/high default risk	0	0	0	0	0	0	0	0	0	0
Default	0	0	1,068	0	0	0	2,309	0	49	3,426
Unrated	0	0	0	0	0	0	0	0	0	0
Gross amount	**1,129,667**	**8,072**	**1,068**	**0**	**515,527**	**34,164**	**2,309**	**0**	**1,939**	**1,692,746**
Loss allowance	-753	-209	-528	0	-262	-198	-1,305	0	0	-3,255
Carrying amount	**1,128,914**	**7,863**	**540**	**0**	**515,265**	**33,966**	**1,004**	**0**	**1,939**	**1,689,491**
Loan commitments and financial guarantees given										
Minimal risk	9,935	0	0	0						9,935
Excellent credit standing	11,359	0	0	0						11,359
Very good credit standing	185,404	809	0	0						186,213
Good credit standing	288,431	8,350	0	0						296,781
Average credit standing	227,212	58,487	0	0						285,699
Acceptable credit standing	153,887	35,827	0	0						189,714
Marginal credit standing	21,724	7,990	0	0						29,714
Weak credit standing	6,413	5,862	0	0						12,275
Doubtful/high default risk	255	7,701	0	0						7,956
Default	0	0	18,472	0						18,472
Unrated	2,202	537	0	0						2,739
Gross amount	**906,822**	**125,563**	**18,472**	**0**						**1,050,857**
Carrying amount (provisions)	**-2,026**	**-1,958**	**-6,164**	**0**						**-10,148**
Derivative assets										
Minimal risk									0	0
Excellent credit standing									336	336
Very good credit standing									62,862	62,862
Good credit standing									2,563	2,563
Average credit standing									5,989	5,989
Acceptable credit standing									1,113	1,113
Marginal credit standing									172	172
Weak credit standing									0	0
Doubtful/high default risk									0	0
Default									856	856

31.12.2024	Financial assets measured at amortised cost				Financial assets measured at fair value through other comprehensive income				Non-trading financial assets mandatorily at fair value through profit or loss	Total
(HUF million)	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI		
Unrated									28	28
Carrying amount									**73,919**	**73,919**

31.12.2023	Financial assets measured at amortised cost				Financial assets measured at fair value through other comprehensive income				Non-trading financial assets mandatorily at fair value through profit or loss	Total
(HUF million)	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI		
Placements with banks and central bank										
Minimal risk	80	0	0	0	0	0	0	0	0	80
Excellent credit standing	1,810	0	0	0	0	0	0	0	0	1,810
Very good credit standing	1,019,956	86	0	0	0	0	0	0	0	1,020,042
Good credit standing	97,799	116,364	0	0	0	0	0	0	0	214,163
Average credit standing	547	0	0	0	0	0	0	0	0	547
Acceptable credit standing	0	48	0	0	0	0	0	0	0	48
Marginal credit standing	0	0	0	0	0	0	0	0	0	0
Weak credit standing	0	0	0	0	0	0	0	0	0	0
Doubtful/high default risk	0	0	0	0	0	0	0	0	0	0
Default	0	0	0	0	0	0	0	0	0	0
Unrated	0	0	0	0	0	0	0	0	0	0
Gross amount	**1,120,192**	**116,498**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,236,690**
Loss allowance	-55	-196	0	0	0	0	0	0	0	-251
Carrying amount	**1,120,137**	**116,302**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,236,439**
Loans and advances to clients										
Minimal risk	3,437	1,030	0	0	0	0	0	0	1,831	6,298
Excellent credit standing	7,745	1,695	0	0	0	0	0	0	1,658	11,098
Very good credit standing	252,385	28,522	0	0	0	0	0	0	12,924	293,831
Good credit standing	312,184	79,856	0	51	0	0	0	0	11,231	403,322
Average credit standing	282,794	195,294	0	272	0	0	0	0	5,933	484,293
Acceptable credit standing	149,015	81,044	0	829	0	0	0	0	2,895	233,783
Marginal credit standing	69,709	52,449	0	626	0	0	0	0	575	123,359
Weak credit standing	10,605	17,408	0	446	0	0	0	0	117	28,576
Doubtful/high default risk	1,026	16,185	0	259	0	0	0	0	111	17,581
Default	0	9	49,738	2,663	0	0	0	0	126	52,536

31.12.2023	Financial assets measured at amortised cost				Financial assets measured at fair value through other comprehensive income				Non-trading financial assets mandatorily at fair value through profit or loss	
(HUF million)	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI		Total
Unrated	27,029	5,024	4	49	0	0	0	0	126,650	158,756
Gross amount	**1,115,929**	**478,516**	**49,742**	**5,195**	**0**	**0**	**0**	**0**	**164,051**	**1,813,433**
Loss allowance	-10,447	-30,327	-23,366	-2,045	0	0	0	0	0	-66,185
Carrying amount	**1,105,482**	**448,189**	**26,376**	**3,150**	**0**	**0**	**0**	**0**	**164,051**	**1,747,248**
Debt securities										
Minimal risk	0	0	0	0	16,584	0	0	0	0	16,584
Excellent credit standing	37,323	6,085	0	0	47,593	0	0	0	131	91,132
Very good credit standing	98,050	7,571	0	0	44,734	0	0	0	636	150,991
Good credit standing	520,769	59,339	0	0	186,709	60,363	0	0	956	828,136
Average credit standing	8,150	0	0	0	4,994	2,636	0	0	75	15,855
Acceptable credit standing	6,869	564	0	0	844	0	0	0	375	8,652
Marginal credit standing	0	1,880	0	0	0	1,625	0	0	82	3,587
Weak credit standing	0	0	0	0	0	0	0	0	0	0
Doubtful/high default risk	0	0	0	0	0	0	0	0	0	0
Default	0	0	0	0	0	0	1,076	0	0	1,076
Unrated	0	0	0	0	0	0	0	0	0	0
Gross amount	**671,161**	**75,439**	**0**	**0**	**301,458**	**64,624**	**1,076**	**0**	**2,255**	**1,116,013**
Loss allowance	-498	-638	0	0	-203	-486	-650	0	0	-2,475
Carrying amount	**670,663**	**74,801**	**0**	**0**	**301,255**	**64,138**	**426**	**0**	**2,255**	**1,113,538**
Loan commitments and financial guarantees given										
Minimal risk	1,039	0	0	0						1,039
Excellent credit standing	19,870	21	0	0						19,891
Very good credit standing	137,457	939	0	0						138,396
Good credit standing	222,253	21,391	0	0						243,644
Average credit standing	222,190	96,459	0	0						318,649
Acceptable credit standing	78,956	25,224	0	0						104,180
Marginal credit standing	18,327	23,814	0	0						42,141
Weak credit standing	1,642	12,322	0	0						13,964
Doubtful/high default risk	313	1,226	0	0						1,539
Default	0	0	13,728	0						13,728
Unrated	3,650	1,603	0	0						5,253
Gross amount	**705,697**	**182,999**	**13,728**	**0**						**902,424**
Carrying amount (provisions)	**-1,870**	**-4,578**	**-3,916**	**0**						**-10,364**
Derivative assets										
Minimal risk									0	0

31.12.2023	Financial assets measured at amortised cost				Financial assets measured at fair value through other comprehensive income				Non-trading financial assets mandatorily at fair value through profit or loss	
(HUF million)	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**		**Total**
Excellent credit standing									223	223
Very good credit standing									87,097	87,097
Good credit standing									3,255	3,255
Average credit standing									1,925	1,925
Acceptable credit standing									1,253	1,253
Marginal credit standing									1,075	1,075
Weak credit standing									0	0
Doubtful/high default risk									0	0
Default									0	0
Unrated									135	135
Carrying amount									**94,963**	**94,963**

The following table shows the credit quality of the Bank''s exposures according to sectors:

31.12.2024	Financial assets measured at amortised cost								
	Gross amount				Loss allowance				
(HUF million)	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances to banks, central banks and customers									
Non-retail									
Central bank	446,155	0	0	0	-27	0	0	0	446,128
Sovereign	4,682	1,066	0	0	-6	-10	0	0	5,732
Credit institutions	265,521	40,258	0	0	-105	-82	0	0	305,592
Financial corporations	27,724	56,386	0	0	-8	-232	0	0	83,870
Large corporates	753,729	298,294	38,127	0	-6,825	-8,992	-12,167	0	1,062,166
Small and medium enterprises	46,565	30,284	1,358	8	-181	-596	-512	-5	76,921
Retail									
Private individuals	306,140	118,065	8,421	4,187	-2,201	-15,010	-5,183	-1,623	412,796
hereof: mortgage	231,167	95,663	4,672	4,059	-745	-9,851	-2,978	-1,536	320,451
Micro enterprises	18,429	12,845	1,976	32	-120	-618	-1,550	2	30,996
Total	**1,868,945**	**557,198**	**49,882**	**4,227**	**-9,473**	**-25,540**	**-19,412**	**-1,626**	**2,424,201**

31.12.2023	Financial assets measured at amortised cost								
	Gross amount				Loss allowance				
(HUF million)	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances to banks, central banks and customers									
Non-retail									
Central bank	916,010	0	0	0	-3	0	0	0	916,007
Sovereign	8,614	1,262	0	0	-8	-8	0	0	9,860
Credit institutions	199,435	116,498	0	0	-51	-196	0	0	315,686
Financial corporations	26,423	45,302	0	0	-8	-170	0	0	71,547
Large corporates	770,196	232,307	31,936	576	-5,137	-5,920	-13,325	-106	1,010,527
Small and medium enterprises	53,937	25,935	1,536	4	-163	-385	-435	-2	80,427
Retail									
Private individuals	246,583	154,334	13,450	4,599	-4,817	-21,241	-7,754	-1,937	383,217
hereof: mortgage	181,395	127,595	8,454	4,408	-1,731	-13,429	-4,585	-1,827	300,280
Micro enterprises	14,923	19,376	2,820	16	-315	-2,603	-1,852	0	32,365
Total	**2,236,121**	**595,014**	**49,742**	**5,195**	**-10,502**	**-30,523**	**-23,366**	**-2,045**	**2,819,636**

Information about the Bank's loan portfolio

NBH schemes in the loan portfolio

- Funding for Growth Scheme Phase 1
- Funding for Growth Scheme Phase 2
- Funding for Growth Scheme Phase 3
- Funding for Growth Scheme Fix
- Funding for Growth Scheme Go

The refinancing received and the loans granted under Funding Growth Schemes (FGS) are transactions concluded at off-market terms. In these cases, in accordance with IFRS 9.5.1.1A and B5.1.2A, the Bank quantifies the fair value difference which is amortised to net interest income over the term of the loans.

At the end of 2024 the net balances relating to the FGS Schemes described above amounted to HUF 80,524 million (2023: the Bank had an FGS refinancing balance of HUF 88,655 million).

Subsidized schemes in the loan portfolio:

- Garantiqa Crisis Guarantee Scheme

- Garantiqa Crisis 2 Guarantee Scheme
- Széchenyi Card Plus Scheme
    - Széchenyi Investment Loan Plus
- Széchenyi Card Restart Program (GO)
    - Széchenyi Liquidity Loan (GO)
    - Széchenyi Investment Loan (GO)
    - Agricultural Széchenyi Investment Loan (GO)
- Széchenyi Card Restart Program (MAX)
    - Széchenyi Card Overdraft MAX
    - Széchenyi Liquidity Loan MAX
    - Széchenyi Investment Loan MAX –including the Energy Efficiency subconstruction
    - Agricultural Széchenyi Investment Loan MAX
- Széchenyi Card Restart Program (MAX+)
    - Széchenyi Card Overdraft MAX+
    - Széchenyi Liquidity Loan MAX+
    - Széchenyi Investment Loan MAX+ – including the Energy Efficiency, Green and GEKKO subconstructions
    - Agricultural Széchenyi Investment Loan MAX+ including the Energy Efficiency subconstruction
    - Agricultural Széchenyi Card Overdraft
- Rural Credit Guarantee Foundation (RCGF) Crisis Agricultural Guarantee Program
- Rural Credit Guarantee Foundation (RCGF) Crisis Agricultural Guarantee Program II
- EXIM Compensation Program
    - EXIM Compensation Loan Program
    - EXIM Compensation Loan Protection Program
    - EXIM Compensation Credit Insurance Program
- EXIM Spin up SME Investment Loan Program
- EXIM Gábor Baross Loan Scheme
- MFB Agricultural Working Capital Loan Program 2020
- MFB Food Industry Working Capital Loan Program 2020

Retail products

With its 2024 December decision, the government favourably modified the basic eligibility criteria of the childbirth incentive loans (raising the application age from 30 to 35 years). In addition, the interest-subsidized housing loan product (CSOK Plusz) is still available.

A new interest-subsidized and interest-free financing structure called 'Munkáshitel' (Worker's loan) was launched at the beginning of 2025. 'Munkáshitel' (Worker's Loan) is an unpurposed cash loan with state guarantee available for young people aged 17-25 who do not have a higher education degree and are not enrolled in a higher education institution as a student Similar to competitors, the product was rolled out in the first half of January 2025.

Purchased or originated credit-impaired (POCI) financial instruments

The predominant part of the Bank's POCI portfolio was recognised in the books of the Bank through the mandatory conversion of foreign currency denominated loan receivables to Hungarian Forint at fixed exchange rates in accordance with Act XXXVIII of 2014 ('Curia Act'), Act XL of 2014 ('Settlement Act'), Act LXXVII of 2014 ('Hungarian Forint Conversion Act') and Act CXLV of 2015 on questions relating to Hungarian Forint conversion of certain consumer loan contracts.

Changes to the portfolio

Net exposure towards credit institutions decreased significantly compared to the previous year (2024: HUF 756 billion; 2023: HUF 1,236 billion), attributable to significant decrease in the balance of the Bank's current account at the National Bank.

In 2024, the volume of non-performing loans in the corporate segment increased by HUF 7.7 billion (2024: HUF 42.8 billion, 2023: HUF 35.1 billion) along with a smaller increase of the portfolio (2024: HUF 1,360 billion; 2023: 1,297 billion).

The approximate HUF 7.7 billion increase in the non-performing portfolio was caused as a result of the following opposite effects:

- besides the decreasing effect of recoveries of approximately HUF 9.2 billion resulting from workout activities;
- the Bank identified approximately HUF 15.2 billion new non-performing loans in course of its standard identification procedures;
- HUF 0.07 billion was affected by write-off and loan sale;
- foreign currency revaluation difference on the non-performing portfolio caused by the weakening of the forint increased the outstanding amount by approximately HUF 1.8 billion.

The level of new non-performing balances was dominated by three individual transactions (in aggregate HUF 13.5 billion, 89% of the total new non-performing volume) where the Bank decided to apply non-performing status due to uncertainties of future cash-flows. The events are isolated, no systematic deterioration or the indicators thereof can be seen in the non-performing portfolio.

The ratio of non-performing loans in the corporate segment is 2.9%, slightly elevated compared to previous year.

There was an increase in retail and small enterprise portfolio in 2024 as well (2024: HUF 651 billion, 2023: HUF 613 billion). In the retail sector, there was an increase in both mortgage loans and uncollateralised product groups, out of uncollateralised products, childbirth incentive loans are mandatorily measured at fair value though profit or loss. Non-performing portfolio decreased (2024. HUF 11.9 billion, 2023: HUF 18.4 billion). In the retail segment, unrated portfolio remained at the same level (2024: HUF 155 billion, 2023: HUF 157 billion) the largest part of which is made up by childbirth incentive loans.

Expected credit losses

Quantification of expected credit losses for financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income is performed in accordance with the respective accounting policies, see explanatory note (4.9) Financial instruments.

The determination of the exposure necessary for credit risk management is a complex exercise and requires the application of models as exposure changes depend on market conditions, expected cash flows and the passage of time. The assessment of credit risk of the portfolio contains further estimations regarding the probability of default, the loss given default and the correlations between different clients' non-performance. The Bank measures credit risk using the probability of default (PD), the risk exposure (EAD) and the expected loss due to default (LGD). This is the primary approach in measuring expected credit losses under IFRS 9.

Expected credit losses are calculated by workout experts for stage 3 exposures towards sovereign and corporate clients, from project financing, towards credit institutions, local and regional municipalities, insurance companies and collective investment companies by discounting the expected recoveries from the cash flows using the effective interest rates. Expected recoveries for multiple scenarios are given on the deal-level by the experts and probability-weighted average of the cash flows for each return scenario is considered when calculating the present value of recoveries.

Measuring expected credit losses of financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income is an area requiring the use of complex models and making significant assumptions regarding future economic conditions and the behaviour of the loans. Significant estimates made in applying the accounting requirements for expected credit losses are as follows:

- determining the criteria for significant increase in credit risk;

- selecting appropriate models for the purpose of measuring expected credit losses;
- determining the appropriate number of scenarios and the appropriate weighting of them for the product types, markets and the expected credit losses associated with them;
- grouping similar financial assets into portfolios for the purpose of measuring expected credit losses.

PDs in retail portfolios (individuals and micro-enterprises) are estimated across homogenous segments and product portfolios, while LGD estimation is typically more granular (portfolios with homogenous collaterals).

In case of non-retail portfolio, PDs are estimated at the segment level while LGD estimation involves more parameters (segment, product, fact and level of collateralization).

Probability of default (PD)

Probability of default means the probability that the borrower will not fulfil its financial obligations in the following 12 months or in the remaining lifetime of the financial instrument. In general, in case of non-retail segments the calculation of lifetime probability of default uses 12 months expected probability of default in accordance with Article 178 CRR, cleared from the conservative margin as a starting point. (In line with the definition of default in Article 178 CRR every financial asset that is credit-impaired under IFRS 9 is considered to be in default, and every defaulted financial asset is considered credit-impaired).

In retail segments probability of default is calculated over the lifetime of the instrument, with modelling the probability of monthly marginal default and repayments. In case of negative account balances the Bank records impairment for the total receivable, therefore both the PD and LGD is 100%.

Following this, various statistical methods are used to determine how certain characteristics (amongst others rating, days past due) evolve from initial recognition over the entire lifetime of the loan portfolio. The typical risk profile is based on historical data and parameters.

The Bank uses statistical models to incorporate forward-looking information into PDs in case of the following segments:

- sovereigns, local and regional municipalities, insurance companies and collective investment companies;
- corporate clients, project financing and financial institutions;
- retail (individuals and micro-enterprises).

When certain input parameters are not available entirely, grouping, averaging and benchmarking is used for the purpose of the calculations.

The following table presents the average PDs. When determining the average PDs, the Bank did not take into consideration the effect of the portfolio level management overlay:

31.12.2024	Average PD	
Credit quality	**Non-retail**	**Retail**
Minimal risk	0.01 %	0.19 %
Excellent credit standing	0.04 %	0.26 %
Very good credit standing	0.12 %	0.41 %
Good credit standing	0.21 %	0.91 %
Average credit standing	1.03 %	2.13 %
Acceptable credit standing	2.11 %	4.03 %
Marginal credit standing	5.53 %	7.49 %
Weak credit standing	15.40 %	14.85 %
Doubtful/high default risk	26.81 %	34.95 %
Unrated	3.66 %	1.91 %

Loss given default (LGD)

The loss given default is the Bank's expectation about the magnitude of the loss. The loss rate expected at default is different depending on the type of counterparty and product.

For non-retail segments, given the amount of data available and the weight of non-retail segments in the portfolio, modelling is performed by Raiffeisen Bank International:

- in case of corporate clients, project financing, credit institutions, insurance companies and local and regional municipalities, the Bank uses its own LGD estimations taking loss rate experience into account;

- loss given default for sovereign debts is estimated using market information sources;
- in case of investment funds, given the lack of loss experience, as expert estimation, the collateralised LGD considered in capital adequacy calculations, is used.

In order to determine the LGD parameters the RBI modelling collects data from the group members, which is sent individually to the central database by the entities. Thereafter, the central modelling calculates the LGD based on the data received and country-specific information so, that it matches the lending information of the various entities.

Macroeconomic forecasts were also incorporated into LGDs that are based on own estimations. The Bank uses a weighted average LGD over three scenarios when quantifying expected credit loss.

In the retail segment, the LGD estimate is based on the yield data collected by the Bank. Modelling is performed by the Bank on its own based on the methodology approved by RBI. The model is validated by the IRB. Generally, for the purpose of calculating impairment the Bank uses loss given default determined in accordance with CRR, cleared from conservative factors. In cases of negative account balances the LGD is 100%.

Exposure at default (EAD)

Exposure at default is measured considering all amounts regarded by the Bank as receivable at an expected date of default within the next 12 months or over the entire lifetime of the instrument. 12 month and lifetime EAD is determined taking the expected repayment characteristics into account, which varies across product types. For amortising products and bullet-type loans, EAD is based on contractual repayment obligations over the next 12 months or the lifetime of the instrument. Where relevant, assumptions about prepayments and refinancing are considered while calculating EAD.

In case of non-retail segments, the Bank makes own estimations in order to quantify exposures at default of off-balance sheet items for corporate and SMB portfolios that have so-called high probabilities of default. The credit conversion factors applied are quantified using different methodologies for revolving and non-revolving exposures. Related modelling is performed by RBI. This process is the same as the process described at the modelling of LGD parameters, i.e., various entities send data to the central database, afterwards the central modelling calculates the EAD using this and other country-specific information so that it matches the lending information of the various entities.

In case of retail portfolios, exposure at default is determined monthly taking the future expected principal repayments into account. In case of revolving transactions, exposure at default is determined taking a credit conversion factor (CCF) into account as follows: EAD = used facility + unused facility * CCF. The expected lifetime of revolving transactions is estimated using statistical methods, which allows us to calculate lifetime expected credit losses also for such product types.

Forward-looking information

Assessment of whether credit risk has increased significantly since initial recognition and the measurement of expected credit losses are estimations incorporating also forward-looking information. The Bank performed a chronological analysis and determined the most significant economic variables influencing credit risk and expected credit losses in case of each portfolio.

These economic variables and their impact on the probability of default, loss given default and exposure at default can vary across types of categories. While making this analysis expert estimations were also used. The forecasts of the above economic variables ('base case economic scenario') is provided by Raiffeisen Research quarterly, giving the best estimates of those economic indicators for the following three years. The impact of those economic variables on the probability of default, loss given default and exposure at default is determined by using statistical regressions in order to make the impact of historical development of such variables on default rates, non-performing exposures and expected losses understandable.

The most important macroeconomic variables affecting expected credit losses are as follows:

- Non-retail portfolios: gross domestic product, unemployment rate, long-term (10 years) government bond yields, change in real estate prices, 3-month benchmark interest rate.
- Retail portfolios: gross domestic product, housing price index, benchmark interest rate, inflation rate.

Besides the base economic scenario, a best case (optimistic) and a worst case (pessimistic) scenario is also provided by Raiffeisen Research, together with their weighting (the weighting of the three scenarios: 25% optimistic, 50% base, 25% pessimistic scenario), in order to grab expected variances. The weighting of the scenarios is determined by the combination of statistical analysis and expert credit rating taken the outcomes of the selected individual scenarios into account. The probability-weighted expected credit losses are determined by running the appropriate expected credit loss model to the respective scenarios and weighting the results, the weights being the probabilities of the scenarios. The weights of the scenarios (probability of the scenarios: 50% base, 25% optimistic, 25% pessimistic) remained the same in 2024.

Gross domestic product	Scenario	2025	2026	2027
	Optimistic	3.7%	3.7%	3.7%
	Base	2.5%	3.0%	3.0%
	Pessimistic	0.5%	1.9%	1.9%
Unemployment rate	**Scenario**	**2025**	**2026**	**2027**
	Optimistic	4.2%	4.5%	4.5%
	Base	4.7%	4.8%	4.8%
	Pessimistic	6.0%	5.5%	5.5%
Long term (10-year) government bond	**Scenario**	**2025**	**2026**	**2027**
	Optimistic	4.8%	5.3%	4.9%
	Base	6.3%	6.1%	5.7%
	Pessimistic	7.7%	6.9%	6.4%
Reference Rate	**Scenario**	**2025**	**2026**	**2027**
	Optimistic	3.3%	3.6%	2.9%
	Base	6.0%	5.1%	4.4%
	Pessimistic	8.2%	6.4%	5.6%
Consumer price index	**Scenario**	**2025**	**2026**	**2027**
	Optimistic	2.5%	2.5%	2.5%
	Base	3.6%	3.0%	3.0%
	Pessimistic	5.3%	3.9%	4.0%
Retail real estate price index	**Scenario**	**2025**	**2026**	**2027**
	Optimistic	14.1%	9.4%	7.9%
	Base	8.0%	6.0%	4.5%
	Pessimistic	5.3%	4.5%	3.0%
Commercial real estate price index	**Scenario**	**2025**	**2026**	**2027**
	Optimistic	9.4%	8.1%	8.1%
	Base	3.0%	4.5%	4.5%
	Pessimistic	0.8%	3.3%	3.3%

As all economic forecasts, these estimates and their probabilities of occurrence are prone to significant uncertainties and thus actual outcomes might significantly differ from forecasts. It is the Bank's view that these forecasts represent the best estimate of the possible results and cover eventual differences and asymmetries concerning the various portfolios of the Bank.

Post model adjustment and other specific risk factors

In situations where the existing input parameters, assumptions and modelling do not cover all relevant risk factors, post-model adjustments (PMA) and specific risk factors are the most important types of overlays. This is generally the case if there are temporary circumstances, time restrictions to adequately incorporate relevant new information into the rating and if individual loans within a loan portfolio develop differently than originally expected. All these adjustments are approved locally and centrally by the Group Risk Committee (GRC).

Generally, post-model adjustments are only a temporary solution to cover risks that are yet not captured by the existing model. They are temporary and typically not valid for more than one to two years. Unlike the post-model adjustments, the other specific risk factor model has a somewhat longer time horizon, as certain macroeconomic risks may persist for a longer period without the models being able to adequately reflect their risks. The overlays are shown in the table below and split according to the relevant categories.

31.12.2024		Other special risk factors	Post model adjustments	
(HUF million)	Modelled ECL*	Macroeconomic risk	Macroeconomic risk	Total
Non-retail				
Central Bank	27	0	0	27
Sovereign	527	0	0	527
Banks	597	0	0	597
Financial corporations	820	2	0	822
Non-financial corporations	6,461	13,445	0	19,906
Retail				
Micro enterprises	590	0	283	873
Private individuals	8,017	0	10,184	18,201
Total	**17,039**	**13,447**	**10,467**	**40,953**

*ECL: expected credit losses

31.12.2023		Other special risk factors	Post model adjustments	
(HUF million)	Modelled ECL*	Macroeconomic risk	Macroeconomic risk	Total
Non-retail				
Central Bank	3	0	0	3
Sovereign	629	4	0	633
Banks	684	0	0	684
Financial corporations	942	0	0	942
Non-financial corporations	6,631	9,661	0	16,292
Retail				
Micro enterprises	18,816	0	8,644	27,460
Private individuals	1,879	0	1,865	3,744
Total	**29,584**	**9,665**	**10,509**	**49,758**

*ECL: expected credit losses

Other special risk factors in the corporate segment

For the corporate segment, the additional risk was considered using the Special Risk Factors (SRF) framework, primarily accounting for unmodelled macroeconomic effects but also covering environmental risks as well as temporary compensations of model weaknesses. The SRF model is based on expected downgrades of corporate clients due to the mentioned circumstances.

At the end of 2024, the macroeconomic effects taken into account in special risk factors were high interest rate environment, inflation, real estate revaluation risks, supply chain disruptions, labour market disruptions, increased refinancing risk and the effects of changing environmental factors. Compared to the end of 2023, the Bank has discontinued the creation of overlays covering for spill-over effect of energy price increases and has increased the focus on real estate market trends as well as risks stemming from repricing in the elevated interest rate environment, elevated refinancing risk and environmental impact changes. New elements were introduced in 2024: environmental risks were also incorporated in the SRF model and modelled ECL was complemented in 2024 by additional impairment in form of an add-on overlay for expected life-time correction in case of revolving and prolonged deals.

For corporate customers, in 2024 additional stage 1 and 2 impairments were recognized for macroeconomic risks in the amount of HUF 13,447 million (compared to HUF 9,665 million in 2023), thereof HUF 10,054 million attributed to the economic environment characterized by high inflation, increased interest rates, and uncertainties in the labour and real estate markets, HUF 1,634.7 million for ESG risks and HUF 1,758.7 million for expected life-time add-on. At the core of the SRF model for macroeconomic risks lies the identification of relationship between industries and the currently existing risk triggers as well as evaluation of the severity of the connection resulting in an industry-level risk score. The additional impairment need is driven by the scoring of the industries as well as the composition of the portfolio. In 2024, the portfolio-slice mostly targeted by SRF addition was the real estate and other specialized lending project portfolio, but significant overlay was created for construction, chemicals, automotive and agriculture segments as well.

Post model adjustments in the retail segment

The Bank consistently applies post-model adjustments to address credit risks in its retail and small business portfolios that are not covered by the quantitative and qualitative stage criteria and models used for impairment calculations, thereby avoiding under-provisioning in these segments. In case of post-model adjustments, the affected deals are placed under a lifetime impairment calculation, into stage 2, and are assigned a higher probability of default (PD) parameter. The Hungarian economy has faced significant challenges in recent years, resulting in a decline in consumer spending, demand for goods and services, and a general economic downturn. Last year, the Bank continued to identify the riskiest industries and to apply stricter lending standards to companies operating in these industries. In addition, the retail lending policy has also followed the tightening of lending rules in the small business segment. The Bank has regularly reviewed the post-model adjustment introduced for these portfolios in its monitoring processes, but has not yet seen sufficient justification for its full phase-out in 2024 due to the slow economic recovery.

Sensitivity analysis

The table below presents the expected credit loss (impairment and provisions) for stage 1 and stage 2 exposures, amounts weighted across scenarios (25/50/25%) and the total amounts for each scenario:

31.12.2024	Weighted	100 %	100 %	100 %
(HUF million)	25/50/25%	Optimistic	Base	Pessimistic
Impairment on debt instruments and provisions for loan commitments and financial guarantee contracts given, total	40,953	34,730	40,481	48,122

31.12.2023 (HUF million)	Weighted 25/50/25%	100 % Optimistic	100 % Base	100 % Pessimistic
Impairment on debt instruments and provisions for loan commitments and financial guarantee contracts given, total	49,758	42,967	48,864	58,335

The table below presents an analysis of the performing exposures - if all exposures were classified to stage 1 (12-months default rate calculated), by how much the expected credit loss (impairment and provisions) calculated for performing exposures would change:

31.12.2024 (HUF million)	Weighted 25/50/25%	100% of performing exposures in stage 1	Staging effect
Impairment on debt instruments and provisions for loan commitments and financial guarantee contracts given, total	40,953	32,115	-8,838

31.12.2023 (HUF million)	Weighted 25/50/25%	100% of performing exposures in stage 1	Staging effect
Impairment on debt instruments and provisions for loan commitments and financial guarantee contracts given, total	49,758	38,193	-11,564

The table below presents an analysis of the performing exposures - if all exposures were classified to stage 2 (lifetime default rate calculated), by how much the expected credit loss (impairment and provisions) calculated for performing exposures would change:

31.12.2024 (HUF million)	Weighted 25/50/25%	100% of performing exposures in stage 2	Staging effect
Impairment on debt instruments and provisions for loan commitments and financial guarantee contracts given, total	40,953	57,414	16,460

31.12.2023 (HUF million)	Weighted 25/50/25%	100% of performing exposures in stage 2	Staging effect
Impairment on debt instruments and provisions for loan commitments and financial guarantee contracts given, total	49,758	64,281	14,524

Development of loss allowances and provisions

The following table presents the development of loss allowances and provisions for expected credit losses (through reconciling the opening and the closing balance of loss allowances and provisions by classes of financial instruments):

2024 (HUF million)	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Changes due to change in credit risk, net	Changes due to modifications without derecognition, net	Changes due to update in the methodology for estimation, net	Decrease due to write-offs	Other adjustments	Closing balance
Debt instruments									
Placements with banks	55	11	-4	68	0	0	0	1	131
Loans and advances to clients	10,447	4,565	-1,531	-4,510	0	0	-11	382	9,342
Debt securities	701	343	-241	204	0	0	0	8	1,015
hereof: collectively assessed impairment	11,203	4,919	-1,775	-4,240	0	0	-11	392	10,488
hereof: individually assessed impairment	0	0	0	0	0	0	0	0	0
Stage 1 total	**11,203**	**4,919**	**-1,776**	**-4,238**	**0**	**0**	**-11**	**391**	**10,488**
Placements with banks	**196**	**5**	**-21**	**-99**	**0**	**0**	**0**	**2**	**83**
Loans and advances to clients	30,327	4,538	-3,137	-6,470	0	0	-7	206	25,457
Debt securities	1,124	0	0	-718	0	0	0	1	407
hereof: collectively assessed impairment	31,647	4,543	-3,158	-7,287	0	0	-7	209	25,947
hereof: individually assessed impairment	0	0	0	0	0	0	0	0	0
hereof: non-performing	0	0	0	0	0	0	0	0	0
Stage 2 total	**31,647**	**4,543**	**-3,158**	**-7,287**	**0**	**0**	**-7**	**209**	**25,947**
Placements with banks	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Loans and advances to clients	23,366	2,671	-7,254	-184	0	0	-229	1,042	19,412
Debt securities	650	0	0	1,183	0	0	0	0	1,833
hereof: collectively assessed impairment	9,605	330	-3,551	400	0	0	-170	170	6,784
hereof: individually assessed impairment	14,411	2,341	-3,702	599	0	0	-59	871	14,461
Stage 3 total	**24,016**	**2,671**	**-7,254**	**999**	**0**	**0**	**-229**	**1,042**	**21,245**
Placements with banks	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Loans and advances to clients	2,045	0	-1,489	1,060	0	0	-2	12	1,626
Debt securities	0	0	0	0	0	0	0	0	0
hereof: collectively assessed impairment	1,937	0	-1,284	959	0	0	-2	11	1,621
hereof: individually assessed impairment	108	0	-205	101	0	0	0	1	5
POCI total	**2,045**	**0**	**-1,489**	**1,060**	**0**	**0**	**-2**	**12**	**1,626**
Allowance for debt instruments total	**68,911**	**12,133**	**-13,677**	**-9,466**	**0**	**0**	**-249**	**1,654**	**59,306**
Loan commitments and financial guarantees given									
Stage 1	1,870	1,796	-2,249	527	0	0	0	82	2,026
Stage 2	4,578	131	-1,827	-1,023	0	0	0	99	1,958
Stage 3	3,916	858	-1,068	2,428	0	0	0	30	6,164
Provisions on loan commitments and financial guarantees given total	**10,364**	**2,785**	**-5,144**	**1,932**	**0**	**0**	**0**	**211**	**10,148**

2023 (HUF million)	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Changes due to change in credit risk, net	Changes due to modifications without derecognition, net	Changes due to update in the methodology for estimation, net	Decrease due to write-offs	Other adjustments	Closing balance
Debt instruments									
Placements with banks	**48**	**45**	**-29**	**-8**	**0**	**0**	**0**	**-1**	**55**
Loans and advances to clients	11,133	7,171	-2,326	-5,527	0	0	-2	-2	10,447
Debt securities	554	247	-119	-92	0	0	0	111	701
hereof: collectively assessed impairment	11,735	7,463	-2,473	-5,628	0	0	-2	108	11,203
hereof: individually assessed impairment	0	0	0	0	0	0	0	0	0
Stage 1 total	**11,735**	**7,463**	**-2,474**	**-5,627**	**0**	**0**	**-2**	**108**	**11,203**
Placements with banks	**21**	**5**	**-5**	**173**	**0**	**0**	**0**	**2**	**196**
Loans and advances to clients	31,093	3,328	-3,136	-502	0	0	-5	-451	30,327
Debt securities	227	0	-6	1,015	0	0	0	-112	1,124
hereof: collectively assessed impairment	31,341	3,333	-3,147	687	0	0	-5	-562	31,647
hereof: individually assessed impairment	0	0	0	0	0	0	0	0	0
hereof: non-performing	0	0	0	0	0	0	0	0	0
Stage 2 total	**31,341**	**3,333**	**-3,147**	**686**	**0**	**0**	**-5**	**-561**	**31,647**
Placements with banks	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Loans and advances to clients	23,796	2,326	-5,792	4,525	0	0	-835	-654	23,366
Debt securities	345	0	-7	312	0	0	0	0	650
hereof: collectively assessed impairment	11,488	442	-3,131	914	0	0	-98	-10	9,605
hereof: individually assessed impairment	12,653	1,883	-2,669	3,922	0	0	-736	-642	14,411
Stage 3 total	**24,141**	**2,326**	**-5,799**	**4,837**	**0**	**0**	**-835**	**-654**	**24,016**
Placements with banks	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Loans and advances to clients	2,358	0	-2,014	1,540	0	0	-2	163	2,045
Debt securities	0	0	0	0	0	0	0	0	0
hereof: collectively assessed impairment	2,358	0	-1,849	1,431	0	0	-2	-1	1,937
hereof: individually assessed impairment	0	0	-165	109	0	0	0	164	108
POCI total	**2,358**	**0**	**-2,014**	**1,540**	**0**	**0**	**-2**	**163**	**2,045**
Allowance for debt instruments total	**69,575**	**13,122**	**-13,434**	**1,436**	**0**	**0**	**-844**	**-944**	**68,911**
Loan commitments and financial guarantees given									
Stage 1	1,739	1,676	-1,627	103	0	0	0	-21	1,870
Stage 2	2,405	1,416	-2,035	2,786	0	0	0	6	4,578
Stage 3	3,497	572	-1,316	1,286	0	0	0	-123	3,916
Provisions on loan commitments and financial guarantees given total	**7,641**	**3,664**	**-4,978**	**4,175**	**0**	**0**	**0**	**-138**	**10,364**

In 2024 and 2023, the effect of the changes in some of the estimation methodologies in the retails segments to the expected credit loss allowance is presented in the column 'Changes due to update in the methodology for estimation, net'.

The total of this year's movements in expected credit losses include – within changes due to change in credit risk – in addition to impairment presented in the line item 'Impairment losses on financial assets' the adjustments to the net exposure of credit-impaired (stage 3) financial assets arising from the net interest calculation, which is presented in the line item 'Interest income calculated with the effective interest method' in profit or loss (2024: HUF 4,242 million, 2023: HUF 2,872 million) as well as decrease in loss allowances due to sale of exposures presented in profit or loss line item 'Net gains/losses from derecognition of financial assets and liabilities not measured at fair value through profit or loss' (2024: HUF 2,604 million, 2023: HUF 2,679 million).

Besides the above, the profit or loss line item 'Impairment losses on financial assets' includes amounts derecognised due to write-offs (2024: HUF 892 million, 2023: HUF 1,426 million) as well as the increase in profit from recoveries on purchased or originated credit-impaired financial assets (2024: HUF 1,088 million, 2023: HUF 1,419 million). The Bank continues to perform collection activities in relation to its certain written-off financial assets. The contractual receivable amount from such financial assets amounts to HUF 2,891 million (2023: HUF 2,726 million).

Contract modifications and expected credit losses

Also in 2024, there were contract modifications which did not lead to the derecognition of the financial asset. The pre-modification amortised cost of financial assets so modified and for which lifetime expected credit loss was recognised, amounted to HUF 140,569 million (2023: HUF 136,619 million), the associated net modification loss amounted to HUF 2,019 million (2023: HUF 5,045 million) the largest portion of which was the loss arising from changes in present value of cash-flows of transactions affected by the interest cap (2024: HUF 2,052 million, 2023: HUF 5,246 million).

Loans with renegotiated terms

Loans with renegotiated terms are loans which were restructured due to the deterioration of the financial situation of the borrower. In such cases original contractual terms are modified to help the borrower overcome financial difficulties.

The definition of renegotiation (forborne) used by the Bank is based on EBA (EU) regulation 227/2015.

Non-retail: all types of receivables due from corporate and municipality clients and fiscal institutions may be subject to renegotiations (loans, current account facilities, bonds, guarantees, factoring facilities and other financial assets).

The Bank regards its non-retail contracts to be restructured, where a forced renegotiation of the contractual terms occurs due to financial difficulties, where concessions are granted by the Bank to the borrower under the modified contract which it would not grant to other borrowers in the normal course of the business, with regards to the financial difficulties of the borrower, in order to achieve full recovery.

Typical concession measures: extending the term, converting a revolving loan into an amortising loan, granting concession period, standstill agreement, capitalisation of interests, favourable pricing, exempting from financial covenants, forgiveness of principal or interest, conversion of the old transaction. In practice, similarly to the previous years, the most common concession measures were the restructuring of terms and repayment amounts and conversion into an amortising loan.

The Bank will restructure clients entering moratorium 2 launched in 2021 and the agricultural moratorium launched in 2022, as set out in the NBH's Management Circular, on the basis of individual risk monitoring on the corporate side, based on a specific assessment of the potential deterioration of the financial situation. Exceptions include transactions that participated in the first and second moratorium for less than 9 months in total, according to the EBA's updated report on the moratorium in December. If a client has ever had even a single transaction that has spent more than 9 months in the first and second moratorium in total, the Bank carried out a risk monitoring assessment for it in case of entering into moratorium 2 launched in 2021.

Customers participating in moratorium 2 in 2021 or in the agricultural moratorium in 2022 were already classified as stage 2 or stage 3 and were automatically marked as restructured. Considering that the transactions that were included in moratorium 1 (launched in 2020) with a final expiration date in 2020 were automatically included in moratorium 2 (launched in 2021), for those clients that indicated during the risk monitoring process that they did not exercise the option of moratorium 2 for any of their transactions and that declared their withdrawal from moratorium 2, the Bank did not identify any financial difficulties and did not mark the transaction as restructured. For all new entrants, the Bank carried out a risk monitoring assessment and on the basis of that assessment, the Bank reclassified the client as a restructured client in case of financial difficulties.

During moratorium 3 launched in 2021 and moratorium 4 launched in 2022, the Bank identified all transactions as restructured and classified them at least to stage 2. At the start of moratorium 4 in 2022, the performing exposures – which were at that time classified to stage 2 and identified as restructured – were repaid. The remaining clients participating in the moratoria were classified to stage 3 and designated as non-performing restructured.

In 2023, no changes occurred in the assessment of clients affected by the moratoria. By the reporting date in 2023 all payment moratoria expired.

All types of retail loans (personal loans, credit cards, current account facilities, mortgages) might be subject to renegotiations. The two main types of renegotiations:

- variations of renegotiations determined by the Bank;
- government programs.

The contract shall be regarded as associated with a concession, i.e., forborne based on the above, if

- the borrower is in financial difficulty and
- the terms and conditions of the contract were modified to grant a concession to the borrower (in the form of conversion or modification) that the Bank would not grant to borrowers in normal financial situations.

A contract can be regarded as forborne – regardless of the modified conditions or actual past due status – if in course of the contract modification the Bank is granting a concession and the borrower had at least once during the 3 months prior to the contract modification contractual payments more than 30 days past due or the borrower was in a more than 30 days delinquency at the date of contract modification or other factors are present evidencing the client's financial difficulties.

Exposures associated with concessions (forborne exposures) are regarded by the Bank as restructured in accordance with the Decree 39/2016 of NBH.

Restructured loan exposures of the Bank as at the reporting date are presented in the following tables:

31.12.2024	Gross carrying amount/nominal value of restructured assets			Accumulated impairment, total amount of negative fair value change due to change in credit risk and provisions			Collaterals and financial guarantees received
(HUF million)	Performing assets	Non-performing assets	Total	Performing assets	Non-performing assets	Total	
Loans and advances to clients	43,209	39,047	82,256	-2,249	-13,742	-15,991	37,977
Financial assets measured at amortised cost total	**43,209**	**39,047**	**82,256**	**-2,249**	**-13,742**	**-15,991**	**37,977**
Loans and advances to clients	290	11	301	0	0	0	270
Financial assets measured at fair value through profit and loss total	**290**	**11**	**301**	**0**	**0**	**0**	**270**
Loan commitments and financial guarantees given (stage 3)	3,808	9,950	13,758	-8	-2,631	-2,639	2,408
Total	**47,307**	**49,008**	**96,315**	**-2,257**	**-16,373**	**-18,630**	**40,655**

31.12.2023	Gross carrying amount/nominal value of restructured assets			Accumulated impairment, total amount of negative fair value change due to change in credit risk and provisions			Collaterals and financial guarantees received
(HUF million)	Performing assets	Non-performing assets	Total	Performing assets	Non-performing assets	Total	
Loans and advances to clients	65,793	37,992	103,785	-2,646	-17,394	-20,040	57,983
Financial assets measured at amortised cost total	**65,793**	**37,992**	**103,785**	**-2,646**	**-17,394**	**-20,040**	**57,983**
Loans and advances to clients	190	78	268	0	0	0	252
Financial assets measured at fair value through profit and loss total	**190**	**78**	**268**	**0**	**0**	**0**	**252**
Loan commitments and financial guarantees given (stage 3)	7,581	11,133	18,714	-105	-2,724	-2,829	8,640
Total	**73,564**	**49,203**	**122,767**	**-2,751**	**-20,118**	**-22,869**	**66,875**

Write-off of loans

Loans (and related loss allowances) are typically written off partially or in full when there are no realistic prospects of recovering principal amount and, in case of collateralised loans, when cash inflows from foreclosure of the collateral were received and further recovery from the loan is realistically no longer expected.

Collaterals

According to the credit policy of the Bank, the repayment capabilities of the borrower are considered in the course of lending instead of excessively relying on collaterals. Depending on the credit standing of the customer and on product type, certain facilities may be uncollateralised. Nevertheless, collaterals are important factors in credit risk mitigation.

As a general principle, when calculating collateral coverage, the Bank only considers collateral which is defined in the Raiffeisen Bank International Group Collateral Evaluation and Management (Functional regulations) and complies with all of the following requirements:

- legal enforceability;
- sustainable intrinsic value;
- realisable and willingness to realise;
- little or no correlation between the credit standing of the borrower and the value of the collateral.

The allocated Weighted Collateral Value (WCV) is the discounted fair value of the collaterals, reduced by prior ranking liens, capped at the contractually pledged amount, applying a discount for currency mismatch (Hfx), and limited by the amount of the covered contractual exposure.

The major types of collaterals accepted are as follows: mortgage on property, cash deposits, securities, pledge on machinery, pledge on inventories, commodities, sureties and guarantees and other comfort factors.

Collateral and Risk Process Management Division of Credit Risk Management Department is responsible for the processes related to collaterals (valuation and regular revaluation, real estate on-site visits, checking physical existence, monitoring of coverage requirements, etc.).

The values of collaterals by type – represented by WCV capped at the value of the receivables – are presented in the following tables:

31.12.2024 (HUF million)	Placements with banks	Loans and advances to clients	Debt securities	Loan commitments and financial guarantees given	Derivative assets	Total
Cash deposit	**0**	**19,184**	**0**	**27,475**	**8,573**	**55,232**
Debt securities	**0**	**3,269**	**0**	**2,956**	**98**	**6,323**
Government bonds	0	326	0	1,919	98	2,343
Corporate bonds	0	219	0	91	0	310
Other bonds	0	2,724	0	946	0	3,670
Shares	**0**	**22,399**	**0**	**838**	**204**	**23,441**
Mortgage	**0**	**627,071**	**0**	**50,518**	**0**	**677,589**
Residential real estate	0	344,154	0	3,602	0	347,756
Commercial real estate	0	234,570	0	33,027	0	267,597
Other mortgages	0	48,347	0	13,889	0	62,236
Guarantees	**208,756**	**302,695**	**261,277**	**128,256**	**0**	**900,984**
State guarantee	208,756	185,465	172,851	32,260	0	599,332
Bank guarantee	0	117,230	88,426	95,996	0	301,652
Other collateral	**0**	**105,358**	**0**	**56,476**	**0**	**161,834**
Total	**208,756**	**1,079,976**	**261,277**	**266,519**	**8,875**	**1,825,403**

31.12.2023 (HUF million)	Placements with banks	Loans and advances to clients	Debt securities	Loan commitments and financial guarantees given	Derivative assets	Total
Cash deposit	**0**	**16,843**	**0**	**26,752**	**11,223**	**54,818**
Debt securities	**0**	**57,613**	**0**	**423**	**174**	**58,210**
Government bonds	0	16,082	0	153	174	16,409
Corporate bonds	0	37,748	0	10	0	37,758
Other bonds	0	3,783	0	260	0	4,043
Shares	**0**	**23,388**	**0**	**888**	**1,079**	**25,355**
Mortgage	**0**	**595,040**	**0**	**55,075**	**0**	**650,115**
Residential real estate	0	324,095	0	3,042	0	327,137
Commercial real estate	0	220,380	0	37,736	0	258,116
Other mortgages	0	50,565	0	14,297	0	64,862
Guarantees	**0**	**459,133**	**14,554**	**94,293**	**0**	**567,980**
State guarantee	0	362,091	13,865	2,123	0	378,079
Bank guarantee	0	97,042	689	92,170	0	189,901
Other collateral	**0**	**112,776**	**0**	**51,698**	**0**	**164,474**
Total	**0**	**1,264,793**	**14,554**	**229,129**	**12,476**	**1,520,952**

The values of collaterals at the reporting dates by categories of exposures are presented in the tables below:

31.12.2024	Financial assets measured at amortised cost				Financial assets measured at fair value through other comprehensive income				Financial assets designated at FVTPL*	
(HUF million)	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**		**Total**
Placements with banks	168,756	40,000	0	0	0	0	0	0	0	208,756
Loans and advances to clients	568,312	321,935	22,087	2,282	0	0	0	0	165,360	1,079,976
Debt securities	223,111	5,857	0	0	32,092	0	217	0	0	261,277
Loan commitments and financial guarantees given	238,015	25,610	2,894	0	0	0	0	0	0	266,519
Derivative assets	0	0	0	0	0	0	0	0	8,875	8,875
Total	**1,198,194**	**393,402**	**24,981**	**2,282**	**32,092**	**0**	**217**	**0**	**174,235**	**1,825,403**

*FVTPL: fair value through profit and loss

31.12.2023	Financial assets measured at amortised cost				Financial assets measured at fair value through other comprehensive income				Financial assets designated at FVTPL*	
(HUF million)	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**		**Total**
Placements with banks	0	0	0	0	0	0	0	0	0	0
Loans and advances to clients	701,434	395,152	16,955	2,793	0	0	0	0	148,459	1,264,793
Debt securities	9,323	4,909	0	0	263	0	59	0	0	14,554
Loan commitments and financial guarantees given	186,589	37,158	5,382	0	0	0	0	0	0	229,129
Derivative assets	0	0	0	0	0	0	0	0	12,476	12,476
Total	**897,346**	**437,219**	**22,337**	**2,793**	**263**	**0**	**59**	**0**	**160,935**	**1,520,952**

*FVTPL: fair value through profit and loss

Assets obtained by taking possession of collateral

The following table shows the carrying amounts of assets obtained by the Bank by taking possession of collaterals or by other foreclosure measures:

(HUF million)	31.12.2024	31.12.2023
Tangible fixed assets	786	1,211
Other	4	4
Total	**790**	**1,215**

Concentrations

The Bank monitors concentrations of credit risk by sector. An analysis of credit risk concentration by sector in gross value at the reporting dates is shown below:

31.12.2024 (HUF million)	Placements with banks and central bank	Loans and advances to clients	Debt securities	Derivative assets	Loan commitments and financial guarantees given
Real estate	0	216,911	4,004	1,140	12,416
Domestic trade	0	167,207	4,286	140	182,090
Other, mainly service industries	0	210,322	12,821	323	106,944
Finance	310,101	190,162	604,299	48,446	249,286
Central Bank	446,160	0	159,927	9,759	0
Public administration	0	4,365	822,116	0	226
Mining	0	5,742	0	0	1,321
Manufacturing	0	323,984	69,342	13,427	221,416
Agriculture	225	31,282	13,661	10	8,567
Transportation, communication	0	57,434	0	156	28,398
Construction	0	21,142	696	143	194,618
Energy	0	59,053	1,594	366	19,022
Infrastructure	0	3,211	0	0	3,555
Private individuals	0	617,994	0	9	22,998
Total	**756,486**	**1,908,809**	**1,692,746**	**73,919**	**1,050,857**

31.12.2023 (HUF million)	Placements with banks and central bank	Loans and advances to clients	Debt securities	Derivative assets	Loan commitments and financial guarantees given
Real estate	0	195,851	4,136	1,008	34,816
Domestic trade	0	179,540	4,307	62	194,941
Other, mainly service industries	495	224,746	12,727	316	99,997
Finance	320,180	186,780	390,267	69,994	157,026
Central Bank	916,015	0	0	11,516	0
Public administration	0	5,821	596,894	0	15
Mining	0	7,010	0	0	7,669
Manufacturing	0	294,419	69,810	11,618	165,836
Agriculture	0	38,429	35,382	8	9,090
Transportation, communication	0	56,475	0	50	28,800
Construction	0	22,865	751	131	169,552
Energy	0	14,445	1,739	167	12,331
Infrastructure	0	3,544	0	0	2,328
Private individuals	0	583,508	0	93	20,023
Total	**1,236,690**	**1,813,433**	**1,116,013**	**94,963**	**902,424**

Securitization

Securitization represents a particular form of refinancing and credit risk enhancement under which risks from loan agreements are packaged into portfolios and placed with capital market investors. The objective of the Bank's securitization transactions is to relieve Bank's regulatory total capital and to use additional refinancing sources.

No transfer of asset happens under synthetic securitization, no asset, only the risk is transferred from the initiator's balance sheet. The risk transfer is carried out by credit derivatives or guarantees.

The Bank signed a portfolio guarantee agreement commencing on 23 December 2022. The synthetic transaction is split into a senior, a mezzanine and a junior tranche. The credit risk of the mezzanine tranche is guaranteed by institutional investors, while the credit risk of the junior and senior tranches is retained by the Bank. In 2023 and in 2024, no new transactions occurred.

31.12.2024 (HUF million)	Contract date	Maturity date	Maximum securitized portfolio	Securitized portfolio	Outstanding portfolio*	Portfolio	Externally placed tranche	Amount of externally placed tranche
Synthetic transaction	23.12.2022	31.03.2035	228,014	227,978	239,977	Mortgage loans	Mezzanine	28,869
Total			**228,014**	**227,978**	**239,977**			**28,869**

*Securitized and non-securitized part

31.12.2023 (HUF million)	Contract date	Maturity date	Maximum securitized portfolio	Securitized portfolio	Outstanding portfolio*	Portfolio	Externally placed tranche	Amount of externally placed tranche
Synthetic transaction	23.12.2022	31.03.2035	228,014	227,973	239,972	Mortgage loans	Mezzanine	28,958
Total			**228,014**	**227,973**	**239,972**			**28,958**

*Securitized and non-securitized part

(6.3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Management of market risk

The objective of market risk management is to control market risk exposures within acceptable parameters, while optimizing the return.

VaR (Value at Risk) limit system is operated by RBI where separate VaR limits are assigned to the different risk types: interest rate risk of the trading book, interest rate risk of the banking book, equity price risk of the trading book, volatility risk and the risk relating to the Bank's aggregate foreign currency open position. Additionally, credit spread risk between bonds and money market products is indicated as an individual risk factor in the reports as well.

During the past couple of years audit and control functions within the Bank became much stricter than before. New reports were implemented for market risk related risk types. The Bank is carrying out daily market conformity monitoring activity, and the results are presented on a regular basis to the Management.

The Bank developed various stress tests the results of which are also regularly presented to the Management.

The Bank manages its market risk exposure separately within trading and non-trading portfolios.

Trading portfolio includes positions arising from market-making, proprietary position-taking and other positions so designated by the Bank that are valued based on mark-to-market pricing method. Trading activities include transactions with debt and equity securities, foreign currencies and derivative financial instruments.

Non-trading portfolio (banking book) includes positions that arise from the interest rate management of the Bank's retail and commercial banking assets and liabilities. The Bank's non-trading activities encompass all activities other than accounted for as trading transactions, including lending, accepting deposits, and issuing debt instruments.

A special interest rate model was introduced for the products in the banking book with no maturity, which was integrated also into the risk reports.

Exposure to interest rate risk – trading and banking book

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is measured by the sensitivity analysis of the banking book's net interest income and of the mark-to-market value of the trading book to the volatility of interest rates.

Interest rate exposure is the most significant risk factor in the banking and trading book portfolios. On Bank level, strict Basis Point Value limits and Value-at-risk (VaR) limits are defined, which are monitored on a daily basis.

The Bank's interest-bearing financial instruments per interest type at the reporting dates are as follows:

Interest bearing financial instruments

The below tables include interest bearing non-derivative financial assets and liabilities measured at amortized cost and at fair value. The amounts are net carrying amounts.

Financial instruments with fixed interest rates

(HUF million)	31.12.2024	31.12.2023
Financial assets	1,936,041	1,437,813
Financial liabilities	970,787	883,829
Total	**965,254**	**553,984**

Financial instruments with variable interest rates

(HUF million)	31.12.2024 Financial assets	31.12.2024 Financial liabilities	31.12.2023 Financial assets	31.12.2023 Financial liabilities
HUF	1,683,995	1,784,277	2,079,192	1,592,620
CHF	522	18,047	909	18,523
EUR	648,984	903,241	510,890	938,426
USD	3,592	117,895	7,082	159,261
Other currencies	5,780	24,377	6,236	24,001
Total	**2,342,873**	**2,847,837**	**2,604,309**	**2,732,831**

Changes are explained as follows:

- Fixed interest rate assets increased by HUF 498 billion (receivables due from NBH decreased by HUF 43 billion, loans to customers decreased by HUF 2 billion and receivables from credit institutions decreased by HUF 28 billion, whereas the amount of fixed interest rate securities increased by HUF 537 billion).
- In case of fixed interest rate liabilities, an increase of HUF 87 billion was observed (borrowings from NBH decreased by HUF 6 billion, interbank borrowings banks decreased by HUF 30 billion, while customer deposits increased by HUF 102 billion and MREL bonds increased by HUF 19 billion).
- The balance of variable interest rate assets decreased by HUF 261 billion (the most significant changes were: the nostro account balance at NBH decreased by HUF 418 billion, and EUR denominated loans to customers increased by HUF 122 billion.
- The balance of variable interest rate liabilities increased by HUF 115 billion (of which the most significant change was observed in case of client deposits: HUF deposits increased by HUF 183 billion, EUR deposits decreased by HUF 30 billion and USD deposits decreased by HUF 41 billion).

In order to ensure that interest rate risk exposures are maintained within acceptable limits, the Bank uses interest rate swaps and other interest rate derivative agreements as primary risk management techniques.

The Bank uses derivatives designated in qualifying hedge relationships to hedge the fair value of certain fixed interest rate loans, fixed interest rate deposits and fixed interest rate issued and purchased bonds. The Bank also has contracts to manage its exposure to interest rate risk which are not designated in qualifying hedge relationships. The Bank presents interests on derivative financial instruments – regardless of whether they are used for trading or for risk management purposes – in 'Net interest income'. The Bank presents gains/losses on fair valuation (excluding accrued interest) in case of derivatives not involved in hedge accounting in the profit or loss line item 'Net trading income and fair value result' and in case of derivatives involved in hedge accounting in the profit or loss line item 'Net gains/losses from hedge accounting'.

For risk management purposes, the Bank uses interest rate swaps involved in portfolio cash flow hedge accounting, where the hedged portfolio is a group of foreign and local currency assets and liabilities, and the purpose of the hedge is to eliminate the fluctuation of the interest income and expense that arises from changes in the base rates and the fluctuation of the Hungarian forint exchange rate.

Information about the cash flow hedging instruments is included in note (10) Net gains/losses from hedge accounting.

Exposure to currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. When calculating exposures to currency risk, the Bank takes the entire open position into account.

The Bank's financial position in foreign currencies at the reporting dates is presented in the tables below:

31.12.2024 (HUF million)	HUF	CHF	EUR	USD	Other	Total
Cash, cash balances at central banks and other demand deposits	490,700	1,620	23,414	6,701	8,466	530,901
Financial assets held for trading except for derivative instruments	8,332	0	155	0	0	8,487
Non-trading financial assets mandatorily at fair value through profit or loss	185,043	0	0	293	0	185,336
Financial assets measured at fair value through other comprehensive income	495,683	0	52,683	1,973	0	550,339
Financial assets measured at amortised cost	1,751,464	352	1,309,412	27,369	292	3,088,889
Financial assets except for derivative instruments	**2,931,222**	**1,972**	**1,385,664**	**36,336**	**8,758**	**4,363,952**
Financial liabilities held for trading except for derivative instruments	1,507	0	0	0	0	1,507
Financial liabilities measured at amortised cost	2,334,940	18,932	1,386,506	195,619	27,535	3,963,532
Financial liabilities except for derivative instruments	**2,336,447**	**18,932**	**1,386,506**	**195,619**	**27,535**	**3,965,039**
Net open position on balance sheet	**594,775**	**-16,960**	**-842**	**-159,283**	**-18,777**	**398,913**
Net derivative and spot position	**-196,344**	**17,774**	**2,879**	**161,050**	**19,266**	**4,625**
Net open foreign currency position total	**398,431**	**814**	**2,037**	**1,767**	**489**	**403,538**

31.12.2023 (HUF million)	HUF	CHF	EUR	USD	Other	Total
Cash, cash balances at central banks and other demand deposits	894,225	2,001	13,951	9,644	8,023	927,844
Financial assets held for trading except for derivative instruments	2,645	0	158	43	0	2,846
Non-trading financial assets mandatorily at fair value through profit or loss	164,051	0	0	420	0	164,471
Financial assets measured at fair value through other comprehensive income	289,229	0	52,959	1,680	22,016	365,884
Financial assets measured at amortised cost	1,679,043	433	967,808	29,174	440	2,676,898
Financial assets except for derivative instruments	**3,029,193**	**2,434**	**1,034,876**	**40,961**	**30,479**	**4,137,943**
Financial liabilities held for trading except for derivative instruments	4,262	0	0	0	0	4,262
Financial liabilities measured at amortised cost	2,148,194	19,111	1,337,581	237,874	27,997	3,770,757
Financial liabilities except for derivative instruments	**2,152,456**	**19,111**	**1,337,581**	**237,874**	**27,997**	**3,775,019**
Net open position on balance sheet	**876,737**	**-16,677**	**-302,705**	**-196,913**	**2,482**	**362,924**
Net derivative and spot position	**-508,679**	**17,183**	**297,471**	**197,818**	**-3,262**	**531**
Net open foreign currency position total	**368,058**	**506**	**-5,234**	**905**	**-780**	**363,455**

Net open position on balance sheet includes fair valuation adjustments due to interest rate risk on hedged items designated in hedging relationships, whereas only notionals of derivatives are presented in the line 'Net derivative and spot position'. During 2024, a total fair value adjustment of net HUF 9 billion was recognised in the carrying amounts of hedged bonds, accounted for in EUR.

The Bank defines strict limits for the open positions and uses VaR indicators as well. These limits are monitored on a daily basis.

Risk factors related to the foreign currency options are reflected in FX VaR figures. For derivatives related to options (gamma and vega), additional limits are defined and monitored by the Bank on a daily basis.

Exposure to other price risk – trading book

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Bank's exposure to other price risk only arises from exposures to exchange traded equity instruments. The Bank defines strict limits for open equity exposures and uses price risk VaR as well. These limits are monitored on a daily basis.

Tools for managing market risk – trading book and banking book

Value at risk

The principal tool used to measure and control market risk exposure within the Bank's trading and banking portfolio is Value at Risk (VaR). A VaR indicator shows the maximum loss of a financial instrument under a given period and confidence level, within normal course of business. The VaR model used by the Bank is based upon a 99 percent confidence level and assumes a 10-days holding period in case of trading book and a 250-days holding period in case of banking book. The VaR is a risk indicator which must be assigned to the distribution of possible losses of the financial instrument. The Bank applies Monte Carlo VaR calculation. Considering the trading book products, they can be divided into three risk factors – foreign currency, interest and equity price – and risks are grouped according to this categorization.

VaR is not the sum of every single component (foreign currency risk, interest rate risk and equity price risk) as there is a correlation between the components (diversification effect). Diversification effect results in a reduction of the overall risk of a portfolio given that the individual risk components do not move together. Foreign currency risk, other price risk and interest rate risk do not correlate with each other perfectly, thus diversification effect exists. The VaR figure is calculated on a daily basis on the fundamental factors separately and on the entire group of factors as well. Diversification effect is not taken into consideration by the Bank in case of capital requirement calculations.

A summary of the VaR positions representing the market risk exposure of the Bank's trading and banking book is presented in the tables below:

	31.12.2024				31.12.2023			
(HUF million)	**VaR at year end**	**Average VaR**	**Minimum VaR**	**Maximum VaR**	**VaR at year end**	**Average VaR**	**Minimum VaR**	**Maximum VaR**
Trading book								
Foreign currency risk	5	6	0	38	2	10	0	119
Interest rate risk	7	34	7	175	43	75	36	170
Price risk	0	0	0	0	0	0	0	0
Total risk	**10**	**57**	**10**	**272**	**57**	**113**	**35**	**1,499**
Banking book								
Foreign currency risk	0	0	0	0	0	0	0	0
Interest rate risk	18,829	14,467	8,429	22,345	15,518	13,848	10,922	16,987
Total risk	**18,829**	**14,467**	**8,429**	**22,345**	**15,518**	**13,848**	**10,922**	**16,987**

The reason of the increase of the banking book's VaR position is that the Bank established a significant strategic interest position that resulted in openness at the end of the year as well.

Gap and BPV report

Besides measuring VaR, interest rate risk is also estimated by using classical means of principal and interest maturity analysis. In the gap report, the assets and liabilities are shown in different repricing categories according to the expected repricing dates.

Repricing of assets or liabilities occurs when:

- they fall due;
- part of the principal is repaid according to the contract;
- the interest is repriced in accordance with the contract, based on a reference rate;
- the assets or liabilities are repaid before maturity.

The interest-bearing off-balance sheet items are managed as nominal deposits and loans.

The difference between assets and liabilities in the same repricing category is called a 'gap'. The gap in a particular category is positive when interest rate risk of assets exceeds that of liabilities, and negative in the opposite case. For the different repricing categories, interest rate sensitivities, i.e., basis point values (BPV) are assigned. BPV shows the changes in the present value of a certain repricing category's position due to a 1 basis point parallel shift of the yield curve. BPV limits which were approved by the parent bank are assigned for the repricing categories by currency.

BPV reports are presented in the below tables:

(HUF million)	31.12.2024 HUF*	HUF	EUR	CHF	USD	31.12.2023 HUF*	HUF	EUR	CHF	USD
Trading book										
0 - 3 months		-233	135	3	14		-356	36	-10	258
3 - 6 months		-147	-192	0	491		70	-101	-1	206
6 months to 1 year		157	-145	0	-58		-246	204	0	44
1 - 2 years		35	-43	0	-110		-98	21	0	-1
2 - 3 years		-8	-4	0	0		-41	-8	0	-2
3 - 5 years		440	0	0	0		-19	-3	0	-42
5 - 7 years		-363	-12	0	0		564	-14	0	0
7 - 10 years		-12	-6	0	0		-188	-47	0	0
10 - 15 years		-53	0	0	0		-199	0	0	0
15 - 20 years		0	0	0	0		0	0	0	0
More than 20 years		0	0	0	0		0	0	0	0
Banking book										
0 - 3 months	-2,787	-4,625	-816	-29	422	3,205	787	-2,599	-31	709
3 - 6 months	-4,818	-2,688	-3,236	9	166	-4,534	-3,024	-2,292	9	211
6 months to 1 year	-8,606	-1,364	88	56	35	-4,873	-1,265	695	43	86
1 - 2 years	-25,703	2,869	-1,575	0	10	-14,495	843	105	20	132
2 - 3 years	-22,579	513	-407	0	50	-12,565	5,751	534	0	107
3 - 5 years	-23,097	-736	1,402	0	-34	-41,287	-3,142	569	0	670
5 - 7 years	-13,592	2,994	23	0	4	-13,299	3,471	5,101	0	2
7 - 10 years	-23,909	-3,139	-4,411	0	0	-17,357	3,376	841	0	0
10 - 15 years	-108	-108	31	0	0	192	192	-246	0	0
15 - 20 years	372	372	0	0	0	431	431	-15	0	0
More than 20 years	4	4	0	0	0	2	2	0	0	0

*With strategic interest rate hedge position and position used to hedge equity

Netting arrangement related to derivative instruments

Derivative instruments are classified as assets if their fair values are positive and as liabilities if their fair values are negative. According to IAS 32.42 derivative assets and liabilities arising from different transactions could only be presented net in the statement of financial position, if the transactions are concluded with the same counterparty, an enforceable right exits to offset the amounts presented and the parties intend to settle the cash-flows net. The netting arrangement concluded by the Bank are enforceable only in certain circumstances and as a result financial assets and liabilities are presented gross in the statement of financial position.

31.12.2024	Gross amount		Net amount of recognised financial assets	Amounts from global netting agreements		
(HUF million)	Financial assets	Financial liabilities set off		Derivative instruments	Cash collateral received	Net amount
Derivative assets	166,068	0	166,068	130,922	0	35,146

31.12.2024	Gross amount		Net amount of recognised financial liabilities	Amounts from global netting agreements		
(HUF million)	Financial liabilities	Financial assets set off		Derivative instruments	Cash collateral pledged	Net amount
Derivative liabilities	180,130	0	180,130	130,922	34,407	14,801

31.12.2023	Gross amount		Net amount of recognised financial assets	Amounts from global netting agreements		
(HUF million)	Financial assets	Financial liabilities set off		Derivative instruments	Cash collateral received	Net amount
Derivative assets	214,586	0	214,586	183,005	0	31,581

31.12.2023	Gross amount		Net amount of recognised financial liabilities	Amounts from global netting agreements		
(HUF million)	Financial liabilities	Financial assets set off		Derivative instruments	Cash collateral pledged	Net amount
Derivative liabilities	216,211	0	216,211	183,005	4,856	28,350

(6.4) Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities.

Managing liquidity risk

The objective of liquidity management is to provide the necessary liquidity for the Bank to meet its liabilities when due at all times, under both normal and stressed conditions.

Liquidity risk management is a key priority in RBI Group as well as in Raiffeisen Bank Zrt., thereby the Bank has a comprehensive set of group-standards of the Group and local internal rules, regulations and practices beside the legal regulations regarding liquidity requirements. Liquidity management procedures, tasks, responsibilities, reports and instructions for the limit systems are all governed in Management directives of the Bank.

Liquidity management is one of the main tasks of the Asset Liability Committee (ALCO). ALCO is responsible for asset and liability management, liquidity risk management and setting local limit system according to (or sometimes stricter than) the limits determined by RBI Liquidity Risk Management. The ALCO meets monthly and has extraordinary meetings if necessary.

Besides internal liquidity risk reporting, RBI prepares a liquidity report based on data provided by the Bank on a daily basis in order to monitor group wide liquidity risk.

The Bank's liquidity policy which includes the liquidity contingency plan is reviewed annually. The Bank's liquidity position is stable, its liquidity risk exposure is low. The Bank does not use stand-by loan commitments for liquidity management purposes, sufficient level of liquidity reserve is available without such commitments.

The following table shows the undiscounted cash flows from the Bank's non-derivative financial liabilities, loan commitments and issued financial guarantee contracts on the basis of their earliest possible maturity. The table also shows a maturity analysis for derivative financial liabilities including the remaining contractual maturities for those derivatives for which contractual maturities are essential for the understanding of the timing of the cash flows. The gross nominal outflow disclosed in the following tables is the remaining contractual, undiscounted cash flow from the Bank's non-derivative financial liabilities, loan commitments and the issued financial guarantees. The disclosure for derivatives shows a gross inflow and outflow amount for derivatives.

31.12.2024			Timing of contractual cash flows			
(HUF million)	Carrying amount	Contractual cash flows	0 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Non-derivative financial assets	**4,357,006**	**4,779,809**	**1,118,005**	**402,709**	**2,168,495**	**1,090,600**
Cash	58,272	58,272	58,272	0	0	0
Placements with banks	472,629	472,656	472,656	0	0	0
Loans and advances	2,136,615	2,556,136	401,999	338,530	1,135,760	679,847
Debt securities	1,689,490	1,692,745	185,078	64,179	1,032,735	410,753
Derivative assets		**166,428**	**33,597**	**14,631**	**70,208**	**47,992**
Derivative instruments - held for trading		**73,538**	**17,575**	**7,361**	**31,782**	**16,820**
Outflow		-135,601	-6,790	-65,331	-12,568	-50,912
Inflow		209,139	24,365	72,692	44,350	67,732
Derivative instruments - hedge accounting		**92,890**	**16,022**	**7,270**	**38,426**	**31,172**
Outflow		-13,729	-13,729	0	0	0
Inflow		106,619	29,751	7,270	38,426	31,172

31.12.2024 (HUF million)	Carrying amount	Contractual cash flows	Timing of contractual cash flows 0 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Non-derivative financial liabilities	**4,782,855**	**4,901,875**	**4,055,860**	**160,369**	**343,095**	**342,551**
Deposits	3,707,680	3,778,468	3,218,680	116,515	245,029	198,244
Short positions	1,507	1,507	1,507	0	0	0
Debt securities issued	211,806	257,195	27	40,608	84,039	132,521
Other financial liabilities	44,047	46,890	17,831	3,246	14,027	11,786
Financial guarantees given	242,907	242,907	242,907	0	0	0
Loan commitments given	574,908	574,908	574,908	0	0	0
Derivative liabilities		**-180,894**	**-37,632**	**-11,898**	**-71,784**	**-59,580**
Derivative instruments - held for trading		**-74,650**	**-21,655**	**-6,827**	**-21,701**	**-24,467**
Outflow		-178,842	-27,012	-48,952	-72,180	-30,698
Inflow		104,192	5,357	42,125	50,479	6,231
Derivative instruments - hedge accounting		**-106,244**	**-15,977**	**-5,071**	**-50,083**	**-35,113**
Outflow		-208,084	-36,370	-14,246	-101,753	-55,715
Inflow		101,840	20,393	9,175	51,670	20,602

31.12.2024 (HUF million)	Contractual cash flows	Timing of contractual cash flows 0 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Total net liquidity position (future inflows minus outflows)	**-136,532**	-2,941,890	245,073	1,823,824	736,461

31.12.2023 (HUF million)	Carrying amount	Contractual cash flows	Timing of contractual cash flows 0 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Non-derivative financial assets	**4,136,867**	**4,753,569**	**1,439,742**	**386,572**	**1,780,352**	**1,146,903**
Cash	39,642	39,642	39,642	0	0	0
Placements with banks	888,203	888,206	888,206	0	0	0
Loans and advances	2,095,484	2,533,033	492,924	344,032	1,069,222	626,855
Debt securities	1,113,538	1,292,688	18,970	42,540	711,130	520,048
Derivative assets		**216,984**	**44,915**	**24,591**	**87,395**	**60,083**
Derivative instruments - held for trading		**96,576**	**25,637**	**16,732**	**35,057**	**19,150**
Outflow		-168,531	-23,741	-41,712	-50,131	-52,947
Inflow		265,107	49,378	58,444	85,188	72,097
Derivative instruments - hedge accounting		**120,408**	**19,278**	**7,859**	**52,338**	**40,933**
Outflow		-13,000	-13,000	0	0	0
Inflow		133,408	32,278	7,859	52,338	40,933

31.12.2023 (HUF million)	Carrying amount	Contractual cash flows	Timing of contractual cash flows 0 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Non-derivative financial liabilities	**4,446,716**	**4,578,337**	**3,695,887**	**245,716**	**416,394**	**220,340**
Deposits	3,541,778	3,646,608	3,010,046	94,292	334,590	207,680
Short positions	4,261	4,261	4,261	0	0	0
Debt securities issued	192,646	216,326	362	148,217	67,747	0
Other financial liabilities	36,333	39,444	9,520	3,207	14,057	12,660
Financial guarantees given	218,759	218,759	218,759	0	0	0
Loan commitments given	452,939	452,939	452,939	0	0	0
Derivative liabilities		**-215,906**	**-40,029**	**-16,835**	**-88,018**	**-71,024**
Derivative instruments - held for trading		**-89,057**	**-27,572**	**-10,365**	**-25,559**	**-25,561**
Outflow		-272,030	-113,670	-91,743	-34,242	-32,375
Inflow		182,973	86,098	81,378	8,683	6,814
Derivative instruments - hedge accounting		**-126,849**	**-12,457**	**-6,470**	**-62,459**	**-45,463**
Outflow		-220,451	-28,293	-28,798	-114,855	-48,505
Inflow		93,602	15,836	22,328	52,396	3,042

31.12.2023 (HUF million)	Contractual cash flows	Timing of contractual cash flows 0 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Total net liquidity position (future inflows minus outflows)	**176,310**	-2,251,259	148,612	1,363,335	915,622

The following table sets out the carrying amounts of assets and liabilities that are expected to be recovered or settled within one year or over one year.

31.12.2024 (HUF million)	Carrying amount	Less than 1 year	More than 1 year
Assets			
Financial assets held for trading	82,406	24,132	58,274
Non-trading financial assets mandatorily at fair value through profit or loss	185,336	1,479	183,857
Financial assets measured at fair value through other comprehensive income	550,339	212,128	338,211
Financial assets measured at amortised cost	3,088,889	501,080	2,587,809
Derivative instruments designated as hedging instruments	92,149	12,250	79,899
Deferred tax assets	1,341	0	1,341
Other assets	9,308	9,308	0
Total assets	**4,009,768**	**760,377**	**3,249,391**
Liabilities			
Financial liabilities held for trading	76,471	19,343	57,128
Financial liabilities measured at amortised cost	3,963,532	3,290,280	673,252
Derivative instruments designated as hedging instruments	105,166	8,779	96,387
Provisions	17,401	17,401	0
Other liabilities	14,522	14,522	0
Total liabilities	**4,177,092**	**3,350,325**	**826,767**

31.12.2023 (HUF million)	Carrying amount	Less than 1 year	More than 1 year
Assets			
Financial assets held for trading	97,809	31,425	66,384
Non-trading financial assets mandatorily at fair value through profit or loss	164,471	545	163,926
Financial assets measured at fair value through other comprehensive income	365,884	15,759	350,125
Financial assets measured at amortised cost	2,676,898	591,387	2,085,511
Derivative instruments designated as hedging instruments	119,623	15,877	103,746
Deferred tax assets	1,840	0	1,840
Other assets	8,945	8,945	0
Total assets	**3,435,470**	**663,938**	**2,771,532**
Liabilities			
Financial liabilities held for trading	93,665	30,173	63,492
Financial liabilities measured at amortised cost	3,770,757	3,058,338	712,419
Derivative instruments designated as hedging instruments	126,808	7,971	118,837
Provisions	17,581	17,581	0
Other liabilities	11,079	11,079	0
Total liabilities	**4,019,890**	**3,125,142**	**894,748**

(6.5) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology, and infrastructure, and from external factors other than pure credit, market and liquidity risks. Operational risk also includes risks arising from non-compliance with legal and regulatory requirements and generally accepted standards of corporate behaviour. These risk types are inherent in each of the Bank's business and internal supporting activities.

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The Bank has an Operational Risk Management network consisting of a separate Operational Risk Controlling Group and a centralised Fraud Risk Controlling Group and approximately 100 dedicated Operational Risk Specialists located in business units, support departments, regions and at subsidiaries.

Operational Risk Controlling applies different tools to identify risks across all departments: key risk indicators; scenarios; control and risk self-assessment; loss data collection and external databases.

The processes above are used to help identify risks early and are needed to reduce the occurrence of future loss events. The loss events are uploaded by the dedicated operational risk specialists into a loss database and based on this and other supplementary information (e.g., key risk indicators, status of risk mitigation plans), quarterly reports are created by Operational and Fraud Risk Controlling.

Operational and Fraud Risk Controlling gets strong management support. Operational risk issues and possible mitigation measures are discussed quarterly at the Operational Risk and Fraud Committee meetings where the Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer, the Chief Operations Officer, the Retail Banking Board member, the Corporate Banking Board member and other members of the Committee (mainly heads of departments) are attended and decide on the priority of risk mitigation plans. RBI CRO receives information about the most relevant Operational Risk issues through the CRO meeting.

(6.6) Environmental, social and governance risks

Our planet, the biodiversity and the quality of our life is largely impacted by the natural factors making up the biological system. The business activity of the financial sector has a significant impact on the environment and on society. However, this is a two-way relationship, the finance sector itself is also affected by environmental and social factors. The two most significant environmental effects of these times are climate change and biodiversity loss.

In terms of defining environmental, social and governance (ESG) risks, the Bank follows EBA's position and take on a prudential view when it comes to ESG, elaborating on the risks related to it, i.e. 'ESG risks materialize when the ESG factors affecting institutions' counterparties have a negative impact on the financial performance or solvency of such market players'. As ESG refers to environmental, social and governance aspects, the Bank identifies the following risks from these aspects. The detailed information about ESG related topics is disclosed in the separate and consolidated non-financial statement.

Key considerations of ESG risks

Environmental risks

Environmental risks are driven by environmental factors. They should be understood as the financial risks posed by the institutions' exposures to counterparties that may both potentially contribute to or be affected by climate change and other forms of environmental degradation (such as air pollution, water pollution, scarcity of fresh water, land contamination, biodiversity loss and deforestation).

The Bank identifies environmental risks as a result of the following factors:

- Transition-related risks: regulatory, technological and market changes that generate changes in the lending and other risks arising in the course of banking activities related to climate change, environmental pollution and water ecological processes.
- Physical risks: acute or chronic environmental events related to climate change, environmental pollution and aquatic ecological processes that directly endanger the physical integrity and security of assets and/or customers financed in the course of banking activities, thereby affecting their operability, income-generating capacity and value, as well as the security of supply chains. Acute physical risks include: floods, storms, droughts, forest fires. Chronic physical risks include: desertification, sea level rise, air and water quality, permanent deterioration of water volumes, and persistent increase in temperature.

Social risks

Social risks arise from financial impact generated by misuse of human capital such the rights, well-being and interests of people and communities.

Governance risks

Governance risks refer to the governance practice of the institutions' counterparties, including the inclusion of ESG factors in policies and procedures under the governance of the counterparties.

These risks affect:

- the value of the companies' assets, business model, income-generating capacity, supply chains, investable resources, regulatory environment;
- household income, expenditure, and the value of their assets;
- and at the macroeconomic level, the value of capital assets, investment needs, productivity and competitiveness levels, consumer preferences, and the related operation of public finances, interest rates and exchange rates.

These changes may be reflected in the Bank's operations as follows:

- credit risk: increased defaults, depreciation of collateral;

- market risk: unexpected changes in asset price movements that are difficult to predict;
- operational risk: vulnerabilities in supply chains, physical operational risks;
- liquidity risk: increased liquidity needs, refinancing risk;
- reputational risks: reputational damage due to inadequate management of the above, risks of being painted 'green'.

Risk framework

The Bank takes these risks into account in its risk frameworks over different time horizons as follows:

Short term

Individual risks

The Bank implicitly takes into account the mentioned risks in the corporate customer base during the annual review and credit approval process. In 2023, a modification of the lending process was introduced, in the course of which the Bank explicitly analyses the environmental assessment of the customer and the loan objective on the business side ('ESG expert opinion') and presents the identifiable environmental risk profile ('ESG risk assessment') as a separate part of the risk manager's position on the risk side.

The Bank conducts an increasing number of surveys to its customers in order to obtain access to their sustainability data (in the form of an electronic questionnaire). In the survey, in addition to estimated and factual data related to GHG emissions, the Bank collects data on water and land use; waste production and environmental pollution characteristics. In addition to short-term consideration, these data also serve as input for the assessment of medium-term (ESG score) and long-term (climate scenarios). The Bank has taken note of the National Bank of Hungary's recommendation for a customer questionnaire in this regard and will supplement its own questions with the minimum set of questions recommended, in the future, keeping in mind the deadlines set.

The Bank is making efforts to obtain energy performance data for collaterals. Where the legal environment allows, it is a mandatory condition to provide the related certificates in the case of new funding, and in the case of existing funding and/or in the absence of a legal obligation, data collection is carried out on a 'best effort' basis within targeted campaigns.

The Bank has implemented sector-wide lending policies to define sustainability financing conditions. By the end of 2024, it has established clear lending policies in the following sectors: tobacco, coal, renewable energy, oil and gas; steel, nuclear energy, real estate and construction and related raw materials.

Portfolio risks

With the help of scientific methodologies (PCAFs) and estimates, measurements were made regarding the financed GHG intensity of the corporate customer base, which is published in the separate and consolidated non-financial statement for 2024 as the first time, section 'E1-6: Gross scopes 1, 2, 3 and total GHG emissions'.

For the corporate segment the additional risk arising from ESG factors was considered using the Special Risk Factors (SRF) Framework, primarily to account for unmodelled macroeconomic effects but also to cover environmental risks as a temporary compensations of the model weaknesses. More details are disclosed under note (6.2) Credit risk.

Mid-term

Individual risks

In 2022, the Bank introduced an ESG scoring system to assess customers in a standardized way from the environmental perspective. The model was developed by the parent company (RBI), and its use is uniform for the medium-sized and large corporate customers. The ESG score has no direct impact on the client's credit rating. The ESG model is based on an industry base score, supplemented by an additional carbon dioxide emission factor. It is possible to deviate the industry average score in this way in a positive or negative direction along individual customer specifics. During scoring, the risk analyst evaluates a number of aspects based on the client's report, data reporting and disclosures, which, supplemented with the data of the above-mentioned electronic questionnaire (where available), determines a final client score within the industry score limits. The ESG score can provide guidance on the calibration of customers' expected environmental risks in the medium term, and as such, it serves as input information for the above-mentioned sustainability assessments related to the lending process.

Portfolio risks

Based on the ESG Score mentioned above, the Bank plans to introduce portfolio management tools in the future (sub-portfolio level measurements, targets and limits), which will be broken down to a local level based on the parent company's group-level limit management. In 2025, it is expected to introduce a monitoring process for the change in the average ESG Score of the portfolio above 10%, as well as for the maximum amount of the part of the portfolio with the worst ESG Score.

Regarding the Group's ambitions towards the 2015 Paris Agreement climate targets, the Bank committed to reducing its financed GHG emissions by 17% by the end of 2030, based on the level measured at the end of 2023. The objective for the corporate client portfolio has been formulated as an overarching target and was approved by the Board of Directors. In the coming years, this effort is expected to be further developed and detailed sector-specific goals may be developed.

Long-term

Portfolio risks

A long-term Climate Stress Test has been prepared at the level of the RBI Group and its subsidiaries, taking into account the above-mentioned customer and collateral sustainability data, along the scenarios defined by the EBA. The Bank's results have been completed by the end of 2024, which examined the long-term impact of climate risks on the Bank's profitability and capital adequacy in each scenario. The results show that the Bank is not exposed to significant risk overall over the 2030-40-50 time horizon, but there are portfolios that are more vulnerable under certain scenarios.

Reference to the non-financial disclosure

During the reporting period, it was determined that there are no financially material risks from climate change to the regular risk parameters (market risk, credit risk, operational risk, and liquidity risk). The effects of climate change are only observed through scenario analyses over longer periods. The effects from climate risks are incorporated into risk measurement and limitation. Further information on the nature, extent and mitigation of climate change risk are available in the separate and consolidated non-financial statement's chapter IRO-1: 'Process to identify and assess material impacts, risks and opportunities'.

Key sources of estimation uncertainty and critical accounting judgments

In the double materiality analysis for the separate and consolidated non-financial statement in 2024, the financial materiality of sustainability matters was considered in the short, medium, and long-term. In the short term, defined as the reporting period of the consolidated financial statements, it was assessed that there were no financially material risks from sustainability matters. As a result, the consolidated financial statements do not include any separate disclosure on sustainability related uncertainties that materially affect the estimation assumptions. In the long term, which is considered as ten years onwards, there is also a low chance of a material impact on the credit risk of our customer portfolio due to climate change transition risk. For more details, please see the separate and consolidated non-financial statement's chapter IRO-1: 'Process to identify and assess material impacts, risks and opportunities'.

(6.7) Capital management

The Bank's local regulator (National Bank of Hungary (NBH)) sets and monitors capital requirements for the Bank.

With effect from 1 January 2008, the Bank is required to comply with the provisions of the Basel II framework in respect of regulatory capital. The same stands for the Basel III requirements with effect from 30th June 2014.

The Bank as a member of Raiffeisen Bank International has been granted a joint approval in December 2008 by the Austrian Financial Market Authority (home regulator) and the eight-member countries' host authorities to adopt the use of Internal Rating Based approach to credit risk management, except in respect of some credit portfolios which remain under standard approach according to the accepted implementation plan.

Principal changes arising from the introduction of Basel III advanced approach were as follows:

- reduction of own funds with the negative difference between loss allowances and provisions for credit losses and expected loss;
- addition of the positive difference between loss allowances and provisions for credit losses and expected loss up to 0.6% of the amount of risk-weighted exposure (under IRB approach) to tier 2 capital;
- own funds should cover the capital requirement of credit, market and operational risk.

A Bank's own funds can be split into two tiers:

- Tier 1 capital (T1),

  - common tier 1 capital (CET1) which includes common tier 1 capital instruments (share capital, share premium, retained earnings, accumulated other comprehensive income, other reserves) and the related deductions, namely deductions related to intangible assets, goodwill, deferred tax assets, IRB shortfall of credit risk adjustment to expected loss, deductions due to securitization positions, and other deduction due to exceeding limits,
  - additional tier 1 capital (AT1): which includes capital instruments eligible as additional tier1 capital.
- Tier 2 capital (T-2), which includes subordinated loans and the excess of loss allowances and provisions for credit losses over expected losses in case of loan portfolios for which the Basel III IRB method is applied.

There are also restrictions as to whether the amount of surplus of loss allowances and provisions for credit losses over expected losses that may be included as part of tier 2 capital. Other deductions from own funds include the book value of qualifying interests in other financial institutions.

Banking operations are categorised as either trading book or banking book transactions. Risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures. As noted above, the Basel II/III capital requirement also introduced a new requirement in respect of operational risk.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also important. The Bank recognises the need to maintain a balance between the higher returns that might be possible with higher gearing and the advantages and security from a sound capital position.

The Bank has complied with all regulatory capital requirements throughout the year of 2024. The capital position of the Bank remained at a sound level throughout the year, aligned with its' risk appetite.

Regulatory capital requirement

The Bank's policy is to maintain the capital adequacy continuously above the required level and take any necessary actions on time. The Bank applies regulatory capital (Basel III Pillar 1) as well as economic capital (Basel III Pillar 2, ICAAP) for calculating capital adequacy. The Bank started a gradual transition to calculating capital requirements for credit risk via the Internal Rating Based (IRB) approach, first introducing the Foundation Internal Ratings Based (F-IRB) approach for its non-retail portfolio on 1st December 2008. Starting from July 2010 and April 2012, capital requirement for exposures to individuals and Micro-SME customers respectively are measured by advanced IRB (A-IRB) method. Above the regulatory minimum capital requirement, the Bank needs to keep additional capital for the following capital buffers: systemic risk buffer, capital conservation buffer, systemically important institution buffer.

Systemically important institution buffer

The National Bank Hungary (NBH) reassessed in 2024 as well the importance of the domestic credit institutions based on 2023 year end data, and according to the assessment 7 Banking Group have been flagged as Other Systemically Important Institutions (O-SII), including Raiffeisen Group.

Already from 2022, the NBH has been expected a gradual rebuilding of the buffers required for systemically important institutions – which were released due to the extraordinary economical conditions caused by the coronavirus pandemic – until 2024. The capital positions of the systemically important banks are still adequate for the NBH to determine the buffers prescribed from 2022 in line with the previously determined increasing pattern. Accordingly, the temporary buffer rates increased also in 2024 by half of the planned final level and reached their target level in 2024. Accordingly, the planned final amount will remain in force in 2025.

O-SII buffer rates

	Actual					Provided
	2020	from 01.17.2020	2022	2023	2024	2025
Raiffeisen Bank Zrt.	0.500 %	0.000 %	0.125 %	0.250 %	0.500 %	0.500 %

Anti-cyclical capital buffer

On 30 June 2022 the NBH activated the anti-cyclical buffer in their communication, in order to mitigate the systematic risks in the lending and housing market. The NBH has been measuring a significant overpricing in the real estate market for the quarters before June 2022, coupled with an increase of risks in the banking sector related to lending activities. Even though the uncertainties in the past few months related to the war situation, these risks still did not moderate, so it became justified to support the resistance of the banks with regulatory actions. Therefore, NBH's Financial Stability Council increased the capital requirements for banks and from 1 July 2024 it increased the ratio of the anti-cyclical buffer – for the first time since its introduction 6 years ago – to 0.5%. Furthermore, an increase to 1 percent is planned from 1 July 2025.

Capital adequacy

(HUF million)	31.12.2024	31.12.2023
Share capital	50,000	50,000
Share premium	113,445	113,445
Retained earnings	207,485	111,256
Accumulated other comprehensive income	13,101	22,193
Funds for general banking risk	43,594	32,143
Adjustments to CET1 due to prudential filters	-11,723	-23,031
(-) Intangible assets	-17,942	-16,499
(-) Deductions due to deferred tax	-1,341	-1,839
(–) Additional capital requirement of non-performing exposures	-14,391	-2,007
Common equity tier 1 capital	**382,228**	**285,661**
Capital instruments eligible as additional tier 1 capital	46,979	46,979
Additional tier 1 capital (AT1)	**46,979**	**46,979**
IRB Excess of loss allowances and provisions over expected losses	7,227	6,884
Equity instruments classified as subordinated loans	63,564	59,331
Tier 2 Capital	**70,791**	**66,215**
Total regulatory capital	**499,998**	**398,855**
Capital requirement	**132,355**	**134,435**
Solvency ratio (%)	**30.22%**	**23.74%**

The regulatory capital as at 31 December 2023 includes the deduction of the dividend paid for 2023; the regulatory capital as at 31 December 2024 does not include the deduction of planned dividend for 2024 see (48) Events after the reporting date

Capital allocation

The allocation of capital between specific operations and activities is primarily driven by the aim to ensure sufficient capital to cover possible risks in order to guarantee continuous safe banking operation (going concern principle) as well as to cover occasionally high losses eventually to be incurred in extreme market circumstances, and secondarily, to optimise return on equity of the Bank.

In order to quantify the risks, the Bank calculates capital both required by regulation and required economically, and optimization is based on economic capital requirements.

The process of allocating capital to specific operations and activities is undertaken by Credit Risk Reporting and ICAAP Unit of IRD, which is subject to review by the Bank's Management. An additional tool for optimal capital allocation is the application of risk and equity cost-based pricing.

The Bank's principles in respect of capital management and allocation are regularly reviewed by the Board of Directors.

(7) Interest income calculated with the effective interest method, other interest income and interest expenses

(HUF million)	2024	2023
Interest income calculated with the effective interest method	**215,086**	**357,653**
Other interest income	**170,925**	**244,368**
Financial assets held for trading	49,268	98,072
Debt securities	34	533
Derivative instruments - held for trading	12,338	22,431
Derivative instruments – held for risk management (not in hedge accounting)	36,896	75,108
Non-trading financial assets mandatorily at fair value through profit or loss	12,010	9,530
Loans and advances	12,010	9,530
Derivative instruments - hedge accounting, interest rate risk	42,909	76,939
Other	66,738	59,827
Interest income total	**386,011**	**602,021**
Interest expense calculated with the effective interest method	**-101,851**	**-167,540**
Other interest expense	**-98,966**	**-235,130**
Financial liabilities held for trading	-49,541	-127,288
Derivative instruments - held for trading	-12,022	-22,160
Derivative instruments – held for risk management (not in hedge accounting)	-37,519	-105,128
Derivative instruments - hedge accounting, interest rate risk	-49,418	-107,837
Other	-7	-5
Interest expense total	**-200,817**	**-402,670**
Net interest income	**185,194**	**199,351**

Net interest income of the Bank decreased by HUF 14,157million compared to the previous year. Both interest income and interest expenses decreased, but the decrease in interest income was more significant.

There was a significant decline in interest income calculated with the effective interest method (a decrease of HUF 142,567 million), due to the lower interest rate environment and the Bank reducing its interbank placements with the MNB.

The primary reason for the HUF 65,689 million decrease in interest expense calculated with the effective interest method was the lower interest paid on customer deposits and interbank repo transactions.

Interest on securities measured at fair value through other comprehensive income improved interest income to a lesser extent, with an increase of HUF 5,688 million.

Net interest income was significantly boosted by the interest income from derivatives (an improvement of HUF 29,442 million in trading interest income), while the interest result on debt securities held for trading slightly reduced it (a decrease of HUF 499 million).

There was an increase of HUF 2,480 million in interest income from loans mandatorily measured at fair value through profit or loss, thanks to the childbirth incentive loans.

Net interest income on derivative instruments designated in cash-flow and fair value hedging relationships also contributed to the increase in interest income, with an increase of HUF 24,389 million.

(HUF million)	2024	2023
Interest income calculated with the effective interest method	**215,086**	**357,653**
Financial assets designated at fair value through profit or loss	**35,538**	**29,850**
Debt securities	35,538	29,850
hereof: interest income on impaired financial assets	20	0
Financial assets measured at amortised cost	**179,548**	**327,803**
Debt securities	55,426	57,703
Loans and advances	124,022	270,035
Other assets	100	65
hereof: interest income on impaired financial assets	1,746	0
Interest expense calculated with the effective interest method	**-101,851**	**-167,540**
Financial liabilities measured at amortised cost	**-101,851**	**-167,540**
Deposits	-81,008	-146,571
Subordinated liabilities	-4,174	-3,686
Debt securities issued	-16,006	-16,610
Lease liabilities	-663	-673
Net interest income calculated with the effective interest method	**113,235**	**190,113**

(8) Net fee and commission income

The following table presents the net fee and commission income on financial instruments of the Bank not measured at fair value through profit or loss:

(HUF million)	2024	2023
Fee and commission income		
IFRS 15 revenues		
Payment services and bank cards	61,663	51,279
Fees included in foreign exchange conversions and other transactions	24,042	23,530
Outsourced currency exchange activity	16,213	16,712
Security issuance fees and transfer commissions	8,869	7,741
Services as an agent	2,228	1,768
Custody	1,474	1,090
Corporate finance	85	316
Asset management	5	4
Clearing and settlement	9	16
Other	2,595	2,225
IFRS 15 revenues total	**117,183**	**104,681**
IFRS 9 revenues		
Loan servicing activities	209	315
Loan commitments given	4	4
Financial guarantees given	4,672	4,528
Loans granted	338	227
IFRS 9 revenues total	**5,223**	**5,074**
Fee and commission income total	**122,406**	**109,755**
Fee and commission expenses		
Payment services and bank cards	-8,017	-7,043
Fees included in foreign exchange conversions and other transactions	-268	-239
Outsourced currency exchange activity	-15,828	-16,318
Security issuance fees and transfer commissions	-435	-523
Services as an agent	-254	-252
Custody	-1,272	-936
Clearing and settlement	-59	-88
Loan servicing activities	-204	-320
Financial guarantees received	-3,998	-3,960
Other	-3,285	-2,963
Fee and commission expenses total	**-33,620**	**-32,642**
Net income from commissions and fees	**88,786**	**77,113**

(HUF million)	2024	2023
Fee and commission income over time		
Payment services and bank cards	37,332	30,255
Outsourced currency exchange activity	15,828	16,318
Security issuance fees and transfer commissions	3,406	3,384
Services as an agent	2,223	1,763
Custody	1,474	1,090
Other	2,685	2,271
Total fee and commission income over time	**62,948**	**55,081**
Fee and commission income at a point in time		
Payment services and bank cards	24,331	21,024
Fees included in foreign exchange conversions and other transactions	24,170	23,649
Outsourced currency exchange activity	256	275
Security issuance fees and transfer commissions	4,699	3,689
Services as an agent	5	5
Corporate finance	85	316
Asset management	5	4
Clearing and settlement	9	16
Other	675	622
Total fee and commission income at a point in time	**54,235**	**49,600**
IFRS 15 revenues total	**117,183**	**104,681**

Net fee and commission income of the Bank increased by HUF 11,673 million compared to last year and this was primarily due to increase in payment service fees (HUF 9,410 million).

Within payment service fees, commissions relating to transfers and other settlement transactions that increased extraordinarily but the increase in bank card fees and in fees related to account maintenance was also outstanding.

Although to a lower extent, fees relating to distribution of securities (investment funds) and stock exchange orders, fees included in foreign exchange conversions and other transactions and agent fees (fees for mediating insurance services) also positively impacted net commission income.

The net fee and commission income decreased somewhat due to the Bank receiving fewer corporate financial advisory fees during 2024.

(9) Net trading income and fair value result

Gains/losses from financial assets and liabilities held for trading

(HUF million)	2024	2023
Derivative instruments	38,317	-56,278
Derivative instruments - held for trading	12,264	-21,427
Derivative instruments – held for risk management (not in hedge accounting)	26,053	-34,851
Equity instruments	83	89
Debt securities	88	651
Other financial liabilities	-1,245	1,053
Total	**37,243**	**-54,485**

The result on derivatives held for trading increased by HUF 33,691 million. This was mainly due to an increase of HUF 33,156 million in realised and unrealised gains and losses on FX swaps, forwards and futures.

The result of the line 'Derivative instruments – held for risk management (not in hedge accounting)' increased by HUF 60,904 million, partly due to an increase of HUF 44,074 million in FX swaps, forwards and futures and an increase of HUF 16,830 million in the result on interest rate derivatives.

The result of the 'Debt securities' line decreased by HUF 563 million compared to last year. In total: government bonds reduced the result by HUF 450 million, other bonds by HUF 286 million and treasury bills improved the result by HUF 148 million.

The change in 'Other financial liabilities' was made based on consultation with the MNB, according to which the foreign exchange result items related to spot conversion were reclassified under derivative transactions.

Gains/losses on non-trading financial assets mandatorily at fair value through profit or loss

(HUF million)	2024	2023
Debt securities	113	73
Loans and advances	3,697	24,483
Total	**3,810**	**24,556**

The 'Debt securities' line shows the revaluation result of Visa C shares.

In 2024, gains/losses on non-trading loans and advances mandatorily at fair value through profit or loss decreased by HUF 20,746 million, due to a decrease in the revaluation result on childbirth incentive loans.

(10) Net gains/losses from hedge accounting

The following table presents the net fair valuation gains or losses arising from derivatives involved in hedge accounting and the related hedged items:

(HUF million)	2024	2023
Fair value changes of the hedging instrument (including effects of discontinuation) in fair value hedges	14,590	38,328
Fair value changes of the hedged item attributable to the hedged risk in fair value hedges	-11,348	-39,754
Ineffectiveness in profit or loss from cash flow hedges	236	-82
hereof: existing hedges	-2,368	-326
hereof: discontinued hedges	2,604	244
Total	**3,478**	**-1,508**

Net gain arising from fair valuation of interest rate swaps and cross-currency interest rate swaps hedging purchased bonds amounted to HUF 6,519 million in 2024 (in 2023 HUF 63,917 million loss). Gain from fair valuation of interest rate swaps hedging received deposits amounted to HUF 1,951 million in 2024 (in 2023 HUF 8,050 million gain). On interest rate swaps, hedging received deposit portfolios, a fair valuation gain of HUF 8,510 million was recognised in 2024 (in 2023 HUF 110,588 million gain). In 2024 net fair valuation loss on interest rate swaps, hedging loans advanced, amounted to HUF 3,033 (in 2023 HUF 8,591 million loss). In 2024, gain on fair valuation of interest rate swaps, hedging issued bonds involved in hedge accounting, amounted to HUF 2,116 million (in 2023 HUF 6,125 million gain), out of which HUF 2,111 million gain (in 2023 HUF 6,071 million gain) relates to MREL bond issue. In relation to interest rate swaps, hedging loan portfolio, in 2024 a loss of HUF 1,473 million (in 2023 a loss of 13,927 million) was recognised in 'Net gains/losses from hedge accounting'.

In 2024, a fair valuation result of HUF -6,560 million (in 2023 HUF 63,912 million) was recognised on purchased bond, HUF -1,946 million (in 2023 HUF -8,014 million) on hedged received deposits, HUF 3,059 million (in 2023 HUF 8,641 million) on hedged loans, HUF -2,008 million (in 2023 HUF -6,129 million) on hedged own issued bonds thereof HUF 2,004 million (in 2023 HUF -6,070 million) relates to MREL bonds. On hedged received deposit portfolio a fair valuation result of HUF -5,430 million (in 2023 HUF -111,174 million), in relation to hedged loan portfolio HUF 1,537 million (in 2023 HUF 13,010 million) was recognised.

During 2024, the forint interest rate swap curve steepened with significant intra-year volatility. The NBH cut the base rate from 10.75% to 6.5%, which brought the short end of the curve lower. However, long-term interest rate expectations increased, so the 10-year swap rate increased from 5.78% to 6.84%. The net gain from hedge accounting in 2024 was primarily generated on portfolio fair value hedges hedging the modelled current account balance. This was primarily due to maturity mismatches between the modelled portfolios and the hedging interest rate swap portfolios.

Cash flow hedges

The Bank has applied cash flow hedge accounting since December 2012, using interest rate swaps and cross currency interest rate swaps to hedge interest rate risk and foreign currency risk arising from loan portfolio denominated in foreign currency and received deposit portfolio denominated in HUF.

The following table presents the main characteristics of derivative financial instruments for which the Bank applies cash flow hedge accounting:

31.12.2024	Maturity			
(HUF million)	0 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Interest rate risk				
Interest rate swaps (IRS)				
Nominal value	66,277	174,439	489,693	169,009
Average fixed interest rate	4.61%	8.17%	5.99%	6.24%
Interest rate risk/currency risk				
HUF/EUR cross currency interest rate swaps (CCIRS)				
Nominal value	0	19,349	38,409	14,322
Average HUF/EUR exchange rate	–	400.59	406.68	400.87

31.12.2023	Maturity			
(HUF million)	0 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Interest rate risk				
Interest rate swaps (IRS)				
Nominal value	8,602	213,958	424,273	123,514
Average fixed interest rate	3.35%	9.07%	6.53%	6.26%
Interest rate risk/currency risk				
HUF/EUR cross currency interest rate swaps (CCIRS)				
Nominal value	0	19,343	57,047	13,965
Average HUF/EUR exchange rate	–	386.86	384.97	383.74

In case of CCIRS contracts, the Bank exchanges floating interest cash flows linked to BUBOR fixing to floating interest cash flows linked to EURIBOR fixing both repricing with a frequency of less than one year.

The following table presents amounts related to hedging instruments and hedge ineffectiveness in designated cash flow hedge relationships:

31.12.2024		Carrying amount		Fair value changes during the year used for calculating hedge	Change in the value of the hedging instrument recognised in	Hedge ineffectiveness recognised in	Amount reclassified from the cash flow hedge reserve to
(HUF million)	Nominal value	Assets	Liabilities	ineffectiveness	OCI*	profit or loss	profit or loss
Portfolio cash flow hedges							
Interest rate risk							
Interest rate swaps (IRS)	899,418	30,856	17,552	-10,847	-8,293	-2,414	-2,690
Interest rate risk hedge total	**899,418**	**30,856**	**17,552**	**-10,847**	**-8,293**	**-2,414**	**-2,690**
Interest rate risk/currency risk							
HUF/EUR cross currency interest rate swaps (CCIRS)	72,080	384	581	-78	-117	40	95
Interest rate risk/currency risk hedge total	**72,080**	**384**	**581**	**-78**	**-117**	**40**	**95**
Total	**971,498**	**31,240**	**18,133**	**-10,925**	**-8,410**	**-2,374**	**-2,595**

31.12.2023		Carrying amount		Fair value changes during the year used for calculating hedge	Change in the value of the hedging instrument recognised in	Hedge ineffectiveness recognised in	Amount reclassified from the cash flow hedge reserve to
(HUF million)	Nominal value	Assets	Liabilities	ineffectiveness	OCI*	profit or loss	profit or loss
Portfolio cash flow hedges							
Interest rate risk							
Interest rate swaps (IRS)	770,347	49,508	17,944	10,263	10,635	-370	-239
Interest rate risk hedge total	**770,347**	**49,508**	**17,944**	**10,263**	**10,635**	**-370**	**-239**
Interest rate risk/currency risk							
HUF/EUR cross currency interest rate swaps (CCIRS)	90,355	1,170	1,328	195	158	37	-4
Interest rate risk/currency risk hedge total	**90,355**	**1,170**	**1,328**	**195**	**158**	**37**	**-4**
Total	**860,702**	**50,678**	**19,272**	**10,458**	**10,793**	**-333**	**-243**

*Other comprehensive income

Derivatives designated as hedging instruments in cash flow hedge relationships are presented in the statement of financial position line item 'Derivative instruments designated as hedging instruments' amongst assets if their fair value is positive and in line item 'Derivative instruments designated as hedging instruments' amongst liabilities if their fair value is negative.

Both hedge ineffectiveness recognised in profit or loss during the existence of the designated hedge relationships and amounts recycled from other comprehensive income to profit or loss upon or after discontinuation of the hedge relationship are presented in the statement of comprehensive income line item 'Net gains/losses from hedge accounting'.

Amounts in the current period related to hedged items designated in cash flow hedge relationships are presented below:

2024	Fair value changes during the year used for calculating hedge ineffectiveness	Cash flow hedge reserve at the end of the year	
(HUF million)		Existing hedges	Discontinued hedges
Interest rate risk			
Loans	-16,350	6,688	0
Deposits	5,191	3,559	-3
Interest rate risk hedge total	**-11,159**	**10,247**	**-3**
Interest rate risk/currency risk			
Loans	269	62	0
Deposits	-291	34	0
Interest rate risk/currency risk hedge total	**-22**	**96**	**0**
Total	**-11,181**	**10,343**	**-3**

2023	Fair value changes during the year used for calculating hedge ineffectiveness	Cash flow hedge reserve at the end of the year	
(HUF million)		Existing hedges	Discontinued hedges
Interest rate risk			
Loans	44,870	21,556	0
Deposits	-34,523	-1,314	-4
Interest rate risk hedge total	**10,347**	**20,242**	**-4**
Interest rate risk/currency risk			
Loans	-236	-183	0
Deposits	394	298	0
Interest rate risk/currency risk hedge total	**158**	**115**	**0**
Total	**10,505**	**20,357**	**-4**

'Discontinued hedges' column: Amounts presented here arise from discontinued hedge relationships where the hedged cash flows are expected to occur. These amounts are recognised to profit or loss as the hedged cash flows affect profit or loss or when it becomes known that the hedged cash flows are no longer expected to occur (when the Bank reclassifies the entire amount from equity to profit or loss).

The Bank designates loan receivables and deposits received, denominated in HUF or in EUR, bearing variable interest rate, having yearly or less than yearly payment frequencies as hedged items. Loan receivables designated as hedged items in cash flow hedge relationships are presented in the statement of financial position line item 'Financial assets measured at amortised cost' and received deposits so designated are presented in the statement of financial position line item 'Financial liabilities measured at amortised cost'.

In 2024, HUF 11,005 million loss (2023: HUF 10,550 million gain) was recognised in other comprehensive income relating to the effective portion of fair value changes of hedging instruments designated in cash flow hedging relationships existing at 31.12.2024 or discontinued earlier. These amounts include reclassifications between other comprehensive income and profit or loss arising from the systematic amortisation of hedge reserves to profit or loss, relating to cash flow hedging relationships discontinued before 2024 or 2023. In 2024, HUF 2,604 million gain (2023: HUF 244 million gain) was reclassified to profit or loss relating to discontinued cash flow hedging relationships and the Bank presented these amounts within 'Net gains/losses from hedge accounting'. During 2024, HUF 2,368 million loss (2023: HUF 326 million loss) was recognised in the same line relating to the ineffectiveness of hedging instruments designated in cash flow hedging relationships existing at 31.12.2024.

Fair value hedges

The following table presents the main characteristics of derivative financial instruments for which the B applies fair value hedge accounting:

31.12.2024	Maturity			
(HUF million)	0 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Interest rate risk				
Interest rate swaps (IRS) hedging purchased HTCS bonds				
Nominal value	1,968	46,783	176,292	37,987
Average fixed interest rate	1.47%	0.46%	4.79%	2.14%
Interest rate swaps (IRS) hedging purchased HTC bonds				
Nominal value	0	14,353	471,514	289,712
Average fixed interest rate	—%	0.06%	5.43%	3.70%
Interest rate swaps (IRS) hedging loans				
Nominal value	463	6,982	113,586	32,319
Average fixed interest rate	0.64%	1.97%	2.64%	3.44%
Interest rate swaps (IRS) hedging deposits				
Nominal value	0	27,859	18,229	0
Average fixed interest rate	—%	1.15%	1.69%	—%
Interest rate swaps (IRS) hedging issued bonds				
Nominal value	0	27,968	171,947	0
Average fixed interest rate	—%	2.76%	4.33%	—%
Interest rate swaps (IRS) hedging deposit portfolios				
Nominal value	55,825	276,295	598,995	395,744
Average fixed interest rate	1.80%	2.51%	3.10%	3.75%
Interest rate swaps (IRS) hedging loan portfolios				
Nominal value	685	10,974	34,287	21,088
Average fixed interest rate	0.62%	1.23%	1.46%	1.46%
Interest rate risk/currency risk				
CZK/EUR Cross currency interest rate swaps (CCIRS) hedging purchased HTCS bonds				
Nominal value	0	0	0	0
Average CZK/EUR exchange rate	0	0	0	0
USD/EUR Cross currency interest rate swaps (CCIRS) hedging issued bonds				
Nominal value	0	19,584	0	0
Average USD/EUR exchange rate	0	0.96	0	0

31.12.2023 (HUF million)	Maturity 0 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Interest rate risk				
Interest rate swaps (IRS) hedging purchased HTCS bonds				
Nominal value	0	16,000	148,911	79,702
Average fixed interest rate	—%	1.60%	4.40%	1.54%
Interest rate swaps (IRS) hedging purchased HTC bonds				
Nominal value	0	18,502	234,223	154,380
Average fixed interest rate	—%	5.16%	5.59%	2.90%
Interest rate swaps (IRS) hedging loans				
Nominal value	18	1,214	105,011	41,612
Average fixed interest rate	-0.33%	0.38%	2.67%	2.48%
Interest rate swaps (IRS) hedging deposits				
Nominal value	0	2,000	46,088	0
Average fixed interest rate	—%	8.19%	1.46%	—%
Interest rate swaps (IRS) hedging issued bonds				
Nominal value	345	131,842	52,558	0
Average fixed interest rate	6.04%	10.55%	4.23%	—%
Interest rate swaps (IRS) hedging deposit portfolios				
Nominal value	40,886	136,692	522,069	339,651
Average fixed interest rate	2.01%	1.52%	2.11%	2.72%
Interest rate swaps (IRS) hedging loan portfolios				
Nominal value	421	15,806	27,837	39,197
Average fixed interest rate	0.50%	1.11%	1.35%	1.50%
Interest rate risk/currency risk				
CZK/EUR Cross currency interest rate swaps (CCIRS) hedging purchased HTCS bonds				
Nominal value	0	0	3,482	19,343
Average CZK/EUR exchange rate	0	0	24.55	24.58
USD/EUR Cross currency interest rate swaps (CCIRS) hedging issued bonds				
Nominal value	0	0	18,280	0
Average USD/EUR exchange rate	0	0	0.96	0

In case of CZK/EUR cross currency interest rate of CCIRS, the Bank exchanges floating interest cash flows linked to PRIBOR fixing to floating interest cash flows linked to EURIBOR fixing both repricing with a frequency of less than one year.

In case of USD/EUR cross-currency interest rate swap (CCIRS) contracts, the Bank exchanges floating interest cash flows linked to €STR overnight interest rate to floating interest cash flows linked to SOFR overnight interest rate both repricing with a daily frequency.

The following table presents amounts related to hedging instruments and hedge ineffectiveness in fair value hedges:

31.12.2024 (HUF million)	Nominal value	Carrying amount Assets	Carrying amount Liabilities	Fair value changes during the year used for calculating hedge ineffectiveness	Hedge ineffectiveness recognised in profit or loss
Micro fair value hedges					
Interest rate risk					
Interest rate swaps (IRS) hedging purchased HTCS bonds	263,030	11,023	2,951	-181	91
Interest rate swaps (IRS) hedging purchased HTC bonds	775,579	18,481	11,516	6,804	-56
Interest rate swaps (IRS) hedging loans	153,350	5,116	562	-3,033	26
Interest rate swaps (IRS) hedging deposits	46,088	0	2,315	1,951	5
Interest rate swaps (IRS) hedging issued bonds	199,915	7,068	415	2,139	103
Interest rate risk hedge total	**1,437,962**	**41,688**	**17,759**	**7,680**	**169**
Interest rate risk/currency risk					
CZK/EUR Cross currency interest rate swaps (CCIRS) hedging purchased HTCS bonds	0	0	0	-66	-38
USD/EUR Cross currency interest rate swaps (CCIRS) hedging issued bonds	19,584	216	0	-26	1
Interest rate risk/currency risk hedge total	**19,584**	**216**	**0**	**-92**	**-37**
Hedging instruments in micro fair value hedges total	**1,457,546**	**41,904**	**17,759**	**7,588**	**132**
Portfolio fair value hedges					
Interest rate risk					
Interest rate swaps (IRS) hedging deposit portfolios	1,326,859	9,603	68,363	8,491	3,061
Interest rate swaps (IRS) hedging loan portfolios	67,034	9,402	911	-1,471	67
Interest rate risk hedge total	**1,393,893**	**19,005**	**69,274**	**7,020**	**3,128**
Portfolio fair value hedges total	**1,393,893**	**19,005**	**69,274**	**7,020**	**3,128**
Hedging instruments in fair value hedges total	**2,851,439**	**60,909**	**87,033**	**14,608**	**3,260**

31.12.2023 (HUF million)	Nominal value	Carrying amount Assets	Carrying amount Liabilities	Fair value changes during the year used for calculating hedge ineffectiveness	Hedge ineffectiveness recognised in profit or loss
Micro fair value hedges					
Interest rate risk					
Interest rate swaps (IRS) hedging purchased HTCS bonds	244,613	17,286	5,399	-24,886	-165
Interest rate swaps (IRS) hedging purchased HTC bonds	407,105	17,530	11,704	-39,140	211
Interest rate swaps (IRS) hedging loans	147,855	8,098	631	-8,587	53
Interest rate swaps (IRS) hedging deposits	48,088	4	4,616	8,048	34
Interest rate swaps (IRS) hedging issued bonds	184,745	3,352	1,453	6,187	-7
Interest rate risk hedge total	**1,032,406**	**46,270**	**23,803**	**-58,378**	**126**
Interest rate risk/currency risk					
CZK/EUR Cross currency interest rate swaps (CCIRS) hedging purchased HTCS bonds	22,825	91	3	141	-19
USD/EUR Cross currency interest rate swaps (CCIRS) hedging issued bonds	18,280	0	840	-64	1
Interest rate risk/currency risk hedge total	**41,105**	**91**	**843**	**77**	**-18**
Hedging instruments in micro fair value hedges total	**1,073,511**	**46,361**	**24,646**	**-58,301**	**108**
Portfolio fair value hedges					
Interest rate risk					
Interest rate swaps (IRS) hedging deposit portfolios	1,039,298	11,286	82,010	110,525	-649
Interest rate swaps (IRS) hedging loan portfolios	83,261	11,298	880	-13,919	-908
Interest rate risk hedge total	**1,122,559**	**22,584**	**82,890**	**96,606**	**-1,557**
Portfolio fair value hedges total	**1,122,559**	**22,584**	**82,890**	**96,606**	**-1,557**
Hedging instruments in fair value hedges total	**2,196,070**	**68,945**	**107,536**	**38,305**	**-1,449**

Derivatives designated as hedging instruments in fair value hedge relationships are presented in the statement of financial position line item 'Derivative instruments designated as hedging instruments' amongst assets if their fair value is positive and in line item' Derivative instruments designated as hedging instruments" amongst liabilities if their fair value is negative.

Ineffectiveness recognised in profit or loss during the existence of the designated hedge relationships is presented in the statement of comprehensive income line item 'Net gains/losses from hedge accounting'.

Amounts in the current period related to hedged items designated in fair value hedge relationships are presented below:

31.12.2024	Carrying amount		Fair value hedge adjustments on the hedged item included in the carrying amount				Fair value changes during the year used for calculating hedge ineffectiveness
			Assets		Liabilities		
(HUF million)	Assets	Liabilities	Existing hedges	Discontinued hedges	Existing hedges	Discontinued hedges	
Purchased HTCS bonds	247,742	0	-6,907	-157	0	0	300
Purchased HTC bonds	770,526	0	-12,320	0	0	0	-6,860
Loans	145,313	0	-4,351	15	0	0	3,059
Deposits	0	43,950	0	0	-2,156	0	-1,946
Issued bonds	0	208,363	0	0	3,963	0	-2,008
Deposit portfolio	0	912,454	0	0	-60,617	0	-5,430
Loan portfolio	45,130	0	-9,752	0	0	0	1,537
Total	**1,208,711**	**1,164,767**	**-33,330**	**-142**	**-58,810**	**0**	**-11,348**

31.12.2023	Carrying amount		Fair value hedge adjustments on the hedged item included in the carrying amount				Fair value changes during the year used for calculating hedge ineffectiveness
			Assets		Liabilities		
(HUF million)	Assets	Liabilities	Existing hedges	Discontinued hedges	Existing hedges	Discontinued hedges	
Purchased HTCS bonds	222,953	0	-10,628	-183	0	0	24,560
Purchased HTC bonds	400,108	0	-5,565	0	0	0	39,352
Loans	137,414	0	-7,027	37	0	0	8,641
Deposits	0	44,011	0	0	-4,103	0	-8,014
Issued bonds	0	189,165	0	0	1,502	0	-6,129
Deposit portfolio	0	804,362	0	0	-64,919	0	-111,174
Loan portfolio	55,974	0	-11,289	0	0	0	13,010
Total	**816,449**	**1,037,538**	**-34,509**	**-146**	**-67,520**	**0**	**-39,754**

'Discontinued hedges' column: The Bank begins to amortise fair value adjustments to the carrying amounts of hedged items to profit or loss from the date when the hedged items cease to be adjusted for changes in their fair values attributable to the risk being hedged, i.e., from the date when the hedge relationship is discontinued.

Carrying amounts of purchased bonds designated as hedged items in fair value hedge relationships are included in the statement of financial position line item 'Financial assets measured at fair value through other comprehensive income' and 'Financial assets measured at amortised cost', carrying amounts of loan receivables so designated are included in the statement of financial position line item 'Financial assets measured at amortised cost', whereas carrying amounts of deposits and bonds issued so designated are included in the statement of financial position line item 'Financial liabilities measured at amortised cost'. Adjustments to the carrying amount of hedged loan and deposit portfolios for changes in their fair values attributable to the hedged risk – excluding accrued interests – are presented separately in the statement of financial position, in line item 'Fair value changes of the hedged items in portfolio hedge of interest rate risk', regardless of their sign, the loan portfolio related items are always on the asset side while the fair value of the deposit portfolio are always on the liability side.

In 2024, result from fair value changes of hedged items in designated fair value hedging relationships attributable to the hedged risk amounted to HUF 11,348 million loss (in 2023: HUF 39,754 million loss) which is presented by the Bank in the statement of profit or loss line item 'Net gains/losses from hedge accounting'.

The Bank recognised a gain of HUF 14,590 million in 2024 in relation to derivatives designated as hedging instruments in fair value hedges (in 2023 a gain of HUF 38,328 million), presented in the statement of profit or loss line item 'Net gains/losses from hedge accounting'.

(11) Net gains/losses on financial instruments

The following table summarises the net gains/losses on financial instruments presented in previous notes.

(HUF million)	2024	2023
Financial instruments held for trading	**37,006**	**-83,690**
Net interest income	-273	-29,216
Realised and unrealised gains/ losses	37,243	-54,485
Dividend income	36	11
Net gains/losses from hedge accounting	**-3,031**	**-32,406**
Net interest income	-6,509	-30,898
Realised and unrealised gains/ losses	3,478	-1,508
Non-trading financial instruments mandatorily at fair value through profit or loss	**15,822**	**34,089**
Net interest income	12,010	9,530
Realised and unrealised gains/ losses	3,810	24,556
Dividend income	2	3
Financial instruments measured at fair value through other comprehensive income	**35,766**	**28,793**
Net interest income	35,538	29,850
Impairment losses	-370	-600
Net gains/losses from derecognition	584	-459
Dividend income	14	2
Financial instruments measured at amortised cost	**87,559**	**155,493**
Net interest income	78,547	160,258
Impairment losses	13,177	2,781
Net gains/losses from derecognition	-2,146	-2,492
Modification gains/losses	-2,019	-5,054
Loan commitments and financial guarantees given	**690**	**-2,550**
Provisions	690	-2,550
Total	**173,812**	**99,729**

(12) Other operating income and expenses

(HUF million)	2024	2023
Gains/losses on disposal of tangible fixed assets	38	7
Gains/losses on disposal of inventory	363	121
Income related to damages	207	23
Rental income from investment property	72	122
Income from professional fees	302	221
Income from accounting services	81	58
Income from other non-banking activities	132	111
Other income	840	879
Other operating income total	**2,035**	**1,542**
Transaction fee and other taxes	-36,417	-27,352
Expenses related to damages	-127	-514
Other provisions	76	-663
Expenses from other non-banking activities	-203	-38
Other expenses	-172	-442
Other operating expenses total	**-36,843**	**-29,009**

Other operating income increased by HUF 493 million, mainly due to the increase in income from obtained assets. Other operating expenses also increased by HUF 7,834 million, the main factor in that is the increase in transaction fees by HUF 9,065 million.

The Bank recognized in other operating income HUF 576 million revenue from contracts with its customers (IFRS 15) in 2024 (2023: HUF 510 million).

(13) Impairment of non-financial assets

Development of impairment of non-financial assets:

2024 (HUF million)	Opening balance	Additions	Usage/Reversal	Closing balance
Other non-financial assets	-54	-30	48	-36
Total	**-54**	**-30**	**48**	**-36**

2023 (HUF million)	Opening balance	Additions	Usage/Reversal	Closing balance
Other non-financial assets	-22	-37	5	-54
Total	**-22**	**-37**	**5**	**-54**

The 'Impairment on non-financial assets' line shows the impairment on properties obtained against receivables.

(14) Other result

(HUF million)	2024	2023
Modification gains/losses, net	-2,019	-5,055
Impairment on non-financial assets	-21	-32
Total	**-2,040**	**-5,087**

The line 'Modification gains/losses, net' includes profit or loss effect of contract modifications which did not result in derecognition of the modified financial assets. In case of these non-substantial contract modifications the Bank recognizes a one-time change in gross carrying amount through profit or loss of which HUF 2,052 million (2023: HUF 5,249 million) was attributable to the interest cap.

(15) Staff expenses

The Bank presents the personnel-related expenses and headcount data for the years 2023 and 2024 in the tables below:

(HUF million)	2024	2023
Salaries	-33,838	-31,384
Social security contributions	-5,294	-4,951
Other personnel benefits	-2,018	-2,089
Total	**-41,150**	**-38,424**

	31.12.2024		31.12.2023	
	Headcount		Headcount	
(HUF million)	(person)	Salaries	(person)	Salaries
Full time	2,302	-30,286	2,333	-29,820
Part time	217	-2,846	195	-1,348
Pensioners	54	-706	15	-216
Total	**2,573**	**-33,838**	**2,543**	**-31,384**

(16) Other administrative expenses

(HUF million)	2024	2023
Office space expenses: rental, maintenance, other	-4,024	-5,040
IT cost	-9,603	-6,330
Expert fees	-8,777	-8,216
Advertising, PR and promotional expenses	-4,226	-3,224
Deposit insurance fees	-1,293	-1,376
Communication expenses	-2,100	-1,755
Office supplies	-252	-232
Car expenses	-488	-424
Security expenses	-515	-420
Travelling expenses	-155	-126
Training expenses for staff	-210	-421
Expenses for leases	-385	-231
Other	-1,431	-1,302
Total	**-33,459**	**-29,097**

Other administrative expenses increased by HUF 4,362 million. Among IT costs, the costs of cloud services increased the most.

(17) Bank tax and other special levies

(HUF million)	2024	2023
Surtax of financial institutions	-25,094	-34,886
Resolution Fund	-697	-939
Total	**-25,791**	**-35,825**

Surtax of financial institutions is levied on the modified total assets as at the end of the second preceding tax year. Tax rate is 0.15% for the portion of tax base not exceeding HUF 50 billion and 0.20% for the exceeding portion. While calculating the modified total assets, certain inter-bank loans and deposits and certain debt instruments issued by financial institutions are deductible. :The surtax amounted to HUF 7,878 million in 2024 (2023: HUF 6,994 million).

In 2024, the Bank paid extra profit tax based on its modified profit before tax for the year 2022. The basis for the special tax is the profit before tax for the year 2022, reduced by dividends received, the profit generated outside the scope of regular activities, and increased by the surtax for financial organizations, the extra profit tax, and the transaction fee for the year 2022. The extra-profit tax rate in 2024 is 13% on the portion of the tax base not exceeding HUF 20 billion, and 30% on the portion exceeding this amount. The extra-profit surtax amounted to HUF 17,216 million in 2024

In the first half of 2023, the tax base was 50% of the adjusted value of the 2022 revenue according to the local business tax, with a tax rate of 8%. For the second half of 2023, the tax base was 50% of the adjusted value of the 2022 pre-tax profit, with a tax rate of 13% on the portion of the tax base below HUF 10 billion and 30% on the portion above this amount. The extra profit tax calculated in this manner amounted to HUF 27,893 million in 2023.

In accordance with the Act on Resolution, the Bank pays a yearly membership fee to the Resolution Fund, the calculation methodology of which is transparent and uniform across the European Union and is established by European Commission Regulation. According to the regulation, yearly membership fees payable by the institutions are calculated by NBH acting in its resolution capacity. NBH notifies the institutions of the fee payable until 1 May of each year. Yearly fees payable by the institutions shall be determined so that the value of Resolution Fund's assets until 31 December 2024 – spread evenly over that period – reaches at least 1% of the portion of insured deposits not exceeding the EUR 100,000 indemnification threshold, placed with credit institutions licensed in Hungary (target level). The Bank qualifies as an institution obliged to pay a risk-based fee. Risk-based fees are calculated so that the yearly target value, reduced by the fixed fees payable by limited activity investment undertakings and by the progressive fixed fees, is allocated amongst the institutions obliged to pay a risk-based fee in proportion of their fee base adjusted by a risk adjustment multiplier.

The Bank recognized the payable extra surtax due to the pandemic as a liability in its entire amount, and paid that amount in 2020, so this liability is not presented in the financial statement at year end. Since the Bank is entitled to a tax retention related to the normal surtax until 2025, the Bank did not present an expense against the liability for the extra surtax due to the pandemic, but an asset (please see note (26) Other assets). Considering the right for the tax retention, the payment embodies an advance payment for the normal surtax.

(18) Income tax

Income tax expense recognised in profit or loss

(HUF million)	2024	2023
Current tax expense	**16,841**	**10,489**
Corporate income tax	9,710	4,757
Local business tax	6,198	4,984
Innovation contribution	933	748
Deferred tax expense	**1,398**	**1,940**
Origination and reversal of temporary differences	-30	-35
Changes in the tax effect of tax losses	1,428	1,975
Corrections from previous years	0	0
Income tax expense	**18,239**	**12,429**

Corporate income tax is 9% of the tax base, local business tax is 2% of the tax base and innovation contribution is 0.3% of the tax base in both 2024 and 2023. The tax base of corporate income tax differs from the tax base of local business tax and innovation contribution, the latter two having the same tax base.

Reconciliation of the effective tax rate

	31.12.2024		31.12.2023	
	%	(HUF million)	%	(HUF million)
Profit or loss before tax		132,745		111,709
Income tax calculated with Bank's applicable tax rate	9.00%	11,947	9.00%	10,054
Tax effect of tax base adjusting items	-0.63%	-839	-3.00%	-3,357
Tax effects related to tax losses:				
Usage of previously not recognised tax losses	-1.07%	-1,420	-4.19%	-4,685
Change in previously unrecognised tax losses	1.08%	1,428	1.77%	1,974
Other	-0.64%	-847	-0.58%	-646
Other income taxes: local business tax, innovation contribution	5.37%	7,131	5.13%	5,732
Effective tax rate	**13.74%**	**18,239**	**11.13%**	**12,429**

Reconciliation of the global minimum tax

(HUF million)	31.12.2024
Profit or loss before tax	**114,505**
Income tax	18,239
Dividend income	-3,662
Interest expense from AT1 instruments	-6,854
Other	**-74**
GLoBE income	**122,154**
Current tax expense	16,842
Deferred tax expense (+)/income (-)	1,398
Deferred tax asset from utilization of loss carry forward remeasured at 15%	947
Other	-113
Adjusted covered income tax	**19,074**
Effective tax rate of the global minimum tax (%)	**15.61 %**

The Bank used the detailed calculation method to determine its global minimum tax liability. In 2024, the Bank did not incur any additional tax liability in relation to the global minimum tax, as the effective tax rate under the global minimum tax exceeded 15%.

Income taxes recognised in other comprehensive income

(HUF million)	31.12.2024 Before tax	31.12.2024 Tax expense/ benefit	31.12.2024 After tax	31.12.2023 Before tax	31.12.2023 Tax expense/ benefit	31.12.2023 After tax
Items that will not be reclassified to profit or loss						
Changes in fair value reserve (equity instruments)	8	-1	7	4	0	4
Items that will not be reclassified to profit or loss, total	**8**	**-1**	**7**	**4**	**0**	**4**
Items that were reclassified or will be reclassified to profit or loss						
Changes in hedge reserve						
Effective portion of fair value changes	-8,410	757	-7,653	10,793	-971	9,822
Net amount reclassified to profit or loss	-2,595	234	-2,361	-243	22	-221
Change in fair value reserve (debt instruments)						
Changes in fair value	534	-49	485	2,072	-187	1,885
Net amount reclassified to profit or loss	472	-42	430	2,034	-183	1,851
Items that were reclassified or will be reclassified to profit or loss, total	**-9,999**	**900**	**-9,099**	**14,656**	**-1,319**	**13,337**
Total	**-9,991**	**899**	**-9,092**	**14,660**	**-1,319**	**13,341**

Movements in deferred tax balances

2024 (HUF million)	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance Net	Closing balance Deferred tax assets	Closing balance Deferred tax liabilities
Tangible and intangible fixed assets	46	46	0	92	92	0
Investment securities – at fair value through other comprehensive income	-182	0	-91	-273	0	-273
Derivative instruments	-2,013	0	990	-1,023	0	-1,023
Loss allowances for expected credit losses	194	-16	0	178	178	0
Tax losses carried forward	3,795	-1,428	0	2,367	2,367	0
Net deferred tax asset/liability before offsetting				**1,341**	**2,637**	**-1,296**
Offsetting of financial assets and liabilities					-1,296	1,296
Net deferred tax asset/liability	**1,840**	**-1,398**	**899**	**1,341**	**1,341**	**0**

2023 (HUF million)	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance Net	Closing balance Deferred tax assets	Closing balance Deferred tax liabilities
Tangible and intangible fixed assets	-14	60	0	46	46	0
Investment securities – at fair value through other comprehensive income	188	0	-370	-182	0	-182
Derivative instruments	-1,064	0	-949	-2,013	0	-2,013
Loss allowances for expected credit losses	220	-26	0	194	194	0
Tax losses carried forward	5,769	-1,974	0	3,795	3,795	0
Net deferred tax asset/liability before offsetting				**1,840**	**4,035**	**-2,195**
Offsetting of financial assets and liabilities					-2,195	2,195
Net deferred tax asset/liability	**5,099**	**-1,940**	**-1,319**	**1,840**	**1,840**	**0**

In the above tables, the 'Derivative instruments" line item is presented net'

In 2024, HUF 1,341 million (2023: HUF 1,840 million) deferred tax asset was recognised which comprises of the following items:

- HUF 270 million (2023: HUF 240 million) was recognised due to temporary differences which modify the tax base and are expected to reverse in the future;
- HUF 2,367 million (2023: HUF 3,795 million) was recognised for the balances of tax losses carried forward from previous years which are expected to be utilised by the Bank;
- HUF-1296 million (2023: HUF -2195 million) was recognised due to fair values of financial assets measured at fair value through other comprehensive income and cash flow hedging instruments recognised in other comprehensive income income.

Deferred tax liability was recognised neither in 2024 nor in 2023, as the deferred tax assets and liabilities related to corporate income tax are presented net.

Tax loss carry-forward for which no deferred tax asset has been recognised by maturity breakdown

The Bank has no unused tax losses as of 31 December 2024 or 31 December 2023 that are expected to remain unused in the future, which could be utilized in the tax year containing 31 December 2030 at the latest.

Tax losses carried forward from previous years can be utilised as tax base decreasing items up to 50 percent of the tax base calculated before such utilisation. Tax losses carried forward are utilized based on the performance of the Bank.

The Bank currently prepares business plans for 3 years, based on which HUF 1,341 million deferred tax asset is recognised in respect of 2025, 2026 and 2027.

(19) Cash, cash balances at central banks and other demand deposits

	31.12.2024			31.12.2023		
(HUF million)	**HUF**	**Foreign currency**	**Total**	**HUF**	**Foreign currency**	**Total**
Cash and cheques	42,675	15,597	58,272	27,033	12,608	39,641
National Bank of Hungary	445,269	0	445,269	863,023	0	863,023
Other banks	2,757	24,603	27,360	4,169	21,011	25,180
Total	**490,701**	**40,200**	**530,901**	**894,225**	**33,619**	**927,844**

Current account with National Bank of Hungary (NBH) contains the minimum mandatory reserves. The average balance of prescribed minimum reserve was HUF 317,518 million (2023: HUF 309,156 million). The amount of mandatory reserve is the liabilities subject to reserving obligation multiplied by the minimum reserve rate.

Required reserves shall be kept in respect of the following liability categories:

- deposits and loans received with an original maturity within two years,
- debt securities with an original maturity within two years,
- repurchase agreements.

No required reserves shall be kept after liabilities owed to other credit institutions that are obliged to keep mandatory reserves and after loans received from the NBH.

The Bank can use its minimum reserve in its daily operation, as long as the daily balance and the monthly average balance of the reserve is more than or equal to the legislative limit. Based on this reasoning the Bank presents the minimum reserves as cash in the cash-flow statement.

(20) Financial assets measured at fair value through profit and loss

Financial assets held for trading

31.12.2024 (HUF million)	Nominal value of derivative instruments	Carrying amount
Derivative instruments	**1,665,773**	**73,919**
hereof: economic hedge	399,352	29,902
Interest rate	596,600	56,951
Equity	0	1
Currency	1,069,173	16,967
Equity instruments		**6,841**
Debt securities		**1,646**
Government bonds and treasury bills		664
Corporate and other bonds		947
Bank bonds		35
Total	**1,665,773**	**82,406**

31.12.2023 (HUF million)	Nominal value of derivative instruments	Carrying amount
Derivative instruments	**2,023,484**	**94,963**
hereof: economic hedge	517,359	44,256
Interest rate	668,415	70,789
Equity	0	30
Currency	1,355,069	24,144
Equity instruments		**1,011**
Debt securities		**1,835**
Government bonds and treasury bills		757
Corporate and other bonds		1,041
Bank bonds		37
Total	**2,023,484**	**97,809**

The Monetary Council decided on 21 November 2017 to introduce further non-conventional vehicles from January 2018. One of these vehicles is the general, unconditional monetary policy interest rate swap (MIRS). The aim of introducing that vehicle was that the loose monetary conditions also prevail on the longer-term section of the yield curve and to increase the proportion of loans with longer fixed interest periods.

Banks could apply for 5 and 10-year MIRSs introduced as general monetary policy vehicle, at tenders written by NBH, in proportion of their total assets. A difference compared to previous IRS programs of the central bank was that MIRS is unconditional. The Bank utilised the amount allocated. The application of the vehicle made it possible for the Bank to strengthen its fixed interest rate lending.

MIRS was concluded with the banks on terms announced by NBH which were more favourable than current market conditions. Initial fair values of those derivatives were estimated using discounting based on yield curves built from quoted market prices of IRS transactions with various terms, available at the date of announcement of the tenders. On initial recognition, the Bank recognised the difference between the fair value and the transaction price in profit or loss.

During 2018, the Bank concluded MIRS interest rate swaps in a nominal amount of HUF 95,136 million, there were no new transactions since that. As at 31.12.2024, the carrying amount of these swaps was HUF 9,600 million asset (HUF 11,116 million asset as at 31.12.2023). Fair valuation loss recognised in relation to MIRS's, amounting to HUF 805 million (HUF 14,178 million loss in 2023) was presented in the statement of profit or loss line item 'Net trading income and fair value result'.

Non-trading financial assets mandatorily at fair value through profit or loss

31.12.2024 (HUF million)	Cost	Accrued interest	Unrealised gains/ losses	Carrying amount	Negative fair value changes due to changes in credit risk – non performing exposures
Debt securities	**1,319**	**0**	**-1,026**	**293**	**0**
Bank bonds	1,319	0	-1,026	293	0
Loans and advances	**170,477**	**164**	**14,402**	**185,043**	**-275**
Total	**171,796**	**164**	**13,376**	**185,336**	**-275**

31.12.2023 (HUF million)	Cost	Accrued interest	Unrealised gains/ losses	Carrying amount	Negative fair value changes due to changes in credit risk – non performing exposures
Debt securities	**1,161**	**0**	**-740**	**421**	**0**
Bank bonds	1,161	0	-740	421	0
Loans and advances	**153,051**	**282**	**10,717**	**164,050**	**-302**
Total	**154,212**	**282**	**9,977**	**164,471**	**-302**

The Bank presents loans under non-trading loans and advances mandatorily measured at fair value through profit or loss, the contractual cash flows of which are not solely payments of principal and interest on the principal amount outstanding.

In the retail segment exposures in the uncollateralised product group increased significantly, childbirth incentive loans mandatorily measured at fair value through profit or loss reached HUF 136 billion by year-end (2023: HUF 126 billion).

Financial assets designated at fair value through profit or loss

The Bank had no financial assets designated at fair value through profit or loss either on 31 December 2024 or on 31 December 2023.

(21) Placements with banks

	31.12.2024					31.12.2023				
	Less than 1 year		More than 1 year			Less than 1 year		More than 1 year		
(HUF million)	HUF	Foreign currency	HUF	Foreign currency	Total	HUF	Foreign currency	HUF	Foreign currency	Total
National Bank of Hungary	864	0	0	0	864	52,988	0	0	0	52,988
Other banks	20,720	16,334	0	0	37,054	10,777	8,588	0	0	19,365
Impairment losses	0	0	0	0	0	-1	0	0	0	-1
Total	**21,584**	**16,334**	**0**	**0**	**37,918**	**63,764**	**8,588**	**0**	**0**	**72,352**

Placements with banks are included in the statement of financial position line item 'Financial assets measured at amortised cost'.

Receivables due from National Bank of Hungary contains placements maturing less than 1 year with a balance of HUF 864 million (2023: HUF 52,988 million). Other placements with banks increased by HUF 17,689 million during 2024 compared to the prior year.

(22) Investment securities not measured at fair value through profit or loss

This note presents securities listed on stock markets and not measured at fair value through profit or loss. Securities measured at fair value through profit or loss (FVTPL) are detailed in note (20) Financial assets measured at fair value through profit and loss, while unlisted securities are detailed under note (23) Investments in unlisted securities.

HUF 1,137 million from securities listed on stock markets and not measured at fair value through profit or loss is included in the statement of financial position line item 'Financial assets measured at amortised cost', and HUF 550 million from them is included in the statement of financial position line item 'Financial assets measured at fair value through other comprehensive income'.

The Bank pledged securities amounting to HUF 137 billion as collateral for its liabilities in 2024 (2023: HUF 130 billion).

In 2024, the Bank recognised HUF 542 million income in other comprehensive income in relation to securities measured at fair value through other comprehensive income (2023: HUF 2,076 income) and reclassified HUF 472 million gain from other comprehensive income to profit or loss (2023: HUF 2,034 million gain).

National Bank Hungary (NBH) launched the NKP (Bond Funding for Growth Scheme, FGS) program in March 2019, to support the financing needs of companies and to help by building financing channels other than bank lending. Within the program, the NBH can purchase securities in a budget amount of HUF 1,550 billion. The program ended in December 2021. FGS bonds were purchased by the Bank in 2022 and after which no such bonds were purchased .

Investment securities measured at amortised cost

31.12.2024 (HUF million)	Cost	Accrued interest	Unrealised gains/losses	Discount/ premium	Impairment losses	Carrying amount
Debt securities						
Government bonds and treasury bills	636,489	9,237	-1,043	9,352	-382	653,653
Corporate and other bonds	82,726	936	-11,132	2,859	-949	74,440
Bank bonds	397,534	8,923	-145	3,070	-158	409,224
Total	**1,116,749**	**19,096**	**-12,320**	**15,281**	**-1,489**	**1,137,317**

31.12.2023 (HUF million)	Cost	Accrued interest	Unrealised gains/losses	Discount/ premium	Impairment losses	Carrying amount
Debt securities						
Government bonds and treasury bills	443,936	6,428	3,518	3,753	-508	457,127
Corporate and other bonds	82,867	935	-8,977	1,860	-455	76,230
Bank bonds	203,421	8,023	-106	942	-173	212,107
Total	**730,224**	**15,386**	**-5,565**	**6,555**	**-1,136**	**745,464**

'Unrealised gains/losses' column: The amounts indicated here are from hedge accounting

Investment securities measured at fair value through other comprehensive income

31.12.2024 (HUF million)	Cost	Accrued interest	Unrealised gains/losses	Discount/ premium	Impairment losses	Carrying amount
Equity instruments total	**64**	**0**	**40**	**0**	**0**	**104**
Shares in subsidiaries	0	0	0	0	0	0
Shares	64	0	40	0	0	104
Debt securities total	**549,596**	**3,918**	**-4,077**	**2,564**	**-1,766**	**550,235**
Government bonds and treasury bills	358,625	3,185	2,592	1,753	-128	366,027
Corporate and other bonds	36,151	230	-5,411	848	-1,401	30,417
Bank bonds	154,820	503	-1,258	-37	-237	153,791
Total	**549,660**	**3,918**	**-4,037**	**2,564**	**-1,766**	**550,339**

31.12.2023 (HUF million)	Cost	Accrued interest	Unrealised gains/losses	Discount/ premium	Impairment losses	Carrying amount
Equity instruments total	**31**	**0**	**34**	**0**	**0**	**65**
Shares	31	0	34	0	0	65
Debt securities total	**372,258**	**3,345**	**-8,829**	**384**	**-1,339**	**365,819**
Government bonds and treasury bills	171,766	2,410	411	-224	-108	174,255
Corporate and other bonds	36,553	231	-5,460	637	-969	30,992
Bank bonds	163,939	704	-3,780	-29	-262	160,572
Total	**372,289**	**3,345**	**-8,795**	**384**	**-1,339**	**365,884**

The Bank elected to measure its other equity instruments that it does not control at fair value through other comprehensive income and as a consequence it never recognises changes in their fair values in profit or loss. The reason for this election is that these interests do not serve the Bank's profit generation but facilitate the performance of various banking services (e.g., credit card business, payment transaction services, etc.).

(23) Investments in unlisted securities

	Ownership interest %		Net carrying amount	
(HUF million)	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Garantiqa Hitelgarancia Zrt.	0.16%	0.16%	15	15
SWIFT	0.01%	0.01%	89	50
Total			**104,000,000**	**65,000,000**

Unlisted investment securities are included in the statement of financial position line item 'Financial assets measured at fair value through other comprehensive income'. In 2024, changes in book values were due partly to changes in fair values and partly to an increase in SWIFT through the reallocation of shares. In 2023, in addition to changes in fair values, there was also a sale:, the investment in RC Gazdasági és Adótanácsadó Zrt was sold and with the sale HUF 21 million was reclassified from other comprehensive income to retained earnings. The Bank did not recognise dividend related to the above equity instruments.

(24) Tangible and intangible fixed assets

2024	Gross carrying amount					Accumulated depreciation/amortisation					Carrying amount
(HUF million)	**Opening balance**	**Additions**	**Disposals**	**Reclassific ations**	**Closing balance**	**Opening balance**	**Additions**	**Disposals**	**Reclassific ations**	**Closing balance**	**Closing balance**
Tangible fixed assets											
Property	50,614	4,842	-510	-118	54,828	-20,934	-4,909	505	0	-25,338	29,490
Equipment	22,282	15,707	-12,895	16	25,110	-14,254	-2,468	571	0	-16,151	8,959
Tangible fixed assets total	**72,896**	**20,549**	**-13,405**	**-102**	**79,938**	**-35,188**	**-7,377**	**1,076**	**0**	**-41,489**	**38,449**
Intangible fixed assets											
Software	75,977	7,400	-1,033	2	82,346	-53,556	-5,821	1,034	0	-58,343	24,003
Other intangible assets	538	0	-19	100	619	-527	-12	18	0	-521	98
Intangible fixed assets total	**76,515**	**7,400**	**-1,052**	**102**	**82,965**	**-54,083**	**-5,833**	**1,052**	**0**	**-58,864**	**24,101**

2023	Gross carrying amount					Accumulated depreciation/amortisation					Carrying amount
(HUF million)	Opening balance	Additions	Disposals	Reclassifications	Closing balance	Opening balance	Additions	Disposals	Reclassifications	Closing balance	Closing balance
Tangible fixed assets											
Property	45,258	7,022	-1,656	-10	50,614	-17,750	-4,611	1,427	0	-20,934	29,680
Equipment	21,087	4,376	-3,237	56	22,282	-13,621	-2,343	1,710	0	-14,254	8,028
Tangible fixed assets total	**66,345**	**11,398**	**-4,893**	**46**	**72,896**	**-31,371**	**-6,954**	**3,137**	**0**	**-35,188**	**37,708**
Intangible fixed assets											
Software	69,653	6,712	-342	-46	75,977	-48,302	-5,596	342	0	-53,556	22,421
Other intangible assets	538	0	0	0	538	-519	-8	0	0	-527	11
Intangible fixed assets total	**70,191**	**6,712**	**-342**	**-46**	**76,515**	**-48,821**	**-5,604**	**342**	**0**	**-54,083**	**22,432**

In the book value of "Intangible assets", the Bank recorded expenses of HUF 2,950 million in 2024 (2023: HUF 1,956 million). As of 31 December 2024, 'Property' includes HUF 21,986 million (2023: HUF 24,052 million) and 'Equipment' includes HUF 1 million (2023: HUF 0 million) right-of-use assets.

The Bank recognised expenses amounting to HUF 2,950 million in the carrying amount of intangible assets, in course of developing intangible assets (2023: HUF 1,956 million).

(25) Leases

The Bank acting as a lessee (IFRS 16)

The Bank leases properties, typically office premises and branches and vehicles. Property lease contracts usually have a 3- or 5-year rental term, in respect of which 3- or 5-year extension options were agreed. In case of contracts with shorter term, 1- or 2-year extension options were agreed. The contracts with indefinite term have a one-year notice period.

The Bank moved into a new head office in 2020. The contract for new head office was recognised in June 2020 with an original term of 10 years considering a 5-year extension option, in the total amount of HUF 15,295 million. The present value was calculated with an incremental borrowing rate of 2.28%.

The vehicles have 6 years of rental term in all cases, with no extension options.

Furthermore, the Bank leases IT equipment, however they either qualify as short-term leases or the underlying asset is a low-value asset, thus the Bank – based on its election – does not recognise right-of-use assets and lease liabilities for them.

The Bank has no sale and leaseback arrangements.

Right-of-use assets

Right-of-use assets related to leased properties and vehicles are presented within property and equipment (see note (24) Tangible and intangible fixed assets).

2024	Gross carrying amount					Accumulated depreciation/amortisation					Carrying amount
(HUF million)	Opening balance	Additions	Disposals	Reclassifications	Closing balance	Opening balance	Additions	Disposals	Reclassifications	Closing balance	Closing balance
Right-of-use asset											
Property	36,595	1,597	-356	0	37,836	-12,543	-3,657	350	0	-15,850	21,986
Vehicles	222	25	-88	0	159	-222	-21	85	0	-158	1
Total	**36,817**	**1,622**	**-444**	**0**	**37,995**	**-12,765**	**-3,678**	**435**	**0**	**-16,008**	**21,987**

2023 (HUF million)	Gross carrying amount Opening balance	Additions	Disposals	Reclassifications	Closing balance	Accumulated depreciation/amortisation Opening balance	Additions	Disposals	Reclassifications	Closing balance	Carrying amount Closing balance
Right-of-use asset											
Property	32,120	4,975	-500	0	36,595	-9,402	-3,412	271	0	-12,543	24,052
Vehicles	318	-6	-90	0	222	-250	-51	79	0	-222	0
Total	**32,438**	**4,969**	**-590**	**0**	**36,817**	**-9,652**	**-3,463**	**350**	**0**	**-12,765**	**24,052**

Lease liabilities

The Bank presents lease liabilities within 'Financial liabilities measured at amortised cost'. The maturity analysis for lease liabilities at 31 December 2024 and 31 December 2023 is as follows (undiscounted cash flows):

(HUF million)	31.12.2024	31.12.2023
Less than 1 year	4,407	4,319
1 - 5 years	14,027	14,057
More than 5 years	11,786	12,660
Total	**30,220**	**31,036**

Amounts presented in the statement of cash flows

In 2024, the total cash outflows related to lease contracts amounted to HUF 4,595 million (2023: HUF 4,310 million), that are presented within 'Payment of lease liabilities' and 'Interest paid'.

Amounts recognised in profit or loss

Amounts recognised in profit or loss according to IFRS 16:

(HUF million)	31.12.2024	31.12.2023
Interest expense on lease liabilities	663	673
Expenses relating to short-term leases	272	194
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	51	38
Total	**986**	**905**

In 2024, the Bank recognised expenses in profit or loss related to leases in the amount of HUF 986 million (2023: HUF 905 million).

(26) Other assets

(HUF million)	31.12.2024	31.12.2023
Prepayments and accrued income	6,308	5,644
Materials and inventories	220	249
Inventories and properties obtained by taking possession of collaterals	790	1,211
Tax receivables	1,923	1,774
Sundry assets	67	67
Total	**9,308**	**8,945**
hereof: impairment losses	-36	-54

In 2024, the balance of other assets increased by HUF 363 million, mainly due to the increase of prepayments and accrued income (HUF 664 million) and decrease in properties repossessed against receivables (HUF 421 million).

Within accruals, the active accrual of fees increased significantly (HUF (1.387 million), while the accrual of costs and expenses decreased slightly (HUF 441 million). Additionally, the interest accruals related to securities received under reverse repurchase agreements also decreased compared to the previous year (HUF 448 million).

The balance of other assets in 2024 increased slightly due to tax receivables. In 2020, due to the pandemic situation, the government introduced a special surtax on credit institutions, which was paid in three equal instalments at that time. Originally, the Bank could have reduced the amount of the 'normal' surtax payable, as determined by the surtax law, by the amount shown as receivables in the form of tax withholding over the next five years. However, due to an amendment to the law, this reduction cannot be applied for the 2024 tax year and will instead be realized in the 6th tax year.

From its revenue under IFRS 15 the Bank includes in its statement of financial position as accrued assets HUF 1,477 million (2023: HUF 1,176 million).

(27) Financial liabilities measured at fair value through profit or loss

31.12.2024 (HUF million)	Nominal value of derivative instruments	Carrying amount
Derivative instruments - held for trading	**2,008,175**	**74,964**
hereof: economic hedge	585,497	29,409
Interest rate	584,827	56,600
Equity	6,906	160
Currency	1,416,442	18,204
Debt securities issued total	**2,008,175**	**74,964**
Short positions	0	1,507
Short positions total	**0**	**1,507**
Total	**2,008,175**	**76,471**

31.12.2023 (HUF million)	Nominal value of derivative instruments	Carrying amount
Derivative instruments - held for trading	**1,987,197**	**89,404**
hereof: economic hedge	784,800	40,334
Interest rate	588,349	66,602
Equity	1,808	130
Currency	1,397,040	22,672
Debt securities issued total	**1,987,197**	**89,404**
Short positions	0	4,261
Short positions total	**0**	**4,261**
Total	**1,987,197**	**93,665**

The Bank uses other derivatives not designated in qualifying hedge relationships to manage its foreign currency, interest rate and equity price risk exposures. The instruments applied are interest rate swaps, cross-currency interest rate swaps, forwards, futures and options. The fair value of these instruments is shown in the table above. Derivatives held for trading purposes are also included in the table above.

The Bank presents the above financial liabilities measured at fair value through profit or loss in the statement of financial position line item 'Financial liabilities held for trading'.

(28) Reconciliation between classes of financial liabilities and statement of financial position line items

The following table reconciles classes of financial liabilities defined for disclosure purposes with the statement of financial position line items:

31.12.2024 (HUF million)	Financial liabilities held for trading	Financial liabilities measured at amortised cost	Total
Deposits from banks	0	455,745	455,745
Deposits from customers	0	3,188,059	3,188,059
Increase of subordinated liabilities	0	63,876	63,876
Debt securities issued	0	211,806	211,806
Derivative liabilities	74,964	0	74,964
Short positions	1,507	0	1,507
Other financial liabilities	0	44,046	44,046
Total	**76,471**	**3,963,532**	**4,040,003**

31.12.2023 (HUF million)	Financial liabilities held for trading	Financial liabilities measured at amortised cost	Total
Deposits from banks	0	492,446	492,446
Deposits from customers	0	2,989,666	2,989,666
Increase of subordinated liabilities	0	59,665	59,665
Debt securities issued	0	192,646	192,646
Derivative liabilities	89,404	0	89,404
Short positions	4,261	0	4,261
Other financial liabilities	0	36,334	36,334
Total	**93,665**	**3,770,757**	**3,864,422**

(29) Deposits from banks and deposits from customers

Deposits from banks

	31.12.2024					31.12.2023				
	Less than 1 year		More than 1 year			Less than 1 year		More than 1 year		
(HUF million)	HUF	Foreign currency	HUF	Foreign currency	Total	HUF	Foreign currency	HUF	Foreign currency	Total
Resident	62,252	10,170	229,461	137,456	439,339	25,067	17,721	290,228	135,263	468,279
Non resident	13,716	2,690	0	0	16,406	14,950	9,217	0	0	24,167
Total	**75,968**	**12,860**	**229,461**	**137,456**	**455,745**	**40,017**	**26,938**	**290,228**	**135,263**	**492,446**

Deposits from customers

	31.12.2024					31.12.2023				
	Less than 1 year		More than 1 year			Less than 1 year		More than 1 year		
(HUF million)	HUF	Foreign currency	HUF	Foreign currency	Total	HUF	Foreign currency	HUF	Foreign currency	Total
Resident	1,957,793	1,157,801	2,650	845	3,119,089	1,722,151	1,150,741	6,496	673	2,880,061
Non resident	31,810	37,157	0	3	68,970	39,596	70,000	0	9	109,605
Total	**1,989,603**	**1,194,958**	**2,650**	**848**	**3,188,059**	**1,761,747**	**1,220,741**	**6,496**	**682**	**2,989,666**

Deposits from customers and deposits from banks are included in the statement of financial position line item 'Financial liabilities measured at amortised cost'.

In case of deposits from customers a significant increase in deposits was experienced in both corporate and retail segment.

Deposits insured by National Deposit Insurance Fund (indemnified amount) was HUF 1,197 billion at the end of 2024 (2023: HUF 1,069 billion).

(30) Debt securities issued

	31.12.2024		31.12.2023	
(HUF million)	Nominal value	Carrying amount	Nominal value	Carrying amount
At amortised cost	**202,580**	**211,806**	188,071	192,646
Senior preferred	**172,707**	**181,850**	175,258	179,764
fix	172,707	181,850	175,258	179,764
Senior non-preferred	**29,873**	**29,956**	**12,813**	**12,882**
fix	29,873	29,956	12,813	12,882
Total	**202,580**	**211,806**	**188,071**	**192,646**

Debt securities issued are included in the statement of financial position line item 'Financial liabilities measured at amortised cost'.

As of 31 December 2024, MREL bonds with a nominal value of HUF 203 billion (31.12.2023: 188 billion) were among the debt securities issued. The purpose of the MREL (Minimum Requirement for Own Funds and Eligible Liabilities) issue was that the Bank, in line with the bank resolution directives of the European Union can hold funds of appropriate quality and in sufficient amount. The bonds are callable at the optional call date, one year before maturity, their interest rate is fixed at inception, becoming variable in later periods. During October-November 2024, the Bank called back its MREL bonds maturing in 2025 and issued new MREL bonds with a nominal value of HUF 144 billion at a lower interest rate instead of the called bonds.

Debt securities insured by National Deposit Insurance Fund (indemnified amount) was HUF 0 million at the end of 2024 (2023: HUF 361 million).

(31) Subordinated liabilities

31.12.2024 Lender	Borrowed on	Amount in original currency (million)	Currency	Interest rate (%)	Maturity	Carrying amount (HUF million)
Raiffeisen Bank International AG	2020.02.28	40	EUR	6.04	2032.02.27	16,494
Raiffeisen Bank International AG	2020.02.28	50	EUR	5.79	2031.02.28	20,613
Raiffeisen Bank International AG	2020.02.28	50	EUR	5.91	2030.02.28	20,617
Raiffeisen Bank International AG	2020.03.27	15	EUR	5.81	2032.03.31	6,152
Total		**155**				**63,876**

31.12.2023 Lender	Borrowed on	Amount in original currency (million)	Currency	Interest rate (%)	Maturity	Carrying amount (HUF million)
Raiffeisen Bank International AG	2020.02.28	40	EUR	7.08	2032.02.27	15,408
Raiffeisen Bank International AG	2020.02.28	50	EUR	6.96	2031.02.28	19,257
Raiffeisen Bank International AG	2020.02.28	50	EUR	6.83	2030.02.28	19,255
Raiffeisen Bank International AG	2020.03.27	15	EUR	7.05	2032.03.31	5,745
Total		**155**				**59,665**

Subordinated liabilities are included in the statement of financial position line item 'Financial liabilities measured at amortised cost'. These borrowings are direct, unconditional and unsecured liabilities of the Bank which are subordinated to liabilities due to other depositors or lenders of the Bank.

(32) Other liabilities

(HUF million)	31.12.2024	31.12.2023
Prepayments and accrued income	7,683	6,328
Tax liabilities	6,494	4,431
Other liabilities	345	320
Total	**14,522**	**11,079**

Other liabilities increased by HUF 3,443 million. Accruals increased by HUF 1,355 million, mainly caused by the increase in IRS upfront fee income. The accruals of costs and unrealized foreign exchange gains from spot transactions were slightly higher than the previous year.

Tax liabilities increased by HUF 2,063 million compared to 2023, thanks to the significant increase in transaction tax resulting from legislative changes.

Revenue deferred under IFRS 15, presented within accruals amounted to HUF 1,306 million (2023: HUF 1,286 million). During 2024, 87 million HUF of revenue was realized from the IFRS 15 deferred income at the end of 2023.

(33) Provisions

The following table details provisions other than those set up for expected credit losses:

2024 (HUF million)	Restructuring	Pending legal issues and tax litigation	Other provisions	Total
Opening balance	**220**	**1,517**	**5,480**	**7,217**
Additions, including increases in existing provisions	0	2	5,362	5,364
(-) Amounts used	-110	-30	-5,161	-5,301
(-) Unused amounts reversed during the period	-110	0	0	-110
Other movements	0	83	0	83
Closing balance	**0**	**1,572**	**5,681**	**7,253**

2023 (HUF million)	Restructuring	Pending legal issues and tax litigation	Other provisions	Total
Opening balance	**120**	**662**	**4,505**	**5,287**
Additions, including increases in existing provisions	220	852	4,898	5,970
(-) Amounts used	-120	0	-4,053	-4,173
(-) Unused amounts reversed during the period	0	3	0	3
Other movements	0	0	130	130
Closing balance	**220**	**1,517**	**5,480**	**7,217**

*Other commitments and guarantees given measured under IAS 37 and guarantees given measured under IFRS 4

The provision for litigation increased by HUF 55 million.

The amount of provisions set aside for the restructuring was fully utilized or reversed, which represents a HUF 220 million decrease in the amount of provisions .

Significant part of the increase in other provisions was due to the increase in bonus accruals.

(34) Assets and liabilities held for sale and discontinued operations

Assets and liabilities held for sale

The Bank had no assets and liabilities held for sale as of as at 31 December 2024 and 31 December 2023.

Profit or loss from discontinued operations

Discontinued operation is a part of the Bank either sold or classified as held for sale. The Bank did not have significant discontinued operation in 2024 and in 2023.

(35) Share capital

Shareholder structure of the Bank was as follows as at 31 December 2024 and 31 December 2023:

	31.12.2024			
Shareholder	Type of share	Number of shares	Par value	Total
Raiffeisen-RBHU Holding GmbH	Ordinary share	5,000,009	10,000	50,000
Raiffeisen-RBHU Holding GmbH	Preference share	0	0	0
Total		**5,000,009**		**50,000**

	31.12.2023			
Shareholder	Type of share	Number of shares	Par value	Total
Raiffeisen-RBHU Holding GmbH	Ordinary share	5,000,009	10,000	50,000
Raiffeisen-RBHU Holding GmbH	Preference share	0	0	0
Total		**5,000,009**		**50,000**

The authorised, issued and paid share capital of the Bank consists of ordinary shares with a par value of HUF 10,000. Share capital did not change in the periods presented in these financial statements.

The Bank had no treasury shares as at 31 December 2024 and 31 December 2023.

(36) Share premium

Amounts contributed to the Bank by the shareholder, after deduction of transaction costs, increases share premium. In 2017, share capital in an amount of HUF 176,649 million was transferred to retained earnings. There has been no change in share premium after that re-appropriation.

(37) Equity instruments issued, other than share capital

31.12.2024 Lender	Borrowed on	Amount in original currency (million)	Currency	Interest rate (%)	Maturity	Carrying amount (HUF million)
Raiffeisen Bank International AG	13.03.2019	100	EUR	12.720 %	without maturity	31,445
Raiffeisen Bank International AG	25.01.2023	40	EUR	11.600 %	without maturity	15,534
Total		**140**				**46,979**

31.12.2023 Lender	Borrowed on	Amount in original currency (million)	Currency	Interest rate (%)	Maturity	Carrying amount (HUF million)
Raiffeisen Bank International AG	13.03.2019	100	EUR	12.96 %	without maturity	31,445
Raiffeisen Bank International AG	25.01.2023	40	EUR	11.60 %	without maturity	15,534
Total		**140**				**46,979**

The Management Board of the Bank decided on 4 March 2019 to privately issue bonds qualifying for subordinated additional tier 1 capital instrument (AT1 capital) according to Article 52 of Regulation (EU) No. 575/2013 (CRR) in the amount EUR 100 million.

The consideration for the 500 pieces of dematerialised bonds with a nominal value of EUR 200,000 each was paid on 13 March 2019. The bonds are perpetual, carry variable interest, the amount of which is 12-month EURIBOR plus 9%. The interest shall be paid in the currency of the bond on 30 May each year. Considering that the issued bond is perpetual and the bondholder is not entitled to redeem it, and the fact that any payments to be effected under the terms and conditions of the bonds, including any interests and any payments arising from any redemption or recall events specified in the contract are at the sole discretion of the Bank i.e., the Bank has no contractual obligation to effect those payments, the amount received from the issue is considered as equity and the interest paid on it is considered as dividend. The equity item is recognised in HUF in the books. The Bank is entitled to recall or repay in the events specified in the terms and conditions.

The Bank issued a nominal value bond in amount of EUR 40,000,000 (200 pieces with a nominal value of EUR 200,000) named as Raiffeisen EUR AT1 with value date of 25 January 2023. The bonds are additional basic capital instruments marketed privately without maturity. The interest rate is fixed at 11.597% for the first year, followed by the 1-year mid-swap rate plus 9%.

In 2024, the Bank paid HUF 6,855 million (2023: HUF 4,081 million) dividend on the AT1 capital.

(38) Accumulated other comprehensive income

Accumulated other comprehensive income includes accumulated net fair value changes of investments measured at fair value through other comprehensive income.

In case of debt securities, unrealised fair value is included in this statement of financial position line item until derecognition of the debt securities or until they become impaired; after that gain or loss on derecognition is recognised to profit or loss.

In case of equity instruments measured at fair value through other comprehensive income any gain or loss on derecognition is directly recognised to equity, on line item 'Retained earnings' (a reclassification between accumulated other comprehensive income and retained earnings).

In addition to the above, accumulated other comprehensive income also contains the effective portion of fair value changes of hedging instruments designated in cash flow hedges and deferred tax related to the above items.

(39) Other reserves

General reserve is included under 'Other reserves', in accordance with Act CCXXXVII of 2013, chapter 38 section 83. According to these prescriptions, a credit institution shall transfer 10% of its net profit for the period to general reserve. As a re-appropriation within equity the Bank set up general reserve amounting to HUF 11,451 million in 2024 (2023: HUF 9,928 million).

(40) Retained earnings

The line item 'Retained earnings' includes undistributed profit or loss of the current and previous periods.

(41) Contingent liabilities and commitments

The Bank has commitments to grant loans as it provides current account facilities and other loan facilities for its client.

The Bank also provides guarantees and accreditives to its clients whereby it guarantees that clients fulfil their obligations towards third parties.

The following table contains the contractual amounts of contingent liabilities and commitments per categories. The amounts presented in the table below show the total amount committed in case of loan commitments. In case of guarantees and other commitments, the amounts show the maximum amount of loss that would be recognised by the Bank on the reporting date when the parties did not fulfil contractual obligations.

31.12.2024	Off-balance sheet commitments and financial guarantees under IFRS 9 impairment model					
	Nominal value			Provisions		
(HUF million)	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Loan commitments given	507,106	65,813	1,989	1,737	1,231	469
Financial guarantees given	198,287	35,762	8,858	192	691	2,854
Other contingencies given	201,429	23,988	7,625	97	36	2,841
Total	**906,822**	**125,563**	**18,472**	**2,026**	**1,958**	**6,164**

31.12.2023	Off-balance sheet commitments and financial guarantees under IFRS 9 impairment model					
	Nominal value			Provisions		
(HUF million)	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Loan commitments given	363,375	88,587	977	1,727	3,354	277
Financial guarantees given	157,959	54,418	6,382	60	1,119	1,704
Other contingencies given	184,363	39,994	6,369	83	105	1,935
Total	**705,697**	**182,999**	**13,728**	**1,870**	**4,578**	**3,916**

Provisions' columns: Accumulated negative fair value changes attributable to changes in credit risk in case of non-performing commitments

Contingent liabilities and commitments bear off-balance sheet credit risk as only the related fees, commissions and provisions for future expected losses are included in the statement of financial position until fulfilment or expiry of such obligations. A significant number of such off-balance sheet items expire without utilising them fully or partially. Consequently, the above amounts do not represent future expected cash flows.

(42) Determination of fair value

In order to determine fair values of financial assets and liabilities for which no observable market prices are available, it is necessary to apply valuation techniques in accordance with the accounting policies. In case of financial instruments traded less frequently and whose prices are less transparent, fair value is less objective and determining it requires judgement to various extents depending on liquidity, concentration, uncertainties in market variables, pricing assumptions and other risks relating to the specific instrument. Please see the below section 'Valuation of financial instruments, fair value hierarchy'.

Critical judgements in applying the Bank's accounting policies

The following are critical judgements made in applying the Bank's accounting policies:

Valuation of financial instruments, fair value hierarchy

The Bank's accounting policy on fair value measurements is discussed in note (4.8) Determination of fair value.

The Bank measures fair value using the following hierarchy of methods:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs are based on directly or indirectly observable information, however, the relation of them to the market pricing of the financial asset or liability is more indirect. These may be the following:

- quoted prices for similar assets or liabilities in active market;
- quoted prices for identical or similar assets or liabilities in markets that are not active and this does not represent reliably the assessment of market participant at the valuation date;
- inputs other than quoted prices (e.g., yield curves observable at commonly quoted intervals, interest rates, credit spreads, implied volatilities, etc.) that are observable for the asset or liability;
- indirectly observable inputs which can be derived from and corroborated by the observable inputs.

Level 3: Inputs for the financial asset or liability that are not based on observable market data (unobservable inputs).

The Bank records the transfers (if any) between the levels in the fair value hierarchy at the end of the reporting period.

The following table analyses financial instruments measured at fair value on the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised based on the inputs used in the valuation. If fair values are determined with valuation techniques using unobservable inputs, the fair values include any deferred differences between the transaction price and fair value on initial recognition.

Fair value hierarchy: financial instruments measured at fair value

31.12.2024	Fair value hierarchy			Fair value change during the period		Accumulated fair value change before tax		
(HUF million)	Level 1	Level 2	Level 3	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value								
Financial assets held for trading total	**7,541**	**74,816**	**49**	**-17,316**	**-44**	**646**	**66,324**	**-44**
Derivative instruments	1	73918	0	-17312	0	1	66410	0
Equity instruments	6841	0	0	0	0	645	0	0
Debt securities	699	898	49	-4	-44	0	-86	-44
Non-trading financial assets mandatorily at fair value through profit or loss total	**0**	**293**	**185,043**	**-286**	**3,687**	**0**	**-1,026**	**14,397**
Debt securities	0	293	0	-286	0	0	-1026	0
Loans and advances	0	0	185043	0	3687	0	0	14397
Financial assets measured at fair value through other comprehensive income total	**478,649**	**70,582**	**1,108**	**2,316**	**-169**	**2,831**	**-6,669**	**-199**
Equity instruments	0	0	104	0	6	0	0	40
Debt securities	478649	70582	1004	2316	-175	2831	-6669	-239
Derivative instruments designated as hedging instruments	**0**	**92,149**	**0**	**-23,604**	**0**	**0**	**75,263**	**0**
Financial liabilities at fair value total	**486,190**	**237,840**	**186,200**	**-38,890**	**3,474**	**3,477**	**133,892**	**14,154**
Financial liabilities measured at fair value								
Financial liabilities held for trading total	**160**	**76,311**	**0**	**-12,905**	**0**	**160**	**63,184**	**0**
Derivative instruments	160	74804	0	-12905	0	160	63184	0
Short positions	0	1507	0	0	0	0	0	0
Derivative instruments designated as hedging instruments	**0**	**105,166**	**0**	**-24,903**	**0**	**0**	**88,893**	**0**
Financial liabilities measured at fair value total	**160**	**181,477**	**0**	**-37,808**	**0**	**160**	**152,077**	**0**

31.12.2023	Fair value hierarchy			Fair value change during the period		Accumulated fair value change before tax		
(HUF million)	Level 1	Level 2	Level 3	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value								
Financial assets held for trading total	**1,836**	**95,973**	**0**	**-62,763**	**0**	**109**	**83,640**	**0**
Derivative instruments	30	94932	0	-62992	0	30	83722	0
Equity instruments	1011	0	0	0	0	77	0	0
Debt securities	795	1041	0	229	0	2	-82	0
Non-trading financial assets mandatorily at fair value through profit or loss total	**0**	**421**	**164,050**	**131**	**24,530**	**0**	**-741**	**10,710**
Debt securities	0	421	0	131	0	0	-741	0
Loans and advances	0	0	164050	0	24530	0	0	10710
Financial assets measured at fair value through other comprehensive income total	**279,610**	**85,783**	**491**	**10,402**	**-59**	**219**	**-8,985**	**-29**
Equity instruments	0	0	65	0	5	0	0	35
Debt securities	279610	85783	426	10402	-64	219	-8985	-64
Derivative instruments designated as hedging instruments	**0**	**119,623**	**0**	**-82,057**	**0**	**0**	**98,867**	**0**
Financial liabilities at fair value total	**281,446**	**301,800**	**164,541**	**-134,287**	**24,471**	**328**	**172,781**	**10,681**
Financial liabilities measured at fair value								
Financial liabilities held for trading total	**130**	**93,535**	**0**	**-57,337**	**0**	**130**	**76,089**	**0**
Derivative instruments	130	89274	0	-57337	0	130	76089	0
Short positions	0	4261	0	0	0	0	0	0
Derivative instruments designated as hedging instruments	**0**	**126,808**	**0**	**-121,116**	**0**	**0**	**113,796**	**0**
Financial liabilities measured at fair value total	**130**	**220,343**	**0**	**-178,453**	**0**	**130**	**189,885**	**0**

Fair value hierarchy: financial instruments measured at amortised cost

31.12.2024			Fair value hierarchy		
(HUF million)	**Carrying amount**	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at amortised cost					
Debt securities	1,137,317	1,151,961	1,075,565	75,733	663
Loans and advances	1,951,572	2,004,508	0	0	2,004,508
Financial assets measured at amortised cost total	**3,088,889**	**3,156,469**	**1,075,565**	**75,733**	**2,005,171**
Financial liabilities measured at amortised cost					
Deposits	3,707,680	3,728,035	0	0	3,728,035
Debt securities issued	211,806	223,740	0	223,740	0
Other financial liabilities	16,671	16,671	0	0	16,671
Financial liabilities measured at amortised cost total	**3,936,157**	**3,968,446**	**0**	**223,740**	**3,744,706**

31.12.2023			Fair value hierarchy		
(HUF million)	**Carrying amount**	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at amortised cost					
Debt securities	745,464	757,126	679,418	77,708	0
Loans and advances to banks, central banks and customers	1,931,434	1,944,171	0	0	1,944,171
Financial assets measured at amortised cost total	**2,676,898**	**2,701,297**	**679,418**	**77,708**	**1,944,171**
Financial liabilities measured at amortised cost					
Deposits	3,541,778	3,551,669	0	0	3,551,669
Debt securities issued	192,646	199,065	0	199,065	0
Other financial liabilities	8,408	8,408	0	0	8,408
Financial liabilities measured at amortised cost total	**3,742,832**	**3,759,142**	**0**	**199,065**	**3,560,077**

Assumptions made in estimating the fair value of financial instruments

A number of financial instruments are not traded on active markets and thus fair values are based on estimations made using net present value calculations of other valuation techniques which are significantly influenced by assumptions made regarding estimated future cash flows and discount rates. In many cases it would not be possible to immediately realise the fair value due to the size of the portfolio.

Methodologies, valuation techniques used and assumptions made in determining the fair values of financial instruments are as follows:

Cash, cash balances at central banks and other demand deposits (level 1)

Due to their short-term nature, the carrying amounts of Cash, cash balances at central banks and other demand deposits are a reasonable approximation of their fair value.

Loans and advances to customers (level 3)

For determining the fair value of these assets, future expected cash flows are discounted to their present value using current market interest rates.

Fair values of loans and advances in stage 1 and stage 2 credit risk categories are calculated centrally by the parent company using discounted cash flow method and, if relevant, taking behavioural option models and financial option pricing models into account.

The Bank uses discounted cash flow method also for calculating fair values of stage 3 (credit-impaired) loans and advances. For these transactions fair value is calculated as the present value of the expected recoveries (distressed cash flows) estimated by the expected loss/provisions modelling system, discounted with risk free rates adjusted with liquidity and credit risk premium.

These items are included in lines 'Loans and advances' in the tables presenting fair value hierarchy.

Investments in securities (level 1, level 2 and level 3)

Quoted market prices are used for exchange-traded securities and listed debt instruments. The fair values of Hungarian government bonds and corporate bonds classified as held for trading, designated at fair value through profit and loss and measured at fair value through other comprehensive income are measured based on market prices available in the Bloomberg Front-End System. The fair value of the securities is the market price quoted on the stock exchange (if such price exists). If no quoted price exists, price available from OTC markets is used; otherwise, the fair value is the present value of the discounted contractual cash flows at the valuation date.

These items are included in lines 'Equity instruments' and 'Debt securities' in the tables presenting fair value hierarchy.

Investments in unlisted securities (level 2 and level 3)

These instruments are not quoted on markets. Besides market information, the Bank uses other assumptions to value those instruments.

For instruments valued at level 3 of the fair value hierarchy, fair values are calculated using dividend discount models.

These items are included in lines 'Equity instruments' in the tables presenting fair value hierarchy.

Derivative instruments (level 1 and level 2)

Fair value of exchange-traded derivatives is the quoted price.

Fair value of interest rate swaps and forward rate agreements is determined by discounting the forecasted future cash flows. In doing so, the Bank applies the market rates applicable for the remaining maturity of the financial instruments.

The Bank determines fair values of cross currency swaps using discounted cash flow method (calculated by front-office system). Basis swap spreads representative to the markets of those instruments and also including country risk premiums are incorporated into yield curves used for the purpose of the valuation.

The fair values of forward exchange transactions are computed on the basis of current forward rates. Fair values of plain vanilla and exotic currency options are calculated with modified Black-Scholes model. In case of exotic options, the fair value of which cannot be estimated with a closed formula, fair values are calculated using iteration techniques.

For hedging the exposures to changes in fair value of some loans, deposits or plain vanilla bonds (both purchased and issued), the Bank has entered into interest rate swap transactions. The fair value of these hedged loans, deposits and bonds is the discounted present value of the future cash flows at balance sheet date. These loans, deposits and bonds are measured at amortised cost or at fair value in the statement of financial position.

The aim of calculating CVA/DVA (Credit Value Adjustment/Debit Value Adjustment) according to IFRS 13 is to quantify the risk of possible losses arising from counterparty defaults in case of the Bank's derivative exposures. The varying parameter in the model is the possible future change in the counterparty's probability of default and not the changes in market variables. The calculation process is as follows: expected future exposures are estimated on mark-to-market basis for specific future dates, these are multiplied with default probabilities and then aggregated, and finally the result is adjusted with a recovery rate.

Bank deposits, deposits from customers (level 3)

Fair value of deposits from banks and deposits from customers are determined using discounted cash flows, applying current rates offered for deposits of similar remaining maturities. The fair value of a deposit repayable on demand is assumed to be the amount payable on demand at the balance sheet date.

According to IFRS 13 standard the Bank takes its own credit risk into account as follows: the Bank discounts future cash flows of the deposits by using discount factors that are shifted by the liquidity premium applicable for the dates of cash flows determined for each currency. The level of liquidity premiums is based on market information, for instance: BUBOR/LIBOR reference rates, interest rates of Interest Rate Swaps and Forward Rate Agreements, ASW spreads (Asset Swap Spreads).

These items are included in lines 'Deposits' in the tables presenting fair value hierarchy.

Debt securities issued, subordinated liabilities (level 2 and level 3)

Fair value of debt securities issued is determined by the Bank using quoted market prices at the balance sheet date if available, or by reference to quoted market prices for similar instruments. Fair value of subordinated liabilities is calculated by discounting the future cash flows.

Fair values of fixed rate debt securities issued and designated in hedge relationships are calculated as the present value of future cash flows.

According to IFRS 13 standard, own credit risk is quantified as follows: depending on the currency, the cash flows of the bond are discounted using a HUF, EUR or USD zero-coupon IRS curve shifted by the amount of the liquidity premium.

Non-structured debt instruments issued are measured at amortised cost and thus they are not revalued except for cases when they are designated as hedged items in fair value hedges. In these cases, only interest rate risk and not the credit risk is hedged.

Fair value – Level 3 disclosures

The following table reconciles opening and closing balances of fair values calculated based on level 3 inputs in case of relevant financial instruments, i.e., for those measured at fair value:

2024 (HUF million)	Opening balance	Exchange differences	Purchases	Payments	Sales	Repayments	Gains/losses in profit and loss	hereof: unrealized gains/losses	Gains/losses in other comprehensive income	Reclassifications to level 3	Reclassifications from level 3	Closing balance
Financial assets held for trading												
Debt securities	0	0	0	0	0	0	-31	-31	0	80	0	49
Financial assets held for trading total	**0**	**0**	**0**	**0**	**0**	**0**	**-31**	**-31**	**0**	**80**	**0**	**49**
Non-trading financial assets mandatorily at fair value through profit or loss total												
Loans and advances	164,050	0	0	29,387	0	-11,961	3,567	4,124	0	0	0	185,043
Non-trading financial assets mandatorily at fair value through profit or loss total	**164,050**	**0**	**0**	**29,387**	**0**	**-11,961**	**3,567**	**4,124**	**0**	**0**	**0**	**185,043**
Financial assets measured at fair value through other comprehensive income												
Equity instruments	65	2	0	0	31	0	0	0	6	0	0	104
Debt securities	426	0	0	0	0	-290	-454	31	-227	1,549	0	1,004
Financial assets measured at fair value through other comprehensive income total	**491**	**2**	**0**	**0**	**31**	**-290**	**-454**	**31**	**-221**	**1,549**	**0**	**1,108**

2023 (HUF million)	Opening balance	Exchange differences	Purchases	Payments	Sales	Payments	Gains/losses in profit and loss	hereof: unrealized gains/losses	Gains/losses in other comprehensive income	Reclassifications to level 3	Reclassifications from level 3	Closing balance
Financial assets held for trading												
Debt securities	0	0	0	0	0	0	0	0	0	0	0	0
Financial assets held for trading total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Non-trading financial assets mandatorily at fair value through profit or loss total												
Loans and advances	125,450	0	0	24,136	0	24,136	24,572	22,248	0	0	0	164,050
Non-trading financial assets mandatorily at fair value through profit or loss total	**125,450**	**0**	**0**	**24,136**	**0**	**24,136**	**24,572**	**22,248**	**0**	**0**	**0**	**164,050**
Financial assets measured at fair value through other comprehensive income												
Equity instruments	65	-1	0	0	-4	0	0	0	5	0	0	65
Debt securities	0	0	0	0	0	0	-185	29	137	474	0	426
Financial assets measured at fair value through other comprehensive income total	**65**	**-1**	**0**	**0**	**-4**	**0**	**-185**	**29**	**142**	**474**	**0**	**491**

Total gains/losses presented in the table above were recognised in profit or loss and in other comprehensive income as follows:

31.12.2024	Financial assets held for trading	Non-trading financial assets mandatorily at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income
(HUF million)	Debt securities	Loans and advances	Debt securities
Total gains/losses in the profit and loss statement	**-31**	**15,707**	**-454**
Net trading income and fair value result	-31	3,697	0
Other comprehensive income - net fair value change from financial assets at fair value through other comprehensive income	**0**	**0**	**-227**
Profit or loss - unrealized profit or loss from assets and liabilities held at the end of the year	**-31**	**4,024**	**31**
Net trading income and fair value result	-31	4,124	0
Other interest income	0	-100	31

31.12.2023	Financial assets held for trading	Non-trading financial assets mandatorily at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income
(HUF million)	Debt securities	Loans and advances	Debt securities
Total gains/losses in the profit and loss statement	**-31**	**34,085**	**-185**
Net trading income and fair value result	-31	24,556	0
Other comprehensive income - net fair value change from financial assets at fair value through other comprehensive income	**0**	**0**	**119**
Profit or loss - unrealized profit or loss from assets and liabilities held at the end of the year	**-31**	**31,777**	**12**
Net trading income and fair value result	-31	22,248	0
Other interest income	0	9,529	12

The following tables summarise significant inputs used in level 3 fair valuations in case of financial instruments measured at fair value and in case of financial instruments which are measured by the Bank at amortised cost but for which fair values are disclosed:

Financial instruments measured at fair value:

31.12.2024 (HUF million)	Fair value at the reporting date	Valuation technique	Significant unobservable inputs	Range of unobservable inputs (weighted average)	Sensitivity of the fair value evaluation for the unobservable inputs
Financial assets held for trading					
Debt securities	49	m)	n)	o)	p)
Financial assets held for trading total	**49**				
Non-trading financial assets mandatorily at fair value through profit or loss					
Loans and advances	185,043	a)	b)	c)	d)
Non-trading financial assets mandatorily at fair value through profit or loss total	**185,043**				
Financial assets measured at fair value through other comprehensive income					
Equity instruments	104	e)	f)	g)	h)
Debt securities	1,004	i)	j)	k)	l)
Financial assets measured at fair value through other comprehensive income total	**1,108**				

31.12.2023 (HUF million)	Fair value at the reporting date	Valuation technique	Significant unobservable inputs	Range of unobservable inputs (weighted average)	Sensitivity of the fair value evaluation for the unobservable inputs
Financial assets held for trading					
Debt securities	0				
Financial assets held for trading total	**0**				
Non-trading financial assets mandatorily at fair value through profit or loss					
Loans and advances	164,050	a)	b)	c)	d)
Non-trading financial assets mandatorily at fair value through profit or loss total	**164,050**				
Financial assets measured at fair value through other comprehensive income					
Equity instruments	65	e)	f)	g)	h)
Debt securities	426	i)	j)	k)	l)
Financial assets measured at fair value through other comprehensive income total	**491**				

Identifier	Description 31.12.2024	31.12.2023
a)	Performing loans Discounted cash flows, behavioral option modelling if applies, financial option pricing: Black-Scholes (shifted) if applies Non-performing loans loans: Discounted cash flows	Performing loans Discounted cash flows, behavioral option modelling if applies, financial option pricing: Black-Scholes (shifted) if applies Non-performing loans loans: Discounted cash flows
b)	Performing loans loans: Retail: estimated cash flows in case of childbirth incentive loans Non-retail: funding curves (for liquidity costs) Non-performing loans: Retail: distressed cash flows (based on customer-specific BEEL) estimated by workout/retail risk management Non-retail: recovery estimated by workout	Performing loans loans: Retail: estimated cash flows in case of childbirth incentive loans Non-retail: funding curves (for liquidity costs) Non-performing loans: Retail: distressed cash flows (based on customer-specific BEEL) estimated by workout/retail risk management Non-retail: recovery estimated by workout
c)	Performing loans: Retail: estimated average monthly instalment between HUF 2,083-455,563 (grace period vs. prepayment by the state) Non-retail: funding curves (for liquidity costs): -0.05%-+0.23% for HUF funding costs at valuation; -0.05%-+0.87% for HUF funding costs at origination Non-performing loans: Retail: distressed CF (based on customer-specific BEEL) estimated by workout/retail risk: 10%-100% Non-retail: recovery estimated by workout: 10%-100 %	Performing loans: Retail: estimated average monthly instalment between HUF 2,001-783,742 (modeled cash flow taking into account government guarantee and modelled prepayment) Non-retail: funding curves (for liquidity costs): -0.88%-+0.60% for HUF funding costs at valuation; 0.17%-+3.7% for HUF funding costs at origination Non-performing loans: Retail: distressed cash flow (based on customer-specific BEEL) estimated by workout/retail risk management: 10%-100% Non-retail: recovery estimated by workout: 10%-100 %
d)	If the duration of the estimated cash flows decreases fair value might decrease. Increase in risk-free curve, funding curve and credit spreads cause a decrease in fair value. If distressed cash flow or recovery rate increase, fair value also increases.	If the duration of the estimated cash flows decreases fair value might decrease. Increase in risk-free curve, funding curve and credit spreads cause a decrease in fair value. If distressed cash flow or recovery rate increase, fair value also increases.
e)	Dividend discount model	Dividend discount model
f)	Length of high-growth period Growth rate in stable growth period Beta* for stable growth period	Length of high-growth period Growth rate in stable growth period Beta* for stable growth period
g)	Length of high-growth period: 1-15 years Growth rate in stable growth period: 0-5% Beta* for stable growth period: 0.8-1.2	Length of high-growth period: 1-15 years Growth rate in stable growth period: 0-5% Beta* for stable growth period: 0.8-1.2
h)	Increasing high-growth period affects the fair value negatively. If growth rate increases, so does the fair value. Fair value increases with a decreasing beta*.	Increasing high-growth period affects the fair value negatively. If growth rate increases, so does the fair value. Fair value increases with a decreasing beta*.
i)	Discounted cash flow adjusted with impairment	Discounted cash flow adjusted with impairment
j)	Distressed cash flows	Distressed cash flows
k)	Impairment amount: HUF 1,214 million	Impairment amount: HUF 613 million
l)	Increase in default probability affects fair value negatively.	Increase in default probability affects fair value negatively.
m)	Discounted cash flows adjusted with impairment	
n)	Distressed cash flows	
o)	In case of different scenarios 2.7%-58.19%, weighted average 36.45%	
p)	Increase in impairment has a negative effect on the fair value	

Beta: a sensitivity indicator to the market used in calculating the expected return on equity (cost of equity)

Financial instruments at amortised cost:

31.12.2024 (HUF million)	Fair value at the reporting date	Valuation technique	Significant unobservable inputs
Financial assets measured at amortised cost			
Debt securities	663	Discounted cash flow adjusted with impairment	Distressed cash flow
Loans and advances	2,004,508	Discounted cash flow adjusted with impairment	Discount curve
Financial assets measured at amortised cost total	**2,005,171**		
Financial liabilities measured at amortised cost			
Deposits	3,728,035	Discounted cash flow adjusted with impairment	Discount curve
Other financial liabilities	16,671	No valuation	Not applicable
Financial liabilities measured at amortised cost total	**3,744,706**		

31.12.2023 (HUF million)	Fair value at the reporting date	Valuation technique	Significant unobservable inputs
Financial assets measured at amortised cost			
Debt securities	0		
Loans and advances	1,944,171	Discounted cash flows	Discount curve
Financial assets measured at amortised cost total	**1,944,171**		
Financial liabilities measured at amortised cost			
Deposits	3,551,669	Discounted cash flows	Discount curve
Other financial liabilities	8,408	No valuation	Not applicable
Financial liabilities measured at amortised cost total	**3,560,077**		

(43) Related parties

The Bank determines in accordance with IAS 24 whether a party qualifies as a party related to the Bank. The Bank's related parties include amongst others the parent company, associates, joint ventures, key management personnel and their close family members and entities which are controlled, jointly controlled or significantly influenced, or for which significant voting power is held by key management personnel or their close family members.

During the period, related parties had the following transactions with the Bank:

Assets and liabilities against related parties

31.12.2024 (HUF million)	Entities having joint or significant influence over the Bank or its parent	Subsidiaries and other entities belonging to the same group	Associates and joint ventures	Key management personnel of the Bank or its parent	Other related parties
Financial assets					
Loans and advances	45,503	63,541	0	31	0
hereof: non-performing	0	0	0	0	0
Financial assets total	**45,503**	**63,541**	**0**	**31**	**0**
Financial liabilities					
Deposits	70,300	5,441	0	141	0
Financial liabilities total	**70,300**	**5,441**	**0**	**141**	**0**
Other items					
Nominal value of loan commitments, financial guarantees and other contingencies given	4,161	44,916	0	7	0
hereof: non-performing	0	0	0	0	0
Nominal value of loan commitments, financial guarantees and other contingencies received	3,884	0	0	3	0
Nominal value of derivative instruments	5,902,250	0	0	0	0

31.12.2023 (HUF million)	Entities having joint or significant influence over the Bank or its parent	Subsidiaries and other entities belonging to the same group	Associates and joint ventures	Key management personnel of the Bank or its parent	Other related parties
Financial assets					
Loans and advances	56,853	53,144	0	30	0
hereof: non-performing	0	0	0	0	0
Financial assets total	**56,853**	**53,144**	**0**	**30**	**0**
Financial liabilities					
Deposits	70,034	4,425	0	423	0
Financial liabilities total	**70,034**	**4,425**	**0**	**423**	**0**
Other items					
Nominal value of loan commitments, financial guarantees and other contingencies given	3,627	47,090	0	5	0
hereof: non-performing	0	0	0	0	0
Nominal value of loan commitments, financial guarantees and other contingencies received	3,381	0	0	3	0
Nominal value of derivative instruments	5,437,936	0	0	0	0

The above transactions were conducted in the ordinary course of business and on substantially the same terms and conditions, including interest rates and collaterals, as for third parties.

Main changes in the column 'Entities having joint or significant influence over the Bank or its parent':

- The change in the 'Loans and advances' line was caused by an increase of HUF 20,890 million in other receivables (current account credit, financial interbank deposit), an increase in the stock of active repo (HUF 518 million), and a decrease of HUF 495 million recorded as trade receivables in 2023, as well as a decrease in the dividend advance (HUF 32,293 million).
- A change in the composition of the 'Deposits' line can be observed: in addition to a decrease of HUF 8,551 million in demand deposits, there was an increase in the subordinated loan capital (HUF 4,210 million), the loro account (HUF 2,455 million) and the funds acquired from repo (HUF 2,141 million).
- Under the heading 'Nominal value of loan commitments, financial guarantees and other contingencies given', the stock of guarantees issued with other collateral increased by HUF 534 million to 2024.
- In 2024, the 'Nominal value of lending commitments, financial guarantees and other commitments received' increased by HUF 503 million against the parent company.
- The value of deposits with subsidiaries increased by HUF 1,016 million. This increase was mainly due to the change in the deposit of Raiffeisen Befektetési Alapkezelő Zrt.
- 'Nominal value of loan commitments, financial guarantees and other contingencies received' decreased (HUF -2,174 million) from 2023 to 2024, mainly due to the combined effect of guarantees issued to Raiffeisen Autó Lizing Kft. and Raiffeisen Ingatlan Üzemeltető és Szolgáltató Kft. and the change in the amount of unused credit lines (HUF -2,255 million) .

Income and expenses from transactions with related parties

2024 (HUF million)	Entities having joint or significant influence over the Bank or its parent	Subsidiaries and other entities belonging to the same group	Key management personnel of the Bank or its parent	Other related parties
Interest income	85,322	2,890	3	0
Interest expense	-99,355	-255	0	0
Dividend income	0	3,610	0	0
Fee and commission income	2,308	1,917	3	0
Fee and commission expenses	-803	-23	0	0
Total	**-12,528**	**8,139**	**6**	**0**

2023 (HUF million)	Entities having joint or significant influence over the Bank or its parent	Subsidiaries and other entities belonging to the same group	Key management personnel of the Bank or its parent	Other related parties
Interest income	157,702	3,186	3	0
Interest expense	-230,782	-206	-3	0
Dividend income	0	1,501	0	0
Fee and commission income	2,240	2,772	5	0
Fee and commission expenses	-548	-87	0	0
Total	**-71,388**	**7,167**	**5**	**0**

The above transactions were conducted in the ordinary course of business and on substantially the same terms and conditions, including interest rates and collaterals, as for third parties.

The 'Dividend income' line includes the dividends received from SCT Kárász utca Ingatlankezelő Kft. (HUF 15 million), Raiffeisen Biztosításközvetítő Kft. (HUF 100 million) and Raiffeisen Befektetési Alapkezelő Zrt. (HUF 3,495 million).

The amount of compensation for key executives during 2024 was HUF 1,180 million (2023: HUF 1,083 million), which were short-term employee benefits.

(44) Investments in subsidiaries

The subsidiaries of the Bank and their activities are summarised in the following table:

Investments in subsidiaries	Ownership interest % 31.12.2024	Ownership interest % 31.12.2023	Residence of the company	Activities
Raiffeisen Corporate Lízing Zrt.	100 %	100 %	1133 Budapest, Váci út 116-118.	Finance leasing
Raiffeisen Biztosításközvetítő Kft.	— %	100 %	1133 Budapest, Váci út 116-118.	Activities of insurance agents and brokers
SCT Kárász utca Ingatlankezelő Kft.	100 %	100 %	1133 Budapest, Váci út 116-118.	Management of real estate on a fee or contract basis
Raiffeisen Befektetési Alapkezelő Zrt.	100 %	100 %	1133 Budapest, Váci út 116-118.	Fund management activities
RB Szolgáltató Központ Kft.	100 %	100 %	4400 Nyíregyháza, Sóstói út 31/b	Other financial auxiliary activities

The following table presents changes in the investments in unconsolidated related parties:

2024	Cost				Fair value correction				Carrying amount
(HUF million)	Opening balance	Increase	Decrease	Closing balance	Opening balance	Increase	Decrease	Closing balance	Closing balance
Raiffeisen Corporate Lízing Zrt.	182	1,778	0	1,960	0	0	0	0	1,960
Raiffeisen Biztosításközvetítő Kft.	5	0	-5	0	0	0	0	0	0
SCT Kárász utca Ingatlankezelő Kft.	774	0	5	779	-388	0	0	-388	391
Raiffeisen Befektetési Alapkezelő Zrt.	1,458	0	0	1,458	0	0	0	0	1,458
RB Szolgáltató Központ Kft.	1	0	0	1	0	0	0	0	1
Total	**2,420**	**1,778**	**0**	**4,198**	**-388**	**0**	**0**	**-388**	**3,810**

2023	Cost				Fair value correction				Carrying amount
(HUF million)	Opening balance	Increase	Decrease	Closing balance	Opening balance	Increase	Decrease	Closing balance	Closing balance
Raiffeisen Corporate Lízing Zrt.	0	182	0	182	0	0	0	0	182
Raiffeisen Biztosításközvetítő Kft.	5	0	0	5	0	0	0	0	5
SCT Kárász utca Ingatlankezelő Kft.	774	0	0	774	-388	0	0	-388	386
Raiffeisen Befektetési Alapkezelő Zrt.	1,458	0	0	1,458	0	0	0	0	1,458
RB Szolgáltató Központ Kft.	1	0	0	1	0	0	0	0	1
Total	**2,238**	**182**	**0**	**2,420**	**-388**	**0**	**0**	**-388**	**2,032**

In December 2023 and in April 2024, the Bank increased the capital of Raiffeisen Corporate Leasing by issuance of new shares and increase of capital reserves. In July 2024, the subsidiary Raiffeisen Biztosításközvetítő Kft. merged into SCT Kárász utca

Ingatlankezelő Kft. In addition, there were no economic events neither in 2024 nor in 2023 that would have affected the fair value of the subsidiaries.

(45) Changes in the financing activities

The reconciliation between the changes in liabilities and the cash flows arising from financing activities is detailed in the following table:

2024	Liabilities			Equity					
(HUF million)	Debt securities issued	Subordinated liabilities	Lease liabilities	Ordinary shares	Share premium	AT1 instruments	Retained earnings	Reserves	Total
Opening balance	**192,646**	**59,665**	**27,926**	**50,000**	**113,445**	**46,979**	**191,056**	**54,336**	**736,053**
Changes from financing cash flows									
Issuance of issued debt securities	136,476	0	0	0	0	0	0	0	136,476
Expiry of debt securities issued	-136,286	0	0	0	0	0	0	0	-136,286
Issuance of other equity instruments	0	0	0	0	0	0	0	0	0
Payment of lease liabilities	0	0	-4,595	0	0	0	0	0	-4,595
Dividend paid	0	0	0	0	0	0	-86,655	0	-86,655
Changes from financing cash flows total	**190**	**0**	**-4,595**	**0**	**0**	**0**	**-86,655**	**0**	**-91,060**
Effect of changes in foreign exchange rates	**14,830**	**4,233**	**1,724**	**0**	**0**	**0**	**0**	**0**	**20,787**
Changes in fair value	**2,410**	**0**	**0**	**0**	**0**	**0**	**0**	**-9,991**	**-7,581**
Other changes	**-383**	**0**	**2,319**	**0**	**0**	**0**	**0**	**899**	**2,835**
Liability-related other changes									
Interest expense	16,006	4,174	663	0	0	0	0	0	20,843
Interest paid	-13,893	-4,196	-661	0	0	0	0	0	-18,750
Liability-related other changes total	**2,113**	**-22**	**2**	**0**	**0**	**0**	**0**	**0**	**2,093**
Equity-related other changes total	**0**	**0**	**0**	**0**	**0**	**0**	**103,084**	**11,451**	**114,535**
Closing balance	**211,806**	**63,876**	**27,376**	**50,000**	**113,445**	**46,979**	**207,485**	**56,695**	**777,662**

2023	Liabilities			Equity					
(HUF million)	Debt securities issued	Subordinated liabilities	Lease liabilities	Ordinary shares	Share premium	AT1 instruments	Retained earnings	Reserves	Total
Restated balance	**194,100**	**62,287**	**28,145**	**50,000**	**113,445**	**31,445**	**125,896**	**31,067**	**636,385**
Changes from financing cash flows									
Issuance of issued debt securities	196	0	0	0	0	0	0	0	196
Expiry of debt securities issued	-142	0	0	0	0	0	0	0	-142
Issuance of other equity instruments	0	0	0	0	0	15,534	0	0	15,534
Payment of lease liabilities	0	0	-4,310	0	0	0	0	0	-4,310
Dividend paid	0	0	0	0	0	0	-24,213	0	-24,213
Changes from financing cash flows total	**54**	**0**	**-4,310**	**0**	**0**	**15,534**	**-24,213**	**0**	**-12,935**
Effect of changes in foreign exchange rates	**-7,647**	**-2,708**	**-1,276**	**0**	**0**	**0**	**0**	**0**	**-11,631**
Changes in fair value	**6,199**	**0**	**0**	**0**	**0**	**0**	**0**	**14,660**	**20,859**
Other changes	**92**	**0**	**5,367**	**0**	**0**	**0**	**0**	**-1,319**	**4,140**
Liability-related other changes									
Interest expense	16,610	3,686	673	0	0	0	0	0	20,969
Interest paid	-16,762	-3,600	-673	0	0	0	0	0	-21,035
Liability-related other changes total	**-152**	**86**	**0**	**0**	**0**	**0**	**0**	**0**	**-66**
Equity-related other changes total	**0**	**0**	**0**	**0**	**0**	**0**	**89,373**	**9,928**	**99,301**
Closing balance	**192,646**	**59,665**	**27,926**	**50,000**	**113,445**	**46,979**	**191,056**	**54,336**	**736,053**

The sole shareholder of the Bank decided to pay a dividend of HUF 79.800 million for the 2023 financial year, which was paid out in 2024.

In 2024, the Bank paid an additional HUF 6,855 million (2023: HUF 4,081 million) as dividends from the retained earnings on the additional tier 1 capital (AT 1).

(46) Disclosures according to the Hungarian Accounting Law

Head of Accounting, Tibor Gáspár is responsible for the coordination and management of bookkeeping services and he is also entitled to perform bookkeeping services (registration number: 168480, availability: 1133 Budapest, Váci Street 116-118).

Zeljko Obradovic, Chief Financial Officer (availability: 1133 Budapest, Váci Street 116-118.) and Tibor Gáspár, Head of Accounting are obliged to sign these consolidated financial statements.

Auditor

The Bank, as a financial institution, is obliged by regulation to have its financial statements audited according to the Act C of 2000 on Accounting and the auditor is Deloitte Könyvvizsgáló és Tanácsadó Kft. (registration number: 000083), the auditor in charge is Attila Molnár (registration number: 007379). The audited consolidated annual financial statements of the Bank are published by the Court of registration and also available at the website of the Bank at www. raiffeisen.hu.

The following net amounts of services were charged by Deloitte Könyvvizsgáló és Tanácsadó Kft. and Deloitte Üzletviteli és Vezetési Tanácsadó Zrt. in 2024 and 2023:

(HUF million)	2024	2023
Audit of financial statements	201	206
Other assurance services	67	50
Total	**268**	**256**

Equity correlation table in accordance with section 114/B of Act C of 2000 on Accounting:

31.12.2024	Elements of correlation table in accordance with section 114/B of Act C of 2000 on Accounting						
(HUF million)	Share capital under EU IFRS	Share premium	Retained earnings	Profit after tax	Valuation reserve	Tied-up reserves	Total
Equity under EU IFRS allocated to the elements based on the correlation table in accordance with section 114/B of Act C 2000 on Accounting							
Share capital	50,000	0	0	0	0	0	50,000
Share premium	0	113,445	0	0	0	0	113,445
Equity instruments issued other than share capital	0	46,979	0	0	0	0	46,979
Accumulated other comprehensive income	0	0	0	0	13,101	0	13,101
Retained earnings	0	0	92,980	0	0	0	92,980
Other reserves	0	0	0	0	0	43,594	43,594
Profit for the year	0	0	0	114,505	0	0	114,505
Total	**50,000**	**160,424**	**92,980**	**114,505**	**13,101**	**43,594**	**474,604**

31.12.2023	Elements of correlation table in accordance with section 114/B of Act C of 2000 on Accounting						
(HUF million)	Share capital under EU IFRS	Share premium	Retained earnings	Profit after tax	Valuation reserve	Tied-up reserves	Total
Equity under EU IFRS allocated to the elements based on the correlation table in accordance with section 114/B of Act C 2000 on Accounting							
Share capital	50,000	0	0	0	0	0	50,000
Share premium	0	113,445	0	0	0	0	113,445
Equity instruments issued other than share capital	0	46,979	0	0	0	0	46,979
Accumulated other comprehensive income	0	0	0	0	22,193	0	22,193
Retained earnings	0	0	91,776	0	0	0	91,776
Other reserves	0	0	0	0	0	32,143	32,143
Profit for the year	0	0	0	99,280	0	0	99,280
Total	**50,000**	**160,424**	**91,776**	**99,280**	**22,193**	**32,143**	**455,816**

Apart from the allocation of equity elements according to IFRS to equity elements described in Section 114/B of the Hungarian Accounting Act, no other reconciling items described in Section 114/B of the Hungarian Accounting Act arose in either 2024 or in 2023.

(47) Reports by segments

The following segment information is presented in accordance with IFRS 8 Operating segments, which requires disclosures of financial information about an entity's operating segments. It follows the 'management approach', which requires operating segments to be identified on the basis of internal reports on the components of the entity that are regularly reviewed by the chief operating decision maker to allocate resources among the segments and assess the performance of each segment. The Bank's exposure to risk and the level of return achieved depends primarily on the diversity of products and services offered, and therefore segment information is presented in respect of the Bank's business segments. The business segments defined by the Bank are aligned with the organisational structure, which presents the profitability and operations of the group's business along the main business areas.

Both revenues and assets are geographically linked to domestic activity.

The following summary describes the operations of the Bank's segments included in this report:

- Retail, private and SME: the Bank offers a wide range of financial services to retail and private customers. The main services are lending and deposit-taking. The retail segment also offers credit card and investment services.
- Corporate, subsidiaries segment: the Bank offers a wide range of financial products and services to companies and institutions, including project and structured finance products and syndicated loans, in addition to its traditional lending and deposit-taking activities.
- Banking and treasury segment: the Bank offers a wide range of financial products and services to banks, as well as lending and deposit-taking. For this segment, the Bank also provides a wide range of investment activities (investment advisory, brokerage, derivatives trading and other investment services).
- Other segments: includes various financial services for government, municipalities, social organisations, and also includes items that cannot be directly allocated to a specific segment (mainly general administrative expenses, taxes).

31.12.2024 (HUF million)	Corporate/ subsidiaries	Retail/private/ SME	Bank/treasury	Other	Total
Assets					
Cash, cash balances at central banks and other demand deposits	2	0	479,324	51,575	530,901
Financial assets held for trading	0	0	82,406	0	82,406
Non-trading financial assets mandatorily at fair value through profit or loss	4,144	167,019	14,441	-268	185,336
Financial assets measured at fair value through other comprehensive income	35,775	97,200	417,364	0	550,339
Financial assets measured at amortised cost	1,202,127	527,505	1,347,558	11,699	3,088,889
Derivative instruments designated as hedging instruments	0	0	92,149	0	92,149
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	0	-9,752	0	-9,752
Investments in subsidiaries	3,810	0	0	0	3,810
Tangible fixed assets	0	0	0	38,449	38,449
Intangible fixed assets	0	0	0	24,101	24,101
Deferred tax assets	0	0	0	1,341	1,341
Other assets	0	0	0	9,308	9,308
Total assets	**1,245,858**	**791,724**	**2,423,490**	**136,205**	**4,597,277**
Liabilities					
Financial liabilities held for trading	0	0	76,471	0	76,471
Financial liabilities measured at amortised cost	1,255,768	1,831,604	585,761	290,399	3,963,532
Derivative instruments designated as hedging instruments	0	0	105,166	0	105,166
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	0	-60,617	0	-60,617
Current tax liabilities	0	0	0	6,198	6,198
Provisions	0	0	0	17,401	17,401
Other liabilities	0	0	0	14,522	14,522
Total liabilities	**1,255,768**	**1,831,604**	**706,781**	**328,520**	**4,122,673**
Equity	**0**	**0**	**0**	**474,604**	**474,604**
Total liabilities and total equity	**1,255,768**	**1,831,604**	**706,781**	**803,124**	**4,597,277**

31.12.2023 (HUF million)	Corporate/ subsidiaries	Retail/private/ SME	Bank/treasury	Other	Total
Assets					
Cash, cash balances at central banks and other demand deposits	3	0	895,900	31,941	927,844
Financial assets held for trading	0	0	97,809	0	97,809
Non-trading financial assets mandatorily at fair value through profit or loss	4,354	149,386	10,730	1	164,471
Financial assets measured at fair value through other comprehensive income	36,334	91,463	238,087	0	365,884
Financial assets measured at amortised cost	1,144,863	497,416	1,020,140	14,479	2,676,898
Derivative instruments designated as hedging instruments	0	0	119,623	0	119,623
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	0	-11,289	0	-11,289
Investments in subsidiaries	2,032	0	0	0	2,032
Tangible fixed assets	0	0	0	37,708	37,708
Intangible fixed assets	0	0	0	22,432	22,432
Deferred tax assets	0	0	0	1,840	1,840
Other assets	0	0	0	8,945	8,945
Total assets	**1,187,586**	**738,265**	**2,371,000**	**117,346**	**4,414,197**
Liabilities					
Financial liabilities held for trading	0	0	93,665	0	93,665
Financial liabilities measured at amortised cost	1,227,651	1,682,280	599,667	261,159	3,770,757
Derivative instruments designated as hedging instruments	0	0	126,808	0	126,808
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	0	-64,919	0	-64,919
Current tax liabilities	0	0	0	3,410	3,410
Provisions	0	0	0	17,581	17,581
Other liabilities	0	0	0	11,079	11,079
Total liabilities	**1,227,651**	**1,682,280**	**755,221**	**293,229**	**3,958,381**
Equity	**0**	**0**	**0**	**455,816**	**455,816**
Total liabilities and total equity	**1,227,651**	**1,682,280**	**755,221**	**749,045**	**4,414,197**

2024 (HUF million)	Corporate/ subsidiaries	Retail/private/ SME	Bank/treasury	Other	Total
Net interest income	49,031	68,010	20,478	47,675	185,194
Dividend income	16	3,610	0	36	3,662
Net fee and commission income	28,174	56,619	7,175	-3,182	88,786
Net trading income and fair value result	125	0	1,133	-11,111	-9,853
Net gains/losses from hedge accounting	25	0	3,361	92	3,478
Total income	**77,371**	**128,239**	**32,147**	**33,510**	**271,267**
Impairment losses on financial assets	-2,428	15,755	191	-21	13,497
Net gains/losses from derecognition of financial assets and liabilities not measured at fair value through profit or loss	30	135	527	-2,254	-1,562
Other result	135	-2,154	0	-21	-2,040
Bank tax and other special levies	-10,637	-7,825	-3,562	-3,767	-25,791
Profit before tax	**30,078**	**54,449**	**23,982**	**24,235**	**132,744**
Tax expense	0	0	0	-18,239	-18,239
Profit for the year	**30,078**	**54,449**	**23,982**	**5,996**	**114,505**

2023 (HUF million)	Corporate/ subsidiaries	Retail/private/ SME	Bank/treasury	Other	Total
Net interest income	57,441	62,877	25,098	53,935	199,351
Dividend income	4	1,501	0	11	1,516
Net fee and commission income	25,562	48,442	5,859	-2,750	77,113
Net trading income and fair value result	76	0	-1,342	-11,720	-12,986
Net gains/losses from hedge accounting	-21	0	-1,516	29	-1,508
Total income	**83,062**	**112,820**	**28,099**	**39,505**	**263,486**
Impairment losses on financial assets	-3,536	3,829	-669	8	-368
Net gains/losses from derecognition of financial assets and liabilities not measured at fair value through profit or loss	319	-160	-3,128	18	-2,951
Other income and expenses, administrative expenses	-28,152	-70,959	-4,765	-3,670	-107,546
Other result	-223	-4,796	-36	-32	-5,087
Bank tax and other special levies	-14,077	-13,943	-5,868	-1,937	-35,825
Profit before tax	**37,393**	**26,791**	**13,633**	**33,892**	**111,709**
Tax expense	0	0	0	-12,429	-12,429
Profit for the year	**37,393**	**26,791**	**13,633**	**21,463**	**99,280**

(48) Events after the reporting date

The sole shareholder decided to pay a dividend of HUF 114,505 million aligned with the approval of the financial statements and after the general reserve allocation. This amount consists of HUF 80,153 million to be paid out from current year's profit after tax and HUF 34,352 million to be distributed from retained earnings.

The below table details the sources for dividend payment:

(HUF million)	31.12.2024	31.12.2023
Retained earnings + profit and loss after tax	207,485	191,056
Eligible dividend income	0	100
Sources for dividend payment	**207,485**	**191,156**

No dividend claims were accounted for in 2024 before the approval of the current financial statements for publication. However, in 2023, the Bank recognised a received dividend of HUF 100 million based on the resolution of profit distribution of Raiffeisen Biztosításközvetítő Kft. before the date the financial statements were authorised for issue and which, in accordance with section 114/A, paragraph 17 and section 39, paragraph 3a of Act C on Accounting, is eligible to increase the sources available for dividend payment.

The final capital adequacy ratios considering the inclusion of current year's profit and dividends are CET1 16.18%, TIER1 19.02%, total capital adequacy ratio 23.30%.

(49) Abbreviations and terms used in the financial statements

AAC: At amortised cost

ALCO: Asset and Liability Committee

APRI: Annual Percentage Rate Indicator, a special index calculated in accordance with Government Decree No. 83/2010 (III. 25.) on the Definition, Calculation and Announcement of the Annual Percentage Rate Indicator; an index that aims to provide information in the form of an annual percentage on the total costs and fees of a loan or finance lease.

AT1: Additional tier 1 capital

BEEL: Best estimate of expected loss

Beta: a flexibility measure compared to the market, used for calculating cost of equity

BMT: Benchmark test

BPV: Basis point values

CCIRS: Cross currency interest rate swap

CET1: Common tier 1 capital

CF: Cash flow

CIRS: Cross currency interest rate swap

COVID-PWO: clients, that either are already showing, or based on the Bank's expectation are about to show in a short period the first signs to decline in the credit rating due to effect of the virus on their business operation

CRM: Credit Risk Management Department

CRO: Chief Risk Officer

CRR: Capital Requirements Regulation

CVA: Credit value adjustment

Default: non-performing

EAD: Exposure at default

EBA: European Banking Authority

€STR: Euro Short Term Rate

EURIBOR: Euro Interbank Offered Rate

DVA: Debit value adjustment

FGS: Funding for Growth Scheme

Forborne: renegotiated

FRA: Forward rate agreement

FV: Fair value

FVOCI: at fair value through other comprehensive income

FVTPL: at fair value through profit and loss

Gap: the difference between assets and liabilities in the same repricing category

GDMA: Government Debt Management Agency

HAL: Hungarian Accounting Law

Hold-and-sell: the model's objective is both collecting contractual cash flows and selling financial assets in the portfolio

Hold-to-collect: the model's objective is to hold financial assets to collect contractual cash flows

IAS: International Accounting Standards

IASB: International Accounting Standards Board

ICCAP: Internal Capital Adequacy Assessment Process

IFRS: International Financial Reporting Standards

IFRIC: International Financial Reporting Interpretations Committee

Interest stop: retail loan's interest fixing based on the Gov. Decree nr. 782/2021. (XII. 24.) on the application of the Act CLXII/2009 on the loans to customers in the crisis, which was further extended to the real estate leases by Gov. Decree nr. 49/2022. (II. 18.)

IRB: Internal rating based approach

IRD: Integrated Risk Assessment Department

IRS: Interest rate swap

LIBOR: London Interbank Offered Rate

LGD: Loss given default

L&R: Loans and receivables

Management overlay: portfolio-level management correction used in the loss allowance calculation (post model adjustment)

MIRS: Monetary policy interest rate swap

NBH: National Bank of Hungary

OCI: Other comprehensive income

PD: Probability of default

PL: Profit and loss

POCI: Purchased or originated credit impaired

Post model adjustment: portfolio-level management correction used in the loss allowance calculation (management overlay)

PRIBOR: Prague Interbank Offered Rate

PWO: Pre-workout

Repayment Moratorium 1: The first repayment moratorium (repayment suspension), which was introduced by the Act LVIII/2020 on the temporary rules related to the termination of the emergency and on the pandemical preparedness, furthermore by the Gov. Decree nr. 47/2020. (III. 18.) along with decree on the detailed rules about the defined actions in this, the Gov. Decree nr. 62/2020. (III. 24.). The repayment moratorium provided since 19. March 2020 expired on 31 December 2020.

Repayment Moratorium II: The second repayment moratoria (repayment suspension), which was introduced by the Act CVII/2020 on the temporary actions in order to stabilize the situation for particular society groups and enterprises with financial difficulties along with the Gov. Decree nr. 637/2020. (XII.22.) on the special rules related to the repayment moratoria in connection with the emergency.

Repayment Moratorium 2: section from 01.01.2021 to 31.10.2021 of Moratorium II

Repayment Moratorium 3: section from 01.11.2021 to 31.07.2022 of Moratorium II

Repayment Moratorium 4: section from 01.08.2022 to 31.12.2022 of Moratorium II

RRM: Retail Risk Management Department

SOFR: Secured Overnight Financing Rate

SME: Small and medium enterprises

SPPI: Solely payment of principal and interest

Stage 1: performing financial instruments where the credit risk has not increased significantly since initial recognition

Stage 2: performing financial instruments with a deteriorating credit risk profile, where the credit risk has increased significantly since initial recognition

Stage 3: credit-impaired financial instruments

Tier 1: common tier 1 capital (CET1) plus additional tier 1 capital (AT1)

Trading: primary objective is to realise short-term profits

VaR: Value at risk

WCV: Weighted collateral value

Raiffeisen Bank

Separate statement of the issuer

We, the undersigned, Zeljko Obradovic as Chief Financial Officer and Tibor Gáspár as Head of Accounting Department, representing Raiffeisen Bank Zrt. (address: HU-1133 Budapest, Váci út 116-118., hereinafter referred to as: 'Bank') hereby declare that the annual report of 2024 stipulated in Section 54. § of Act CXX of 2001 on the Capital Market was prepared in accordance with the provisions of Act C of 2000 on Accounting and International Financial Reporting Standards and to our best knowledge.

The separate financial statements give a true and fair view of the assets, liabilities, financial status and profit of the Bank, furthermore the separate business report gives a true and fair view of the status, improvement and performance of the Bank including the main risks and uncertainty factors.

This also applies (where applicable) to the separate non-financial statement, which has been prepared to the best of our knowledge in accordance with the regulations of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) and, in particular, contains the information necessary to understand the impact of the Bank's activities on sustainability aspects as well as the impact of sustainability aspects on the Bank's business development, business results and situation and reports on how this information was determined. Furthermore, we confirm that the information according to Article 8 Taxonomy Regulation (EU) 2020/852, in conjunction with Delegated Regulation (EU) 2021/2178, has been determined to the best of our knowledge.

Budapest, 27 March 2025

Zeljko Obradovic	Tibor Gáspár
Chief Financial Officer	Head of Accounting Department