Raiffeisen BANK

Raiffeisen Bank Zrt.
Consolidated Business Report
on Business Year 2023

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(1) Macroeconomic environment in 2023

The main challenge for both advanced and developing economies remains how to fight inflation. Consolidation does not happen by itself, which is why the vast majority of central banks have recently embarked on a sharp tightening cycle that will continue well until the end of 2023. US economic growth may slow slightly this year and the next, after expanding by 2.1% in 2022, but momentum in the euro area could pick up again in the second half of 2023, after the aggregate performance of the 20 countries seems to have bottomed out following the 2022/2023 winter recession. Inflation in both economies has peaked and is falling steadily, but services inflation is stuck at dangerous levels across the board, raising the risk of a price-wage spiral and making it difficult for central banks to time their exit from interest rate hikes appropriately. Going forward, European interest rates are most likely to rise, but the question for both economies is how long the current high interest rates will persist. According to the market, the 2% medium-term targets for both economies are likely to be met during 2025, the downside risk being that the services sector, alongside manufacturing, loses momentum by the end of the first half of 2023.

(1.1) Hungarian economy

Hungary's economy expanded by 4.8% in 2022, which is solid growth of course, nevertheless still a significant slowdown compared to the 7.4% rise in 2021, mainly due to the very low base in 2020 during the pandemic. As a reminder, domestic GDP fell by 4.4% in 2020. Inflation, which peaked at 25.7% in January, stands at 20.1% at mid-year and is likely to continue to ease markedly in the second half of the year, while the underlying processes are also improving gradually. As regards the structure of the economy, on the production side industry—including manufacturing as well as building construction—is making a very weak contribution to GDP growth this year, but this is somewhat offset by the services sectors. On the consumption side, in the short term growth is supported mainly by external demand, with a possible further expansion of manufacturing export capacities. Growth may stagnate and stall in 2023, or at least most of this year's GDP forecasts project a very modest performance before the Hungarian economy picks up again next year. The Raiffeisen Group forecasts a GDP growth of 0% in 2023 and around 3% in 2024. Inflation may return to below 10% by the end of 2023, but the base rate is expected to end the year in the double-digit range and will continue to decrease only next year. As inflation is expected to average around 18% this year and around 5% next year, the central bank will continue to cut interest rates in a prudent and cautious manner. As regards the EUR/USD exchange rate, risks are more or less balanced in the short term, but given the continued vulnerability of HUF, we still think it is reasonable to forecast a wide range of around 360-400, with an equilibrium level of around 380.

(1.2) The banking sector

At consolidated level, the banking sector recorded a profit after tax of HUF 321 billion in Q1 2023, according to the data of the MNB. Net interest income was 62% higher than a year earlier, while net fee and commission income showed a smaller increase of 18%.
Operating costs increased by 69% compared to the same period last year. Net impairment and risk provisioning fell sharply in Q1 2023 compared with a year earlier, which contributed significantly to the sector's profit growth.
The sector has total assets of HUF 85,376 billion, which means an increase of 17% compared to the same period in 2022 according to the data. Loans to companies increased by 18% and loans to households by 12% compared to the same period last year. Customer deposits also increased, with deposits from households and non-financial entities growing by a combined 14% year-on-year.
The share of non-performing loans decreased slightly, from 3.2% to 3.0%, compared to the same period of the previous year.
Cost-to-income ratio (CIR) was 75.5% in Q1 2022, which is significantly worse than 61.7% in the previous year. The sector's return on equity (RoE) and return on assets (RoA) also improved, with the former rising to 16.0% (from 4.6%) and the latter to 1.5% (from 0.4%). The sector's liquidity position and capital adequacy are satisfactory.

(* The data are also available on the site https://statisztika.mnb.hu/publikacios-temak/felugyeleti-statisztikak/penz--es-hitelpiaci-szervezetek/hitelintezeti-aktualis-publikaciok published by the MNB.)

(2) Non-financial report

For a brief description of the business model of the enterprise, see Chapter 4 "Performance of the different business areas".
The key non-financial performance indicators that are relevant to a particular business activity are also included in Chapter 4 "Performance of the different business areas".
A description of the company's policies in relation to environmental protection, social and employment issues, respect for human rights, and the fight against corruption and bribery, with reference to the due diligence procedures applied and the results of these procedures, and to the risks in these areas that may have adverse effects on these areas, is provided in the following chapters:

- 7.4 Fraud risk
- 8. Environmental protection
- 9. Employment policy
- 10. Compliance activities

The services that the independent auditor is permitted by law to provide in addition to the audit, and which are actually provided by the auditor to the company and the enterprises controlled by it, and which the company is required to disclose in the annual report, are set out in Chapter 12.

(3) Business activities

(3.1) Balance sheet

The Group's total assets grew by nearly HUF 8 billion in H1 2023, and its market share increased from 6.03% at the end of 2022 to 6.10%. Retail lending has declined significantly due to the extremely high interest rate environment, and the growth in customer funding has moderated compared to the magnitude of the previous years due to the current inflation and interest rate environment.

HUF million	30.06.2023	31.12.2022	Change
Total assets	4,328,712	4,320,982	0%
Loans	2,053,618	2,363,861	-13%
Time deposits	3,507,757	3,496,528	0%

The Group's loan-to-deposit ratio declined against the trend of previous years, from 68% at the end of the year to 59%, due to a decline in retail lending and lower growth in customer deposits, which has been observed in the banking sector as a whole.

The Group's own funds increased slightly, while its capital adequacy ratio decreased somewhat compared to end-2022; however, the Bank's capital adequacy is satisfactory.

HUF million	30.06.2023	31.12.2022	Change
Own funds (HUF billion)	374,387	365,899	2%
Capital adequacy ratio (%)	21.78%	23.28%	-6%

(3.2) Profit and loss

Category	30.06.2023-31.12.2022	30.06.2022-31.12.2021	Change	
	HUF million	HUF million	HUF million	%
Net interest and dividend income	93,518	54,155	39,363	73%
Net fee and commission income	38,771	34,546	4,225	12%
Operating costs*	-35,661	-29,495	-6,166	21%
Risk costs**	-1,584	-459	-1,125	245%
Other comprehensive income	-61,560	-37,502	-24,058	64%
Profit before tax	**33,484**	**21,245**	**12,239**	**58%**
Tax	-3,661	-4,000	339	-8%
Profit after tax	**29,823**	**17,245**	**12,578**	**73%**

* This line includes personnel expenses, other administrative expenses and depreciation and amortisation, but excludes fees paid to the National Deposit Insurance Fund and the Investor Protection Fund, which are included in Other comprehensive income.

** In addition to the impairment of financial assets, this line also includes the amount of other provisions.

The Group closed the first half of 2023 with a profit of HUF 29.8 billion, which is significantly higher than the same period last year. The main reason for the increase was a surge in interest income induced by the high interest rate environment, which was somewhat offset by the Group's share of the extra tax imposed on the banking sector.

Net interest income doubled year-on-year, mainly due to the high interest rate environment.

Fee and commission income also improved significantly compared to the previous year, thanks to an increase in transaction fee income built in transactions involving foreign exchange conversion and other securities transactions, and fee income from payment services.

Operating costs were 21% higher than in the previous year, mainly due to the increase in wages and material costs caused by the high inflationary environment.

In the first half of 2023, the Group reported a risk cost higher by HUF 1 billion compared to the previous year.

In the "other comprehensive income" category, the Group's share of the extraordinary tax imposed on the banking sector, government measures limiting the rate of interest rate increases and higher transaction taxes resulted in a larger loss than in the previous year.

The Group's tax liability in the first half of 2023 decreased by HUF 340 million compared to the previous year.

The growth rate of the Group's revenues exceeded that of its costs, so cost-to-income ratio improved to 24% in 2023. Return on equity rose to 15.4% in 2023 as a result of outperformance.

(3.3) Events after the reporting date

There have been no events after the balance sheet date that affect disclosure.

(4) Performance of the different business areas

(4.1) Corporate and Investment Banking business

In the first half of 2023, the Group's Corporate and Investment Banking business has managed to maintain its dominant position in the commercial banking market; with a market share of 8-10%, it is a dominant

bank in the medium and large corporate segment, and one of the leading banks in export finance and treasury services as well.

The Group's project finance and syndications business accounts for the largest share of the Group's green assets, which is an important pillar of the ESG strategy of the overall Banking Group. Accordingly, in 2023, the majority of newly disbursed loans are green loans, both in the real estate and non-real estate categories.
The growth of the loan portfolio has been achieved with a conservative business policy and risk profile. Overall, the loan portfolio remained of high quality.

The Group's Trade Export and Agricultural Finance business delivered good results in the first half of 2023, despite tighter credit market opportunities. Participation in Eximbank's Baross Gábor Loan Programme, launched at the beginning of the year, was significant, both in terms of working capital and investment loans. Unfortunately, the announced budget was more or less exhausted in 1 month and currently there are practically no other significant interest rate subsidised funds available for customers, apart from the smaller amounts available under the Széchenyi Programme for the SME sector.
The agricultural sector also experienced severe market turbulence in the first half of the year (price drop for cereal products, the entry of Ukrainian imports into the EU market, declining investments, etc.), but nevertheless the Group managed to maintain its credit exposure at the previous level.
Portfolio and revenue plans in the Documentary business were also implemented better than expected. Although a significant downturn this year is universally taken for granted in the construction sector, which accounts for the bulk of documentary sales (cancellation/postponement of major public investments, significant drop in demand for housing construction, etc.), the Group can nevertheless report growing revenues on a year-on-year basis.
Only the Factoring business saw a slight decrease in turnover and income compared to the same period last year, due to the high interest rate level of the HUF portfolio, which accounts for the bulk of sales. It is hoped that the interest rate cut cycle initiated by the MNB, with a fall in inflation and the resulting rise in domestic demand in the second half of the year, will provide a more favourable outlook for the factoring business.

An important part of the Group's servicing model is the financing of municipalities, municipally owned enterprises, non-profit companies, associations, co-operatives, condominiums and other communities. It provides a full range of advanced financial services to its clientele and manages the time deposits placed at the Group securely. The services focus on managing clients' investments and providing investment, development and project loans to municipalities, associations and condominiums, with an emphasis on ESG aspects and sustainable financing.

The use of banking services provided for corporate and municipal customers is supported through the continuous development of digital channels, the operation of an instant payment system and the development of payment options with QR codes and the use of "payment request". Digital developments ensure efficient customer service and facilitate the use of ASP services by municipalities.

In 2023, the Financial Institutions and Custody area continued the growth trend of the previous years, both in terms of deposits and loans, as well as customer base, transaction volumes and products. It has successfully increased the volume of assets under custody, even in the face of market pressures and increasing competition.

Based on statistics from the National Bank of Hungary, the Group's Markets Department continued to be the largest foreign exchange trader among banks in Hungary in the first half of 2023, while it again became the largest player in the derivatives section of the Budapest Stock Exchange. Raiffeisen Bank was the 7th largest primary dealer of Hungarian government bonds in the first half of 2023.

(4.2) Retail clients

The impact of the earlier economic challenges (Russian-Ukrainian war conflict, dynamically rising inflation, high volatility in the foreign exchange market, overheads protection sanctions, etc.) continued to be felt in the first half of 2023 as well, creating a number of challenges for the retail segment. Despite this, the business line achieved outstanding results in the first half of the year, with the number of Mass retail customers increasing by 7% and the number of customers in the Premium Banking segment by 7.6%

compared to the end of 2022. Revenues developed as previously planned and Raiffeisen Bank's Net Promoter Score (NPS) was the highest among the leading rival universal banks (H1 2023 NPS: 27).
The high acquisition results are partly due to external market conditions, partly to successful marketing campaigns, and partly to the continuous improvement of services. The Group continued to focus on marketing activities in support of customer acquisition through various channels in H1 2023 as well. Among these, one should mention bank account opening promotions, the renewed customer referral programmes, and special promotions for Yelloo Account, designed specifically for young people (14-25 years). In this half-year, the retail business already contributed to the Group's customer acquisition efforts with 10 successful campaigns. The focus continues to be on education campaigns to help customers use their accounts and digital services more actively. The Group's Loyalty Programme is also becoming increasingly popular, offering existing customers a range of discounts at our commercial and service partners.

In the first half of 2023, the focus was still on various investment products with retail customers, as interest in other savings options remains stagnant due to the low interest rate environment.
The Group continued its digital development efforts on a number of platforms in H1 2023 as well to provide customers with a modern, high-quality customer experience in their everyday financial transactions. Its digital strategy continues to focus on expanding the functionality of the myRaiffeisen mobile app and the range of products available online. Thanks to these developments, both online account opening and online loan applications have increased significantly in number. The Group now also offers an opportunity for online account opening for customers who wish to take advantage of a discounted account package provided through their employer ("Relationship Employee Package").

Investor activity and appetite among clients remained high in the first half of 2023. Interest in and demand for investment funds continued to be strong, while demand for government bonds did not change significantly, irrespective of the change in the market interest rate environment.

The business line continued its successful business activity in retail lending as well. However, demand for residential mortgages fell significantly, while demand for personal loans decreased marginally only. Demand for Baby Loans fell sharply in Q1 due to an increased number of applications filed in December 2022, but failed to return to the previous levels even in Q2. The adverse change in macroeconomic conditions already made its impact felt quite strongly, mainly due to high interest rates and a significant fall in real wages.
In the lending area, despite all the external difficulties, the priority remains to serve as much as possible those customer demands where security and predictability are key. Another key strategic focus is digitalisation, where in the case of personal loans using the fully online application process is becoming increasingly popular, and existing customers can even apply for an overdraft facility in the online space. Our aim is to make this option available for further products and customers as well in the near future.
Overall, the priority remains to continuously improve customer experience in retail lending, in which digitalisation should play a key role. The Group is confident that an improvement in external conditions will allow lending to pick up again in the period ahead, although this could be hampered by a potentially stagnant high yield environment.
The Group's market share in retail loans remained unchanged, with 5.6% at the end of May 2023.

(4.3) Private Banking customers

The goal of Friedrich Wilhelm Raiffeisen Private Banking is to preserve and increase the family wealth of its customers, and make sure it is passed on from generation to generation. With the professionalism and commitment of the Group's experienced advisors, it provides security, convenience, discretion and tailor-made individual solutions for its customers.
Friedrich Wilhelm Raiffeisen Private Banking continued a very successful year in the first half of 2023 as well. Thanks to the trust placed in it by its clients, assets under management exceeded HUF 888 billion at the end of the half-year, which means an increase of 8% in six months. This growth is further strengthening the Group's market position.
Creating and maintaining high levels of satisfaction for Private Banking customers is unthinkable without personalised solutions and the highest standards of service. Accordingly, Friedrich Wilhelm Raiffeisen Private Banking has continued to invest heavily in the introduction of new products and services and in the development of IT systems and the knowledge base of banking advisors in 2023 as well. Digitalisation has recently become a key focus, allowing not only customers to manage their finances seamlessly and

independently, but also our staff to be available for everything, even from remote access points. During 2023, there has been a strong focus on reducing administrative burdens, resulting in a significant reduction in the Group's paper use and the number of signatories.
The Friedrich Wilhelm Raiffeisen Private Banking service model consists of four core pillars: offering long-term financial solutions combined with active investment advice, the availability of dedicated, highly qualified advisors, supporting the work of investment advisors with advanced IT tools, and implementing asset allocation based on return and risk optimisation.

(4.4) Financial institutions

The financial institutions clientele is of strategic importance to the Group. The business line continues to grow dynamically thanks to a comprehensive and customised customer service model, a wide range of products, and continuous innovation.
The main target group of the business line remains Hungarian insurance companies, investment fund managers, funds, and Hungarian and international financial institutions and investment firms, which are supported by new, innovative solutions and products so that they can provide high level, fast and secure cash management and payment services to their customers. In addition to the above, there is also a focus on Hungarian and international banking relationships, as well as on international payment service providers and Raiffeisen Bank's contracted currency exchange agents, in which the Group's strategy is taken into account and strict compliance principles are applied. Since 2021, Raiffeisen Bank's Financial Institutions division has been responsible for the professional coordination of payment service providers (PSPs) within the Banking Group.
The assets managed by Financial Institutions continued to grow significantly in H1 2023, with the business line maintaining its moderate risk profile and low capital requirements. Despite market turbulence and regulatory changes, deposits remained at their previous high level. In addition to interest income, an increase in fee and commission income also contributed to the significant over-performance. The business line continues to be characterised by stable funds and long-term, reliable customer relationships. The risk costs of the area are very low, with a record low cost-to-income ratio.
Supported by strengthened group-wide management at the Group's Vienna head office, it offers a unique custody market solution for the custody and settlement of clients' investments in Central and Eastern Europe. In the first half of 2023, the Group's custody business continued to operate successfully, and managed to increase both the number of clients and the assets under custody despite the changing market and regulatory environment and intensifying competition.
As a result of increased market volatility, the demand for the services offered by the Markets Department has continued to grow among counterparties and clients. The Group takes a leading role in a number of internal projects as well as in projects affecting the Hungarian capital market as a whole.
Clear positive feedback from both clients and the industry demonstrates that Raiffeisen Bank is one of the strongest brands in the regional money and capital markets and in serving financial institutions.

(4.5) Subsidiaries

Raiffeisen Corporate Lízing Zrt.
Since 2014, the Company, which is wholly owned by the Bank, has been the sole provider of financial leasing services to non-consumer customers within the Raiffeisen Leasing Group, for the financing of the purchase of assets, vehicles and equipment.
The Company has been a major player in asset finance in the medium and large corporate segment for many years, mainly by serving the leasing needs of the Bank's clients. There is a key strategic focus on the passenger car and truck financing business line.
The Company continued to pursue its previously initiated strategy, in which, in addition to the lease financing of vehicle and/or equipment investments for medium and large corporate customers, there is an increased focus on boosting leasing services to the micro and small corporate segment, introducing new sales channels, maintaining a high quality portfolio, and— through cost-efficient operations—keeping costs low and establishing and maintaining long-term profitability.

Raiffeisen Autó Lízing Kft.

The Company is a wholly owned subsidiary of Raiffeisen Corporate Lízing Zrt. The popularity of operating lease has declined significantly due to the change in the accounting treatment required by IFRS and the availability of financial leases with preferential interest rate schemes (FGS, EXIM, KAVOSZ), resulting in a decline in vehicle financing without fleet services and asset financing. The Company's strategy is demand-driven customer service and individual transaction management, with no emphasis on concluding new businesses in the form of operating leases.

Raiffeisen Biztosításközvetítő Kft.

It is wholly owned by the Bank. The main activity of the Company is insurance intermediation, mainly for the member companies of the Raiffeisen Banking Group.
Initially, the Company's main source of income came from the retail, small and medium-sized business segment, but later it started to sell insurance products in the large corporate and leasing segments as well.
With effect from 1 April 2022, the Bank has taken up intermediary activities as an individual tied agent. From this date, in addition to the products taken over from the Company, the Bank also manages a portfolio of insurance policies actively sold by the Bank, so the related premium income is also realised by the Bank.
A change in the law in autumn 2022 has allowed individual tied agents to manage portfolios of competing products as well. In view of this, the Company has transferred its entire portfolio to the Bank with effect from 1 May 2023, from which date the related premium income is also realised by the Bank. These changes had a significant impact on premium income.

RB Szolgáltató Központ Kft.

The Company was established by the Bank to open and operate a banking operations centre in Nyíregyháza. Its activities began with telephone customer service and sales, and expanded to include telephone collection, credit assessment and operations activities.
The Company finances the acquisition of assets necessary for its operation from investment loans, its financial position and liquidity are stable and its operation is profitable.
The number of employees of the Company has risen to over 400. It pursues its activity while improving its processes and further improving the quality of service. In line with the Group's strategy, in June 2022 the Company moved to a new headquarters, enabling employees to carry out their banking tasks in a more modern working environment that supports processes even better.

Raiffeisen Befektetési Alapkezelő Zrt.

The Company is a wholly owned subsidiary of the Bank.
In the first half of 2023, continuing the trend of 2022, the Company's assets under management rose dynamically in line with the market average. Growth in assets under management was steady for most of the period, driven by continued strong investor interest in the short bond fund segment. Investor interest continued to grow in the month of June, preceding the entry into force of the tax burden on investment fund units from the second half of the year. However, interest in mixed and equity funds, which used to be the hit in the past years, remained subdued. Assets under management in the ESG segment declined somewhat in the first half of 2023, while assets in the real estate segment eroded slightly more, partly due to the strengthening of HUF.
The Company's operating result developed favourably, driven by a rapid increase in revenues as well as a containment of costs.
In recent years, the Company has transformed its product set, adapting it to meet the challenges of the market. The first step was to develop three funds targeting at different risk levels, and strengthened by an active management and rigorous risk management, in cooperation with Raiffeisen Group's Austrian fund manager. As a result of the next step in the transformation of the product set, with the launch of a new fund in 2023, the Company now manages five funds with an ESG focus, ensuring that clients have a choice between traditional and ESG products in all major asset classes. The Company's success is demonstrated by the fact that it has received several awards in recent years.

SCT Kárász utca Kft.

It is a wholly owned subsidiary of the Bank. The Company's activity is real estate management.
2022 saw DAV Property Kft., a company belonging to the RBI Group, and Ötödik Vagyonkezelő Kft. merging into the Company.
In 2022 and 2023 its business has been focused on the management and operation of the real estates owned by it.

Raiffeisen Ingatlan Üzemeltető Kft.
It is a wholly owned subsidiary of Raiffeisen Befektetési Alapkezelő Zrt. The Company's business is real estate management, including the operation of shopping malls, office buildings, industrial and commercial properties, and the Bank's branches.
In 2023, it continued to provide full financial and technical management and leasing services on behalf of its largest client, the Raiffeisen Real Estate Fund.

(5) Responsible Corporate Governance Statement

Responsible corporate governance is a fundamental tool to achieve the Banking Group's core objectives and a prerequisite for long-term value creation. Corporate governance is about striking the right balance and creating the right order of operation between owners, customers, employees, business partners and the wider public. In its operations, the Raiffeisen Group fully complies with the provisions of the laws and MNB regulations and recommendations applicable to it. The structure and operating conditions of the Banking Group are set out in the Articles of Association adopted by the Sole Shareholder, and the Organisational Statutes. The Group continuously reviews and improves its corporate governance practices.

(6) Use of financial instruments

In accordance with the requirements of IFRS and the Accounting Act, since 2018, in accordance with IFRS 9, the Banking Group is required to classify its financial assets at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss, based on:

- the business model used by the Group for managing financial assets; and
- the contractual cash flow characteristics of the financial asset.

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

- the financial asset is held under a business model that is designed to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial instrument give rise, at specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held on the basis of a business model that achieves its objective by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial instrument give rise, at specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income as described above.

The Banking Group may irrevocably elect, upon initial recognition, to recognise in other comprehensive income any subsequent changes in the fair value of an investment in certain capital instruments that are otherwise measured at fair value through profit or loss.

The Group may irrevocably designate a financial asset as being measured at fair value through profit or loss on initial recognition if this eliminates or significantly reduces a measurement or recognition inconsistency (also referred to as an accounting mismatch) that would otherwise arise because the assets or liabilities are measured or the gains or losses on them are recognised on a different basis.

The Banking Group is required to classify all financial liabilities at amortised cost, except in those cases described in more detail in the standards when they must be treated as financial liabilities at fair value through profit or loss.

The Group's accounting policy and various disclosures require the fair value of financial assets and liabilities to be determined. Fair value is determined for valuation and/or disclosure purposes using the methods described below.

All financial instruments are recognised initially at fair value plus directly attributable transaction costs (except for financial instruments measured at fair value through profit or loss, where transaction costs are recognised directly in profit or loss). Fair value is the price that the Group would receive if it sold an asset or that the Group would have to pay to the transferee in the case of the transfer of a liability in an arm's length transaction with a market participant at the measurement date.

After initial recognition, the basis for determining the fair value of financial instruments quoted in active markets is the bid price for assets and the ask price for liabilities. Where observable prices are not available, valuation techniques based on observable market data are used to determine fair value. The methods may include comparison with similar instruments for which observable market quotes are available, discounted cash flow analysis, option pricing models, and other valuation techniques commonly used by market participants. The fair value of financial instruments may also be estimated in whole or in part using techniques based on assumptions that are not supported by actual market transactions or observable market data.

The Banking Group has developed the following fair value measurement methodology:

a) derivatives

- The fair value of foreign currency forward and futures contracts is the difference between the forward rate at the measurement date—relevant to the maturity date of the contract—and the strike rate, discounted from the maturity date to the measurement date.
- The fair value of foreign currency swaps is the difference between the forward rate of the forward leg at the measurement date—relevant to the maturity date of the contract—and the strike rate, discounted from the maturity date to the measurement date. In the valuation yield curve, the current market spread is taken into account.
- The fair value of interest rate swaps and forward rate agreements (FRAs) is the net present value of the expected future cash flows of the transactions discounted to the measurement date.
- The fair value of plain vanilla and exotic currency options is determined using the modified Black-Scholes model. In the case of exotic options for which no closed formula exists, values are determined using an iterative procedure.
- The fair value of a two-currency interest rate swap is the net present value of the expected future cash flows of the swap discounted to the measurement date, where the yield curve used for the measurement incorporates the basis swap spread (which also represents a country risk premium) specific to the market for that swap.
- The fair value of stock and index futures is determined by the difference between the stock market price and the strike price.

b) securities

The fair value of securities measured at fair value through profit or loss or through other comprehensive income is determined using market prices available in the Bloomberg information system. For securities for which the stock exchange closing price is available, such price is used. In the case of those securities for which no quoted market price is available, the fair value is the net present value of the expected future cash flows of the security discounted to the measurement date.

c) loans

Loans are generally carried at amortised cost, which is equal to the value of the financial asset at initial recognition less principal repayments, plus or minus the cumulative amortisation—calculated using the effective interest method—of any difference between the value of the financial instrument at initial recognition and the maturity amount, and adjusted by the amount of any expected credit loss recognised.
The Group has entered into interest rate swap contracts to hedge changes in the fair value of certain fixed rate loan transactions. Loans hedged by such IRS transactions are carried at amortised cost adjusted for changes in fair value attributable to the hedged risk.

d) time deposits

The Group carries its time deposits at amortised cost Some structured deposits contain an embedded derivative, which is separated from the deposit. The Group measures embedded derivatives at fair value with any changes in fair value recognised in the income statement.

The Group includes certain fixed rate deposits in hedge accounting. These deposits are fair valued by determining the net present value of expected future cash flows discounted to the balance sheet date.

e) bonds issued

Self-issued non-structured bonds are carried at amortised cost and are therefore not revalued, except in cases where the bonds are included in hedge accounting. In this case, only interest rate risk is hedged, not credit risk.

Of the self-issued securities included in hedge accounting, the fair value of fixed rate securities is the present value of the future cash flows, while in the case of structured instruments the Group measures the embedded derivative, which is separated from the host contract.

Hedge accounting

The Banking Group has designated certain derivatives serving risk management purposes as hedges for hedge accounting. At the inception of the hedge, the Group formally documents the relationship between the hedge(s) and the hedged transaction(s), the risk management objectives and strategy followed in entering into the hedge, and the method used to measure the effectiveness of the hedge. The Group assesses, both at the inception of the hedging relationship and on an ongoing basis thereafter, whether the hedge is expected to be highly effective in achieving effects that are supposed to offset changes in the fair value of the hedged item attributable to the hedged risk over the life of the hedge and whether the actual results fall within the range of 80-125 percent.

(7) Basic principles of the risk management and hedging policy

The Banking Group has a risk management function that is completely separate and independent from the business areas, and is under the supervision of the Chief Risk Officer. The Credit Risk Management and Retail Risk Management Departments are responsible for the analysis and management of the credit risk of the customers; whereas the analysis of market, operational and fraud risks, Basel III compliance, capital calculation and the development of portfolio-level credit risk models are the responsibility of the Integrated Risk Analysis Department.

(7.1) Credit risk

The risk assessment and credit assessment of non-retail customers is based on individual analysis and rating, typically with quarterly financial monitoring and annual limit reviews. In retail and micro-business lending, automated, scorecard-based assessment is used.

Lending is constrained by an optimal balance of business and risk considerations as determined by the Group's owner and management, within the limits of the Banking Act and other legislation, and the Group's credit policy guidelines.

In 2021, the economic crisis caused by the coronavirus pandemic did not result in a systematic, mass increase in non-performing loans, with only a small number of customers becoming non-performing, including some with relatively large exposures. The corporate default rate thus stood at around 2%, and the retail segment stabilised at around 5%, remaining below the medium-term strategic target. This healthy level was also fostered by measures directed at cleaning the portfolio from non-performing loans, using the standard workout methods, which continued in 2021 as well. In 2022, the Group continued to see no systematic portfolio deterioration in the corporate segment, with the NPE ratio remaining at its previous low level, and even falling further to around 4% in the retail segment, while in the Bank's overall portfolio, including securities in the banking book that embody credit risk, the NPE ratio was only 1.9% at that time. This steady/slightly positive trend has been maintained in the first half of 2023 as well, with no material inflows into the non-performing portfolio, and the sporadic cases that actually occurred were offset by recoveries; as a result, by end-June 2023, the NPE ratio in the Bank's overall portfolio, including

securities in the banking book that embody credit risk, declined to 1.7%. However, the current low probability of bankruptcy is expected to rise in the future. This may be due to the deteriorating business environment, supply chain problems, the energy crisis, the high inflation and interest rate environment, and the contraction of the demand side, therefore since October 2021 the Group has carried on enhanced and intensive monitoring activities on these dimensions, complemented by portfolio stress test analyses. On the retail side, the portfolio has remained stable with low default rates, nonetheless the Group is prepared to manage risks arising mainly from inflation, soaring energy prices and changes in the interest rate environment.

Participation in the payment moratorium did not automatically constitute a default or financial distress during 2020, in line with the relevant position of EBA, and the Group continues to pay particular attention to identifying debtors who may be presumed to face payment difficulties during the moratorium as well. In relation to clients opting in to moratorium 2, starting in 2021, then in to moratorium 3 and 4, and the agricultural moratorium, starting in the second half of 2022, the Group carried out an individual extraordinary risk review on the corporate side to recognise deteriorating risk profiles and identify any restructuring measures that might be necessary as well as instances of non-performance. As a result of the reviews, a small number of new restructured portfolios with relatively low exposure were identified. The small portfolio that still participated in moratorium 4 resumed repayments at the end of 2022, in line with the relevant new loan schedule. Customers opting in to moratorium 2 were examined by the Group in the retail segment as well. Those customers where the Group identified financial difficulties were reclassified to non-performing status. Customers who had no financial difficulties, but had been in moratorium for more than 9 months, were reclassified to Stage 2, and the customers who have opted out of moratorium 2 are closely monitored for problems and payment difficulties. At the start of moratorium 3 and 4, the Group reassessed the financial situation of opting-in customers and, where it was justified, if information on the deterioration of the customer's financial situation had since become available, placed them in default, i.e. Stage 3.

The Group's risk management processes comply with the requirements of Basel III and IFRS 9. The baseline data needed to measure risks in a sophisticated way are stored in structured form in a modern data warehouse. Since May 2012, the Bank has been quantifying the capital requirements of the Bank's entire portfolio (corporate, retail and SME) already on the basis of the advanced internal ratings based (IRB) method During 2017, the municipal portfolio was returned to a standard methodology. In 2018, the Group started the same restructuring of the loans of the top segment of private individuals, which was completed in the last quarter of 2019.

Capital requirements for baby loans, private banking loans, employee loans and, on the retail side, for products in the micro-segment related to crisis guarantee, are calculated using a standard methodology.

Risk is measured and reported on a monthly and quarterly basis in accordance with the relevant Group and regulatory requirements. The Group uses the results of risk models extensively in pricing, lending decisions and the setting of strategic directions, ensuring long-term capital adequacy, the development of stable and efficient portfolios in terms of risks as well, and the efficient use of available capital.

The Group responded in its lending policy as well to the changes brought about by the coronavirus crisis and the subsequent energy crisis and the rising inflation and interest rate environment: in addition to a greater granularity, the measure/likelihood of the expected short-term impacts and medium-term outlook also play a key role in the assessment of the risks of the different industries. Lending activity is targeting clients in better endowed industries and with stronger resilience, whereas the more vulnerable part of the portfolio requires a more cautious approach. For the latter, the Group also exercised particular care in determining impairment and—apart from a conservative review of the parameters and macro variables of the impairment models—recognised additional impairment losses where necessary. In 2023, on the corporate side, the main risks covered by the additional impairment allocation model are: yield risks on the real estate market, a sharp rise in energy prices, the limited availability of energy resources (especially gas reserves), and the refinancing risk and inflation induced by a high interest rate environment, but the Group also takes into account supply chain crises, a regulatory risk, and the shrinking demand as additional risk factors. The Group regularly reviews the adequacy of the related provisions and adjusts them where appropriate.

Since 2022, the Group takes greater account of environmental sustainability aspects in its corporate risk management, which will be enforced by the inclusion of these aspects in both the relevant sector lending policy codes and in the customer rating criteria. From 2023 onwards, the Bank adds sustainability assessments to its lending processes at the operational level as well.

On the retail side, the Group identified increased risks in March 2020 based on the industry classification of the client's employer, categorised as high/medium/low risk based on the expected economic downturn. In addition, in November 2020, the Group decided to apply portfolio-level management adjustments, so-called overlays, taking into account the "Management Circular on the use of macroeconomic information and factors triggering a significant increase in credit risk under IFRS 9" issued by the MNB. Accordingly, it

recognised an additional impairment on the riskiest customers participating in the moratorium, which has been revised upon each extension of the moratorium, and in June 2023 it lifted the management adjustments related to the moratorium. It is also important that during 2021 and 2022 the Group fully assessed changes in the income situation of its customers, in anticipation of potential problems that may arise. 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 business segments on several occasions during 2022.

(7.2) Operational risk

All organisational units (departments, regions, subsidiaries) are actively involved in the management of operational risk and, where necessary, in reducing the level of risk. The Group is making significant efforts to develop its operational risk management organisation and to increase risk awareness, including the identification, collection, assessment, reporting, monitoring and management of the operational risks that threaten the achievement of the Group's business objectives. The main tools used to identify risks are loss data collection, risk indicators, scenario analyses, and risk self-assessments. As part of this work, the root causes of all identified operational risk events are identified and used in process improvement decisions.

To further strengthen operational risk management activities, the Group has implemented standards that also meet the requirements of the Advanced Measurement Approach.
The Group continues to effectively operate the AMA (Advanced Measurement Approach) operational risk framework introduced in 2016.

(7.3) Market and liquidity risks

Market and liquidity risks are managed across the Group at multiple levels, using advanced methodologies and infrastructure, with monitoring taking place independently of business areas. Risks are measured and reported on a daily/weekly/monthly and quarterly basis, in line with Group and regulatory requirements. Risks are categorised, measured and managed, and economic capital is created through the Group's ICAAP processes.
Risks are measured and controlled through complex position, risk, stop loss and VaR limit systems, the methodology of which is in line with the Parent Bank's and regulatory requirements. Market and liquidity risks related to banking activities are managed in the following areas: interest rate risk in the trading book and the banking book; the Group's liquidity risk from the going concern as well as a stress point of view; risk arising from the illiquidity of market positions; equity price risk; foreign exchange risk; options trading risk; counterparty risk in OTC derivative transactions. This area of the Group also ensures the independent pricing of various financial instruments, in accordance with the regulation required by the Parent Bank and IFRS 9. In addition, the Market Risk function is responsible for monitoring the market conformity of capital and money market transactions as well.

(7.4) Fraud risk

Fraud risk is a key element of operational risks. In order to increase the efficiency of fraud risk management, the Group centralised credit fraud management in 2014 in the Integrated Risk Analysis Department, in what is now the Fraud Risk Controlling Group. As a continuation of this integration, between 2015 and 2017, the Integrated Risk Analysis Department was also responsible for non-credit fraud management, and since the end of 2017 non-credit fraud management has been transferred to the newly created Bank Security Department. Since 2019, the non-credit fraud management function has included bank card fraud management and charge back management, and the same area has also managed and overseen the Group's fraud transaction monitoring system. The credit fraud management function pays special attention to all credit fraud incidents, and the lessons learned are always incorporated into the basic or monitoring processes of lending activities, as well as into educational materials.

(7.5) Environmental, governance and social risks

Our planet, biodiversity and the quality of our lives are largely determined by the natural factors that make up the biological system. The business activities of the financial sector have a major impact on the environment and society; however, this is a two-way relationship, as environmental and social factors also strongly influence the way the financial sector operates. The two most significant environmental impacts of our time are climate change and biodiversity loss.

The ESG (environmental, social and governance) framework is a system to demonstrate to stakeholders how companies manage the risks and seize the opportunities arising from sustainability factors and features.

Governance

The Group has established its sustainability (ESG) related governance framework and responsibilities, led by a Sustainability Council chaired by the Bank's executive body. The Group pays special attention to sustainability education and support for educational activities both inside and outside the institution. The main focus of this sustainability education activity is to familiarise the target audience with the relevant legal and environmental basics. In addition to the above, the Group is paying particular attention to developing the infrastructure and management systems for the growing data demand of ESG analyses.

Strategy

The Group's mission and strategy are strongly embedded in the Group's operation, supported by its professional background and knowledge centres. Raiffeisen Bank International is a signatory to the United Nations Principles for Responsible Banking, and is committed to transparent operation and active value creation with the stakeholders. Since 2017, the Raiffeisen Group has published its Sustainability Report, which is based on science-based objectives.

Sustainability is a core value and a measure of corporate success for the Group. The Group takes ESG factors into account when developing its business strategy, in respect of its own operation as well as in its lending activities. The Group offers numerous sustainable financial and investment products, and climate awareness and using energy-efficient solutions are also an important aspect of its day-to-day operation. The Raiffeisen Group has implemented three different portfolio strategies (exclusion, transformation, support) related to its lending activities to be able to support the real economy in a responsible way on the road to transition.

The Group has taken steps to integrate transition and physical risks into its sector and risk management policies. It also monitors the risks arising from climate change and biodiversity loss, and has started a review of its portfolio as part of its risk management.

Application

The Group and its fund managers have a strong position in green lending and ESG investments, which was rewarded with the "Green Bank" and "Green Investment Fund Manager" awards by the National Bank of Hungary in 2022. The total assets of Raiffeisen Befektetési Alapkezelő's ESG investment funds reached € 68 million by the end of 2022, representing more than 7% of the total assets under management. The funds' portfolio is made up of companies that are at the forefront, among other things, of (a) reducing environmental impact, (b) using renewable energy sources, (c) reducing carbon emissions, (d) reducing water and energy consumption, (e) recycling, (f) eliminating gender and religious inequalities, (g) improving education and health care, (h) respecting human and labour rights, (i) banning child labour, (j) transparent corporate governance.

The Group defines stakeholders as those persons or groups who, directly or indirectly, through their business activities, have a legitimate interest in the Group. The Group is a fair business partner for all stakeholders. In this role, we are open and respectful to all employees, customers, business partners and other stakeholders. Protecting the environment and climate is part of our social responsibility, and the Group is also a responsible partner towards the environment. In addition to the above, the Group is committed to fair competition and responsible marketing, and is an active promoter of social and environmental awareness and education.

(8) Environmental protection

The "greening" of the car fleet is continuing, with the purchase of 6 new plug-in hybrid and 2 full hybrid vehicles in 2023. The photovoltaic solar farm, with an installed power of 42 kWp, installed on the RBSC building was deployed on 28 June this year. According to preliminary calculations, the solar panels will provide for about one quarter of RBSC's annual electricity demand. Replacement of mechanical equipment in the branch network and investments in engineering and lighting technology (LED upgrades) to increase energy efficiency are continuing at the same pace in 2023 as well (typically linked to branch redesign).
The electricity supply of the AGORA headquarters is entirely provided by green electricity in 2023. In the context of the 2024 procurement, the Group continues and even intensifies this trend by purchasing green electricity (in the form of an indicative request for proposal for the time being) covering around 30% of the electricity needs of Raiffeisen Bank.
The Environmental Management System (EMS) as per the ISO 14001 standard was introduced in the Group on 13.03.2023, and its certification audit will take place in August-September.

(9) Employment policy

The Group is a major employer in the financial sector, with an average statistical headcount of 3,000 at the end of June 2023. It is particularly important for the Group to operate as a fair and equitable employer, in full compliance with the Hungarian Labour Code on the one hand, and on the other hand by providing its employees with favourable job and career opportunities and continuous professional and managerial development.
Recruitment and selection is done centrally within the HR function, paying attention to the principles of inclusive culture and ensuring that diversity is part of the daily selection practice. The Group's selection practices target a skilled and qualified workforce, while at the same time providing opportunities for early career professionals as well to develop their careers intensively.
The Group pays attention and strives to provide its employees with a fair and competitive income relative to the Hungarian labour market. The Cafeteria system offers employees a wide choice of fringe benefits that best suit their personal needs.
All employees are covered by the performance management process operated by the Group, which provides a framework for clear objectives, constructive feedback and sound performance appraisals. Performance-related financial and moral rewards encourage employees to achieve outstanding performance.
The Group runs complex training and development activities, focusing on professional knowledge and skills development, as well as personal, leadership, language and IT skills development programmes. At the end of the year, Group employees spend an average of 2.75 days on training and development events and programmes, and 0.71 days without e-learning. The training and development portfolio prioritises the continuous development of employees' digital skills, which is supported, starting in 2021, alongside numerous professional training courses, by a series of annual Digital Learning Week events. The Group supports employees in coping more successfully and effectively with the performance challenges and stresses of everyday life through community building and employee well-being programmes.
The Group operates a comprehensive and conscious succession planning practice aimed at retaining staff in senior and key specialist positions and at planning and developing succession.
Operating within the Group's organisational framework, the Works Council ensures that employees' interests are taken into account.
With the introduction of a flexible working framework in 2020, the Group organised employees to work from home office, except in business-critical areas, which arrangement has remained an integral part of operations also after the pandemic, as a new norm, and continues to operate within a job-specific framework and structure.

(10) Compliance activities

In accordance with the legal requirements and the requirements of the MNB, the Group operates a separate organisational unit for the identification and management of compliance risks as part of its internal lines of defence, which performs the following functions:

- Check the observance of rules of ethics, issue guidance in related matters, investigate reports.
- Ensure and control compliance with the laws concerning conflicts of interest.
- Organise and operate anti-corruption measures within the Group.
- Organise, control and coordinate within the Group the fight against money laundering and international terrorist financing, as well as the enforcement of international sanctions, and operate a related monitoring system; operate a reporting and control system, and keep contact with the competent authorities.
- Ensure and control compliance with the laws concerning the separation of financial and investment services, the limitation of information flow, the prohibition of insider trading and market abuse, and employee transactions, keep contact with the competent authorities.
- Ensure and monitor compliance with legislation related to investment services activities (e.g. Investment Services Act), safeguard the clients' assets.

The organisational set-up and scope of the compliance function is fully in line with the relevant legislation, the MNB recommendation concerning the system of lines of defence and the underlying EBA (GL44) recommendation.

(11) Research and experimental development

The Group performs R&D activities in the development of applications related to financial services, and the implementation of business and risk management models.

(12) Fees charged by the auditors

Deloitte Könyvvizsgáló és Tanácsadó Kft. and Deloitte Üzletviteli és Vezetési Tanácsadó Zrt. charged the following net amounts in the first half of 2023 and 2022:

(HUF million)	01.01.2023-30.06.2023	01.01.2022-30.06.2022
Audit of financial statements	78	57
Other assurance services	39	1
Other, non-audit services	0	1
Total	**117**	**59**

(13) Branch network

As of 30.06.2023, the Bank had the following branches at its customers' disposal:

1015 Budapest, Széna tér 1/a
1024 Budapest, Lövőház u. 2-6.
1036 Budapest, Bécsi út 136.
1037 Budapest, Montevideo u. 16/b
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 36.
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 55-61.
1126 Budapest, Királyhágó tér 8-9.
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.
6720 Szeged, Széchenyi tér 15.
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.

(14) Key financial indicators

(HUF million)	30.06.2023	30.06.2022
Key profitability and efficiency ratios		
Number of branches	72	66
Net interest income	93,054	53,775
Net fee and commission income	38,771	34,546
Operating costs	35,697	30,017
Cost-to-income ratio (excluding transaction fees and taxes)	28.95%	33.52%
Impairment	-1,579	-713
Profit for the financial year	29,823	17,245
Return on Equity (RoE)	16.10%	11.99%
Return on Investment (RoI)	1.38%	0.85%
Net interest margin	4.38%	2.77%
Impairment rate	0.18%	0.08%
Total assets	4,328,712	4,076,919
Receivables from customers (gross)	1,759,618	1,730,194
Customer deposits	2,821,664	2,883,614
Loan-to-deposit ratio	62.36%	60.00%
Bank deposits	628,280	556,754
Key risk ratios	.	.
Impairment on receivables from customers	67,933	63,234
Non-performing loans	54,732	70,122
NPL ratio	3.11%	4.05%
Coverage ratio of non-performing loans	124.12%	90.18%
Impairment rate	0.18%	0.08%
Own funds related indicators		
Common Equity Tier 1 (CET1) capital	262,230	218,861
Additional tier 1 capital (AT1)	46,979	31,445
Tier 2 capital	65,178	63,860
Own funds	374,387	314,166
Risk-weighted assets	1,719,025	1,525,694
CET 1 capital ratio	15.26%	14.35%
T1 capital ratio	17.99%	16.41%
Total capital ratio	21.78%	20.59%
Leverage ratio	6.91%	6.10%
Key liquidity ratios		
Liquidity coverage ratio (LCR)	174.30%	243.50%
High quality liquid assets	1,576,935	591,354
Net liquidity outflow	904,774	242,904
Net stable funding ratio (NSFR)	128.93%	137.83%

Zeljko Obradovic
Chief Financial Officer

Tibor Gáspár
Head of Accounting

Date: 29 August 2023